



# Consultation on Stage 2 Activity Centres Program

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## Introduction

Housing for the Aged Action Group (HAAG) is a member-based, community organisation specialising in the housing needs of older people. HAAG has over 1000 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 2024-25 financial year, HAAG supported over 2,600 older people in Victoria<sup>1</sup>.

HAAG provides support and assistance to older people in Victoria experiencing homelessness or housing stress, including those living in a myriad of housing types, such as:

- Private rental apartments
- Public and community housing
- Residential parks
- Retirement villages
- Caravan parks
- Independent Living Units

HAAG welcomes the opportunity to provide input into the Department of Transport and Planning's [Stage 2 Activity Centres Program](#) consultation. This submission is based on our experience delivering housing and related support services to older people, research, and the 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 the Retirement Accommodation Action Group, the Older Renters Working Group, LGBTQIA+ Reference Group, and Culturally and Linguistically Diverse (CALD) Reference Group.

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<sup>1</sup> Housing for the Aged Action Group Annual Report, 2024-2025, accessible at: [https://www.olderrenters.org.au/sites/default/files/haag\\_annual\\_report\\_2024-25\\_web.pdf](https://www.olderrenters.org.au/sites/default/files/haag_annual_report_2024-25_web.pdf)



## Summary

Safe, affordable, accessible, and long-term housing 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 has pushed many people, especially older people on low to moderate incomes, into housing precarity.

Despite the common assumption that older people own their homes when they retire, this is not the reality for an increasing number of older people in Victoria. Over the past decade there has been a 77% increase in older people renting privately in Victoria.<sup>2</sup> At least 85,000 older people in Victoria over 55 are renting privately in the lowest two income quintiles.<sup>3</sup> Since 2023, the median rent in Victorian dwellings has increased by \$100, from \$420 to \$520 per week.<sup>4</sup> Income support payments have not kept pace with rental increases, placing the majority of the older renters at risk of severe rental stress and at risk of homelessness.

HAAG supports an increase in housing in locations that are close to public transport and other amenities such as medical and social supports, in places where people want to live. Maintaining social connections is particularly important for older people, who often face social isolation as they age.

The Stage 2 Activity Centres Program will drive significant new housing development across Melbourne's tram and train corridors. However, without binding requirements for affordable and accessible housing, the program will overwhelmingly deliver market-rate housing that remains out of reach for the older people HAAG assists. HAAG is calling for dedicated public and community housing, and genuine affordability requirements to be mandated and enforced in all new housing developments.

HAAG urges the Department of Transport and Planning to ensure the Activity Centres Program delivers housing that works for all people in Victoria, including older people on low and fixed incomes who are among those most acutely affected by the housing crisis.

## Recommendations

1. All public land within activity centre developments to be used for public housing and to remain in public hands.
2. Incorporate consistent Mandatory Inclusionary Zoning with clear targets for all housing developments on private land in perpetuity, with at least 20% of all new dwellings to be public

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<sup>2</sup> 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.older tenants.org.au/sites/default/files/decades\\_of\\_decline\\_2011-21\\_victoria.pdf](https://www.older tenants.org.au/sites/default/files/decades_of_decline_2011-21_victoria.pdf)

<sup>3</sup> Ibid.

<sup>4</sup> Australian Bureau of Statistics: Latest insights into the rental market, 2025, accessible at:

<https://www.abs.gov.au/articles/latest-insights-rental-market>



and community housing. Additionally, there must be an allocation to older people over 55, including those from diverse backgrounds.

3. Strengthen Victoria's definition of 'affordable housing' to apply to housing where developers receive state government or local council incentives, ensuring rents are capped at 30% of income for households in the lowest 40% of incomes in perpetuity.
4. Expedite the introduction and rigorous enforcement of the newly legislated minimum energy efficiency standards (insulation, draught-proofing, heating, cooling, etc.) across all new housing developments within Activity Centres.
5. All new housing developments within Activity Centres meet Livable Housing Design Standards as per the 2022 National Construction Code.

### Public housing on public land

Increasing the number of public, community and affordable homes is essential to address the housing crisis facing Victoria. Victoria has the lowest rates of public and community housing in the country. In 2024, the proportion of public and community housing in Victoria was 3% (a decline from 3.5% in 2014) compared to 4.1% nationally.<sup>5</sup> Given the scale of the issue, the Victorian Government should urgently increase public and community housing stock to bring the housing level to at least the national average., and set a more ambitious target of minimum 10%. The Activity Centre Program is an ideal opportunity to achieve this goal.

The Stage 2 Activity Centres Program will see development on public land across some of Melbourne's most well-connected corridors, close to train and tram stops, health services, retail, and community infrastructure. These locations are well-suited to provide the infrastructure older people need to age in place. HAAG is calling on the Victorian Government to ensure that any public land within activity centre developments is used exclusively for public housing and remains in public ownership.

*"When living on a pension it is impossible to pay for a rental property and live off the rest of your pension"*

– HAAG member, 84

- **All public land within activity centre developments to be used for public housing and to remain in public hands.**

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<sup>5</sup> Australian Institute of Health and Welfare, Housing assistance in Australia, 2025, accessible at: <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists>



## Mandatory inclusionary zoning and allocation for older people

Stage 2 of the Activity Centres Program presents a critical opportunity to embed genuine affordability requirements directly into new housing supply. Without mandatory inclusionary zoning (MIZ), large-scale rezoning and upzoning in Activity Centres will overwhelmingly deliver market-rate housing that remains unaffordable for older people on low and fixed incomes.

HAAG is calling on the Victorian Government to embed binding MIZ obligations directly into the planning framework for Stage 2, requiring at least 20% of all new dwellings on private land in Activity Centres to be public or community housing, held in perpetuity. We also call for explicit allocation requirements within that 20%. Older people, particularly older women, LGBTQIA+ older people, and people from culturally and linguistically diverse backgrounds, are significantly overrepresented among those most at risk of housing insecurity and homelessness. Without age and equity-sensitive allocation requirements, a blanket MIZ requirement will not adequately address their needs.

*“I am scared of being homeless in the future” – Debbie, 64.*

*“It makes the hope of getting any help with housing even further away, to very much non-existent” – HAAG member, 59*

*“We can't afford open market rent also you don't have any guarantee that you can stay there” – Patricia, 77*

- **Incorporate consistent Mandatory Inclusionary Zoning with clear targets for all housing developments on private land in perpetuity, with at least 20% of all new dwellings to be public and community housing. Additionally, there must be an allocation to older people over 55, including those from diverse backgrounds.**

## Legislate a definition of affordable housing

Another viable housing solution for older people not eligible for public and community housing is affordable housing. However, information about affordable housing is unclear and complex, and rents are often unreasonably high for older renters on low and fixed incomes.

According to Homes Victoria, affordable housing is defined as rents that will not be more than market rate, with an added protection of a cap set at 30% of median income and offers 3-year leases with the possibility of further extensions<sup>6</sup>. This was further clarified during State Budget Estimates: there are two approaches, one for greater Melbourne and one for regional areas. In Melbourne, rents are capped at no more than 10% below market rent. In regional areas, they are capped at no more than market rent.

Unfortunately, 10% below market rent, or market rent in regional areas, is unreasonably expensive for older people, particularly those not in employment. Even if rents were capped at 30% of median

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<sup>6</sup> Homes Victoria, Affordable, accessible at: <https://www.homes.vic.gov.au/homes-victoria-affordable>



income, this cap is calculated against median household income, not the income of the people most in need. For someone on the Age Pension, a rent set at 30% of median income may represent 60% or more of their actual income. This is not affordable housing.

This definition also creates a perverse incentive for affordable housing providers to target people and families on the higher end of the eligible income spectrum. The result is that 'affordable housing' stock in Activity Centres could be largely inaccessible to older people on the lowest incomes, even as the program is presented as addressing affordability.

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 individual household's income, rather than median income. These affordable dwellings should be clearly earmarked for households in the bottom 40% of income quintiles, and the affordability requirement should apply wherever developers receive state or local government incentives or contributions, in perpetuity.

- **Strengthen Victoria's definition of 'affordable housing' to apply to housing where developers receive state government or local council incentives, ensuring rents are capped at 30% of income for households in the lowest 40% of incomes in perpetuity.**

## Minimum energy efficiency standards

Climate change has disproportionate impacts on older people. Older people are at greater risk from storms, floods, heatwaves, and other extreme events, in part because they are less mobile than younger adults and find it more difficult to avoid hazardous situations. Older people are also more likely to have health conditions that limit the body's ability to respond to heat and air pollution.

A recent AIHW report found that the highest numbers and proportions of cases hospitalised with extreme weather-related injuries were aged 65 years or older, accounting for over 35% of hospitalisations. Extreme weather-related injury deaths were predominantly among people aged 45 years and over, with 52% of deaths being people over 65 years.<sup>7</sup>

New housing developments built without adequate insulation, efficient heating and cooling, and sound thermal design will generate energy poverty for residents well into the 2050s. Older people on low and fixed incomes are particularly exposed to rising energy costs. For those on the Age Pension, energy bills compete directly with rent, food, medication, and transport. Many older people HAAG assists already practise extreme energy rationing, because the buildings they live in are inefficient and they cannot afford to run heating or cooling at the levels they need.

Unlike homeowners, renters have little control over improvements that make the biggest difference to energy costs, such as insulation or fixed appliances. The Activity Centres Program provides an important

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<sup>7</sup> 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>



opportunity to mandate higher energy efficiency standards in all new housing developments, protecting older and vulnerable residents from the outset.

Considering the adverse impacts of severe weather events on older people, it is the responsibility of all layers of government to ensure that older people have livable homes. The Activity Centres Program should require all new housing developments to meet the newly legislated minimum energy efficiency standards, including adequate insulation, draught-proofing, and appropriately rated heating and cooling systems, as a condition of planning approval, with rigorous enforcement and clear compliance timelines.

- **Expedite the introduction and rigorous enforcement of the newly legislated minimum energy efficiency standards (insulation, draught-proofing, heating, cooling, etc.) across all new housing developments within Activity Centres.**

#### **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.

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 two years or longer.

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



## Ageing in place

Numerous government policies have identified the importance of supporting older people to age in place. As a result of ageing and pre-existing health conditions, a considerable proportion of older people need housing that is accessible. During the 2024–25 financial year, approximately 50% of HAAG’s clients had mobility issues that impacted on their housing and needed accessible housing.<sup>8</sup>

Although mandatory minimum accessibility standards have been included in the National Construction Code, there is a significant lack of accessible housing in the private rental market. Activity Centres are, by definition, among Melbourne’s most well-connected locations. They should also be where older people can age in place. High-density housing developed without accessibility standards will not meet that need.

Due to the current rental market and limited supply of accessible properties, there is little or no incentive for landlords to upgrade or install ramps and handrails. Although rental providers can no longer refuse reasonable requests for home modifications, many older renters are afraid to ask for modifications because they fear rent increases or being asked to vacate.

*"Older people are worried about asking for simple modifications or renovations that would make their housing more livable because they don't want to 'rock the boat'. They already know how tight the rental market is and how difficult it would be for them to re-enter and compete when there are hardly any rental properties that are truly affordable"*

– HAAG reference group member

With limited accessible and affordable housing options across the country for people with disability and older people, there is stiff competition for the small number of accessible properties that are close to amenities.

- **All new housing developments within Activity Centres meet Livable Housing Design Standards as per the 2022 National Construction Code.**

### 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.

<sup>8</sup> Housing for the Aged Action Group, 2024-25 Annual Report, accessible at [https://www.older tenants.org.au/sites/default/files/haag\\_annual\\_report\\_2024-25\\_web.pdf](https://www.older tenants.org.au/sites/default/files/haag_annual_report_2024-25_web.pdf)



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*

## **Conclusion**

HAAG urges the Victorian Government to use the Activity Centres Program as a genuine opportunity to deliver housing that works for all, including older people on low and fixed incomes who are among the most acutely affected by the housing crisis. Increased housing supply alone will not address the needs of the most vulnerable older renters without targeted intervention.

The planning changes proposed under Stage 2 must be accompanied by mandatory inclusionary zoning, a legislated definition of affordable housing set at genuinely affordable levels, enforceable minimum energy efficiency and accessibility standards, and a firm commitment that public land in Activity Centres is used for public housing.

HAAG welcomes further engagement with the Department of Transport and Planning and the Victorian Government on these recommendations.