



# Victoria Pre-budget Submission 2025-2026

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## About Housing for the Aged Action Group

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 Victoria and the country. During the 2023-24 financial year, HAAG supported over 1,800 older Victorians.

HAAG welcomes the opportunity to provide input into the Victorian 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 Victoria. We especially acknowledge the contributions to this submission made by members of HAAG's 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.

## Recommendations

1. Increase investment in Home at Last to ensure this vital service can both meet existing demand and expand to provide one-to-one support to older people across all of Victoria, at a cost of \$1.558m per year in addition to existing level of funding.
2. Fund the delivery of a service to bridge the gap and assist older women to access a broader range of housing options including co-operative housing at the cost of \$754,000 over 3 years.
3. Increase public and community housing to 10% of all housing stock by 2040. At minimum, 20% of all public and community housing should be ringfenced for older people over 55.
4. Invest in revitalising the Independent Living Units (ILU) Sector.
5. Pilot shared equity housing schemes for older people, with a view to scaling up across the state.
6. Legislate a definition of 'affordable housing' capped at 30% of household income for people in the lowest 40% of income households for State or local government funded housing, including where private developers are incentivised or with State capital/land contributions for the developments.
7. Increase investment in the stock of affordable housing options with at least 20% ringfenced for older people from low to moderate income households.
8. Expand elder abuse services by providing recurrent funding to Seniors Rights Victoria and other frontline elder abuse services, along with elder abuse prevention programs and investment improved data collection.

## Context

Having safe, affordable, accessible and long-term housing is fundamental to healthy ageing and the wellbeing of older people. However, an increasing number of older people are experiencing homelessness, at risk of homelessness, or in housing stress. These older Victorians are retiring into insecure and unstable housing, and the number experiencing this is only continuing to grow.

Cost of living 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. These are in addition to a lack of affordable housing from decades of underinvestment by governments in social and affordable housing, a retirement system that assumes home ownership and structural gender inequality. And yet, we know that as people age their need for secure, affordable and appropriate housing grows in importance.

Over the last decade there has been a 77% increase in older people renting privately in Victoria, and this number will continue to rise. In Victoria, there are at least 85,000 older people over 55 renting privately in the lowest two income quintiles.<sup>1</sup> Since the last census, there was an 'unusually strong pace of growth in rent values nationally, where the estimated median weekly rent value across Australian dwellings increased by \$115 through to the end of April 2023'.<sup>2</sup> Income support payments have not kept pace with rental increases, placing the majority of the older renters at risk of severe rental stress, experiencing, or at risk of, homelessness.

Current rental legislation also does not currently provide renters with security of tenure, affordable and safe housing.

It is vital that older people have the secure, affordable housing they need. Housing for the Aged Action Group presents the following proposals to address these needs.

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<sup>1</sup> 4 W. Stone et al, Ageing in a Housing Crisis: Older people's housing insecurity & homelessness in Australia (Commissioned by Housing for the Aged Action Group), 2023, accessible at: [https://www.olderrenters.org.au/sites/default/files/decades\\_of\\_decline\\_2011-21\\_victoria.pdf](https://www.olderrenters.org.au/sites/default/files/decades_of_decline_2011-21_victoria.pdf)

<sup>2</sup> Core Logic, Housing Affordability Report: Reflections on the Pandemic and the Rental Market, 2023, accessible at: <https://www.corelogic.com.au/news-research/reports/housing-affordability>

## Expanding Home at Last service to support older renters into a secure, affordable home

HAAG's **Home at Last** service provides vital support to older Victorians experiencing housing crisis, particularly in the private rental market. This is particularly challenging for older people who are on low-incomes or relying on government income support payments as their main source of income. This crisis is exacerbated by the lack of supply of public, community and affordable housing targeted to older people.

The HAAG **Home at Last** service model demonstrates that better housing outcomes can be achieved for older people experiencing financial disadvantage. **Home at Last** provides accessible, equitable and appropriate support and housing information for older people who are experiencing homelessness or at risk of homelessness. Services include:

- tailored housing information
- assistance with housing applications
- support during the move, and establishing a new home
- referrals into aged care and other relevant supports.

A key component of the service is its focus on early intervention. This occurs through engagement with communities directly and through peer educators who can reach people at risk of homelessness before they get to a crisis point.

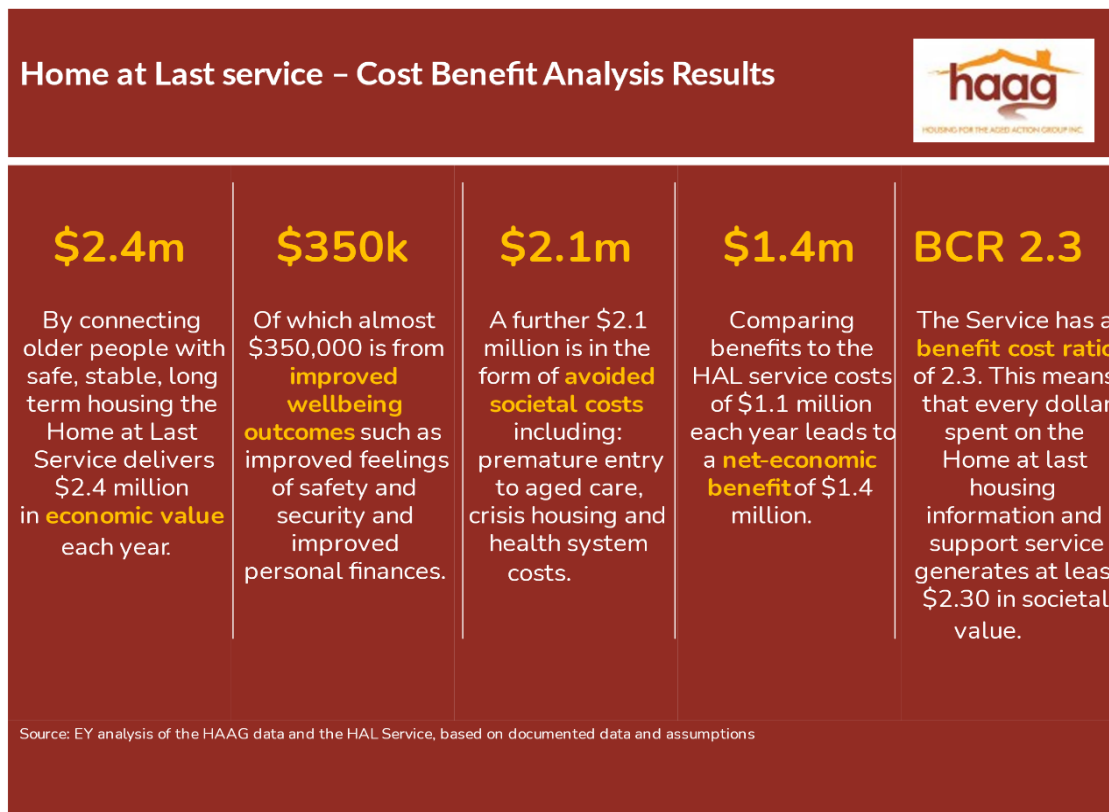
The financial value of **Home at Last** is well established. An Ernst & Young Cost Benefit Analysis (see Table 1 below) found it has a benefit cost ratio of 2.3.<sup>3</sup> For every dollar spent on **Home at Last** at least **\$2.30 in societal value** is generated through improved wellbeing benefits accruing to individuals and avoided costs to government. This value is enhanced by the many non-financial benefits that also accrue (but are not included in the financial analysis), including: increased community connections to respective groups (CALD and LGBTIQ+), reduced reliance on multiple community services and increased reliance on government services, clients receiving the services they need as a result of improved referrals to other social services, and increased contribution of clients to their community via volunteering.<sup>4</sup> HAAG's **Home at Last** service has been recognised as an exemplar program in Federal and state housing policy analysis.

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<sup>3</sup> Ernst and Young, Home at Last Economic Appraisal, November 2019, accessible at: [https://www.olderrenters.org.au/sites/default/files/home\\_at\\_last\\_economic\\_appraisal\\_-\\_final\\_report\\_-\\_november\\_2021.pdf](https://www.olderrenters.org.au/sites/default/files/home_at_last_economic_appraisal_-_final_report_-_november_2021.pdf)

<sup>4</sup> Ibid

**Table 1: Cost Benefit Analysis**



Despite the success of **Home at Last**, funding has not increased to meet demand, nor is it sufficient to provide services across the state. HAAG proposes the following investments to address these issues.

- **Meet demand**

Demand for **Home at Last** is growing dramatically. In the five years from 2019 to 2024 there has been an almost **40% increase** in clients in the **Home at Last** service, from 1,282 clients in 2019-20 to 1,768 in 2023-24. 60% of these clients are women. There has been a significant increase in the number of older renters calling the service due to tenancy issues such as receiving unaffordable rent increases and eviction notices. Despite this increase HAAG has received no increase in funding to meet this demand. As the rental crisis worsens, demand for **Home at Last** will continue to increase.

A **40% increase** in funding for the **Home at Last** is required to meet the current increase in demand, for an investment of **\$636,000 per year** *in addition to the current level of funding*.

- **Provide Home at Last across Victoria**

**Home at Last's** current funding level only allows us to successfully provide the outreach and one-to-one support that provides such successful outcomes in the northern and western metropolitan areas.

Considering the rapidly growing demand for services, HAAG proposes the government urgently increase investment in **Home at Last's** capacity to enable it to meet demand across the full

metropolitan and regional areas. HAAG proposes employing six additional workers to provide outreach support and early intervention.<sup>5</sup> In addition to staff, this would also require vehicles, IT, Human Resources, office rent and other costs that would be approximately \$213,000 per year. The total cost would be approximately **\$922,000 per year in addition to the current level of funding.**

With the high proportion of women seeking support, expanding **Home at Last** would contribute to meeting the Victorian Government's commitment to Gender Responsive Budgeting, and addressing gender inequality.

### **Recommendation**

- 1. Increase investment in Home at Last to ensure this vital service can both meet existing demand and expand to provide one-to-one support to older people across all of Victoria, at a cost of \$1.558m per year in addition to existing level of funding.**

### **Innovative housing solutions for older women**

Older women who access housing services have a range of challenges in relation to financial stress, accessibility and housing crisis. A considerable proportion of these women are less likely to need ongoing support after they have access to safe, long-term and affordable housing. Many of these women would prefer to live where they can build a community, have defined roles where they can engage with other residents and live independently.

From HAAG's experience, there are women who access support services who prefer living in co-operative housing where they will have an active role in decision making in relation to tenancy management, shared spaces and engagement with the co-operative's governance structures.

HAAG has developed a proposal to streamline the application process for older women to access affordable housing options with a clear understanding of living in a co-operative housing model. This will also help the co-operative housing provider to identify suitable tenants quickly and efficiently, and provide support for the tenants to participate fully. The pilot proposal also includes a housing support officer to assist older women to access appropriate supports such as aged care, NDIS and connect with other local community groups, and a community development role to engage the tenants. This proposal is costed at \$754,000 over 3 years.

This measure would contribute to meeting the Victorian Government's commitment to Gender Responsive Budgeting, and addressing gender inequality.

### **Recommendation**

- 2. Fund the delivery of a service to bridge the gap and assist older women to access a broader range of housing options including co-operative housing at the cost of \$754,000 over 3 years.**

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<sup>5</sup> Costed at \$118,104 per annum per staff member (\$118,104 x 6 staff members - \$708,624)

## **Increase public, social and affordable housing stock to ensure everyone has a secure and affordable home**

Increasing the number of public, community and affordable homes is essential to address the housing crisis facing Victoria. Victoria has the lowest rates of social housing in the country. In 2023, the proportion of social housing households in Victoria was 2.8% (a decline from 3.5% from 2014) compared to 4.1% nationally.<sup>6</sup> Given the scale of the issue, Victorian government should urgently increase public and community housing stock to bring the housing level to the national average.

The 2021 Census recorded that there were about 85,000 older people in the lowest two income quintiles in the private rental market in Victoria.<sup>7</sup> Since then, there was an 'unusually strong pace of growth in rent values nationally from late 2020, where the estimated median weekly rent value across Australian dwellings increased by \$115 through to the end of April 2023'.<sup>8</sup> These older renters are now likely to be in significant rental stress, at risk of or experiencing homelessness.

Measures to increase the supply of general or affordable housing to address the current housing shortages across the country will not increase supply for the most vulnerable older people, unless it is dedicated public or community housing. While Victorian and Federal programs designed to increase social housing, such as the Big Housing Build, are providing important increases in homes, these are not enough to meet the needs of low- and middle-income Victorians. With growing demand and the unprecedented housing crisis, we are calling on the government to invest more in public and community housing.

HAAG supports calls from the sector for increasing public and community housing to 10% of all housing stock by 2040.

### **Recommendation**

- 3. Increase public and community housing to 10% of all housing stock by 2040. At minimum, 20% of all public and community housing should be ringfenced for older people over 55.**

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<sup>6</sup> Australian Institute of Health and Welfare, Housing assistance in Australia, 2024, accessible at: <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists>

<sup>7</sup> Housing for the Aged Action Group, Ageing in a Housing Crisis: Older people's housing insecurity & homelessness in Australia, 2023, supplementary information Decades of Housing Decline: 2011 & 2021 Census Analysis Victoria accessible at: <https://www.olderrenters.org.au/publications/decades-of-housing-decline-2011-2021-census-analysis-victoria>

<sup>8</sup> Core Logic, Housing Affordability Report: Reflections on the Pandemic and the Rental Market, 2023, accessible at: <https://www.corelogic.com.au/news-research/reports/housing-affordability>

## Fund housing options for older renters who aren't eligible for social housing - the 'missing middle'

Australian's retirement system is predicated on people owning their own home. However, this is no longer the case for an increasing number of people entering retirement. HAAG's research *Not Poor Enough, Not Rich Enough*<sup>9</sup> exposes the rising number of people continuing to rent privately into retirement. They may have a small amount of assets, precluding them from social housing eligibility, yet cannot afford to buy their own home or fund a place in a retirement village – this group is referred to as the 'missing middle'.

This leaves them with radically fewer options and most housing and homelessness services are not able to assist them.

While this problem affects many older Victorians, it disproportionately affects women because of the gendered gap in retirement savings.<sup>10</sup>

Without a dedicated response, this group will continue to deplete their savings until they become eligible for social housing, and risking homelessness. Intervening early would benefit individuals, their families, the community, and reduce government expenditure on crisis accommodation.

Policy solutions to support this group should include shared equity schemes and low-cost retirement housing options, such as Independent Living Units (ILUs) with no or low entry fees. These measures would contribute to meeting the Victorian Government's commitment to Gender Responsive Budgeting, and addressing gender inequality.

- **Revitalise Independent Living Units sector**

Independent Living Units (ILUs) are generally not-for-profit retirement villages - communal rental housing provided by community organisations for older people with limited incomes and assets. From 1954 until 1986 the sector was subsidised under the Aged Persons' Homes Act (APHA) and during that period around 9,000 units were built in Victoria.<sup>11</sup> 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.

As the ILU sector has not been adequately funded since the mid-1980s the stock is in serious decline. Early findings from HAAG's research suggests that around 50% of Victoria's ILUs are no longer in service. HAAG understands that many ILUs have closed or been sold off, often shifting to the

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<sup>9</sup> <https://www.olderrenters.org.au/publications/not-poor-enough-not-rich-enough-older-people-falling-through-the-housing-assistance>

<sup>10</sup> Housing for the Aged Action Group: The 'missing middle': Older people falling through the cracks in the housing and homelessness system, briefing note, 2021

[https://www.olderrenters.org.au/sites/default/files/missing\\_middle\\_briefing\\_note\\_feb2021.pdf](https://www.olderrenters.org.au/sites/default/files/missing_middle_briefing_note_feb2021.pdf)

<sup>11</sup> Housing for the Aged Action Group, Establishing a 10-Year Strategy for Social and Affordable Housing Discussion Paper, 2021, accessible at:

[https://www.olderrenters.org.au/sites/default/files/haag\\_submission\\_to\\_10\\_year\\_housing\\_strategy\\_final.pdf](https://www.olderrenters.org.au/sites/default/files/haag_submission_to_10_year_housing_strategy_final.pdf)



provision of residential aged care as a more financially viable business model. Many of the ILUs that still exist are generally older and in need of major repairs and maintenance.

## **Recommendation**

### **4. Invest in revitalising the Independent Living Units (ILU) Sector.**

- **Scale up shared equity models for older people**

Shared equity housing models have the potential to enable older people with some assets to purchase a home, or remain in a home with a mortgage, providing them with the stability and security they need. Shared equity models enable the division of the value of a dwelling between more than one legal entity. However, existing models tend to have eligibility criteria that prevent older people from accessing them. For example, limiting eligibility to first home owners can preclude older people who have separated and sold a family home, and are now renting privately. Requirements to have a commercial loan can be difficult for people over 50 years, who can find banks unwilling to lend to them.

Studies have shown that shared equity schemes have potential to address rising housing precarity and prevent homelessness among people over 55.<sup>12</sup> There is the opportunity for the Victorian Government to establish a shared equity scheme to provide the proof of concept and a model that could be replicated and broadened throughout Victoria. Such a pilot, conducted by the government in partnership with a community housing provider, would demonstrate feasibility and give loan providers a stronger basis on which to base their credit risk assessment.

## **Recommendation**

### **5. Pilot shared equity housing schemes for older people, with a view to scaling up across the state.**

## **Ensure ‘affordable housing’ is affordable for older people on low incomes**

Affordable housing is a viable housing solution for older people who are not eligible for public and community housing. Information in relation to affordable housing is unclear, complex and rents are often unreasonably high for older renters. For example, according to Homes Victoria, affordable housing is defined as rents that will not be more than market rate and with an added protection of a cap set at 30% of median income. This also offers a 3-year leases with a possibility of further extensions.<sup>13</sup>

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<sup>12</sup> See for example [Patricia Pascuzzo \(2021\), Housing Finance Products for Older Women in Queensland, Consultation Paper](#), Prepared for Q Shelter by Inclusive Economics.

<sup>13</sup> Homes Victoria, Affordable, accessible at: <https://www.homes.vic.gov.au/homes-victoria-affordable>

However, this was further clarified during State Budget Estimates that there are two approaches – one for effectively greater Melbourne and one for the regions. In both instances there is an additional rent cap which is 30% of the median income. But particularly for Melbourne it is set at no more than 10% below market rent, and for regional areas it is set at no more than market rent.<sup>14</sup> Unfortunately, 10% below market rent or market rent levels in regional areas are unreasonably expensive for older people, particularly those who are not currently in employment even if the rents were capped at 30% of median income.

Thus, this definition of affordable housing excludes older people leaving them with limited or no housing options if they are not eligible for public or community housing based on their savings. This also incentivises the affordable housing providers to target people and families on the higher end of the income spectrum.

In order for older people from low to moderate income households to have equitable access to affordable housing, there is a clear need to cap affordability at 30% of the household income as well as a discounted rate of the market rate. These affordable dwellings should also be clearly earmarked for households on the bottom 40% income quintiles.

## Recommendations

- 6. Legislate a definition of ‘affordable housing’ capped at 30% of household income for people in the lowest 40% of income households for State or local government funded housing, including where private developers are incentivised or with State capital/land contributions for the developments.**
- 7. Increase investment in the stock of affordable housing options with at least 20% ringfenced for older people from low to moderate income households.**

## Address elder abuse

Elder abuse remains a significant concern in Victoria, with national statistics indicating that 15% of Australians aged 65 and over - equivalent to 160,000 older Victorians - experience some form of abuse annually. Seniors Rights Victoria (SRV) remains the sole state-wide legal centre specialising in elder abuse, with their helpline responding to 3,556 calls in 2023–24 alone. However, recent funding cuts have substantially impacted SRV’s operations, leading to a 30% reduction in support provided through the helpline. Despite these challenges, SRV is managing an increasing number of complex legal cases, each demanding extensive support hours due to the growing severity and intricacies of elder abuse cases.

While reforms to Victoria’s family violence framework have assisted older victims, there is a pressing need for elder abuse-specific measures that address the unique characteristics of this form of family violence. These measures include handling a distinct perpetrator profile, overcoming under-

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<sup>14</sup> <https://www.parliament.vic.gov.au/4afee5/contentassets/457afe827b3549fdac8d30faa116c3a5/paec-2021-22-and-2022-23-fpo-24-nov-2023-dffh.pdf>

reporting challenges, and enhancing family violence agencies' capacity to manage elder abuse cases. More details are in the Council of the Aging Victoria's Pre-Budget Submission.<sup>15</sup>

### **Recommendation**

- 8. Expand elder abuse services by providing recurrent funding to Seniors Rights Victoria and other frontline elder abuse services, along with elder abuse prevention programs and investment improved data collection.**

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<sup>15</sup> <https://cotavic.org.au/wp-content/uploads/2024/10/COTA-Vic-SRV-Submission-for-the-Victorian-State-Budget-2025-26.pdf>