



Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House Canberra ACT 2600
community.affairs.sen@aph.gov.au

Submission to the Senate Committee for Community Affairs Inquiry into the Adequacy of Newstart and Related Payments – Terms of Reference F, G and H

Submitted via web:

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Newstart_relatedpayments

September 2019

What is HAAG

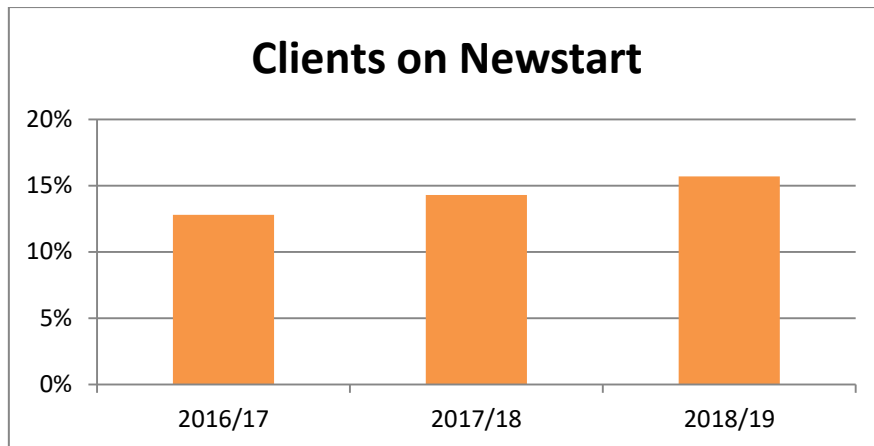
Housing for the Aged Action Group (HAAG) is a community based organisation specialising in the housing needs of older people. The organisation was over 35 years ago and today has over 300 members actively campaigning for housing justice.

HAAG's service arm is the Home at Last (HAL) service which provides a one-stop shop of housing information, support, advice and advocacy for Victorians over 50 years of age. This assistance is provided through an intake and referral service assisting over 1,000 people per year, which is also the central referral point into all Victorian Assistance with Care & Housing (ACH- CHSP) services. We also provide outreach support to re-house older people who are homeless or at risk of homelessness into long term affordable, age-appropriate housing.

HAL's major role is as an early intervention service, meaning we aim to provide support before older people become homeless and to prevent homelessness. Consequently, we assist large numbers of older people living in private rental housing. In our experience, older people reliant on Newstart and living in private rental housing are at an extremely high risk of eviction into homelessness, and this experience forms the basis for our submission.

Increasing numbers of our clients are on Newstart

We assist people from the age of 50 years old, that is, people before the "pension age". A significant and increasingly proportion of our clients rely on Newstart (with the remainder largely reliant on other income support, in particular the aged pension). In the 2016/17 financial year, 12.8% of HAL clients who were homeless or at risk of homelessness received Newstart; this increased to 14.3% in 2017/18 and 15.7% in 2018/19.



Older unemployed workers and private rental

According to Consumer Affairs Victoria, both the number and proportion of older people in rental housing are growing, with people aged 55 and over making up the fastest growing age group within the private rental market.¹ The ABS also reports a growing proportion of older people in private rental, from 6% of older households in 1995-96 to 10% in 2015/16.²

Newstart and rental affordability

Around a third of our clients come to us due to housing unaffordability. This is not surprising, given that Anglicare’s Rental Affordability Snapshot 2019 shows that there are no affordable private rental properties for a single person on Newstart in the entire country and only 0.8% of properties are affordable for a single person on the Aged Pension. Anglicare notes that “there is a growing number of older Australians falling out of home ownership – or who have never owned their own home. For the growing number of older Australians renting in the private market, finding an affordable and suitable home is becoming more and more daunting.”³

Case study: Moving to the country for cheaper rent

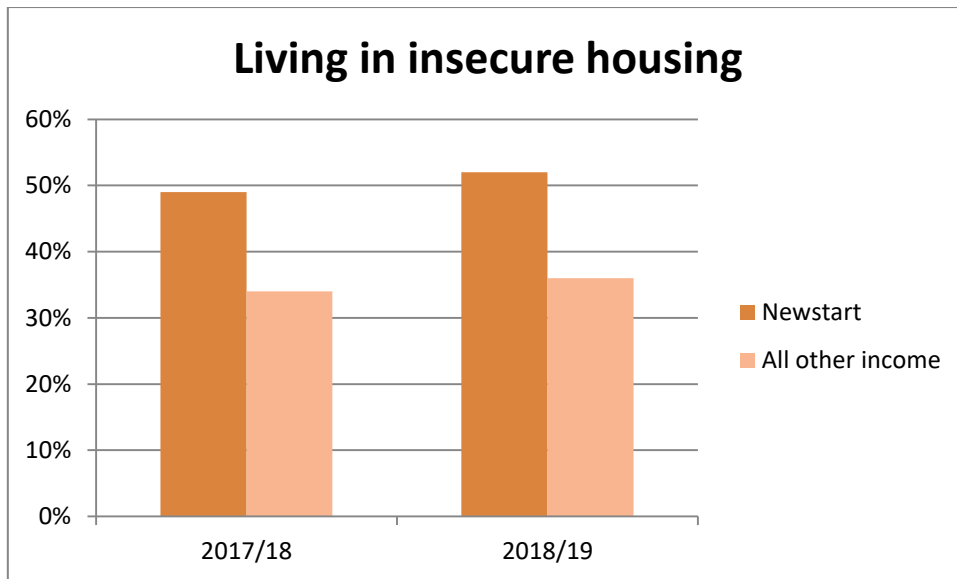
Originally from Melbourne, Maryanne moved to regional Victoria in search of more affordable private rental. Living in an outer regional area had become difficult for her due to physical and social isolation. The location of the property meant she was totally car dependent and this added to the financial pressure she was under. Over time, her rent steadily increased to the point where it was more than her Newstart Allowance, and she fell behind in her rent payments. The landlord issued a Notice to Vacate and sought an Order of Possession at VCAT.

Our clients on Newstart are 15% more likely than people on other incomes to be living in insecure housing, with around 50% boarding, couch surfing, not on a lease, or living with a relative.

¹ State Government of Victoria, *Residential Tenancies Act Review—Laying the Groundwork*, p. 21.

² Australian Bureau of Statistics, ‘Across the generations: 20 years of housing’, <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4130.0~2015-16~Main%20Features~Across%20the%20Generations:%20Twenty%20years%20of%20housing~10003>. Accessed 12 September 2019.

³ Anglicare rental affordability snapshot 2019 accessed 12 September 2019 <https://www.anglicare.asn.au/docs/default-source/default-document-library/final---rental-affordability-snapshota302da309d6962baacc1ff0000899bca.pdf?sfvrsn=4>



Public and community housing is the only affordable choice for older people on Newstart, however, there has been a serious lack of investment in these housing options for many years. Instead government has preferred to direct funds to rental subsidies such as Commonwealth Rent Assistance. However, 40% of people receiving Commonwealth Rent Assistance are in rental stress, despite this subsidy.⁴

To make matters worse, community housing providers are slowly taking over much of the management of housing that was formerly managed by State Governments (public housing). They charge rent based on a percentage of the tenants income, plus the Commonwealth Rent Assistance payment. In our experience, due to their very low income, people on Newstart are less likely to be chosen as tenants in community housing, as the percentage of their income is negligible and therefore unattractive to community housing providers. This means there are even less options for older people on Newstart (compared with say, people on a low wage or people on other forms of government support).

Newstart is inadequate

Our research shows that many older renters struggling to the extent that they are doing without the daily essentials of life such as food, heating, medications and aged care services to ensure they keep

“I am aged 62 and after a lifetime of work, home ownership and 27 years in a relationship, I find myself single, unemployed, renting and almost broke. I seem to be too old to get a full-time job and too young to get an age pension. The fortnightly Centrelink Newstart payment only covers one week’s rent on a modest one-bed unit in Sydney, so for the past two years I have been living off my savings, supplemented by part-time casual work. With no family to help (my beautiful son is just starting out in life and doesn’t need to know any of this), the bottom line is unless I can find full-time work very soon, I estimate I will be homeless within six months. I try to stay cheerful but the situation is actually very scary.” *Older woman, interviewed by HAAG’s Ageing in the Edge Project worker in 2018.*

⁴ <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2019/contents/financial-assistance>

a roof over their head⁵.

Older unemployed workers and ageism in employment

Our clients often report difficulty in finding employment in their older age, despite having qualifications and experience. The effect of ageism in the workforce means that it is common for older people to find it very difficult to find employment.⁶ The mutual obligation requirements that Centrelink impose on older people are also difficult for our clients. For many older people, especially older women, they are experiencing this for the first time in their lives having been in the workforce most of their lives. The chances of finding employment decreases with age, and half of the long-term unemployed are over 45 years of age.⁷

Case study: Unable to find work or housing

Vanessa settled in Australia 30 years ago and successfully worked and rented during all of that time. She had to care for three family members who were ill in her country of origin, and when she returned to Melbourne, she was startled at how much rents had increased in the time she was away. Vanessa couldn't find employment due to her age, and couldn't get a lease on Newstart Allowance. She became homeless and found herself having to "sleep rough", for the first time aged in her 50's.

Conclusion

Many Newstart recipients are over the age of 55 and are long-term unemployed, due to ageism in the workforce. Increasing numbers of older people are living in private rental (up 44% in five years) and there are no affordable rental properties for people on Newstart Allowance. This inevitably leads to older people on Newstart Allowance becoming homeless. Due to the extremely low rates of Newstart, lack of investment in public housing, and transfer of stock to community housing providers, there are very limited options for affordable housing.

We call on the government to immediately raise the rate of Newstart, abolish punitive and unrealistic mutual obligation requirements for people aged 55 and over, and invest in affordable housing as a matter of priority to prevent further homelessness amongst older people.

For more information:

Fiona York

Executive Officer

Fiona.york@oldertenants.org.au

(03)9654 7389

Housing for the Aged Action Group

⁵ J.Fielder and D.Faulkner 2019 "One Rent Increase from Disaster" report

https://www.oldertenants.org.au/sites/default/files/ageing_on_the_edge_wa_report_a40819.pdf

⁶ <https://www.abc.net.au/news/2018-12-02/ageism-rampant-discrimination-problem-in-the-workplace/10550704>

⁷ https://www.acoss.org.au/wp-content/uploads/2018/09/ACOSS_JA_Faces-of-Unemployment_14-September-2018_web.pdf