

RETIRING INTO POVERTY

A NATIONAL PLAN FOR CHANGE:
INCREASING HOUSING SECURITY
FOR OLDER WOMEN

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1

BACKGROUND – OLDER SINGLE WOMEN ARE VULNERABLE TO HOUSING INSECURITY

Australian women aged over 50 are at greater risk of financial and housing insecurity than older men. This has been linked to a number of compounding and systemic factors. Women in this older age group today did not benefit from compulsory superannuation at the beginning of their working lives, they were more likely to have been paid at a lower rate than their male counterparts and were likely to have taken time out of the paid workforce to have children and fulfil caring roles.

Wages

In 1950 the basic wage for females was set at 75% of the basic wage for males. Additionally, a significant number of women in the cohort currently aged over 70 were required to resign their paid employment upon marriage.¹ Many women now aged over 60 were also either required or expected to leave paid work when they became pregnant.

Housing costs

People who do not own a home and who are living on a low income, such as a Centrelink benefit, are not able to afford to rent privately or purchase a home. The National Rental Affordability Index² shows a severely unaffordable private rental market for single aged pensioners and Newstart recipients. The decimation of social housing portfolios across all Australian States and Territories and the increasing cost of renting and home purchase has resulted in the demand for affordable housing far exceeding current supply.

¹ For example, until 1966 women working in the Australian public service were required to resign upon marriage.

² <https://www.sgsep.com.au/publications/rental-affordability-index>



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2 NATIONAL WORKING GROUP

In late 2017 the Mercy Foundation brought together a National Working Group consisting of housing and homelessness policy leaders, researchers and practitioners to examine national policies that need change and advocate for more effective strategies so that older women can access affordable, safe, secure and appropriate housing and enjoy good health as they age. This paper presents a summary of the work of that group, identifies the core issues and the key policy areas that require attention. The document outlines a national agenda for action.

3 STATE/TERRITORY GOVERNMENT RESPONSIBILITIES

Many of the issues associated with housing insecurity and homelessness are State/Territory Government responsibilities. These include public and community housing; building and zoning responsibilities; funding crisis services as well as secondary and tertiary health care, including community health and mental health services. These issues are best raised at the State/Territory level and the National Working Group has restricted its work and advocacy to the specific issues that are the responsibility of the Federal Government for national action. These include national legal frameworks; superannuation and wage equity; aged care and primary health care services.



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MOST OLDER WOMEN HAVE NEVER EXPERIENCED HOMELESSNESS BEFORE

Older single women have emerged as the fastest growing cohort of people experiencing housing stress and homelessness. A report by Dr Maree Petersen and Dr Cameron Parsell from the University of Queensland on *Older Women's Pathways out of Homelessness in Australia* (2014), highlighted that most older women who are homeless have not been homeless before.

Significant increase

The estimate of older women experiencing homelessness on the night of the 2016 census was 6,866. This was a 31% increase from the 2011 figures (ABS, 2018). This significant jump in just five years is alarming.

More older women in private rental

The number of older women renting in the private rental market has increased significantly over the past three censuses at a time of increasing unaffordability and instability in that market. In 2006 there were 91,549 older women private renters. By the 2011 census this had increased to 135,174 and in 2016 the number had risen to 180,617. This represents a 97% jump over the 10 year period (Petersen and Parsell 2014: 6; ABS 2016 census data, customised table TableBuilder).

Poverty

The root cause of all homelessness is poverty. Older women are more likely to be living in poverty than older men due to a lifetime of discrimination that included unpaid or under paid work.

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OLDER WOMEN NEED AFFORDABLE AND SECURE HOUSING

Housing is older women's most basic need. Provision of appropriate and long-term housing is an important health intervention. Women's health needs generally increase as they age and are exacerbated for those women who are living in precarious housing, at risk of homelessness or who experience homelessness. Many older women have been carers and may have not worked in the paid workforce even if superannuation was available to them at that time. Single women have lower income levels than their male counterparts and have less superannuation, savings to draw on or assets. Given their age, they usually do not have capacity to earn additional income.

6 SERVICES FOR OLDER PEOPLE WHO EXPERIENCE HOMELESSNESS

There are 1,518 homelessness service agencies across Australia but only three funded as specialist services for older people. The one program that is specifically funded to help this group, the Assistance with Care and Housing (ACH) Program funded by the Commonwealth Department of Health is poorly resourced and has a low profile. Aged care services are in an excellent position to assist high risk older people but assessments do not identify housing problems and they are generally not well connected to housing services.

7 OLDER WOMEN EXPERIENCE HOMELESSNESS DIFFERENTLY TO MEN

It has been observed that many older women without stable housing often don't self-identify as experiencing homelessness and might prefer to explain their situation as a 'housing crisis'. Traditionally, homelessness has been stereotyped as a man sleeping rough. Women usually do not experience homelessness in that specific way; they will move between family members, stay with friends, sleep in cars or vans – anything that will keep them off the streets. Homeless women generally move from place to place often in a downhill trajectory in terms of mental and physical health as their situation becomes untenable.

Low needs

Older women will often not get access to priority social housing as they are usually homeless due to their low incomes, not because of having complex needs. All of this means that older women are marginalised in the housing market. They are marginalised in the private rental market, marginalised in the social and affordable housing markets, and even marginalised in the homelessness services sector. The limited stock of good quality, safe, secure, long term, affordable housing options creates considerable instability for marginalised older women.



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8 HOUSING AND HOMELESSNESS

There is currently no Federal housing and homelessness strategy and no dedicated housing minister. The Commonwealth provides funding to the States and Territories through the National Housing and Homelessness Agreement and they match the homelessness funding dollar for dollar. There is no capital growth funding contained within the Agreement, and we are waiting for the States and Territories to produce their housing and homelessness plans to access the funding from 1 July 2018. The Federal Treasurer, Scott Morrison, has discussed the need for social and affordable housing targets within the State and Territory plans, however, the detail is not known at this time. Unfortunately there were no national initiatives announced in the May 2018 Federal budget, representing a missed opportunity to improve circumstances for older women.

Social and Affordable Housing

The Working Group calls for a National Housing Strategy that includes strong targets for social and affordable housing and the specific consideration of older single women and their housing needs. A dedicated housing minister is needed to take carriage of and responsibility for the Strategy.

Housing strategy

A National Housing Strategy should not only include affordable and social housing it must consider the whole housing system and all the levers available to government that affect the system including taxation (negative gearing, capital gains tax discounts), land use, planning, Commonwealth Rent Assistance, urban renewal, a capital growth fund for social housing, private rental and home ownership.

9 FINANCIAL SECURITY

Three Commonwealth social security payments are currently inadequate for older single women to afford housing: Newstart, the Age Pension and

Commonwealth Rent Assistance. Newstart has not been increased for over twenty years and the Age Pension level was set on the assumption that upon reaching retirement age, people would be living as couples and own their homes outright. Neither scenario is correct for older single women. Aboriginal women have a lower life expectancy than non-Aboriginal women, and, accordingly, the pension age should be lowered to at least 55 years of age for Aboriginal and Torres Strait Islander women. Commonwealth Rent Assistance is inadequate to prevent housing stress and must be increased by at least 30%.

Rental affordability

Recent work by the Department of Health and Human Services (Victoria) on affordable housing in Victoria demonstrates the magnitude of the challenge facing lower income households. In 2007 25.7% of all rental properties were assessed as affordable for lower income Victorians in Melbourne.³ Some ten years later (March 2018) the proportion of affordable properties had declined to 4.5%. Corresponding data for regional areas also shows declining proportions of affordable properties. For Victoria as a whole, affordable rentals in 2007 were 37%, declining to 12.6% in March 2018. Persistent low vacancy rates in the private rental market make this situation more dire for many. The reality in Melbourne now is that a woman on a single parent payment looking for a 2 bedroom property can afford fewer than 2 in every 100 properties. The situation in Sydney has become even bleaker over the same time period. Households in other cities and regions face the same challenges in housing and labour markets.

Affordable housing supply

Increasing residential property prices means people are staying in the private rental market to save for purchase or because they are locked out of the ownership market altogether. These well-established trends have increased pressure on the private rental market generally, impacting on affordability, with prices being driven up due to lack of affordable supply. Alongside this, there has been limited increase in social housing as an alternative affordable housing option and limited focus on affordable purchase options to meet the varied needs of households.

Superannuation

The Working Group endorses the work of The McKell Institute (Durie and Cavanough 2017) outlined in their report, *Guaranteeing Women's Super: How to Close the Gender Gap in Superannuation*, which tackles one of the most stubborn economic inequities in Australia: the enormous divide in superannuation holdings between men and women. We know that women on average hold and retire with around half the superannuation of men. The McKell report offers costed recommendations that seek to directly address the determinants of the superannuation gender gap, and offers ideas to improve the equity of the superannuation system more broadly.

³ The affordability benchmark used being paying no more than 30% income on rent and lower income being a household in receipt of a Centrelink payment (DHHS 2018: 18).



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HEALTH AND AGED CARE

Living in precarious
housing and homelessness

has serious consequences for the effective implementation of Australia's aged care reforms, *Living Longer Living Better* (Australian Government 2012) and health policies in the Federal and State and Territory administrations. In Australia there is a weak connection between housing, health and ageing policy. Housing, whilst clearly highlighted as instrumental in *Caring for older Australians* (Productivity Commission 2011), is largely absent in the aged care reforms. Housing is a social determinant of health (Australian Institute of Health and Welfare 2018) and is clearly identified in the National Primary Health Care Strategic Framework. Indeed this framework accounts for the impact of homelessness on health. However, there is no detail within the framework about how suitable housing will be addressed, nor are any targets provided, and it is difficult to find any evidence of a 'whole of government approach' around health and housing.

Housing is central to ageing well

Appropriate housing is the cornerstone to wellbeing, health, social participation, utilising community aged care to maintain independence and preventing premature entry into residential care. Accordingly, housing must be at the centre of ageing, and health policy because it is central to wellbeing in later life. This need is brought into a sharper focus when considering the needs of older women experiencing or at risk of homelessness.

Whole of government approach

The Working Group calls for new policy that specifically addresses the health, ageing and housing of older women. We further call for a return to a department of health *and* ageing, with a single responsible minister driving actions across government portfolios and departments, with clear key performance indicators for ministers and department chief executives.

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LEGAL ISSUES

The Working Group is concerned for women who divorce and do not understand, or have access to, a fair property settlement. The Working Group will explore this issue with the National Association of Community Legal Centres and State/Territory Government-based consumer/fair trading departments, advocating for better education and support for women to realise their legal rights.

Security of tenure

State based tenancy laws across Australia do not provide the appropriate protection older women need in terms of secure tenure, affordability and adaptability. The Working Group will explore how best to advocate for tenancy law reform in partnership with the National Association of Tenant Organisations.

It is also widely acknowledged that many women are continuing to miss out on the split of ex-partner's superannuation at divorce. There are a number of impediments to ensuring women receive fair settlements. The Women's Legal Service Victoria report (March 2018) on achieving economic equality in the family law system notes:

Separating women with already low or non-existent superannuation balances often walk away from their spouse's super which would otherwise have been available to support them during retirement. Relationship breakdowns should therefore be added to the list of causes of gender disparity in superannuation, alongside a persistent gender pay gap and time out of the workforce.

The same report goes on to recommend that:

The Australian Government reduce the procedural and substantive complexity associated with superannuation splitting orders, by allowing unrepresented parties to complete a simplified form for superannuation splitting which is submitted to superannuation trustees and which can satisfy procedural fairness requirements.

As domestic violence remains one of the key drivers of homelessness among women, the development of the Fourth Action Plan under the National Plan on Violence Against Women and their Children must be integrated into efforts to address housing affordability for older women. The focus of the Third Action Plan on access to emergency, interim and long-term affordable housing options for women leaving violence must be maintained in the Fourth Action Plan.

Elder abuse

It is also important to acknowledge that elder abuse, particularly financial abuse, results in older women being at risk of homelessness. The Australian Law Reform Commission (2017) highlights that some older people are pressured to relinquish their family home by adult children, or lose their home due to stripping of assets. This is substantiated by research (Petersen and Parsell 2015; Crane et al. 2005) with emotional and psychological abuse existing alongside the financial abuse.

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DISCRIMINATION

There is both anecdotal and research evidence that indicates women aged over 55 are discriminated against in the labour market. The Australian Human Rights Commission's *National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability* (2016) noted that:

While mature-age people have a lower unemployment rate than younger people, older people tend to have greater difficulty finding subsequent employment when they do become unemployed.

The same report also states that 'In 2014-15, 70.9% of complaints made by people over the age of 45 about age discrimination to the Australian Human Rights Commission were in the area of employment.'

Lifelong systemic discrimination

As noted previously, the cohort of women currently aged over 60 have suffered lifelong systemic discrimination in relation to past employment practices for married or pregnant women and financial discrimination that made it impossible for many single women to enter into a home mortgage until the 1970s. In addition, the prevailing cultural norms and practices that continue to see women's domestic work raising children and caring for other family members go unpaid strongly impacts women's financial circumstances across the life course.

Addressing discrimination

People living on low incomes can be the victims of discrimination in the private rental market. There is a lack of information about discrimination by landlords and real estate agents and how to initiate and prove a complaint. The Working Group would like to raise this issue with the Equal Opportunity Commissioner and explore with the Real Estate Institute of Australia what professional development, education and training they provide their agents through their State/Territory based branches about diversity and discrimination.

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BETTER PATHWAYS TO PERMANENT HOUSING

Whilst significant increases in the supply of public and community housing is the long term solution, there is an urgent need to improve service responses to ensure that older women can better plan for their housing future and navigate a complex housing system.

Government programs have not yet been designed to help older women at risk of homelessness. As Petersen and Parsell (2014: 56) state in the report *Older Women's Pathways out of Homelessness in Australia*, there is 'a strong need for a new approach to help this cohort, one that focuses on a discourse on housing rather than homelessness.'

Seniors Housing Gateway Program

The Working Group seeks Commonwealth Government support for the introduction of a Seniors Housing Gateway Program to better address the housing and support needs of vulnerable older women. This must include locating a central older persons housing information and support service in each capital city, improved homelessness services responses to older women, expanding the Assistance with Care and Housing (ACH) Program and improving housing service integration with the aged care sector.

A long term view is to focus on prevention and early intervention, to ensure that women at risk of homelessness have affordable housing and supports which will prevent them from entering into homelessness.



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THE REALITY:

OLDER WOMEN EXPERIENCING HOUSING INSECURITY AND HOMELESSNESS⁴

Elena

Elena used to live in the heart of the city with her husband. When her husband became very sick, Elena realised that she was not only at risk of losing her husband, but her home as well. Elena didn't know what to do. Friends encouraged her to register for housing. Having worked all her life, Elena was reluctant to apply saying, 'I was not one of *those* people.' Elena eventually overcame her apprehension and was soon very glad that she did. Sadly her husband did pass away and she could no longer afford to stay where she lived on a single income. Elena now lives in a development specially designed to help single women aged 55 and over to age-in-place. She said she is 'very grateful and she loves where she lives' and is 'very proud' of her new home.

Angela

Angela had been living in the private rental market in a major capital city for many years, but was finding it increasingly unaffordable, even though she worked full-time in aged care. Her health was also starting to fail, so she applied for housing assistance from the State government. Despite waiting for years, Angela was not deemed priority and so was not housed. Fortunately she was eventually able to access a government private rental subsidy to help with her rental costs. However, Angela's physical condition deteriorated so much that she eventually had to give up work completely. Finally she was listed as priority after her needs changed and she was allocated a home with a community housing provider.

Eva

Eva is a woman in her 60s who migrated to Australia after she met and married an Australian man. She has lived in Australia for almost 40 years. They had no children and, sadly, her husband passed away 15 years ago. Upon her husband's death Eva was left with no savings or superannuation. She has been doing casual cleaning work and living in a small privately rented bed-sit for the past 15 years.

Twelve months ago a group of people moved into a unit near her, within her unit block. Her neighbours were loud, aggressive and had visitors all hours of the night and day. She had been threatened and this had left her feeling anxious and unsafe in her own small home. In recent months the owner put the property up for sale and agents were showing potential buyers through the property without prior arrangement. When she went on holiday she found things had been moved and taken from her unit. She earns just over the income eligibility benchmark for a public housing property. The capital city she has lived in for the past 40 years has a significant shortage of affordable private rental housing. In her 60s Eva has found herself alone and unable to continue to live in housing she has rented for many years. Although she has been looking and has sought help from local services, she has not yet been able to find an affordable rental property. When her unit sells and she is required to leave, she has no idea where she will live. Eva could become homeless.

⁴ Names and identifying information on all case studies have been changed

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A NATIONAL RESPONSE FOR OLDER WOMEN

The Commonwealth of Australia has committed internationally to the adequate provision of housing as part of the right to an adequate standard of living (Art 11(1) International Convention on Social, Economic and Cultural Rights, article 25 UN Declaration on Human Rights, 1991 General Comment no 4 on Adequate Housing by the UN Committee on Economic, Social and Cultural Rights). Current housing policy in Australia has failed to deliver on this commitment.

Australia and its jurisdictions need a tailored response that raises policy to the forefront in regard to the issue of older women and their financial and housing insecurity and the impact of financial and housing insecurity on their health, wellbeing, participation and independence. While we acknowledge that social housing supply and policy is primarily

a State government responsibility, there are Federal policy and funding levers that can bring about change for older women who face housing insecurity.

It is unacceptable that there is not yet a National Strategy for addressing the housing needs of older women, despite increasing evidence that the numbers who are homeless, or living in housing stress, is growing. It is widely acknowledged that Australia's superannuation system has not benefited women in the same way it has benefited most men. Our superannuation system was not designed for workers who move in and out of the workforce during their lives. It was not designed with women in mind. The superannuation system requires re-design to ensure future older women will not face financial and housing insecurity at retirement.



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RECOMMENDATIONS

1. Develop a National Housing and Homelessness Strategy that includes actions and measurable targets to create additional permanent social and affordable housing options for women in each State and Territory, and particularly for older women.
2. Implement a comprehensive Federal Government Strategy to address the current financial insecurity of older women. The strategy must review and rectify inequities in superannuation policy and legislation and examine the national income support system and Commonwealth Rent Assistance with a view to improving financial outcomes for women.
3. Special measures are required to assist women currently at retirement age who have not had the opportunity to accumulate superannuation due to lower lifetime earnings, and caring duties with the imposition this placed on superannuation contributions. Gender inequality and discrimination have to be recognised and addressed culturally and within multiple policy domains to prevent deprivation in older age for women.
4. To prevent problems for older women continuing to happen in the future (ie. for those women who are currently younger) there needs to be a comprehensive Federal Government Strategy to address the underlying causes of gendered economic inequality.
5. Establish a Seniors Housing Gateway Program to better address the housing support needs of vulnerable older women. This program must include locating a central older persons housing information and support service in each capital city with state-wide reach.
6. Expand the Assistance with Care and Housing (ACH) Program both geographically and through the provision of brokerage (untied) funds at the same time as improving inter-sectoral collaboration at both State/Territory and Federal levels.
7. Ensure that National aged care policy and programs also address housing adequacy – especially for those programs that are predicated on delivering care to women in their own homes, to support women to be healthy, safe and secure in their own homes as they grow older.
8. Develop better national datasets and better data informed responses based on gendered data collection and analysis. Such datasets will inform better policy and strategy for programs that target older women and their circumstances and needs.

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