



HOUSING FOR THE AGED ACTION GROUP INC.

Victoria Pre-budget Submission 2024-2025

Introduction

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 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 community 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 advocacy.

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

Key recommendations

- Expand the Home at Last service to be a state-wide service providing one on one support to older people at the cost of \$875,000 per year.
- Increase funding for tenancy advice for older people who are approaching housing services for assistance with tenancy issues, minor disputes with landlords, and support and information about tenancy recourse at the cost of \$300,000 per year.
- Increase funding for early intervention and prevention including peer and community education targeted towards older people at the cost of \$150,000 per year.
- 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 \$715,000 over 3 years.

¹ Housing for the Aged Action Group, Annual Report 2022-2023, accessible at: <https://www.older tenants.org.au/publications/annual-report-2022-2023>

² See further: Housing for the Aged Action Group, Ageing on the Edge National Action Project, accessible at: <https://www.older tenants.org.au/ageing-edge-national-action-project>

Additional recommendations

- Build 60,000 public and community housing dwellings by 2030 and a long-term mechanism for ongoing funding to increase and maintain housing supply. At minimum, 20% of all public and community housing should be ringfenced for older people over 55.
- Increase overall funding for Housing First responses and ringfence at least 25% of the Housing First dwellings for older people over 55 years.
- Increase funding to revitalise the Independent Living Units (ILU) Sector and examine other affordable housing options for older people who are ineligible for public and community housing due to a small amount of savings or superannuation balance.
- 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.
- Increased stock of affordable housing options with at least 20% ringfenced for older people from low to moderate income households.
- Establish an Ombudsman service to provide free, fair and binding determinations on retirement housing and social housing disputes.
- Re-establish and fund the role of the Commissioner for Senior Victorians with meaningful authority, oversight and decision-making powers.

Expanding Home at Last service

The rental crisis across Victoria coupled with cost of living pressures are pushing people into homelessness. The rental market 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 disadvantages. 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 range from providing tailored housing information to assistance with housing applications, support during the move, establishing a new home and 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 also through peer educators who are able to reach people at risk of homelessness before they get to a crisis point.

An Ernst & Young Cost Benefit Analysis (see Table 1 below) found that the Service has a benefit cost ratio of 2.3.³ This means that every dollar spent on the Home at Last housing information and support service generates at least \$2.30 in societal value.

³ 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

The Cost Benefit Analysis assessed the impact of the Home at Last service on the economic welfare of older people relative to a base case scenario. For simplicity, the economic benefits of the service have been grouped into two key categories relating to how outcomes are realised: improved wellbeing benefits accruing to individuals and avoided costs realised by Government. There are also a number of benefits that are likely to exist but that have not been quantified in this analysis.

The non-quantified benefits include increased referrals to Home at Last, increased community connections to respective groups (CALD and LGBTIQ+), reduction in 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.⁴

Table 1: Cost Benefit Analysis

| Home at Last service – Cost Benefit Analysis Results | | | | |
|---|---|--|---|---|
| \$2.4m | \$350k | \$2.1m | \$1.4m | BCR 2.3 |
| By connecting older people with safe, stable, long term housing the Home at Last Service delivers \$2.4 million in economic value each year. | Of which almost \$350,000 is from improved wellbeing outcomes such as improved feelings of safety and security and improved personal finances. | A further \$2.1 million is in the form of avoided societal costs including: premature entry to aged care, crisis housing and health system costs. | Comparing benefits to the HAL service costs of \$1.1 million each year leads to a net-economic benefit of \$1.4 million. | The Service has a benefit cost ratio of 2.3. This means that every dollar spent on the Home at last housing information and support service generates at least \$2.30 in societal value. |
| Source: EY analysis of the HAAG data and the HAL Service, based on documented data and assumptions | | | | |

The Victorian and Federal bilateral agreement under National Housing and Homelessness Agreement (NHHA) refers to ‘targeted services to prevent older people experiencing homelessness through the provision of information and support to older people and other vulnerable cohorts’.⁵ This is likely a reference to the HAAG’s Home at Last Service which demonstrates the State government’s recognition of the success of the service. In addition, the Productivity Commission report *In need of Repair: The National Housing and Homelessness Study* recognises that the Home at

⁴ Ibid

⁵ Federal Treasury, National Housing and Homelessness Agreement, accessible at: <https://federalfinancialrelations.gov.au/agreements/national-housing-and-homelessness-agreement-0>

Last service delivered by Housing for the Aged Action Group in Victoria and Footprints Community in Queensland is a promising model to support older people.⁶

The demand for the service is growing over the years. For example, the number of people seeking support has increased from 955 in 2020-21 financial year⁷ to 1,545 in 2022-2023 financial year⁸. This is a staggering 61.7% increase.

Considering the rapidly growing demand for services, HAAG is proposing the government urgently expand Home at Last Service's capacity by funding case workers in each of the Department of Families, Fairness and Housing (DFFH) planning regions (Inner East, Outer East, South Melbourne and Hume) and two additional intake staff members.⁹ In addition to staff, this would also require vehicles, IT, Human Resources, office rent and other costs that would be approximately \$202,000 per year. The total cost would be approximately \$875,000 per year over the current level of funding.

- Expand the Home at Last service to be a state-wide service providing one on one support to older people at the cost of \$875,000 per year.

Increasing funding for targeted tenancy advice

HAAG welcomes the recently proposed changes to rental laws in Victoria to improve the rights of the renters including restricting rent increases between successive fixed-term rentals, banning rent bidding, establishing Rental Dispute Resolution Victoria, introduce a portable rental bond scheme, extend notice to vacate and rent increases to 90 days, mandatory training and licensing for real estate agents, etc., make rental applications easier and protect renters personal information and deliver a Rental Stress Support Package.¹⁰ Implementation of these changes will have a significant impact on some of the challenges that older renters experience.

Some of the needs of older renters are different to others due to lack of tailored support, information and service provision via online platforms, navigating the existing service systems and power imbalances with landlords that limit the capacity to advocate for themselves.

Currently, Home at Last intake team assesses older people based on their needs and refer them to external organisations such as Consumer Affairs Victoria (CAV) to provide tenancy advice and support. Considering the unprecedented rental crisis, CAV staff are under significant pressure to assist clients.

HAAG's Retirement Housing Service is dedicated to supporting this cohort by providing appropriate advice, assistance with dispute resolution and other tenancy related matters of older people in retirement housing, including retirement villages, residential and caravan parks. This service can be extended to older private renters to support them understand and exercise their rights. This tenancy

⁶ Productivity Commission, In need of repair: The National Housing and Homelessness Agreement Study report, 2022, accessible at: <https://www.pc.gov.au/inquiries/completed/housing-homelessness/report/housing-homelessness.pdf>

⁷ Housing for the Aged Action Group, Annual Report, 2020-2021, accessible at: https://www.olderrenters.org.au/sites/default/files/annual_report_2021-22.pdf

⁸ Housing for the Aged Action Group, Annual Report 2022-2023, accessible at: <https://www.olderrenters.org.au/publications/annual-report-2022-2023>

⁹ Costed at \$112,000 per annum per staff member (\$112,000 x 6 staff members - \$672,000).

¹⁰ Victorian Government, Protecting Renters Rights, accessible at: <https://www.vic.gov.au/protecting-renters-rights>

support and advice can be an extension of the existing Retirement Housing Service. As a starting point, HAAG is proposing a three year program at the cost of \$300,000 per year for two staff members including ancillary costs.

- Increase funding for tenancy advice for older people who are approaching housing services for assistance with tenancy issues, minor disputes with landlords, and support and information about tenancy recourse at the cost of \$300,000 per year.

Early intervention and community education

People over 55 at risk of or experiencing homelessness are often unaware of, or unable to access safe, secure and appropriate housing options. For many older people, particularly older women who are experiencing homelessness for the first time in later life, the service systems are complex and difficult to navigate. Stigma and shame are also barriers to older people knowing when and where to seek help.¹¹

HAAG'S peer and community education specifically targets older people experiencing housing stress, or challenges navigating the aged care system. By providing information about forms of homelessness, the risk factors for homelessness and the pathways to support through HAAG's Home at Last and Care Finder programs, HAAG aims to divert older people from experiencing homelessness or reaching a crisis point. Community education also raises awareness of homelessness as a public health issue, highlighting the systemic causes, and the specific experiences of older people.

HAAG's peer and community education activities particularly target older people who may experience additional risk factors for homelessness and barriers to accessing services, such as those from culturally and linguistically diverse backgrounds or older people who identify as LGBTIQ+. To achieve this, HAAG actively recruits older volunteers from diverse backgrounds who can connect and advocate within their communities, due to their nuanced understanding and position in these communities.

Engaging older people as volunteers is core to HAAG's work, and their participation in reference groups helps to inform HAAG's policy and practice, including how peer and community education is delivered. By incorporating older people knowledge and lived experience, we increase our understanding of our clients' needs, leading to better practice and service provision. Moreover, engaging older people as peer and community educators is effective because they are more inclined to trust the information being shared when it comes from someone they consider a peer, with a similar lived experience.

Early intervention and community education has consistently been a key referral source to HAAG's Home at Last service. Prior to the pandemic, this was the main or the second main source of referrals to the service. Given the scale of the housing crisis and the lack of support and awareness about service systems among this cohort, it is critical that the early intervention component of the service is significantly expanded. However, this work is currently funded as a part-time role from a

¹¹ D. Faulkner and J Fielder, The older I get the scarier it becomes: Older people at risk of homelessness in NSW, 2017, accessible at: <https://www.older tenants.org.au/sites/default/files/older-i-get-scarier-it-becomes-291117.pdf>

philanthropic grant and a small amount from a separate stream of Federal Government's Care Finder funding.

This expansion of the current service would include an additional staff member, training and payments for Peer Educators with lived experience and other organisational costs at \$150,000 per year.

- Increase funding for early intervention and prevention including peer and community education targeted towards older people at the cost of \$150,000 per year.

Bridge community engagement gap in housing 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 \$715,000 over 3 years.

- 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 \$715,000 over 3 years.

Increase public, social and affordable housing stock

Increasing public, community and affordable housing stock is a critical part of addressing the housing crisis facing Victoria. Victoria has the lowest rates of social housing in the country. In 2022, the proportion of social housing households in Victoria was 2.9% (a decline from 3.5% from 2014) compared to 4.1% nationally.¹² 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.

¹² Australian Institute of Health and Welfare, Housing assistance in Australia, 2023, accessible at: <https://www.aihw.gov.au/getmedia/74505dd1-4494-47f8-ab85-631de25473cd/housing-assistance-in-australia.pdf?v=20240108131054&inline=true>

There were about 120,000 older people in the lowest two income quintiles in the private rental market.¹³ 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’.¹⁴ These older renters are now likely to be in significant rental stress, at risk of or experiencing homelessness.

Measures to increase general or affordable housing supply 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. We were encouraged by the recent announcement of a combined \$3billion investment from Federal Government to increase social housing supply in addition to Victorian State Government’s Big Housing Build. However, considering the 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 60,000 public and community homes to be built by 2030.

Build 60,000 public and community housing dwellings by 2030 and a long-term mechanism for ongoing funding to increase and maintain housing supply. At minimum, 20% of all public and community housing should be ringfenced for older people over 55.

Housing First approach for older people

The Housing First approach prioritises immediate access to permanent housing, ensuring that older people have a stable and secure place to live and offers tailored support services to meet the diverse needs. This includes providing comprehensive access to healthcare, social assistance, and community support, which are essential for addressing the complex challenges that older people face.¹⁵

Domestic and international evidence demonstrates that the Housing First approach is cost effective and prevents repeated cycles of homelessness by reducing reliance on emergency services, such as hospitals and emergency or crisis housing responses.¹⁶

From HAAG’s service experience from Home at Last Service in metro areas and Goulbourn Hume Valley, older people who present with no tenure, living in rooming houses and in emergency accommodation are likely to be eligible for Housing First. This proportion is about 25% of all clients supported by Home at Last service in the last financial year. This proportion does not include older people living in ‘inadequate or inappropriate living’.

Considering the effectiveness of the Housing First, HAAG recommends increasing funding for Housing First responses across the State. Given the increasing need for older people experiencing or

¹³ Housing for the Aged Action Group, Ageing in a Housing Crisis: Older people’s housing insecurity & homelessness in Australia, 2023, accessible at: <https://www.oldertenants.org.au/publications/ageing-in-a-housing-crisis-older-peoples-housing-insecurity-homelessness-in-australia>

¹⁴ 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>

¹⁵ M. O’Connor, et al, Housing First for older adults experiencing homelessness in Australia: A review of the evidence. Australian Social Work, 2022, 73(3), accessible at: <https://www.ahuri.edu.au/research/research-papers/housing-first-an-evidence-review-of-implementation-effectiveness-and-outcomes>

¹⁶ Ibid

at risk of homelessness, it is critical that at least 25% of Housing First funding is ringfenced for older people over 55 years.

- Increase overall funding for Housing First responses and ringfence at least 25% of the Housing First dwellings for older people over 55 years.

Fund housing options for the ‘missing middle’

Eligibility for social housing is determined by a range of factors including savings and assets. People who retire without owning their own home and with a small amount of assets are ineligible for social housing yet cannot afford other housing options – this group is referred to as the ‘missing middle’.¹⁷

The ‘missing middle’ is a growing cohort of older people who do not own their own home but have savings or assets above the social housing asset limit (for example in Victoria the limit is \$34,656). They are unable to buy their own home or fund a place in a retirement village but are also not eligible for social housing due to their level of savings. This leaves them with radically fewer options and most housing and homelessness services are not able to assist them.

One of the solutions 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. 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.¹⁸ 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. Anecdotally HAAG understand that many ILUs have closed or sold off, often shifting to the provision of residential aged care as a more financially viable business model. Many of the ILUs that still exist are generally older and often in need of major repairs and maintenance.

Policy solutions to support this group should include shared equity schemes and low-cost retirement housing options, such as ILUs with no or low entry fees. It is also important ensure that there’s clear regulation of the ILU sector including minimum standards.

Residential parks and villages are communities where people – who are typically retirees – purchase dwellings and lease the sites they occupy. In Victoria, they are covered by Part 4A of the *Residential Tenancies Act 1997*, and are sometimes called lifestyle villages, manufactured homes or Part4A parks. Although similar in some ways to retirement villages, they are not covered by the Retirement Villages Act.

They vary greatly in size, style and quality, with some in former caravan parks and increasing numbers that are purpose-built, with dwellings priced in the hundreds of thousands. There is no one

¹⁷ Housing for the Aged Action Group, The ‘missing middle’: Older people falling through the cracks in the housing and homelessness system, 2021, accessible at:

https://www.oldertenants.org.au/sites/default/files/missing_middle_briefing_note_feb2021.pdf

¹⁸ Housing for the Aged Action Group, Establishing a 10-Year Strategy for Social and Affordable Housing Discussion Paper, 2021, accessible at:

https://www.oldertenants.org.au/sites/default/files/haag_submission_to_10_year_housing_strategy_final.pdf

reliable source of information about the number and size of these parks, yet there are thousands of Victorians over 55 years old living in this type of housing.

Although these can be an attractive or desirable housing option for many older people, there are numerous significant issues with complex contracts, poor management, dispute resolution and unfair or hidden fees.¹⁹

Considering that this is an affordable housing option for older people who are not eligible for social housing but are not able to rent in the private rental market, HAAG recommends the Government better regulate residential parks and retirement villages as a matter of priority.

- Increase funding to revitalise the Independent Living Units (ILU) Sector and examine other affordable housing options for older people who are ineligible for public and community housing due to a small amount of savings or superannuation balances.

Affordable housing

Another viable housing solution for older people not eligible for public and community housing is affordable 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.²⁰

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.²¹ 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.

- 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.

¹⁹ Housing for the Aged Action Group, Residential Parks Roundtable Summary Report, 2022, accessible at: <https://www.olderrenters.org.au/publications/residential-parks-roundtable-summary-report>

²⁰ Homes Victoria, Affordable, accessible at: <https://www.homes.vic.gov.au/homes-victoria-affordable>

²¹ <https://www.parliament.vic.gov.au/4afee5/contentassets/457afe827b3549fdac8d30faa116c3a5/paec-2021-22-and-2022-23-fpo-24-nov-2023-dffh.pdf>

- Increased stock of affordable housing options with at least 20% ringfenced for older people from low to moderate income households.

Fund the establishment of independent oversight bodies

Older public and community housing tenants and residents of retirement housing face numerous issues in resolving disputes with their housing providers or managers. These include unclear processes, a power imbalance that inhibits the assertion of their rights, poor training for managers and housing providers, and a lack of timely responses to requests for repairs.

The Victorian Ombudsman in her investigation into the complaints system in social housing found that ‘the social housing complaints system is not working. In fact, it has not worked for years’, and called for an independent and specialist Social Housing Ombudsman, as well as improved training and resourcing for housing providers.²² HAAG recommends that this be expanded to include retirement housing, including residential parks and retirement villages, with appropriate expertise to resolve disputes. Any ombudsman or dispute resolution process must be free for residents, fast, independent and binding.

- Establish an Ombudsman service to provide free, fair and binding determinations on retirement housing and social housing disputes.

HAAG is concerned about the discontinuation of the Commissioner for Senior Victorians role. The Commissioner for Senior Victorians had a critical role in listening to older people’s concerns and raising them with the relevant Government Stakeholders. The critical role and the importance of independent commissioners in Victoria is well understood. HAAG is supportive of the role played by the LGBTIQ+ Commissioner, Multicultural Commissioners and other similar roles. Considering the importance of an independent voice for older people, it is imperative that the government funds the reestablishment of the role of Commissioner for Senior Victorians.

- Re-establish and fund the role of the Commissioner for Senior Victorians with meaningful authority, oversight and decision-making powers.

²² Victorian Ombudsman, Investigation into complaint handling in the Victorian social housing sector, 2021, accessible at: <https://www.ombudsman.vic.gov.au/our-impact/investigation-reports/investigation-into-complaint-handling-in-the-victorian-social-housing-sector/>