



2024-25 Federal Pre-Budget Submission

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About Housing for the Aged Action Group (HAAG)

Housing for the Aged Action Group (HAAG) is a member-based, community organisation specialising in the housing needs of older people. The organisation has over 850 members across the country actively working towards achieving housing justice. Established over 40 years ago as a grassroots movement, the organisation 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 2022-23 financial year, HAAG supported close to 1,550 older people in Victoria.¹

In 2016, HAAG was funded by the Wicking Trust (a philanthropic organisation) to conduct research in every state and territory to understand the depth and breadth of housing and homelessness issues of older people. In consultation and engagement with services, people with lived experience, advocates and peak advocacy bodies across Australia, the research project produced a number of reports on the housing issues of older people.² HAAG was funded in 2020 for a further four years to continue this work.

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).

Recommendations

- 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 260,000³ older people who are renting in the lowest income households, living in marginal housing and experiencing homelessness.
- Fund a range of housing options including affordable housing (capped at 30% of household income) and other below market rate options such as co-operative housing, low-cost retirement housing or other co-housing models appropriate for people 55 years and over.
- Implement measures to remove Capital Gains Tax and Negative Gearing to create an equitable housing market.

¹ Housing for the Aged Action Group, Annual Report 2022-2023, accessible at:

https://www.oldertenants.org.au/sites/default/files/annual_report_2021-22.pdf

² See further: Housing for the Aged Action Group, Ageing on the Edge National Action Project, accessible at:

<https://www.oldertenants.org.au/ageing-edge-national-action-project>

³ This includes 14,017 older people in marginal housing, 19,372 older people experiencing homelessness and the 227,556 older people renting in lowest income households paying unaffordable rent (based on 2021 Census Homelessness Estimates and ABS Survey of Income and Housing 2019-20). Considering the current rental crisis and the impact of pandemic on housing market, it is likely that this number is a considerable underestimate. See further: W. Stone et al., Ageing in a housing crisis: Older people's insecurity and homelessness in Australia, 2023, accessible at: <https://www.oldertenants.org.au/publications/ageing-in-a-housing-crisis-older-peoples-housing-insecurity-homelessness-in-australia>

- Fund the review of Care finder program with a specific focus on older people at risk of or experiencing homelessness to measure effectiveness of the program and identify areas for improvement.
- Increase income support payments including Commonwealth Rent Assistance to ensure people are lifted from living below poverty rate and are able to afford basic necessities.

Current context

In 2021, the Australian Bureau of Statistics (ABS) estimated that 19,372 people aged 55 and older were experiencing homelessness.⁴ In addition, it was estimated that approximately 14,000 people aged 55 and older were in marginal housing (mainly in the form of overcrowded dwellings and caravan parks).

The *Poverty in Australia 2023: Who is Affected* report analysed poverty amongst different age groups and found it was much higher among older people who rent their homes, due to their much higher housing costs.⁵ 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.⁶

According to Anglicare Australia analysis, only 0.4% of available market listings in 2023 were affordable for a single older person in receipt of the Age Pension. This increases marginally to 1.1% for a couple on the Age Pension. There were only 4 properties affordable for older people on Jobseeker payment.⁷

In its first 5 years, the Housing Australia Future Fund (HAFF) will support delivery of 20,000 social homes and 10,000 affordable homes across Australia.⁸ Of the 20,000 social homes, 4,000 homes will be earmarked for older women at risk of homelessness and women and children impacted by domestic and family violence over the five-year program.⁹ HAAG welcomes this announcement, however, as demonstrated above, the housing crisis is growing and is disproportionately affecting

⁴ W. Stone et al., 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>

⁵ P. Davidson, B. Bradbury, and M. Wong, Poverty in Australia 2023: Who is affected Poverty and Inequality Partnership, 2023, accessible at: https://povertyandinequality.acoss.org.au/wpcontent/uploads/2023/03/Poverty-in-Australia-2023_Who-is-affected_screen.pdf

⁶ W. Stone et al., 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>

⁷ Anglicare Australia, Rental Affordability Snapshot: National Report, 2023, accessible at: <https://www.anglicare.asn.au/wp-content/uploads/2023/04/Rental-Affordability-Snapshot-NationalReport.pdf>

⁸ Federal Treasury, Delivering social and affordable housing under the Housing Australia Future Fund and National Housing Accord, accessible at: <https://treasury.gov.au/sites/default/files/2023-10/c2023-458116-fs.pdf>

⁹ Housing Australia, Housing Australia Future Fund Facility and National Housing Accord Facility, https://www.housingaustralia.gov.au/sites/default/files/2024-01/hafff_nhaf_fact_sheet_older_women.pdf

older women. Therefore, it is critical that investment in housing for older people, particularly older women is increased significantly.

Properties that are advertised as affordable are usually capped at 80% or 90% of the market rental rate. Unfortunately, given the current market rates, these properties are not truly affordable for people on low incomes.

Demand for Specialist Homelessness Services (SHS) support is on the rise. According to AIHW data, there were approximately 295 unassisted requests per day on average during the 2022-23 financial year. This equates to approximately 107,000 unassisted requests last year.¹⁰

The trends of service requests made by people over 55 throughout the last decade highlights the growing homelessness problem amongst the older demographic. In 2022-23, approximately 27,300 older clients were provided support by Specialist Homelessness Services; 53% were older women. Assistance was primarily sought due to a housing crisis (i.e. receiving an eviction notice), financial difficulties or inadequate or inappropriate dwelling types.

In addition, 2021 Census data indicates that older women have had the largest percentage increase in homelessness as a demographic since 2016.¹¹ Many older, single women in the private rental market are likely to be at significant risk of homelessness due to the rising cost of living and rental crisis. This can have a significant impact on their mental and physical health.

Specifically, the experience of older women with homelessness is varied. Although some have experienced long-term persistent disadvantage and ongoing housing disruption, most older women who have presented with a housing crisis in Australia have had a conventional life; they have rented whilst working and raising a family.¹²

The Royal Commission into Aged Care Quality and Safety final report stated that an increase in accessible social housing throughout Australia is necessary for older people – including those at-risk of or experiencing homelessness – to age well and receive aged care services.¹³ Despite these findings, analysis of 2021 and 2011 Census data indicate that the proportion of older people in social housing has decreased.¹⁴

Our research identified 150,000 people over 55 renting privately in the lowest income households, earning on average, approximately \$650 a week.¹⁵ Affordable rent for this cohort is around \$200 per week. There are no market-based rental solutions that are affordable for this group of people. They

¹⁰ Australian Institute of Health and Welfare, Specialist homelessness services annual report 2022–23, 2023, accessible at: <https://www.aihw.gov.au/getmedia/3e8872c8-a0a5-4440-bd64-fe8af2b3be06/specialist-homelessness-services-annual-report-2022-23.pdf?v=20231219110336&inline=true>

¹¹ W. Stone et al., 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>

¹² M. Petersen. C. Parsell, Older Women's Pathways out of Homelessness in Australia, ISSR Research Report, University of Queensland, report for the Mercy Foundation, 2014

¹³ Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect, 2021, accessible at: https://agedcare.royalcommission.gov.au/sites/default/files/2021-03/final-report-volume3a_0.pdf

¹⁴ W. Stone et al., 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>

¹⁵ Ibid

are also less likely to find alternative income streams to increase their household income or supplement their income support payments.

Measures to increase general or 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.

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.

- 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 260,000¹⁶ older people who are renting in the lowest income households, living in marginal housing and experiencing homelessness.
- Fund a range of housing options including affordable housing (capped at 30% of household income) and other below market rate options such as co-operative housing, low-cost retirement housing or other co-housing models appropriate for people 55 years and over.

Address tax settings to increase public and community housing stock

Concerns have been raised about the inequity of the Capital Gains Tax (CGT) and Negative Gearing. Specifically, data on the net capital gains of individual taxpayers in Australia indicate that most of the benefit of the CGT discount is skewed towards high income taxpayers.¹⁷ The top 20% of household incomes received 82% of the CGT discount, whereas only 14% of the CGT discount was accessed by the bottom 70% of household incomes.¹⁸ Incremental reform would address the inequity currently present in the CGT discount and such reform appears to have the support of a significant proportion of taxpayers.

As highlighted above, current negative gearing settings and CGT exemptions distort the housing market and impact housing affordability. All Federal and state and territory tax settings impacting the housing market need to be modelled and analysed as part of any tax reform process and revenue gains should be directed to affordable housing. HAAG recommends that the government implement measures to incrementally remove Capital Gains Tax and Negative Gearing to create an equitable housing market.

¹⁶ This includes 14,017 older people in marginal housing, 19,372 older people experiencing homelessness and the 227,556 older people renting in lowest income households paying unaffordable rent (based on 2021 Census Homelessness Estimates and ABS Survey of Income and Housing 2019-20). Considering the current rental crisis and the impact of pandemic on housing market, it is likely that this number is a considerable underestimate.

¹⁷ B. Freudenberg and J. Minas, Reforming Australia's 50 per cent capital gains tax discount incrementally, eJournal of Tax Research (2019) vol. 16, no. 2, pp. 317-339.

¹⁸ The Australia Institute, Rich men and tax concessions How certain tax concessions are widening the gender and wealth divide, 2021, accessible at: <https://australiainstitute.org.au/wp-content/uploads/2021/04/P911-Income-wealth-an-gender-distribution-of-tax-concessions-WEB.pdf>

- Implement measures to remove Capital Gains Tax and Negative Gearing to create an equitable housing market.

Investment in early intervention approaches for older people with housing needs

A comprehensive approach to address housing and homelessness should include early intervention and prevention especially to reach older people before they experience a housing crisis and avoiding the associated detrimental mental and physical health impacts of homelessness.¹⁹

Federal Government's Care finder program funded through Primary Health Networks (PHNs) is designed to support older people who are at risk of homelessness. Historically, Federal government's support under the aged care portfolio for older people at risk of homelessness or housing issues were covered by Assistance with Care and Housing (ACH) services that were funded under Commonwealth Home Support Program (CHSP). As part of efforts to streamline navigation services for aged care, ACH service has transitioned into the new Care finder program from January 2023.

The focus of the Care finder program is to link vulnerable older people into aged care and other related services including housing and homelessness services. Concerningly, our observations of this transition from ACH to Care finder service is that it has resulted in a greatly reduced level of support for older people experiencing or at risk of homelessness. Effectively, this means reduced funding for housing support for older people as the Care finder does not meaningfully support older people to resolve their housing issues.

The target groups of older people under Care finder are people with significant complex challenges including language barriers, literacy, cognition, history of trauma, experiences of elder abuse or domestic and family violence, issues with nutrition, physical and mental health issues, disability or a combination of these challenges. This means Care finders must navigate a myriad of supports to assist one person to engage and sustain engagement with housing and services when case management type of support is outside of the purview of the Care finder program.

Although only 12 months in operation, HAAG's Care finder team has identified challenges with the service's ability to adequately support older people at risk of homelessness due to:

- Delays in assessment and service delivery (sometimes 9-12 months) resulting in care finders needing to provide support to older people for longer periods of time than was anticipated for a 'linking' service.
- Older people being 'bounced around' between state-based homelessness services and care finder services.
- Unclear referral pathways and a lack of services to combat hoarding and squalor, which can put tenancies at risk and lead to homelessness.
- Limited access to both aged care services and affordable housing in regional areas, resulting in inappropriate entry into the crisis system and the need for older people to move from local supports to obtain care and housing.

¹⁹ C. Thredgold, A. Beer, C. Zufferey, A. Peters, and A. Spinney, An effective homelessness services system for older Australians, Australian Housing and Urban Research Institute, 2019, accessible at: <https://www.ahuri.edu.au/research/final-reports/322>

HAAG is concerned that the evaluation of the Care finder program is unlikely to measure the impact of the transition of the ACH program into Care finder, as that is not the main focus of what it is being asked to measure. The scope of the evaluation contains only one sub-question to evaluate: “Did transition of the Assistance with Care and Housing (ACH) program to the care finder program occur as planned? If not, why not?”²⁰

Therefore, it is important that the Federal Government should implement a review to specifically evaluate the Care finder program’s impact on older people at risk of homelessness, with the view to measure the effectiveness of a ‘linking’ service for this cohort compared with what has been previously provided under the ACH program.

- Fund the review of Care finder program with a specific focus on older people at risk of or experiencing homelessness to measure effectiveness of the program and identify areas for improvement.

Increase income support payments

Cost of living pressures coupled with the significant inadequacy of Age Pension and Jobseeker payment are pushing older renters into severe housing stress and poverty. The Federal Treasury’s *Retirement Income Review Final Report* found that for many who retire involuntarily due to job-related reasons, the adequacy of their living standards before Age Pension eligibility age depends on the level of the JobSeeker Payment. Renters and involuntary retirees experience higher levels of financial stress and poverty than the working-age population.²¹

Rental Affordability Report: Reflections on the Pandemic and the Rental Market, states that prior to the pandemic, low income renters required 47% of income to service rent on a new lease. However, this rose sharply through the pandemic, to 51.6% by March 2023.²²

According to Anglicare Australia analysis, only 0.4% of available market listings in 2023 were affordable for a single older person in receipt of the Age Pension. This increases marginally to 1.1% for a couple on the Age Pension.²³ There were only 4 properties affordable for older people on Jobseeker payment.²⁴

The maximum rate of Disability Support Pension or Age Pension including Energy Supplement and maximum Pension Supplement for a single person would be approximately \$1,096.70 a fortnight and \$1,653.40 for a couple.²⁵ The Commonwealth Rent Assistance (CRA) rate is \$184.80 a fortnight for a

²⁰ Australian Healthcare Associates, 2022, Evaluation of the care finder program: Summary evaluation plan, for the Australian Government Department of Health and Aged Care, accessible at: <https://www.chnact.org.au/wp-content/uploads/2022/07/Summary-care-finder-evaluation-plan-and-MDS-for-PHNS-11-July-2022.pdf>

²¹ The Department of Treasury, Retirement Income Review Final Report, 2020, accessible at: https://treasury.gov.au/sites/default/files/2020-11/p2020-100554-00bkey-observations_0.pdf

²² Core Logic, ANZ, Rental Affordability Report: Reflections on the Pandemic and the Rental Market, March 2023, accessible at: https://news.anz.com/content/dam/news/articles/2023/May/PDF-housing-affordability-23/AU24823_Housing%20Affordability%20Report%2022_Digi_FA02B.pdf

²³ Anglicare Australia, Rental Affordability Snapshot: National Report, 2023, accessible at: <https://www.anglicare.asn.au/wp-content/uploads/2023/04/Rental-Affordability-Snapshot-National-Report.pdf>

²⁴ Ibid

²⁵ Services Australia, Age Pension rates, accessible at: <https://www.servicesaustralia.gov.au/how-much-age-pension-you-can-get?context=22526>

single person.²⁶ Assuming a single older person gets the maximum rate of CRA, age pension and pension supplement (\$1281.50), they will be left with very little money every fortnight for all other expenses including food, utilities, health expenses and other bills. To avoid rental stress the maximum amount of rent an older person on age pension can pay is under \$400 a fortnight or \$200 a week. There are currently no properties that are available within this range except for registered or unregistered boarding houses.

- Increase income support payments including Commonwealth Rent Assistance to ensure people are lifted from living below poverty rate and are able to afford basic necessities.

²⁶ Services Australia, Commonwealth Rent Assistance, accessible at:
<https://www.servicesaustralia.gov.au/sites/default/files/2023-06/co029-2307.pdf>