



# Inquiry into the Rental and Housing Affordability Crisis in Victoria

## Introduction

HAAG is member-based, community organisation specialising in the housing needs of older people. The organisation has over 800 members across the country actively campaigning for housing justice. Established nearly 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 the country. During the 2021-22 financial year, HAAG supported close to 1,000 older people, and assisted about 120 older people into long term, affordable housing.<sup>1</sup>

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.<sup>2</sup> HAAG was funded in 2020 for a further four years to continue this advocacy.

HAAG welcomes the opportunity to provide input into the Inquiry into the Rental and Housing Affordability Crisis in Victoria. 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 advisory groups including Retirement Accommodation Action Group (RAAG), LGBTQIA+ reference group and culturally and linguistically diverse (CALD) reference group.

## Recommendations

The Committee should recommend the Victorian Government to -

- Build 60,000 public and community homes by 2030 across the state and a long-term mechanism for ongoing funding to increase and maintain housing supply.

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<sup>1</sup> Housing for the Aged Action Group, Annual Report 2021-2022, accessible at: [https://www.olderrental.org.au/sites/default/files/annual\\_report\\_2021-22.pdf](https://www.olderrental.org.au/sites/default/files/annual_report_2021-22.pdf)

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

- Fund the delivery of specialist housing information and support services for older people, by expanding the HAAG’s Home at Last service model across the State.
- Identify measures to provide meaningful short-term relief for renters from the ongoing rent increases.
- better regulate the Retirement Housing industry, including residential parks, in consultation with community sector organisations and residents of that housing.
- Increase funding and resources for Tenancy Advice and Advocacy Services including HAAG’s Retirement Housing services to ensure older renters receive timely advice and support.
- Expand the eligibility criteria of rental financial supports to ensure older people are able to sustain private tenancies and find alternative accommodation that is affordable to them.
- Develop a statewide policy with local government to significantly expand inclusionary zoning policies.
- Release the Ten Year Social and Affordable Housing Strategy and the Review of Social Housing Regulations.
- Advocate to the Federal Government to increase income support payments.

## Context

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. Even before the current crisis, Retirement Income Review Final Report found that renters and involuntary retirees experience higher levels of financial stress and poverty than the working-age population.<sup>3</sup> Rental stress may exacerbate existing health conditions or contribute to new health issues, such as stress-related illnesses or social isolation among older people.

According to Homes Victoria Rental Report, the Melbourne Rent Index (MRI) and Regional Rent Index (RRI) increased by 5.2% and 2.2% respectively in the March quarter. In the twelve months to March 2023, the MRI and RRI increased by 13.3%, the highest annual increase since this Rental Report series began in 2000.<sup>4</sup> According to SQM Research, rental prices in Melbourne went up by 19.9% in the last 12 months. These figures equate to over \$100 a week increases in rent in some areas. Vacancy rate for rentals also dropped from 3.9% to 1.3% in Melbourne during the same period.<sup>5</sup>

Although homelessness data is a useful tool in measuring “visible” homelessness, it is usually an underestimate for certain cohorts of older people. HAAG’s research based on census data found that homeownership rates among people over 55 in Victoria are declining and a higher proportion of

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<sup>3</sup> 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](https://treasury.gov.au/sites/default/files/2020-11/p2020-100554-00bkey-observations_0.pdf)

<sup>4</sup> Department of Families, Fairness and Housing, Homes Victoria Rental Report, March 2023, accessible at: <https://www.dffh.vic.gov.au/publications/rental-report>

<sup>5</sup> SQM Research, Weekly Residential Rents and Vacancy Rate: Melbourne, accessible at: <https://sqmresearch.com.au/weekly-rents.php?region=vic%3A%3AMelbourne&type=c&t=1>

older people are renting privately.<sup>6</sup> Of about 150,000 older renters, nearly 85,000 were in the lowest two income quintiles (Q1 – Household income less than \$799 per week or approx. \$41,548 per annum and Q2 – Household income between \$780 – \$1,499 per week or approx. \$41,549 - \$77,948 per annum).<sup>7</sup> There is a higher proportion of women amongst older renters on low incomes.

The rental crisis may also result in older people not leaving abusive or untenable relationships as a result of not being able to afford private rent or fear of eviction after moving to private rentals. The recent unprecedented rent increases create increased amounts of anxiety among older people that may impact on their physical and mental health.

*“I have a rental agreement, but it is only a one year agreement, and I don’t know when the tenancy is going to end. There is no stability. I got a six month extension, and then six months. I feel insecure.”*

Member of HAAG’s CALD Reference Group

*“High level of anxiety and depression is shown to cause early onset for dementia in older person, high risk on health impact premature institutionalisation, create isolation, less community engagement, they can’t access aged related service like Homecare Packages and other services aimed to implement ageing well policies.”*

Member of HAAG’s CALD Reference Group

The current rental crisis results in forcing some older people to move frequently due to rising rents and limited availability of affordable housing. This instability can have negative effects on their overall well-being and sense of security. The cost of moving and the need to find alternative accommodation options when there are time pressures can have significant financial, physical and mental health impacts on older people.

*“I feel like exploding. We don’t know what’ll happen next week or next month. There is nothing to support us (older renters). The landlords can say tomorrow “sorry, we’re going to sell up” and there’s nothing renters can meaningfully do. Where do we go to get help?”*

Member of HAAG’s LGBTIQ+ Reference Group

## **Factors contributing to increased risk of homelessness among older people**

As demonstrated above, current rental crisis has a disproportionate impact on older people in Victoria who are from low income households. We welcomed the State government’s funding injection of \$5.2 billion through Big Housing Build in 2020 to increase social and affordable housing stock. According to Productivity Commission, there was an increase in the number of social housing occupants with greatest need from the new housing allocations in Victoria. However, across other measures in relation to reducing rental stress and reducing homelessness, Victoria had a negative change or no improvement.<sup>8</sup>

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<sup>6</sup> Housing for the Aged Action Group, Decades of Decline: 2011 and 2021 Census Analysis (Victoria), 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>7</sup> Ibid

<sup>8</sup> Productivity Commission, National Housing and Homelessness Agreement, Performance Reporting Dashboard, accessible at: [https://performancedashboard.d61.io/housing\\_vic](https://performancedashboard.d61.io/housing_vic)

*“Victoria has not got enough housing at all. They are below the national average ... The location (of housing) matters a lot for older people. But we need more quantity. So many more houses are needed.”*

Member of HAAG’s CALD Reference Group

## Financial hardships

Older people that HAAG supports are largely looking for safe, affordable and accessible housing to age in place. The cost of living pressures and the significant inadequacy of Age Pension and Jobseeker payment are pushing older people into poverty. Many older renters in the private rental market live in constant pressure about what the current rental crisis may mean for them and their tenancies, especially those receiving income support payments who are less likely to find alternative income streams to increase their household income.

*“There’s so much rental insecurity going on ... What worries me is the insecurity of being on a benefit (income support payment). Having rent reviewed on a yearly basis. Can be evicted when suits them (landlords). Every year I have to think about the security of tenure.”*

Member of HAAG’s LGBTIQA+ group

According to Anglicare Australia analysis, only 0.3% of available market listings in 2023 were affordable for a single older person in receipt of the Age Pension. This increases marginally to 0.5% for a couple on the Aged Pension.<sup>9</sup> There were no properties affordable for older people on Jobseeker payment.<sup>10</sup>

The maximum rate of Disability Support Pension or Age Pension including Energy Supplement and maximum Pension Supplement for a single person would be \$1,064.00 a fortnight and \$1,604.00 for a couple.<sup>11</sup> The Commonwealth Rent Assistance (CRA) rate is \$157.20 a fortnight for a single person.<sup>12</sup> The median rent in metropolitan Melbourne is \$480 according to Homes Victoria Rental Report.<sup>13</sup> Assuming an older person gets the maximum rate of CRA and age pension (\$1221.20), they will be left with \$261.20 a fortnight for all other expenses including food, utilities, health expenses and other bills.

The rental costs are particularly challenging for single older people over 55 years receiving the JobSeeker payment. People aged 55 years and over form the largest cohort receiving the JobSeeker payment in Victoria. As of March 2023, there were 53,730 (28%) JobSeeker recipients were those aged over 55 years.<sup>14</sup>

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<sup>9</sup> Anglicare Australia, Rental Affordability Snapshot: Regional Reports, 2023, accessible at: <https://www.anglicare.asn.au/wp-content/uploads/2023/04/Rental-Affordability-Snapshot-Regional-Reports.pdf>

<sup>10</sup> Ibid

<sup>11</sup> Services Australia, A guide to Australian Government payments 1 July 2023 to 19 September 2023, accessible at: <https://www.servicesaustralia.gov.au/how-much-age-pension-you-can-get?context=22526>

<sup>12</sup> Services Australia, A guide to Australian Government payments 1 July 2023 to 19 September 2023, accessible at: <https://www.servicesaustralia.gov.au/sites/default/files/2023-06/co029-2307.pdf>

<sup>13</sup> Department of Families, Fairness and Housing, Homes Victoria Rental Report, March 2023, accessible at: <https://www.dffh.vic.gov.au/publications/rental-report>

<sup>14</sup> Department of Social Services (Cth), DSS Payment Demographic Data: March Quarterly Report, 2023 accessible at: <https://data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/details?q=>

### Case Study 2

Qinhui migrated to Victoria from China in 2014 and has limited English language skills. Qinhui was 70 years old and was referred by Chinese Social Services for housing support. She had been transient for a while following a relationship breakdown with family who she originally lived with when she migrated to Australia.

Qinhui moved between homes of friends and family members. At the time of referral Qinhui's lease had ended and she had been couch-surfing before securing what she describes as a dangerous rooming house. Her income is a Widow's Allowance as she has not been in Australia long enough to claim age pension. She indicated that her living situation was having a significant impact on her physical and mental health.

After HAAG assisted her with the application process for public housing, she received an offer and moved into her new home. She is happy that there are other Mandarin speakers in her estate which made it easier for her to make friends and have a sense of belonging.

*\* Consent of the person has been obtained to share the case study*

With limited housing options that are accessible and affordable across the state for people with disability and older people, there is stiff competition for the small number of houses that are accessible, close to amenities and are affordable. Furthermore, the competition for private rentals mean that older people have no choice but to inspect a large number of properties.

*"Real estate agents now saying you have to physically view property. It's difficult when you have a disability and no car and you can't make it at the times real estate agents set. Do I need to spend parts of my pension to catch a taxi if can't get there on public transport? The extra hidden costs of searching for somewhere to live."*

Member of HAAG's Retirement Accommodation Advocacy Group

During 2021/22 financial year, approximately 50% of HAAG's clients had mobility issues that impact on their housing and needed accessible housing. Although mandatory minimum accessibility standards have been included in the National Construction Code, due to supply delays and other challenges, there is a significant lack of accessible housing in the private rental market. A lack of accessible housing, and a lack of funds to modify homes to make them more accessible means that mobility issues can push people into homelessness.

Due to the current rental market and the demand for the limited number of properties that are available, there is little or no incentive for landlords to upgrade or install ramps and handrails to make housing more accessible. Many older renters are afraid of asking for home modifications due to the fear of rent increases that may result from it or being asked to vacate the home.

*"Older people are worried about asking for simple modifications or renovations that would make their housing more liveable 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

Single older women are amongst the most marginalised groups in terms of their access to safe, affordable housing that is well located and suitable for their needs.<sup>15</sup> The majority of older people, particularly older women find informal arrangements such as renting a room from a friend or a family member. These arrangements by nature are often not legally binding and therefore, leave many older people more vulnerable to homelessness and further harm.

*“The pressures of renting in an informal manner like renting off a friend is common among older people. Friends can disappoint and let you down.”*

HAAG reference group member

### Supply issues

As of March 2023, there are approximately 68,000 applicants in the Victorian Housing Register (VHR) and of these about 6,500 applicants were over 55 years.<sup>16</sup> These figures are likely to be an underestimate because many older people do not identify as experiencing homelessness, do not disclose their housing situation due to shame and stigma, and therefore less likely to access mainstream housing and homelessness services.

The challenges of housing supply are affected by significant proportion of construction companies declaring bankruptcy which reduces the housing supply available.<sup>17</sup> There are also issues with ‘land banking’ by developers where lands with development approvals delay the developments and sell the lands years later at a larger profits.<sup>18</sup>

Recent tax increases for investment properties and holiday homes, and the vacant residential land tax applying to empty homes in 16 Local Government Areas is a welcome start to address the issue of empty houses and apartments, which in some areas is as high as 40%. However,

### Short stay accommodation

Clear data in relation to the number of properties that are advertised on various short stay accommodation options are not readily available. However, research and HAAG’s service experience suggest that the increase in short stay accommodation options has contributed to a decrease in available long-term rental properties, particularly in popular tourist destinations and inner-city areas.<sup>19</sup> This reduction in long-term rental housing supply has led to increased competition among tenants.

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<sup>15</sup> Homelessness NSW, Mercy Foundation, et al, 2016, A Plan for Change: Homes for Older Women, 2016, accessible at: <https://homelessnessnsw.org.au/wp-content/uploads/2021/03/Feb-2016-A-Plan-For-change-homes-for-older-women.pdf>

<sup>16</sup> Homes Victoria, Applications on the Victorian Housing Register (VHR), accessible at: <https://www.homes.vic.gov.au/applications-victorian-housing-register-vhr>

<sup>17</sup> Australian Broadcasting Corporation, Building company collapses turn home dreams into nightmares, Jane Norman, 31 May 2023, accessible at: <https://www.abc.net.au/news/2023-05-31/housing-crisis-half-built-homes-as-builders-collapse/102407294>

<sup>18</sup> The Age, ‘Land banking’ by big developers driving up property prices: report, Cara Waters, 26 July 2022, accessible at: <https://www.theage.com.au/national/victoria/land-banking-by-big-developers-driving-up-property-prices-report-20220725-p5b486.html>

<sup>19</sup> See further: Tenants Union Tasmania, An analysis of short stay accommodation permit data in the Hobart City Council municipality, 2023, accessible at: <https://tutas.org.au/meet-the-hosts/>

There are numerous solutions that the State government may pursue including introducing standardised registration across the state of short-term rentals which will enable better regulation and strengthen the enforcement of regulations for short-term rental accommodation.

Some measures in Victoria including the land tax on empty properties are useful initiatives to discourage home owners and investors from leaving the properties unoccupied long-term.<sup>20</sup> However, the 1% tax is less likely to act as a deterrent for many large scale developers and is limited to selected number of LGAs.

### **Solutions to addressing the housing crisis**

There needs to be a multipronged approach to the current crisis to avert the negative implications that people are experiencing now as well as measures to address the issues meaningfully into the future.

There is also a need to ensure supports are available for those who experience additional challenges when navigating the housing systems. Many older people are overwhelmed by the number of documentation required for rental applications, complexity of the rental agreements and lack of flexibility in relation to identity documentation.

*“If people go to [real] estate agents and they don’t speak the language how do they know what they are looking at? What about refugees what about seniors, how will people understand the contracts? What if they sign without understanding because they are desperate?”*

Member of HAAG’s CALD reference Group

*“To get a rental we need so many documents, it is so hard for people who speak other languages, we need it to be more simple.”*

Member of HAAG’s CALD reference Group

*“Don’t have reliable documentation [for housing applications]. Degrees and documents are in old name which is a challenge of being a gender diverse / Transgender older person.”*

Member of HAAG’s LGBTIQ+ group

In addition to addressing the rental shortage and increasing rental costs, there is also a clear need to streamline the private rental application processes to ensure older people are not discriminated against or excluded due to inherent challenges with volume of documentation required, increasing digitalisation and language barriers.

### **Increase social housing stock**

Increasing public, community and affordable housing stock is a critical part of addressing the housing crisis facing Victoria. Considering the growing number of older people in the Victorian social housing waiting list, the community sector has been calling for the government to build at least 60,000 social homes by 2030 along with a long-term plan to continue increasing social and affordable housing stock.

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<sup>20</sup> State Revenue Office, Vacant residential land tax, accessible at: <https://www.sro.vic.gov.au/vacant-residential-land-tax>

*“The baby boomers built this country, putting their taxes from many years of working into major projects around Australia. Often working from the age of 15 to retirement age. I personally worked non-stop for over 55 years paying tax/buying homes etc.. I deserve something from the government.”*

*Member of HAAG’s Retirement Accommodation Advocacy Group*

While the new supply becomes available, there is a clear need for short term relief for renters. There are some protections for renters who receive unreasonable rent increases. Under section 46 (1) of the *Residential Tenancies Act*, a renter is able to apply for an order declaring that the proposed rent is excessive.<sup>21</sup> There have been a few decisions where VCAT found in favour of the tenant under this section.<sup>22</sup> However, this provision passes the onus of challenging increases to the tenants who are already in a vulnerable situation due to the power imbalance of the relationships with landlords or real estate agents.

*“Older people don’t want to rock the boat. They fear eviction and not want to complain about the extreme rent stress after rent increases or not ask for repairs. Without any support from advocates to navigate the complaints processes, it can be pretty daunting for them. This means that they absorb the rent increase, leaving them to make decisions between paying for utilities, food or getting their medicine.”*

HAAG Community Development Worker

*“VCAT is very unsatisfactory for tenants because at the moment older people have to wait for months, even a year to get a final hearing date.”*

HAAG Retirement Housing Worker

Applying a “fairness formula” to renting would provide more security of tenure and certainty. For example, this could include limiting rent increases no more than once every 12 months and at a fixed percentage, and allowing longer-term leases with no penalty for tenants to break them. It is important that the provisions in relation to rental increases are linked to the property for at least 12 months and not the lease agreements. This will ensure landlords do not increase rent each time a new short-term lease is offered to the tenants.

Funded services for renters should include specialist supports for older people, such as HAAG’s Retirement Housing Support service, that provides access to free advice, assistance and advocacy. Tenancy Advice and Advocacy Services have demonstrated they are effective at sustaining tenancies, reducing evictions.

### **Tailored support for older people**

The housing challenges can be exacerbated for older people who experience both personal and systemic or procedural challenges, such as, digital service provision, appropriateness or relevance of the government service responses, availability of information about existing supports and policies that limit access to homelessness services for older people.

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<sup>21</sup> Residential Tenancies Act 1997, Section 46 (1), accessible at:

<https://content.legislation.vic.gov.au/sites/default/files/2023-06/97-109aa103-authorized.pdf>

<sup>22</sup> See further: *Boyce v Mariella Nominees Pty Ltd ATF Lorusso Family Trust (Residential Tenancies)* [2023] VCAT 89 (27 January 2023) and *Kennedy v Pan (Residential Tenancies)* [2023] VCAT 529 (9 May 2023)



*“As migrants it is hard to know where to go for information, people get lost in the system. Migrant people don’t know what they need to do.”*

Member of HAAG’s CALD reference Group

HAAG delivers Home at Last service in metropolitan Melbourne, Mornington Peninsula and in Goulburn Valley. The HAAG Home at Last service model in Victoria 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 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.

The Victorian and Federal bilateral agreement refers to ‘targeted services to prevent older people experiencing homelessness through the provision of information and support to older people and other vulnerable cohorts’.<sup>23</sup> 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. Given the success of the service in assisting older people to navigate the complex housing system with a significant saving to the government, the Home at Last model should be adopted across the state and adapted for the local context and service systems.

#### **Case Study 4**

Ali was born in Iraq and arrived in Australia in 1980. He was in car accident in the early 80s which resulted in extensive injuries including broken leg, and damage to his jaw making speech difficult. He lodged an application on 13/11/1988 for public housing in Victoria and was on the general waiting list for over 20 years before been referred to the Home at Last Service in April 2016.

HAAG’ Home at Last Outreach Worker completed ‘priority homeless with support’ application which is the highest priority of the waiting list. Until then, Ali had been living in the Caravan Park for over 15 years. The caravan had no insulation and was hot in summer and cold and damp in winter. He had a lung condition and the cold and damp were impacting on his health. His caravan did not have toilet facilities, and Ali had to walk in cold weather conditions to access the communal toilet and shower block.

With the support of Home at Last service, Ali was offered a public housing property. He is settled in his new safe housing.

*\*Consent of the person has been obtained to share the case study*

## **Retirement villages, residential parks and Independent Living Units**

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<sup>23</sup> Federal Treasury, National Housing and Homelessness Agreement, accessible at: <https://federalfinancialrelations.gov.au/agreements/national-housing-and-homelessness-agreement-0>

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’.<sup>24</sup>

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 simply will not 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.<sup>25</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. 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.

*“I believe that the government needs to be committed to providing housing for old aged pensioners. They need to build small villages with appropriate accommodation to meet the needs of the relevant group (no steps/benches the right height).”*

Member of HAAG’s Retirement Accommodation Advocacy Group

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.

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 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.

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<sup>24</sup> 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.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>25</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)

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.<sup>26</sup>

As the housing crisis deepens, some of the providers are selling their lands to property developers with two weeks notice to residents to vacate the premises.

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.

### **Financial assistance**

Many older people relying on income support payments who live in private rentals have limited saving or superannuation that they rely on to supplement their income. Cost of moving house is increasing as a result of the current cost of living crisis. There is often little or no savings that older people might be able to set aside for cost of moving.

*“If you did have to move, where would you find \$2000 to move? Don’t have that money in the back pocket.”*

Member of HAAG’s LGBTIQ+ group

In addition to the prohibitive cost of moving that includes multiple property inspections, the need to find accommodation within a short period can be physically and mentally demanding for many older people.

*“The nightmare of moving is bad enough but even searching for a place, even just accumulating documentation is stressful ... Really scary to be out there looking for a place and having to move.”*

Member of HAAG’s LGBTIQ+ group

There are some temporary measures that can alleviate rental stress such as Tenancy Plus, Private Rental Assistance Program (PRAP) and PRAP plus. Eligibility for PRAP is limited and a significant proportion of older people.

According to the guidelines, PRAP should be provided to households who are able to sustain private rental housing with time limited support. Resources are targeted to people who:

- a) Are at risk of losing their current tenancy – for example, due to a personal crisis, short term financial crisis, rent arrears, tenancy dispute etc.
- b) Are currently homeless but can be rapidly and sustainably housed in the private rental market with short term assistance.
- c) Could sustain affordable and appropriate housing in the private rental market but need assistance with the transition from crisis, transitional or social housing.<sup>27</sup>

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<sup>26</sup> 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>

<sup>27</sup> Department of Families, Fairness and Housing, Private Rental Assistance Program (PRAP) guidelines Revised October 2019, accessible at: <https://fac.dffh.vic.gov.au/sites/default/files/2019-11/PRAP%20Guidelines%20revised%202019.pdf>

It is encouraging that PRAP Plus has an outreach element to identify people in communities and assist those who maybe at risk of experiencing homelessness.

Older people who are relying on income support payments and are over 55 are less likely to gain employment or find alternative income sources to be able to sustain rental in private rental market. Therefore, it is unlikely that the majority of older people in rental crisis would benefit from short term interventions such as these unless the eligibility criteria is extended to include people who may not be in a position to increase their income to sustain private tenancies and find alternative accommodation that is affordable to them.

### **Shared equity schemes**

If older women have gone through a divorce or separation later in life, they may have had to divide their assets, which could leave them with insufficient equity to purchase property at market rate and too many assets to be eligible for social housing.

The majority of the shared equity schemes funded by State and Federal governments rely on financial institutions lending money to buyers, which many older people, older women are less likely to benefit from. The Victorian government's Homebuyer Fund guarantees 25% of the deposit if the eligible applicant has 5% deposit, can obtain approval for a compliant home loan from a participating lender and enter into a contract for sale.<sup>28</sup> Many older people are unable to secure long-term loans due to their limited future earning capacity.

Many schemes that provide financial support for home ownership are aimed at first home buyers. Often, many older people have owned property, particularly older women who are at risk of or experiencing homelessness after a relationship breakdown or divorce. Even where there are exemptions for this cohort, many older women may not be able to navigate the application and approval processes to benefit from the shared equity scheme.

HAAG supports measures to increase the range of housing options and solutions for people in Victoria and believes shared equity schemes should form part of the spectrum of solutions. Given the limited opportunities for older people to benefit from these schemes, there should be more tailored housing solutions for this cohort that are affordable, safe, long-term and accessible.

### **Inclusionary zoning**

In order to address the issue of homelessness and related issues more effectively, planning regulations must be considered. Mandatory Inclusionary Zoning has proven to be an effective tool in increasing affordable housing.

Inclusionary zoning is a land use planning intervention by government that either mandates or creates incentives so that a proportion of a residential development includes a number of affordable housing dwellings. Affordable housing inclusion can be mandated when land is rezoned for residential development, when planning rules are varied for particular projects, or following significant infrastructure investment.<sup>29</sup> Various States and Territories have employed both

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<sup>28</sup> See further: State Revenue Office Victoria, Homebuyer Fund, accessible at: <https://www.sro.vic.gov.au/homebuyer>

<sup>29</sup> N. Gurrán, et al, Supporting affordable housing supply: inclusionary planning in new and renewing communities, 2018, accessible at: [https://www.ahuri.edu.au/\\_data/assets/pdf\\_file/0017/20483/Inquiry-into-increasing-affordablehousing-supply-Evidence-based-principles-and-strategies-for-Australian-policy-and-practice-ExecutiveSummary.pdf](https://www.ahuri.edu.au/_data/assets/pdf_file/0017/20483/Inquiry-into-increasing-affordablehousing-supply-Evidence-based-principles-and-strategies-for-Australian-policy-and-practice-ExecutiveSummary.pdf)

mandatory and voluntary (incentivised) inclusionary zoning measures successfully. For example, research found that between 2005 and 2016, planning schemes delivered 5,485 affordable homes rental and low cost home ownership dwellings in South Australia.<sup>30</sup>

Currently, as part of the Victorian government's housing strategy, Homes for Victorians, the Department of Environment, Land, Water and Planning (DELWP) is undertaking an Inclusionary Housing Pilot (Pilot) on six surplus government land parcels.<sup>31</sup> There are similar approaches in some other States and Territories with varying levels of success.

Planning system tools for affordable housing supply work best when part of a wider whole-of-government strategy to address the continuum of housing needs.<sup>32</sup> The State Government should work with local government to significantly expand the current inclusionary zoning policies to meet the emerging housing demand through consistent policy and procedures.

### **Increase transparency**

An independent panel reviewed Victoria's social housing regulations. The interim report recommended a range of reforms to put 'tenants in the centre'.<sup>33</sup> This included introducing strong and equitable standards across both public and community housing and supporting a healthy and professional workforce within community and public housing. The final report was delivered to the Minister in May this year. It is critical that the final report is released publicly as well as how the recommendations will be implemented by the Government.

HAAG welcomed the Victorian Government's commitment to developing a Ten Year Social and Affordable Housing Strategy and made detailed submissions to the discussion paper in April 2021.<sup>34</sup> The Strategy has not yet been released<sup>35</sup> and we are calling on the Victorian Government to release the strategy.

### **Conclusion**

The current rental crisis is disproportionately affecting older people on low incomes and pushing them into poverty and homelessness. There is a critical need to increase social housing stock in Victoria as a matter of priority. While the stock becomes available, there should be interim relief for renters including access to rent relief, support to submit social housing applications and measures to ensure renters rights are protected through legislative reform.

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<sup>30</sup> Ibid

<sup>31</sup> Victorian Department of Environment, Land, Water and Planning, Inclusionary Housing Pilot, accessible at: <https://www.planning.vic.gov.au/policy-and-strategy/housing-strategy/inclusionary-housing-pilot>

<sup>32</sup> Ibid

<sup>33</sup> Victorian Government, Social Housing Regulation Review Interim Report, 2020, accessible at: <https://engage.vic.gov.au/social-housing-regulation-review>

<sup>34</sup> Housing for the Aged Action Group, Submission to 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)

<sup>35</sup> Victorian Government, Ten-year Social and Affordable Housing Strategy, accessible at: <https://www.homes.vic.gov.au/10-year-strategy-social-and-affordable-housing>