

COVID-19 AND LIVING ARRANGEMENTS IN AUSTRALIA

GOURANGA DASVARMA¹

Introduction

The coronavirus pandemic (COVID-19) which started unfolding in Australia in 2020 has had multiple effects on human populations. Directly, it has added to the burden of disease with illnesses, excess deaths and reductions in life expectancy. Indirectly, the pandemic has altered people's lifestyles, introduced work-from-home, reduced or stopped domestic and international travel, substantially increased online shopping, and prevented large gatherings, to name a few. Efforts to prevent the spread of the pandemic and reduce the incidence of new cases resulted in self-isolation, quarantine and lockdowns, which in turn created wide ranging disruptions to people's lives including loss of jobs and income due to shutting down of many businesses. It is believed that one potential consequence of all of this, particularly for the young and young adults, who lived by themselves in lone or shared accommodation (group households) away from their parental homes was a change in their living arrangements with a move back or intending move back to their families because of their inability to pay rent or mortgage due to loss of income. Some evidence suggests that this has already happened (Domain, 2020a). This paper looks at projected living arrangements in Australia, and how they might have been affected by COVID-19 in 2020 and the immediate future. It may be noted that the measures to prevent the spread of the virus included closing down of borders, both between states within Australia, curtailing interstate movement of people and of international borders stopping international migration to Australia. These measures have had implications for changing living arrangements which are discussed later.

Types of living arrangements in Australia

According to the Australian Bureau of Statistics (ABS, 2019) living arrangements in Australia are classified as follows:

- Family households², which include couple families with children, husband, wife or partner, child, other related individuals,

¹ Associate Professor and Academic Status Holder, College of Humanities, Arts and Social Sciences, Flinders University, Adelaide, Australia

² "A household is defined as one or more persons, at least one of whom is at least 15 years of age, usually resident in the same private dwelling. Although, some living arrangements are fluid, the Census assigns each person to a single household. The projection method therefore treats households as discrete units" (ABS, 2019).

- Couple families without children, which include husband, wife or partner, or other related individuals,
- One-parent families, which include male parent, female parent, child, or other related individuals,
- Other families, which include related individuals, unrelated individuals,
- Group households, and
- Lone person households, which include male lone person, female lone person, or usual resident of a non-private dwelling.

Projection of living arrangements

Living arrangements in Australia are projected forward by the Australian Bureau of Statistics (ABS, 2019), using as a base, the *Medium* variant of the Australian Population Projections carried out by the ABS (2018) and applying the propensities of persons to be in different living arrangements, based on the 2016 Census of Population and Housing (McDonald and Kippen, 1998). The trends observed in the propensities over the last four Censuses prior to, and including 2016 are assumed to continue and applied to a projected population. Thereafter, the “numbers of families are derived from the projected living arrangements of the population, and the numbers of households derived from the projected numbers of families” (ABS, 2019).

The *Medium* variant (or Series B) of the Australian Population Projections (ABS, 2018) assumes medium levels of births, deaths and migration in the future, based on recent historical trends, as follows:

- Future levels of births: The medium scenario assumes a continuation of the current TFR, with the TFR to remain steady at 1.8 to 2027 and remaining constant thereafter (ABS, 2018);
- Future levels of deaths: Male life expectancy at birth would reach 83.00 years and female life expectancy at birth would reach 86.00 years in 2066 (ABS, 2018); and
- Future migration: It is assumed that net overseas migration will reach 225,000 people per year by 2027 and remain constant thereafter (ABS, 2019).

The method for obtaining household and family projections consists of five main steps as outlined below (ABS, 2019):

- a) Calculate propensities of living arrangement from Census,
- b) Calculate assumed future living arrangement propensities based on past trends,
- c) Derive projected living arrangements from assumed future propensities,
- d) Derive projected numbers of families from the projected living arrangements, and
- e) Derive projected numbers of households.

The propensities of household formation as at 2016 are projected forward under assumed rates of change to obtain the projected propensities and projected living arrangements (for each age group) for 2017 through 2041. The propensities are projected forward under three series of assumptions, namely, Series I, holding 2016 propensities constant over the whole period, Series II assuming the observed trend to continue at a declining rate, and Series III assuming the full rate of change to continue over the whole projection period (ABS, 2019).

The Series II projections is used in the present note. The projected percentages of population in various living arrangements for selected years starting 2017 through 2040 are given in Table 1. The most prevalent living arrangement is that of *Family Households*, accounting for nearly one half (between 48% and 49%), and the least prevalent living arrangement is that of *Group Households* and *Other Families*. The rank order of living arrangement types is:

1. Family households
2. Couple families without children
3. One-parent families
4. Lone person households
5. Group households, and
6. Other families

There are only small differences between the prevalence of *Couple families without children* and *One-parent families*, and between *Lone person households* and *Group households* (Table 1).

The percentage of population living in family households is projected to decline over the 23-year period 2017-2040, while the percentages of population living in all other types of living arrangement are projected to increase during the same period. However, these reductions or increases are slow. But this slow rate of change is a function of the 'low rate of change' assumed in the projection of

households, which forms the basis of the projections of living arrangements (McDonald and Kippen, 1998).

Table 1: Projected living arrangements, Australia - Selected years (Series II projections)

<i>Living arrangement</i>	<i>Percentage of population</i>									
	2017	2020	2021	2022	2023	2024	2025	2030	2035	2040
Family households	49.13	48.65	48.55	48.47	48.40	48.34	48.29	48.03	47.80	47.60
Couple families without children	21.16	21.31	21.33	21.36	21.39	21.41	21.42	21.44	21.42	21.45
One-parent families	11.81	11.90	11.93	11.93	11.94	11.95	11.96	12.00	12.02	12.03
Other families	2.41	2.52	2.54	2.55	2.56	2.57	2.58	2.59	2.58	2.57
Group households	3.95	4.08	4.10	4.11	4.11	4.11	4.11	4.10	4.08	4.05
Lone person households	11.54	11.54	11.55	11.57	11.59	11.62	11.64	11.84	12.10	12.30
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Computed from ABS (2019)

Impact of COVID-19 on living arrangements in Australia

The COVID-19 pandemic can be seen to affect living arrangements in Australia in two ways: (i) by affecting the economic situation of mostly young and single Australians, resulting in young people moving back to live in their family households, and (ii) by affecting the major driver of population change in Australia, namely international migration, resulting in proportionately fewer couple households or shared households, depending respectively on whether the international migrants consist of couples (with or without children) or students/single migrants.

Living arrangements affected by the adverse economic situation

According to a survey of 1,000 respondents, conducted by the St George Bank, about 16 percent of Australians have changed or are changing their living arrangements. (Domain, 2020a)³. No details are available about the methodology of the survey and therefore it is not possible to comment about the generalisability of the survey findings for the entire Australian population. However, these survey

³ A more recent survey reported that 26% of Australians have changed or intending to change their living arrangements (Domain, 2020b), however the former survey data are used in the present analysis for their detail.

data are used in the absence of any other data with the caveat that the results be interpreted with caution.

The 16 percent of people of the St George Bank survey who stated that they changed or wanted to change their living arrangements, appear to have said so to move away from *Lone Person Households* to other forms of living arrangements as follows (Table 2):

- 8% moving back into Family Households
- 7% moving into Group Households
- 1% moving into smaller property but remaining in a Lone Person Household

Table 2: Intentions to change living arrangements due to COVID-19*

Changing living arrangement due to COVID 19 from assumed Lone Person Households	Percent of respondents	Possible new living arrangement
I am having to delay moving out/moving in	3%	Family household
I have moved back with my parents or delayed moving out	3%	Family household
I have moved in with my partner	2%	Group households
I have moved into shared living arrangements	2%	Group households
Family/children have moved back in with me	2%	Family household
I have moved into a smaller rental property	1%	Lone person household
I have taken on housemates/flatmates	1%	Group households
I have had to sell my house/apartment	1%	Group household
Others	1%	Group household
Total (Number 1,000 persons surveyed)	16%	

Note: *16% of survey respondents have stated they wanted to change their living arrangements

Source: Adapted from Domain (2020)

It is assumed that these intentions would remain in force until the economy recovers from the shocks of COVID-19 which, for the sake of this paper could be taken as five years. Applying the above figures to those of Table 1 for the five-year period 2020 through 2024, the changed living arrangements in Australia are shown in Table 3.

Table 3: Projected living arrangements, Australia (Series II projections), changed due to COVID-19. 2020 through 2024

<i>Living arrangement</i>	2020	2021	2022	2023	2024
	<i>Percentage of population</i>				
Family households	49.57	49.47	49.40	49.33	49.27
Couple families without children	21.31	21.33	21.36	21.39	21.41
One-parent families	11.90	11.93	11.93	11.94	11.95
Other families	2.52	2.54	2.55	2.56	2.57
Group households	4.89	4.91	4.92	4.92	4.92
Lone person households	9.81	9.82	9.83	9.85	9.88
Total %	100.00	100.00	99.99	99.99	100.0
Total population	25,873,480	26,301,274	26,727,025	27,147,199	27,562,195

Source: Computed from Table 1 after applying the percent of people wanting to change their living arrangements due to COVID-19

If the percentage of people wanting to change their living arrangements reported in the above-mentioned survey were applied to the projected living arrangements for Australia during 2020-2024, then *Family households* and *Group households* would gain by small amounts at the cost of *Lone Person households*. However, the rank order of living arrangements would remain as that before COVID-19, namely,

1. Family households (with a very small increase in prevalence),
2. Couple families without children,
3. One parent families,
4. Lone person households (with a very small decline in prevalence),
5. Group households, (with a very small increase in prevalence), and
6. Other families

Living arrangements affected by reduced international migration to Australia

The Series B Population Projections of Australia 2017 (base) – 2066 (ABS, 2018) assumes net overseas migration (NOM) to reach 225,000 by 2027 from an observed NOM of 262,300 during 2016-17. Using the rate of decline implied by these two figures for 2016-17 and 2026-27, the assumed levels of NOM for 2020, 2021 and 2022 are 250,503, 246,690 and 242,935 persons respectively.

Compared to the implied assumptions about net overseas migration used in the population projections (ABS, 2018), the actual migration intake in 2018-19 was 239,600 (<https://www.abs.gov.au/statistics/people/population/migration-australia/2018-19>). With travel restrictions due to COVID-19, Australia's net migration intake suffered a huge reduction compared to previous years. There was a net loss of 88,800 persons in the net overseas migration during 2020 -2021 (<https://www.abs.gov.au/statistics/people/population/overseas-migration/latest-release#key-statistics>).

Table 4: Net overseas migration by visa category, Australia - 2018-19

Visa categories	NOM	
	Number	%
Family	17,860	7.45
Skill (temp and permanent)	46,510	19.41
Student	112,710	47.04
Special	15,080	6.29
Visitor	53,020	22.13
Working holiday	25,510	10.65
Other temporary	-19,030	-7.94
Other permanent	-1,460	-0.61
New Zealand citizens	8,050	3.36
Australian citizens	-11,770	-4.91
Other	-6,860	-2.86
Total	239,620	100.00

Note: A negative sign indicates net departure

Source: Computed by the author from ABS (2020)

The 2018-19 Migration data (ABS, 2020) show the breakdown of migrants by visa categories (in rounded figures) which are shown in Table 4. By far, the largest group of net arrivals in 2018-19 are students (47%), followed by visitors (22%) and family (19.4%). In 2019-20 and probably also in 2020-21, NOM of students, visitors, and persons on working holiday would be reduced to almost nil. Therefore, the reduction in migration due to COVID-19 would likely reduce the percentage of people living in *Group households* and probably increase, very slightly the percentage living in *Family* or *Couple Family households*. Thus, if the living arrangements of migrants are like those of the resident population in general, this reduction in the number of net overseas migrants and change in the composition of net migrants due to COVID-19 would not greatly affect the living arrangements prevalent in Australia.

Discussion

Recapping what is shown in Section 2 above, living arrangements in Australia are classified in six types of households in which people live, namely:

1. Family households
2. Couple families without children
3. One parent families
4. Lone person households
5. Group households and
6. Other families

The percentages of people living with the above living arrangements are projected forward from 2017 to 2041 by the Australian Bureau of Statistics, based on “propensities of household formation”. By definition, these propensities change slowly. The main inference drawn from these projections is that there is a gradual, if slow movement away from living in *Family households* to other types of living arrangement, mainly *Couples without children* and *Lone person households*.

Close to a half (49%) of the Australian population lived in *Family households* in 2017, which is projected to decline only by a little to 47.5 percent by 2041. The second most prevalent living arrangement is *Couple families without children*, projected to increase very slowly from 21.2 percent to 21.5 percent between 2017 and 2041. A little over a tenth of the population lives in each of *One parent families* and *Lone person households*, and their prevalence during 2017-2041 is projected to increase, again by a very small amount. The other forms of living arrangement account for only small proportions of the population (Table 1).

The COVID-19 pandemic, which created major disruptions in the economies of the world, including Australia is commonly believed to have produced a large effect on living arrangements, because people, mainly young, and living in non-family households or non-couple families without children would probably be compelled to move back with their families due to loss of income resulting in an inability to pay rent or mortgages and buy sustenance. However, there is not much hard data to support this hypothesis except for a survey conducted by St George Bank, reporting that about 16 percent of the 1,000 people surveyed stated a desire to change their living arrangement by moving into other forms of households (Table 4).

It is worth remembering that the sample of lone person households selected at the St George Bank survey comprise only a small proportion of the population in general (see Table 1, percentages in *Lone person households*) and only 16

percent of them expressed any intention of changing living arrangements. This is not going to make any massive change in the living arrangements prevailing or projected to prevail in Australia in the grand scheme of things as it were, although living arrangements may have changed more within states/territories as opposed to across the country due to travel restrictions.

The findings of this survey are applied to Table 1, only for the current period and immediate future (2020 to 2024, assuming that the economy would recover sufficiently to enable a return to pre COVID-19 living arrangements). The prevalence of living in *Lone person households* would decline very slightly during 2020-2024, and the prevalence of living in *Family households* and *Couple families without children* would increase, very slightly during 2020-2024 (Table 2). It should be reiterated that the propensities for living arrangements are assumed to change very slowly, and by consequence the projected living arrangements also change slowly.

COVID-19 has also affected Australia's migration intake, which is now the major driver of population growth in Australia. While COVID-19 was expected to reduce migration intake by 30 percent in 2019-20 and by 85 percent in 2020-21, its effect on living arrangements is not deemed to be huge.

As a matter of interest and comparison, it has also been considered what impact, if any did the SARS epidemic of 2004-06 or Global Financial Crisis (GFC) of 2007-08 had on living arrangements of Australians. But unfortunately, no enquiry or survey is known to have been conducted to answer this specific question. However, neither the SARS epidemic of 2004-06 nor the GFC of 2007-08 warranted lock downs, self-isolation or quarantine in Australia such as what has happened with COVID-19. As such, these two past events did not create job losses and economic hardship due to travel restrictions and closure of businesses on the same scale as did COVID-19. Therefore, one cannot expect much change in the living arrangements of Australians due to SAARS 2004-06 or GFC 2007-08.

Any change in living arrangement attributable to the SAARS epidemic of 2004-06 could be inferred from the changes in living arrangement between 2001 and 2006. Likewise, any change in living arrangement attributable to the GFC of 2007-08 could be inferred from the changes in living arrangement between 2006 and 2011 (see Table 5). However, as Table 5 shows, the percentages of people living in each type of household has remained very stable over the three periods indicating apparently no effect of either the SAARS epidemic or the GFC on living arrangements.

Table 5: Living arrangements by household type Australia - 2001, 2006 and 2011

Family type	Percentage of people living in each family type		
	2001	2006	2011
Family households	85.6	86.0	85.2
Group households	3.4	3.3	3.7
Lone person households	9.3	9.0	9.2
Usual resident of a non-private dwelling	1.7	1.8	1.9
Total	100.0	100.0	100.0

Sources: For 2001 (ABS, 2004); for 2006 (ABS, 2010); and for 2011 (ABS, 2015)

According to Qu and Weston (2013), this stable trend in living arrangements has come after rapid changes in the previous decade which witnessed a fairly fast decline in the percentage of population living in *Family Households* and a rise in *Lone person households* (not shown in Table 5). Qu and Weston (2013) attribute the plateauing of the percentage living in Family households to:

- a substantial increase in the rates of partnership among older people (in the face of increasing longevity and the shrinking gap in longevity between women and men), and
- the increasing reluctance among the young to delay getting married.

None of these explanations suggest any possible effect of SAARS or GFC on living arrangements. In addition, to considering that the St George Bank Survey may or may not be generalisable for the entire population, a few other points need to be considered in the context of a not so large effect of COVID-19 on living arrangements. Financial support from the government and other non-government organisations might, to some extent have helped absorb the economic shock of COVID-19, and interstate travel restrictions might have prevented the single-family dwellers from going back home to their parent families. Another point worth considering is that the uncertainties brought about by movement restrictions and job losses due to COVID-19 might have created some inertia among the people to even think about changing their living arrangements.

The previous discussions are based on the effects of Covid-19 on projected living arrangements. With the release of the 2021 Census data, it is possible to look at the actual living arrangements as at 30 June 2021, the data for which were collected at the peak of Covid-19 in Australia. Table 6 shows projected living arrangements for 2021, the same as might have been affected by Covid-19 and the observed living arrangements as at the 2021 Census. The only discernible changes after comparing the living arrangements as projected (Col.1) and as observed at the 2021 Census (Col. 3) are seen in the percentages living in *Other families* (increase), *Group households* (decrease) and *Lone person households*

(decrease). The relatively small, but sometimes noticeable changes or intentions to change living arrangements appear to produce changes only in *Other families*, *Group households* and *Lone person households*, all of which may be affected by changes in international migration to Australia. The major categories of living arrangements, namely *Family households*, *Couple families without children* and *One-parent families* appear to undergo very small changes, which may be a function of the slow change in propensities of household formation assumed in the projections.

Table 6: Projected and observed living arrangements – 2021

Living arrangement	Projected 2021	Projected 2021 with Covid-19	Observed 2021 Census
	Percentage of population		
	(1)	(2)	(3)
Family households	48.55	49.47	48.27
Couple families without children	21.33	21.33	21.17
One parent family	11.93	11.93	12.15
Other families	2.54	2.54	4.75
Group households	4.10	4.91	3.53
Lone person households	11.55	9.82	10.13
Total %	100.00	100.00	100.00
Total population	26301,274	26,301,274	24,742,418*

Notes: * Excludes 742,23 persons living in unoccupied private dwellings, non-private dwellings, migratory, offshore, and shipping SAI's.

Sources: Cols (1) and (2): Tables 1 and 2; Col (3) computed by the author from 2021 Census-Table Builder

Things started getting back to normal by 2022. As of January 2022, more than 92 percent of the population aged 16 years and over were fully vaccinated against Covid-19 (COVID-19 Australia: Epidemiology Report 57, p.10). Seasonally adjusted unemployment rate in Australia stood at 3.9 percent as of November 2023 (ABS, 2023a). International migration started picking up from 2022. Net overseas migration to Australia for the financial year (FY) 2021-22 was 203,590 which jumped up to 518,090 in FY 2022-23 (ABS, 2023). However, there is also a housing shortage in Australia, with 48 per 10,000 Australians found to be homeless as of the 2021 Census (ABS, 2023c). These statistics are more severe for the youth aged 19-24 years (90.6 per 10,000) and 25-34 years (70.4 per 10,000). These figures, when viewed against those on protection from Covid-19, low unemployment and most importantly, high net overseas migration imply an increase in shared accommodation.

Conclusion

The results of this analysis show that Covid-19 and related factors have not made a massive change in the living arrangements of Australians in general, although living arrangements may have changed more within states/territories where travel

restrictions were much less stringent than those across the whole country taken together. This lack of change may be a function of the assumption of low propensity of people to change their living arrangements used in projecting living arrangements in Australia. This calls for a fresh look at the methodology of projecting living arrangements in Australia.

References

- Australian Bureau of Statistics - ABS (2004). Household and Family Projections 2001-2026. Catalogue 3236.0. Base population (2001), p.65 Series II. Australian Bureau of Statistics. Canberra.2004.
- Australian Bureau of Statistics - ABS (2006). Yearbook Australia 2006. ABS Catalogue Number 1301.0. Number 88. Australian Bureau of Statistics. Table 5.56. Canberra 2006.
- Australian Bureau of Statistics - ABS (2010). Household and Family Projections 2006-2031. Catalogue 3236.0. Table 1.1. Series II. Base population 2006. Australian Bureau of Statistics. Canberra 2010.
- Australian Bureau of Statistics - ABS (2015). Household and Family Projections 2011-2036. Table 1.1. Series II. Base Population 2011. Australian Bureau of Statistics.Canberra.2015.
- Australian Bureau of Statistics - ABS (2018). "Population Projections, Australia, 2017 (base)-2066". Catalogue Number 3222.0. Released on 22 October 2018. Australian Bureau of Statistics. Canberra.
- Australian Bureau of Statistics - ABS (2019). "Household and Family Projections, Australia, 2016 to 2041". Catalogue Number 3236.0. Released on 14 March 2019. Australian Bureau of Statistics. Canberra.
- Australian Bureau of Statistics - ABS (2020). Net overseas migration, Arrivals and Departures, State/territory, Major groupings and visa –Table 2.15 Net Overseas Migration, by major groupings and visa, States and Territories – 2018-19(a). Released at 11.30 am (Canberra time) 28 April 2020. Australian Bureau of Statistics. Canberra.
- Australian Bureau of Statistics - ABS (2023a). Labour Force Australia. (<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>. Viewed on 16 December 2023).
- Australian Bureau of Statistics - ABS (2023b). Overseas Migration. (<https://www.abs.gov.au/statistics/people/population/overseas-migration/latest-release>. Viewed on 16 December 2023).
- Australian Bureau of Statistics - ABS (2023c). 20490DO001_2021 Estimating homelessness: Census, 2021. COVID-19 Australia: Epidemiology Report 57. *Commun Dis Intell* (2018) 2022 46 <https://doi.org/10.33321/cdi.2022.46.4> Epub 2/2/2022.

- Domain. (2020a). "One in Six Australians have changed living arrangements due to COVID-19 survey shows". <https://www.domain.com.au/news/one-in-six-australians-have-changed-living-arrangements-due-to-COVID-19-survey-shows-949459/>. Viewed on 17 May 2020.
- Domain. (2020b). "One in four Australian adult children move back home, new data shows". <https://www.domain.com.au/news/one-in-four-australian-adult-children-move-back-home-new-data-shows-955703/>. Viewed 22 May 2020.
- McDonald, P. and Kippen, R. (1998). *Household Trends and Projections: Victoria 1986-2011*, Victorian Department of Infrastructure, Melbourne.
- Qu, L. and Weston, R. (2013). *Australian Households and Families*. Government of Australia. Australian Institute of Family Studies. Australian Family Trends No. 4. Melbourne.