



Federal Prebudget Submission

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About HAAG

Housing for the Aged Action Group (HAAG) is a member-based, community organisation specialising in the housing needs of older people. HAAG has more than 1,000 members across Australia actively working towards achieving housing justice. Established over 40 years ago as a grassroots movement, HAAG has developed a robust service delivery arm in Victoria and has a strong presence in advocacy for older people experiencing housing and homelessness related issues across Australia. During the 2024-25 financial year, HAAG supported over 2,600 older Victorians.

Since 2016, HAAG has researched the depth of housing and homelessness issues for older people nationally, working with services, people with a lived experience, research and advocacy bodies across Australia. This positions us uniquely as one of the few organisations who can provide detailed insight into the impact of increasing housing insecurity on ageing and aged care provision.

As an organisation that delivers housing and related support services to older people experiencing homelessness and housing stress, we see first-hand how the unequal housing system impacts on the health and wellbeing of older people. We support policies that reduce inequality, strengthen economic security, and ensure all people have access to safe, decent and affordable housing.

HAAG welcomes the opportunity to provide input into the Treasury through the pre-budget submission process. This submission is based on our experience delivering housing and related support services to older people, research and lived experiences of older people experiencing housing stress or homelessness in Australia. We especially acknowledge the contributions to this submission made by members of HAAG's lived experience advisory groups including National Alliance of Seniors for Housing, Retirement Accommodation Action Group (RAAG), LGBTQIA+ reference group and culturally and linguistically diverse (CALD) reference group and NSW Lived Experience Advocacy Group (LEAG).

List of Recommendations

Affordable, safe and accessible housing for older people

1. Increase public and community housing to 10% of the total housing stock by 2040 and allocate a proportion of these for people over 55 based on area and need.
2. Fund a National Retrofitting Program to subsidise the retrofitting of existing homes (starting with Age Pensioners and low-income households) for climate resilience (heat/cold safety) and Universal Design accessibility.

Housing options for 'missing middle'

3. Create a shared equity scheme where government guarantees the loans of older people with criteria specific to the circumstances of older people with moderate savings but are unable to find other alternative affordable housing options in the private housing market.
4. Provide Federal seed funding and tax concessions to support the establishment and scaling of shared equity schemes, co-housing cooperatives, and Community Land Trusts (CLTs) tailored for older people, particularly single women with modest savings.
5. Revitalise and reestablish support for the Independent Living Unit sector, to enable it to provide long-term secure rentals or ownership options for older people with low to moderate wealth.

Reform government subsidised or funded affordable housing

6. Mandate a nationally consistent definition of 'affordable housing' in all Federal funding agreements (like the National Housing Accord Facility & the National Agreement on Social Housing and Homelessness (NASHH)) to cap rents at 30% of income for people on the lowest income households in perpetuity.

Support low income mortgagees to stay in their homes

7. Broaden eligibility for HEAS to include all people over 50 receiving any government support payment, providing a non-debt incurring pathway for low-income older people to manage mortgages or fund home maintenance/retrofits.'

Reforming tax settings

8. Implement measures to incrementally phase out Capital Gains Tax, and negative gearing, to create an equitable housing market.
9. Reinvest the savings from these reforms into the construction and acquisition of public and community housing to meet current and future need.

Aged care supports and services

10. Create a new interim package program to support older people experiencing or at risk of homelessness while they wait for aged care assessment and services.

Hardship provisions for Age Care Packages and Support at Home

11. Implement automatic and ongoing hardship provisions to those who are renting privately and on the full pension.

Introduction

Having safe, affordable, accessible and long-term housing provides the basis for stability and security for individuals and families. It is fundamental to healthy ageing and the wellbeing of older people. However, decades of inadequate action and under-investment by all levels of government and private sector have resulted in housing being treated as an investment vehicle rather than a home. This in turn has distorted the housing market pushing many people, especially people on low to moderate incomes in to housing precarity.

An increasing number of older people are experiencing homelessness, at risk of homelessness, or in housing stress. They are retiring into insecure and unstable housing, and the number experiencing this is only continuing to grow.

Financial pressures due to skyrocketing housing costs and cost of living increases, along with the significant inadequacy of Age Pension and Jobseeker payment, are pushing older people into severe housing stress and poverty. The rental market is particularly challenging for older people who are on low incomes or reliant on government income support payments as their main source of income. The incentives that are directed to property investors should be redirected to ensure people are able to afford housing whether they are renting or under severe housing stress with a mortgage.

Affordable, safe and accessible housing for older people

2021 Census data indicates that approximately 700,000 people aged 55 and older rented from a private landlord; a 73% increase relative from the 2011 Census.¹ According to Anglicare Australia analysis, only 0.3% of available market listings in 2025 were affordable for a single older person in Australia in receipt of the Age Pension. This increases marginally to 0.7% for a couple on the Age Pension. There were only 3 properties affordable for older people on Jobseeker payment.²

¹ W. Stone et al. (research funded by Housing for the Aged Action Group), Ageing in a housing crisis: Older people's insecurity and homelessness in Australia, 2023, accessible at:

<https://www.older tenants.org.au/publications/ageing-in-a-housing-crisis-older-peoples-housing-insecurity-homelessness-in-australia>

² Anglicare Australia, Rental Affordability Snapshot: National Report, 2025, accessible at:

<https://www.anglicare.asn.au/wp-content/uploads/2025/04/Rental-Affordability-Snapshot-National-Report.pdf>

HAAG commissioned report *Priced Out, Run Down; Older Australians in unaffordable and poor-condition housing* found that a large proportion of older renters, particularly older women live in unaffordable and poor-quality housing.³

Our research identified 150,000 people over 55 renting privately in the lowest income households, earning on average, approximately \$650 a week.⁴ Affordable rent for this cohort is around \$200 per week. There are no market-based rental solutions that are affordable for this group of older people. They are also less likely to find alternative income streams to increase their household income or supplement their income support payments.

Case Study

Arthur*, aged in his 90's, suffered a heart attack after receiving a rent increase. He and his partner had been living in the same rental property for 30 years. After the property was sold, the new owner increased the rent to an amount that exceeded the combined pensions of the couple.

When he contacted HAAG, Arthur was anxious, overwhelmed and having difficulty retaining information due to stress. Multiple teams within HAAG worked with Arthur to work through his housing challenges. The team assisted him with gathering his paperwork, liaised with the real estate agent, connected him with a financial counsellor, and put forward a counteroffer to the landlord.

The new owners indicated that they intended to evict the elderly couple so they could renovate and sell the property for a profit, explaining "*this is what we do*".

However, through strong advocacy from HAAG's tenancy team they agreed to a lower increase. This outcome prevented the couple from experiencing homelessness and stay in the home where they had lived for three decades. They are currently being assisted to apply for public and community housing.

**Names and other identifiable information have been changed for privacy*

Measures to increase supply of housing more broadly including affordable housing supply to address the current housing shortages across the country will not increase supply for this cohort of the most vulnerable older people, unless it is dedicated public or community housing. With more older people retiring into poverty and retiring without home ownership, it is imperative that the

³ P. Veeroja et al (research commissioned by Housing for the Aged Action Group), *Priced Out, Rundown: Older Australians in unaffordable and poor-condition housing*, 2025, accessible at:

https://www.older tenants.org.au/sites/default/files/priced_out_run_down_haag.pdf

⁴ W. Stone et al. commissioned by Housing for the Aged Action Group *Ageing in a housing crisis: Older people's insecurity and homelessness in Australia*, 2023, accessible at:

<https://www.older tenants.org.au/publications/ageing-in-a-housing-crisis-older-peoples-housing-insecurity-homelessness-in-australia>

federal government invests in housing options that are affordable and provide long-term housing security for older people.

HAAG is calling on the Federal Government to work with State and Territory Governments to build public and community housing for people 55 years and over who are not able to afford rent in the private rental market. This must include, at minimum, housing for nearly 260,000 older people who are renting in the lowest income households and already paying unaffordable rents, living in marginal housing and experiencing homelessness.

Many older people are struggling to find housing that meets their growing accessibility needs in the private rental market as they have to compete with people with higher incomes. For those who are already in private rentals, there are significant challenges with improving the conditions to ensure properties are accessible for those with mobility issues. About 50% of older people HAAG supported into public and community housing had accessibility needs.

Climate change can have disproportionate impacts on the most vulnerable communities. Older people are at greater risk from storms, floods, heat waves, and other extreme events in part because they tend to be less mobile than younger adults and so find it more difficult to avoid hazardous situations.⁵ Older people are also more likely to suffer from health conditions that limit the body's ability to respond to stressors such as heat and air pollution.

A recent AIHW report found that age increased hospitalisations and deaths as a result of weather-related injuries. The highest numbers and proportions of cases hospitalised with extreme weather-related injuries were aged 65 years or older accounting to over 35% of hospitalisations.⁶ Extreme weather-related injury deaths were predominantly among people aged 45 years and over with 77% of deaths accounting for those over 45 years and over half or 52% of deaths were people over 65 years. This demonstrates the significantly disproportionate impact of extreme weather events on older people.

Case Study

Baida* and her mother Fayruz* rent a small two-story townhouse in Victoria. Baida is the sole carer of Fayruz who needs full-time care as she has Dementia as well as mobility issues that require the use of a walking frame. Their rent increased to \$1,600 a month in October 2023 which is about \$150 more than what they were paying previously. As a result of this rent increase, they are now paying more than 50% of their combined household income on housing, leaving them with little money left for food, medication and utilities. They indicated that given Fayruz's high medical costs for her regular medications, they both find that food is lower on their list of priorities.

⁵ K. R. Smith, et al, Human health: impacts, adaptation, and co-benefits. In: Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects, Cambridge University Press, 2014, pp. 709-754

⁶ Australian Institute of Health and Welfare, Let's talk about the weather: injuries related to extreme weather, 2023, accessible at: <https://www.aihw.gov.au/reports/injury/extreme-weather-injuries/contents/about>

Due to Fayruz's mobility issues, she is unable to access the bedrooms upstairs and they have created a makeshift sleeping arrangement downstairs in the living room. The townhouse is not properly insulated with large windows and tiled floors. They find the property extremely cold in winter and unbearably hot in summer. Cold weather aggravates Fayruz's health issues. The only form of heating they have is an old heater that has very low energy ratings and is not working properly. They only use heating on extremely cold days to keep the living room area warm at night and still find the energy bills too high to manage on their limited income.

They have previously sought assistance from extended family members and friends in their community as they do not speak English. The language barrier is another challenge they experience as it is difficult for them to find food banks in their area or access government subsidies to supplement energy bills. They are unable to find alternative affordable rental housing options in the area close to their community, health services and other supports. They are currently receiving assistance to access Victorian Social Housing which can take up to 18 months to two years.

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The inconsistencies in relation to universal accessibility standards should be addressed by ensuring housing stock is appropriate for people with mobility needs as well as keep them comfortable and safe during extreme weather conditions.

Recommendations:

1. Increase public and community housing to 10% of the total housing stock by 2040 and allocate a proportion of these for people over 55 based on area and need.
2. Fund a National Retrofitting Program to subsidise the retrofitting of existing homes (starting with Age Pensioners and low-income households) for climate resilience (heat/cold safety) and Universal Design accessibility.

Housing options for 'missing middle'

Eligibility for social housing is determined by a range of factors including savings and assets. There is a large cohort of older people who are neither 'poor enough' to qualify for housing assistance nor 'wealthy enough' to secure housing as they age, highlighting a significant gap in Australia's housing system. HAAG funded *Not Poor Enough: Not Rich Enough: older people falling through the housing assistance eligibility gap* report estimated that there were approximately 508,000 people in the Missing Middle cohort in 2019-20 based on ABS data.⁷

⁷ P. Veeroja et al, (research commissioned by Housing for the Aged Action Group), *Not Poor Enough: Not Rich Enough: older people falling through the housing assistance eligibility gap*, oldertenants.org.au/sites/default/files/not_poor_enough_not_rich_enough.pdf

Of the nearly half a million people in this category, over 300,000 people lived in private rentals increasing their risk of housing precarity with about 100,000 older people with wealth below \$35,000. This is likely to mean that they are unable to afford their rent in private rental market and there are no market-based housing solutions that are affordable.

Over 140,000 older private renters had low wealth (between \$35,000-\$200,000) in the private rental market. The current government solutions such as first home buyers grants and other shared equity schemes do not apply to these older people as the challenges they experience are not limited to a home deposit gap.

One of the solutions would be a targeted shared equity housing scheme which would enable older people to use existing assets to purchase a home, or remain in a home with a mortgage, providing them with the stability and security they need. Shared equity housing shares the value of a dwelling between more than one legal entity, such as the purchaser and government. However, existing schemes are unavailable to, or do not work in favour of older people, particularly older women, who may be denied a bank loan by commercial banks, or be ineligible due to previous home ownership.

Innovative shared equity models such as those developed by Women's Property Initiative and other co-housing or co-ownership models should be expanded and made available to older people who are currently in the private rental market with moderate assets.

Another solution that may be appropriate for this cohort are Independent Living Units (ILU). ILUs generally are not-for-profit retirement villages; communal rental housing provided by community organisations for older people with limited incomes and assets. ILUs offer a high level of security of tenure, affordable rent, and require either low, means-tested, or no ongoing contributions. For some older people who are part of the missing middle, ILUs can be the only option that meets the long-term needs.

Recommendations:

3. Create a shared equity scheme where government guarantees the loans of older people with criteria specific to the circumstances of older people with moderate savings but are unable to find other alternative affordable housing options in the private housing market.
4. Provide Federal seed funding and tax concessions to support the establishment and scaling of shared equity schemes, co-housing cooperatives, and Community Land Trusts (CLTs) tailored for older people, particularly single women with modest savings.
5. Revitalise and reestablish support for the Independent Living Unit sector, to enable it to provide long-term secure rentals or ownership options for older people with low to moderate wealth.

Reforming government subsidised or funded affordable housing

There is no consistent definition of affordable housing across different jurisdictions in Australia. Different levels of government provide affordable housing and rely on different definitions. An

AHURI research defined ‘affordable housing’ as housing provided subject to access and affordability requirements set by government. This included: rental housing priced at below market rents and earmarked for eligible low to moderate income households.⁸

According to Housing Australia Future Fund Facility (HAFFF) and National Housing Accord Facility Program Fact Sheet ‘Affordable Housing’ means dwellings that are provided at a rent that is 74.9% or less of the market rent for each dwelling to households meeting the income eligibility limits. These limits are based on median equivalised household incomes from the Australian Bureau of Statistics (ABS).⁹

What this would look like in practice

- In 2022-23, the median equivalised disposable household income was \$1,192 per week (in June 2023 prices).¹⁰ The highest rate of Age Pension even with Commonwealth Rent Assistance is approximately \$697.05 (or \$1,394.10 per fortnight). Therefore, older people in receipt of income support payments are not likely to be appealing to the affordable housing providers.
- According to Rent.com, in 2025 November average rent in Australia for a house was \$690 per week.¹¹ By HAFFF definition, the affordable housing rental cost would be approximately \$517 per week (74.9% of \$690 per week). A person needs to earn \$1,722 per week to avoid being in rental stress (30% of household income). This is not the reality for many people on low incomes, especially older renters. It is important to note that average of rent for a house in Sydney was \$900 per week and lowest in Melbourne at \$560 per week.

Recommendation:

6. Mandate a nationally consistent definition of ‘affordable housing’ in all Federal funding agreements (like the National Housing Accord Facility & the National Agreement on Social Housing and Homelessness (NASHH)) to cap rents at 30% of income for people on the lowest income households in perpetuity.

Support for older people with mortgages from low-income households

Nearly 125,000 older people with mortgages have low to moderate wealth. About 16% of older people with a mortgage lived in unaffordable and poor condition housing. This means that they are

⁸ V. Milligan, et al, Profiling Australia’s affordable housing industry, AHURI Final Report No. 268, 2016, accessible at: <http://www.ahuri.edu.au/research/final-reports/268>

⁹ Housing Australia Future Fund Facility and National Housing Accord Facility Program Fact Sheet, 2023, accessible at: https://www.housingaustralia.gov.au/sites/default/files/2024-01/hafff_nhaf_fact_sheet_-_general.pdf

¹⁰ Australian Bureau of Statistics, Household income and wealth Dynamic economy that shares prosperity, accessible at: <https://www.abs.gov.au/statistics/measuring-what-matters/measuring-what-matters-themes-and-indicators/prosperous/household-income-and-wealth>

¹¹ Rent.Com, November 2025: Rent.com.au rental market snapshot, 2025, accessible at: <https://www.rent.com.au/blog/rental-market-snapshot-november-2025>

unable to afford the repairs required to make the property habitable as they are already in mortgage stress. Without government intervention, these people could fall off homeownership into housing precarity.

The federal Government's Home Equity Access Scheme (HEAS) lets older people who are Age Pension age or older get a voluntary non-taxable loan (currently at 3.95% pa) from government. Government recovers the full debt and interest when the property is sold if the person enters residential aged care or after their passing. However, at least 76,712 older people under 65 can not access this scheme. Eligibility for this scheme could be expanded to include those under pension age, and those on other payments.

Recommendation:

7. Broaden eligibility for HEAS to include all people over 50 receiving any government support payment, providing a non-debt incurring pathway for low-income older people to manage mortgages or fund home maintenance/retrofits.

Reforming tax settings

Australia's tax system provides significant incentives to people investing in housing, placing housing investors at a significant advantage over home buyers. The Capital Gains Tax (CGT) discount, coupled with negative gearing, distorts the housing market and pushes up house prices, making homes harder to afford for both home buyers and renters.

The CGT discount encourages property investors to purchase existing homes rather than build new ones, increasing demand for the same pool of housing. This drives up prices¹² and, in turn, puts upward pressure on rents, making it harder for low-income households, older renters, young people, and single-parent families to secure affordable housing. As investors chase higher returns, properties are more frequently bought and sold, often leading to renters being forced to move, sometimes repeatedly, costing thousands of dollars each time.¹³ This instability affects health and educational outcomes, workforce participation and job security, and community connection and safety.

A fairer tax system would recognise that housing is first and foremost about providing homes for people to live in. Removing the handouts to property investors, particularly the CGT discount, and negative gearing, and directing the substantial revenue gains¹⁴, predicted to be over \$80 billion, to

¹² <https://australiainstitute.org.au/post/negative-gearing-and-capital-gains-tax-discount-driving-up-house-prices/>

¹³ <https://www.tenants.org.au/blog/true-cost-eviction>

¹⁴ A. Morris, The Conversation, \$84bn lost to housing tax lurks? That would go a long way towards ending the housing crisis, 13 September 2024, accessible at: <https://theconversation.com/84bn-lost-to-housing-tax-lurks-that-would-go-a-long-way-towards-ending-the-housing-crisis-237333#:~:text=in%20A%24%20billion.-,The%20combined%20value%20of%20revenue%20forgone%20due%20to%20negative%20gearing,years%20from%202024%20to%202034>

investment in public, community and affordable housing, is essential to create a more equitable housing system.

8. Implement measures to incrementally phase out Capital Gains Tax, and negative gearing, to create an equitable housing market.
9. Reinvest the savings from these reforms into the construction and acquisition of public and community housing to meet current and future need.¹⁵

Aged care supports and services

Many older people are unable to access aged care services or not receiving care that they need as a direct result of their housing situation. This includes older people experiencing homelessness, living in rental properties that are inaccessible, people in boarding or rooming houses and caravan parks. Changes to Aged Care, particularly around support at home changes must implement measures to address these challenges to ensure equitable access to services and supports.

With limited housing options that are accessible and affordable across the country for people with disability and older people, there is stiff competition for the small number of houses that are accessible, close to amenities and are affordable. Many older people are struggling to find housing that meets their growing accessibility needs in the private rental market. For those who are already in private rentals, there are significant challenges with improving the conditions to ensure properties are accessible for those with mobility issues.

Case study

Jim* is an older man in his mid 80s. He lives in a private rental by himself. Due to his deteriorating physical health, he requires urgent handrails, grabrails and bathroom modifications. Jim needs to use his walker to access all areas of the house which makes it unsafe to use the shower and toilet. However, the landlord is refusing to allow these modifications even when they could have been financed by Jim's Home Care Package.

The landlord has also failed to maintain the property and has refused to pay for upgrades to include heating or cooling. Due to poor ventilation, the house gets too hot in summer and too cold in winter.

Given that his housing situation is untenable and is impacting his physical and mental health, HAAG's case managers have applied for Social Housing for Jim under the priority housing category. However, it takes about 3 months to process the priority housing application and then it could take up to a year or more to be housed even under the highest priority category. The case manager is concerned for Jim's safety in his current rental property that could result in causing serious injury.

**Name and other identifiable information have been changed for privacy*

¹⁵ <https://everybodyshome.com.au/resources/out-of-reach/>

Current changes to aged care including the transition of Commonwealth Home Support Program to Support at Home is posing additional challenges to older people in private rentals. Some of these challenges and solutions are discussed in detail in HAAG's submission to the Inquiry into Aged Care Service Delivery.¹⁶

As part of the transition, HAAG proposed a new Interim Package Program. This new interim package program¹⁷ could support older people experiencing or at risk of homelessness while they are waiting for assessment and services. This program would enable selected provider to support at-risk older people to access appropriate housing and wrap-around services and address their aged care needs. As with Home at Last, the importance of obtaining safe and secure housing in order to receive home care will be acknowledged and addressed.

Interim packages should remain in place until the person receives an appropriate Home Care Package, or other appropriate aged care supports. Providing assistance with housing and holistic supports would reduce the use of residential aged care until it is absolutely necessary.

Interim packages would provide specialist short-term case management support for older people with significant barriers, providing more comprehensive assistance than the "linking" service of care finder and filling the existing gap in service delivery.

Making interim packages available through a limited set of specialist providers (and for a defined cohort of consumers) would ensure that the program is appropriately targeted and limit its cost. The additional funding provided under any new program could be consistent with the Short-Term Restorative Care (STRC) Program. However, unlike this program, it should not be time limited, given the variable wait times for services depending on individual circumstances and locations.

The interim package program could be under Support at Home, and receive referrals from care finder, My Aged Care, aged care assessors or other community services.

10. Create a new interim package program to support older people experiencing or at risk of homelessness while they wait for aged care assessment and services.

Hardship provisions for Age Care Packages and Support at Home

Current hardship provisions for Home Care Packages are onerous – a 40-page form, many evidence requirements, and the need to have income and assets reassessed – and may only result in very short term fee relief (1-2 weeks). The result is that older people are unable to afford the

¹⁶ Housing for the Aged Action Group, Submission to the Inquiry into Aged Care Service Delivery, accessible at: [Submission to the Inquiry into Aged Care Service Delivery | Housing For The Aged Action Group](#)

¹⁷ This was one of the recommendations for older people experiencing deep and persistent disadvantage, in the Joint Submission to the Royal Commission into Aged Care Quality and Safety co-authored by HAAG, Jesuit Social Services, Sacred Heart Mission, Catholic Social Services, Vincent Care, St Mary's House of Welcome, Brotherhood of St Laurence https://www.olderrenters.org.au/sites/default/files/joint_subm_royal_comm_aged_care_may2020.pdf

basic services they need, such as meals, domestic assistance, personal care (showering, dressing) and assistance with shopping.

Existing hardship arrangements will carry through to Support at Home, however once these expire, or for new recipients, they will need to (re)apply for a new fee reduction supplement. Considering the needs of older renters and the unnecessary administrative burden on them, aged care staff and community sector support teams, applying the hardship provision automatically to those who are renting privately and on the full pension will ensure older people are supported to age in place. These automatic hardship provisions should be ongoing, or only subject to review if a person's income and assets change, or if their housing improves (for example, moving into public housing).

11. Implement automatic and ongoing hardship provisions to those who are renting privately and on the full pension.