



HOUSING FOR THE AGED ACTION GROUP INC.

National Housing and Homelessness Plan 2023

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About us

Housing for the Aged Action Group (HAAG) is 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 the country. During the 2021-22 financial year, HAAG supported close to 1,500 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 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 National Housing and Homelessness Plan (the Plan). 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 National Alliance of Seniors for Housing, Retirement Accommodation Action Group (RAAG), LGBTQIA+ reference group, culturally and linguistically diverse (CALD) reference group, NSW Lived Experience Advocacy Group (LEAG) and all others who shared their stories and participated in the consultation processes.

Recommendations

HAAG recommends that Federal Government through the National Housing and Homelessness Plan and other measures should—

- Honour Australia's international obligations and recognise adequate housing as a human right.
- Incorporate improved housing and wellbeing outcomes that are measurable for all people experiencing or at risk of homelessness, including older people, with regular reporting requirements to increase accountability and transparency.
- Establish a lived experience advisory group that represents the diverse experiences of housing stress and homelessness including older people to design, develop and implement the Plan and other relevant housing policy initiatives.
- Ensure better coordination and collaboration between parallel policy areas such as aged care, mental health, disability and other relevant policies both at the Federal, State and Territory levels.

¹ Housing for the Aged Action Group, Annual Report 2021-2022, accessible at: https://www.older tenants.org.au/sites/default/files/annual_report_2021-22.pdf

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>

- Increase care finder funding and better incorporate support service funding levels similar to former Assistance with Care and Housing (ACH) program.

Homelessness and Homelessness services

- Increase funding for Specialist Housing and Homelessness services to ensure the services can keep up with growing demand for support.
- Fund the delivery of specialist housing information and support with a focus on early intervention and prevention services for older people, based HAAG's Home at Last service model, in every State and Territory.

Housing costs, home ownership and the rental market in Australia

- Strengthen nationally consistent rental laws, including providing for longer leases, minimum accessibility standards and energy efficiency, removing no-reason or no-fault evictions, and better regulation of short-term holiday rentals to increase the stock available for long-term rentals.
- Increase income support payments as part of a holistic response to addressing the housing crisis and homelessness.
- Build public and community housing for people 55 years and over who are not able to afford rent in the private rental market. This must include, at minimum, housing for nearly 260,000³ older people who are renting in the lowest income households, living in marginal housing and experiencing homelessness.
- Incorporate a definition for *affordable housing* capped at 30% of household income into the Housing Australia Future Fund Act.
- Ensure affordable housing built by private developers, that is constructed using , incentives or funding provided by Federal, State, Territory or local governments, must remain affordable in perpetuity.
- Fund a range of housing options including affordable housing (capped at 30% of household income) and other below market rate options such as co-operative housing, low-cost retirement housing or other co-housing models appropriate for people 55 years and over.

Planning, zoning and development

- Ensure retention of land ownership that public housing is built on as well as ensuring when public housing is demolished, 100% of it is rebuilt or restored as public housing with the possibility of a net increase in public housing units.

³ This includes 14,017 older people in marginal housing, 19,372 older people experiencing homelessness and the 227,556 older people renting in lowest income households paying unaffordable rent (based on 2021 Census Homelessness Estimates and ABS Survey of Income and Housing 2019-20). Considering the current rental crisis and the impact of pandemic on housing market, it is likely that this number is a considerable underestimate.

- Incorporate nationally consistent policies on Mandatory Inclusionary Zoning through the Plan with clear targets for each State and Territory.
- Implement measures to incrementally remove Capital Gains Tax and Negative Gearing to create an equitable housing market.

Climate change and housing security

- Ensure that the National Construction Code contains measures that allow all current and future social and affordable housing stock to be adaptable to climate change and embed universal housing design principles for accessibility.
- Invest in making homes heatwave safe, starting with the homes of older people, including funding a wide-spread retrofitting program for existing homes.
- Fund community organisations to pre-plan support for people who are vulnerable to adverse health impacts of extreme weather events such as older people and people with disability.

1. Introduction

Older people supported by HAAG are looking for safe, long-term, affordable and accessible housing to age in place close to their family, friends and services. Our report *Ageing in a Housing Crisis: Older people's housing insecurity & homelessness in Australia* highlighted a number of concerning trends in relation to the surging number of older people who are experiencing homelessness, or at risk of homelessness including those in the private rental market or are entering retirement age with a mortgage.⁴

The Australian retirement system is built on the expectation that older people will own a home at the time of retirement. Our research demonstrates that this is not the reality for 42% or more older people 55 and over.⁵

Similar to many community sector organisations, HAAG has produced numerous research reports, submissions and factsheets about various aspects of housing and homelessness both at Federal and State and Territory levels over the past four decades (see Annexure). Unfortunately, the findings and recommendations in these are yet to be implemented or funded.

1.1 Recognise housing as a human right

Developing the National Housing and Homelessness Plan based on a human rights framework including recognising adequate housing as a human right will underscore equitable access to affordable, safe and long-term housing. This will also have implications for healthcare, participation in society and equitable economic opportunities for all, especially those who are currently experiencing disadvantages in the housing market.

Article 11(1) of the International Covenant on Economic, Social and Cultural Rights (ICESCR) recognises a right to adequate housing. Australia signed ICESCR in 1973 and ratified it without reservations in 1975.⁶ Despite these international commitments, Australia has not yet recognised adequate housing as a human right.⁷ Doing so at the federal level would create an imperative for people in Australia to be provided access to affordable and secure housing and prevent evictions into homelessness.⁸

HAAG is optimistic that this process of developing the Plan will be based on the premise that housing is a human right.

1.2 Centering housing and homelessness policy around lived experience and other experts

There are numerous advisory bodies that provide input into federal government's housing and homelessness policies at different levels. These mechanisms are important to provide independent advice to decision makers. HAAG welcomes the Department of Social Services' openness to work with and engage various stakeholders including people with lived experience of housing and

⁴ 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>

⁵ Ibid

⁶ Australian Human Rights Commission, *Housing, Homelessness and Human Rights*, accessible at: <https://humanrights.gov.au/our-work/rights-and-freedoms/projects/housing-homelessness-and-human-rights>

⁷ Ibid

⁸ Justice Connect, *Housing should be a human right*, 2021, accessible at: <https://justiceconnect.org.au/fairmatters/housing-should-be-a-human-right/>

homelessness issues. It is imperative that this continues throughout the design, development and implementation of the Plan. This could be achieved through establishing a lived experience advisory group that represents the diverse experiences of housing stress and homelessness, and includes the experiences of older people.

1.3 National Housing and Homelessness Plan implementation

HAAG's submission to [Review of National Housing and Homelessness Agreement](#) (NHHA) 2022 has a detailed discussion in relation to housing policies of progressive governments that resulted in little progress to meaningfully address housing and homelessness.

The future National Housing and Homelessness Plan should focus on improved housing and wellbeing outcomes for all, including older people. This includes incorporating measures that are ambitious and achievable to genuinely address the current housing crisis and plan better for the housing future. Outcomes from the Plan must be clearly defined and include measurable targets and evaluable indicators. This should be accompanied by a framework to publish data and information publicly on an annual basis to increase transparency and accountability similar to the Australian Institute of Health and Welfare (AIHW) Specialist Homelessness Services annual report. This will ensure that strategic and high-level objectives are meaningful to meet the needs and ensure accountability from all levels of government.

1.4 Intersection with Aged Care, health, mental health, disability and other areas

There is a clear need to end the siloed approach to different policy areas such as housing, aged care, disability, health and mental health. There are numerous intersections between these policy areas and better coordination and collaboration between different departments as well as different layers of government would result in better outcomes across all of these portfolios.

Federal, State and Territory Governments have conducted or commissioned various inquiries into the aforementioned areas including Royal Commission into Aged Care Quality and Safety, Royal Commission into Disability and Victorian Royal Commission into Mental Health. All these inquiries contain detailed information and findings in relation to housing along with practical recommendations.

Focusing solely on housing issues with little or no regard to other policy areas and *vice versa* is resulting in vulnerable people falling through the cracks. For example, Federal Government's Care finder program funded through Primary Health Networks (PHNs) supports older people who are at risk of homelessness. Historically, Federal government's support for older people at risk of homelessness or housing issues were covered by Assistance with Care and Housing (ACH) services that were funded under Commonwealth Home Support Program (CHSP). As part of efforts to streamline navigation services for aged care, ACH service has transitioned into the new Care finder program from January 2023.

The focus of the Care finder program is to link vulnerable older people into aged care and other related services including housing and homelessness services. Concerningly, this transition from ACH to Care finder service has resulted in a greatly reduced level of support for older people experiencing or at risk of homelessness. This has resulted in reduced funding for housing support considerably and impacts the Care finder service's capacity to meaningfully support older people to resolve their housing issues.

“For those who are experiencing homelessness or at risk of homelessness, having an aged care package or other CHSP services is of little use if there’s no home for those services to be delivered in.”

HAAG’s Care Finder Case Officer

Case Study

Arnold* is a 69-year-old male with physical and mental health issues including dementia, chronic pain and limited mobility without the use of a walking stick. Arnold’s wife is his full-time carer. She manages her own health issues as she is not eligible for My Aged Care services because of her age.

After Arnold was assessed, he was approved for a Level 4 Home Care Package. The couple reported difficulty navigating and selecting a suitable provider due to experiencing housing stress and now homelessness.

The couple had been renting privately for several years before receiving a Notice to Vacate. They spent months searching for another suitable rental property. The majority of rentals had a shower over the bath which is unsuitable for Arnold's mobility needs. Despite this, they applied for many units. However, they were unsuccessful in securing a rental property within and beyond their budget.

By the time they were expected vacate the property, the couple had no place to call home and stayed with a friend for a week before moving to a motel. They have exhausted all their savings and now face living on the street. Arnold's Home Care Package Level 4 approval expires in 30 days, and the couple do not know what to do next.

Arnold was referred to the relevant Care finder service provider in his local area to support him to access secure housing.

**Name and other identifiable information have been changed for privacy*

Considering these, HAAG is calling on the Federal Government to ensure better coordination and collaboration, between parallel policy areas especially aged care, mental health, disability and other relevant policies both at the Federal and State and Territory levels through the Plan.

2. Homelessness and Homelessness Services

In 2021, the ABS estimated that there were just over 19,000 people aged 55 and over experiencing homelessness. In addition, there were just over 14,000 people aged 55 and over in marginal housing (mainly in overcrowded dwellings and caravan parks).⁹

Demand for Specialist Homelessness Services (SHS) support is on the rise. The trends of service requests by those over 55 years over the last decade highlights the growing homelessness problem

⁹ 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>

over time among Australia's ageing population.¹⁰ In 2021–22, around 25,300 older clients received support from specialist homelessness services and about 55% of them were older women.¹¹ The main reasons for seeking support from SHS services were housing crisis (i.e. receiving an eviction notice) or financial difficulties.¹²

Case study

Desley* is in his early 60s and is managing multiple chronic health issues, including COPD. He anticipates that he may require oxygen supply in future. After experiencing health issues and decline in mobility, he was no longer able to work. The loss of income meant that he could not sustain his private rental, as a result he experienced homelessness for the first time in later life.

He has been living in a caravan for over a year, located on a friend's property in a rural town. Due to the unsuitability of his old caravan, he is unable to effectively regulate the temperature in the caravan. He reported that the exposure to the cold weather is negatively impacting on his health. With no suitable affordable rentals in the private rental market, he faces a long wait time for public and community housing and described the situation as 'devastating'.

**Name and other identifiable information have been changed for privacy*

Older people, particularly older women are less likely to seek support from housing and homelessness services or are likely to rely on informal networks, family and friends. It is also important to note that many older women live in severely overcrowded housing, unregistered and unregulated boarding houses, sleep in their cars, couch surf with family and friends or opt for other unsafe housing options and therefore are not visible in the Australian Institute of Health and Welfare (AIHW) SHS statistics.

Case Study

Frey* is a 57-year-old woman from a migrant background. She was privately renting with her husband until he was diagnosed with cancer. He was no longer able to work, and Frey had to stop work in order to care for him while he underwent cancer treatment.

They could no longer afford to rent privately on a reduced income, and they were forced to move in with their daughter who is also renting privately with her partner and children. The property is overcrowded with a total of nine people living in a private rental. Their living situation is unsuitable for their health and mobility needs. They have been on the VHR waitlist for some time.

**Name and other identifiable information have been changed for privacy*

¹⁰ Australian Institute of Health and Welfare, Specialist homelessness services annual report 2021–22, 2022, accessible at: <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/older-clients>

¹¹ Ibid

¹² Ibid

Case Study

Ailyn* is a 61-year-old migrant woman from Turkey. She is currently living in private rental with her son and there are tensions in the relationship. She described her living situation as "*living somewhere where I'm not wanted*", but there are no other affordable options for her to move out.

She is currently managing declining mobility and chronic pain. The stress of her housing situation is further impacting her physical and mental health. She has been on the VHR waitlist for 13 years.

**Name and other identifiable information have been changed for privacy*

The *Poverty in Australia 2023: Who is Affected* report analysed poverty among different age groups and found it was much higher among the older people who rent their homes, due to their much higher housing costs.¹³

The experience of older women and homelessness is varied. Some older women who experience homelessness have never experienced homelessness before and often do not know where to go for assistance. Others have lived with ongoing housing disruption, or have experienced long term persistent disadvantage. The largest proportion of older women presenting with housing crisis in Australia have led conventional lives and rented whilst working and raising a family. Few have had involvement with welfare and support systems prior to experiencing housing crisis.¹⁴

Many older single women in the current rental market are likely to be at significant risk of homelessness due to rising cost of living and the current rental crisis. This can have a significant impact on their mental and physical health.

"Over 55 people are seeking low-cost accommodation. We are not seeking luxury - we are seeking accommodation on limited income. They are doing this while dealing with the mental stress and discrimination involved in day-to-day life, let alone when under housing stress."

Member of HAAG's LGBTQIA+ Reference Group

The policy settings including the National Housing and Homelessness Agreement (NHHA) in its current form have broadly failed to meaningfully address the housing and homelessness crisis facing this country. There is an opportunity to develop measures to address and end homelessness through the Plan.

2.1 Adequacy of homelessness services

There is ample evidence to demonstrate that homelessness services are overwhelmed and stretched beyond their capacity due to increasing demand for services. According to AIHW data, In 2021–22, on average, there were nearly 300 unassisted requests per day, a total of around 105,000 unassisted

¹³ P. Davidson, B. Bradbury, and M. Wong, *Poverty in Australia 2023: Who is affected Poverty and Inequality Partnership*, 2023, accessible at: https://povertyandinequality.acoss.org.au/wp-content/uploads/2023/03/Poverty-in-Australia-2023_Who-is-affected_screen.pdf

¹⁴ M. Petersen. C. Parsell, *Older Women's Pathways out of Homelessness in Australia*, ISSR Research Report, University of Queensland, report for the Mercy Foundation, 2014.

requests for 2021–22.¹⁵ Thus, there is a clear need to increase funding for Specialist Housing and Homelessness services to ensure the services can keep up with growing demand for support.

Older people are less likely to seek support from mainstream housing services due to stigma, lack of knowledge about available services and the vast majority of the aforementioned challenges could be resolved by a dedicated service that supports older people to plan for their housing future and identify appropriate housing options.

2.2 Early intervention and prevention

A comprehensive approach to address housing and homelessness should include early intervention and prevention especially to reach older people before they experience a housing crisis and avoiding the associated detrimental mental and physical health impacts of homelessness.¹⁶ Early intervention and prevention is a critical element that is missing from the priority areas, especially considering that early intervention and prevention policies have been found to be effective for older people and deliver long-term benefits for the Australian economy and society. This includes lower overall expenditures on government services.¹⁷

More effective provision of information for older people is needed to support better housing decisions.¹⁸ This requires consideration of the stigma, shame and hidden nature of older people's experiences of homelessness. It is imperative to reach older people in their communities and providing information in a way that facilitates understanding of risk factors, housing and support options, recognising different cultural contexts and language requirements.

A Productivity Commission report found that current levels of awareness and knowledge regarding aged care and housing options are low among older people and that more effective provision of information is needed to support better housing decisions.¹⁹

The *In need of repair: The National Housing and Homelessness Agreement* by the Productivity Commission identified that homelessness services targeted towards older people are necessary to encourage more older people to seek support.²⁰ Thus, there needs to be better targeting of supports, especially early intervention and prevention supports as well as raising awareness about different experiences of homelessness among these older women.

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

¹⁵ Australian Institute of Health and Welfare, Specialist homelessness services annual report 2021–22, 2022, accessible at: <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/older-clients>

¹⁶ C. Thredgold, A. Beer, C. Zufferey, A. Peters, and A. Spinney, An effective homelessness services system for older Australians, Australian Housing and Urban Research Institute, 2019, accessible at: <https://www.ahuri.edu.au/research/final-reports/322>

¹⁷ Ibid

¹⁸ Productivity Commission, Housing Decisions of Older Australians, Commission Research Paper, 2015, accessible at: <https://www.pc.gov.au/research/completed/housing-decisions-older-australians>

¹⁹ Productivity Commission, Housing decisions of Older Australians, 2015, accessible at: <https://www.pc.gov.au/research/completed/housing-decisions-older-australians>

²⁰ 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>

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.

An Ernst & Young Cost Benefit Analysis (see Table 1 below) found that the Service has a benefit cost ratio of 2.3.²¹ This means that every dollar spent on the Home at Last housing information and support service generates at least \$2.30 in societal value.

The CBA assessed the impact of the Home at Last service on the economic welfare of citizens 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.²²

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				

²¹ Ernst and Young, Home at Last Economic Appraisal, November 2019, accessible at: https://www.older tenants.org.au/sites/default/files/home_at_last_economic_appraisal_-_final_report_-_november_2021.pdf

²² Ibid

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’.²³ 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 states that the Home at 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.²⁴ 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 in every state and territory and adapted for the local context and service systems.

3. Aboriginal and Torres Strait Islander Housing

As a consequence of colonialism, racism, the impact of stolen generations, dispossession from land, culture and traditional social structures, Aboriginal and Torres Strait Islander communities experience disproportionately high levels of homelessness. Social stressors, such as, poor housing or over-crowding, poverty and unemployment contribute to these levels of homelessness.²⁵

The 2021 Census estimates that Aboriginal and/or Torres Strait Islander people represent 3.8% of the total Australian population. Despite this, 20% of the total homeless population counted on the 2021 Census night identified themselves as being Aboriginal and/or Torres Strait Islander.²⁶

Aboriginal and Torres Strait Islander community led representative bodies and organisations are best placed to provide guidance and direction on housing solutions that are culturally appropriate and suitable to the needs of the communities. Therefore, it is critical that the government follow the directions of the Aboriginal and Torres Strait Islander community organisations and prioritise and adequately fund the Aboriginal Community Housing Provider (ACHP) sector.²⁷

4. Housing costs, rental market in Australia and home ownership

We have made a number of submissions recently on the impact of the rental market’s impact on older people. The submissions to [Worsening Rental Crisis in Australia](#) and [Inquiry into the Rental and](#)

²³ Federal Treasury, National Housing and Homelessness Agreement, accessible at:

<https://federalfinancialrelations.gov.au/agreements/national-housing-and-homelessness-agreement-0>

²⁴ 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>

²⁵ Australian Institute of Health and Welfare, 2019, *Aboriginal and Torres Strait Islander people: a focus report on housing and homelessness*, Cat. no. HOU 301, accessible at: <https://www.aihw.gov.au/getmedia/1654e011-dccb-49d4-bf5b-09c4607eccc8/aihw-hou-301.pdf.aspx?inline=true>

²⁶ Housing for the Aged Action Group, *Ageing in a Housing Crisis: Older people’s housing insecurity & homelessness in Australia*, 2023, accessible at: <https://www.olderrenters.org.au/publications/ageing-in-a-housing-crisis-older-peoples-housing-insecurity-homelessness-in-australia>

²⁷ National Aboriginal Community Controlled Health Organisations, National Housing and Homelessness Agreement Review Submission to the Australian Productivity Commission, 2022, accessible at: <https://www.naccho.org.au/app/uploads/2022/04/NACCHO-Submission-to-the-National-Housing-and-Homelessness-Agreement-Review.pdf>

[Housing Affordability Crisis in Victoria](#) discuss the gravity and impact of the rental crisis on older people in detail.

Current housing market across the country is broken and requires a multipronged approach to address housing needs of different cohorts of people with varying needs and financial capacity. Therefore, HAAG is recommending a tiered approach to the solutions that meet the needs of older people in the lowest income spectrum who are currently experiencing or at risk of homelessness and older people on moderate incomes who are living in housing stress and are one incident or crisis away from experiencing homelessness.

The discussion below highlights the impact of the housing crisis on older renters and identifies solutions highlighted in order of priority in terms of greatest and urgent need –

- Increasing public and community housing stock across the country
- Increasing affordable rental housing for low to moderate income households
- Supporting older people who are ineligible for public and community housing (missing middle) and
- Preventing older homeowners in housing stress from falling out of home ownership.

4.1 Housing costs and rental market

The cost of housing is usually the highest or the largest economic burden of many households, and this is especially true for older people from low-income households.

Almost 700,000 people aged 55 and older rented from a private landlord, a 73% increase in ten years. Of these, 227,556 older people renting in lowest income households were paying unaffordable rent in 2019-2020. In addition, there were about 120,000 older people in the lowest two income quintiles who were considered to be paying affordable rent at the time of data collection.²⁸ 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’.²⁹ These older renters are now likely to be experiencing homelessness, in significant housing stress or living in unsafe and untenable housing situations.

There are multiple reports and research on the adverse impacts on physical and mental health of older renters as a result of living in severe rental stress. The *Older Women in the Private Rental Sector: Unaffordable, Substandard and Insecure Housing* report has a detailed discussion on extreme levels of poverty older women experience and the lengths they go to cover their essential expenses.³⁰ For many participants of this research rental affordability was further compounded by

²⁸ 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>

²⁹ Core Logic, ANZ, Rental Affordability Report: Reflections on the Pandemic and the Rental Market, March 2023, accessible at: https://news.anz.com/content/dam/news/articles/2023/May/PDF-housing-affordability-23/AU24823_Housing%20Affordability%20Report%2022_Digi_FA02B.pdf

³⁰ E. Power, *Older Women in the Private Rental Sector: Unaffordable, Substandard and Insecure Housing*, 2020, accessible at: <https://doi.org/10.26183/5edf0f0d75cf8>

competition. This included competition from other renters on higher incomes as well as the holiday rentals market.³¹

Case study

Francesca*, aged 75 lives by herself and has been diagnosed with a terminal illness. She has been renting the same property for many years and has strong connections within the community. Her rent has been increased on a few occasions and she is currently paying \$1,600 per fortnight, which is much higher than her fortnightly income.

Francesca has actively searched for an affordable 1-bedroom property and spoken to multiple Real Estate Agents but has not been considered for any as she is a single older woman on income support payments. Francesca expressed concern that even if she did find something, private rents will continue to rise and fears she will ultimately be forced to "end up living in my car".

She feels the stress of her housing situation is negatively impacting on her health. She has a priority application on the waitlist. She worries that she may not have the opportunity to be securely housed due to the prohibitive wait times for public and community housing.

**Name and other identifiable information have been changed for privacy*

4.1.1 Inadequacy of income support payments

Cost of living pressures coupled with the significant inadequacy of Age Pension and Jobseeker payment are pushing older renters into severe housing stress and poverty. The Federal Treasury's *Retirement Income Review Final Report* found that for many who retire involuntarily due to job-related reasons, the adequacy of their living standards before Age Pension eligibility age depends on the level of the JobSeeker Payment. Renters and involuntary retirees experience higher levels of financial stress and poverty than the working-age population.³²

Rental Affordability Report: Reflections on the Pandemic and the Rental Market, states that prior to the pandemic, low income renters required 47% of income to service rent on a new lease. However, this rose sharply through the pandemic, to 51.6% by March 2023.³³

According to Anglicare Australia analysis, only 0.4% of available market listings in 2023 were affordable for a single older person in Australia in receipt of the Age Pension. This increases

³¹ Ibid

³² 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

³³ Core Logic, ANZ, Rental Affordability Report: Reflections on the Pandemic and the Rental Market, March 2023, accessible at: https://news.anz.com/content/dam/news/articles/2023/May/PDF-housing-affordability-23/AU24823_Housing%20Affordability%20Report%2022_Digi_FA02B.pdf

marginally to 1.1% for a couple on the Age Pension.³⁴ There were only 4 properties affordable for older people on Jobseeker payment.³⁵

The maximum rate of Disability Support Pension or Age Pension including Energy Supplement and maximum Pension Supplement for a single person would be approximately \$1,064.00 a fortnight and \$1,604.00 for a couple.³⁶ The Commonwealth Rent Assistance (CRA) rate is \$157.20 a fortnight for a single person.³⁷ Assuming a single older person gets the maximum rate of CRA, age pension and pension supplement (\$1313.70), they will be left with very little money every fortnight for all other expenses including food, utilities, health expenses and other bills. To avoid rental stress the maximum amount of rent an older person on age pension can pay is approximately \$400 a fortnight or \$200 a week.

Case Study

Jen* is a 71-year-old woman who has been privately renting the same property for approximately 20 years. She described the property as old and in poor condition with multiple maintenance issues that have been reported but remain unresolved, including heating and a shower head that are not working. Recently, she was notified of a rent increase of \$30 per week. She requested that the unresolved maintenance issues be addressed first before the rent increase.

The landlord through real estate agent reportedly agreed to the repairs, and arranged for tradespeople inspect the issues, however, no repairs were carried out and the issues remain unresolved. Despite the previous agreement to attend to the repairs, the landlord increased the rent. She is now paying over 50% of her income on rent and is unable to manage her bills, medical and other expenses. She relies on foodbanks regularly and fears experiencing homelessness due to her financial limitations.

**Name and other identifiable information have been changed for privacy*

Case Study

Heyab* is an older woman who lives independently in a one-bedroom private rental property in St Albans in Victoria. She has been residing in the same rental property for several years and is paying \$1078 per month in rent. Heyab's son assists with purchasing her groceries weekly as she relies on a Jobseeker payment.

Although the property is small and she is paying well over 60% of her income on rent, there are no other affordable housing options available to her in the private rental market. There are a number of maintenance issues with the property that require urgent repairs, the landlord refuses to

³⁴ Anglicare Australia, Rental Affordability Snapshot: National Report, 2023, accessible at: <https://www.anglicare.asn.au/wp-content/uploads/2023/04/Rental-Affordability-Snapshot-National-Report.pdf>

³⁵ Ibid

³⁶ 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>

³⁷ 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>

address them. She does not have access to reliable hot water, she uses a bucket of hot water to shower. She also uses a portable gas cooktop as her stovetop is not working.

She finds that she is paying more money for basic necessities to compensate for the unrepaired issues around the home. When she raised these issues with the landlord, she was told she can leave if she does not like the property. She is reluctant to raise the issue or take the matter to the Victorian Civil and Administrative Tribunal (VCAT) due to fear of a rent increase or being evicted.

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

The level of insecurity in private rental market has a significant negative impact on older people's mental and physical health. In addition, the insecurity and the fear of being evicted exacerbates the existing health issues of older people which prevents them from seeking minor modifications or renovations leading them to live in properties that increase their risk of injury.

Case Study

Mark is an 85-year-old client privately renting a property for 16 years. His rent is currently \$310 per week. Mark is unable to walk. His property condition was described as 'poor' with very little maintenance completed over the 16 years. He stated that the landlord unexpectedly decided to sell the property after the heater broke down as repair or maintenance of the property would be too costly.

The property has been placed on the market for sale and Mark anticipates the property will likely be knocked down and redeveloped due to its poor condition. He was booked in for urgent surgery but decided to postpone it due to the stress of the current housing situation and fears that he would have no home to return to.

**Name and other identifiable information have been changed for privacy*

Case Study

Ivon* a 75-year-old Russian speaking woman who has been privately renting the same property for approximately 13 years. The rent had steadily risen over this time, and she is currently paying over 60% of her Age Pension on rent. The property has steps at both the rear and front of the house that she finds difficult to navigate safely and comfortably, due to untreated injuries in her youth.

She occasionally relies on her adult children to assist her financially, but this arrangement is not sustainable as they are struggling with their own expenses. The lease is now periodic, and the landlord has verbally indicated intention to sell the property in the near future and told Ivon to 'prepare for the sale'. She has been on the Victorian Housing Register (VHR) *waitlist for 6 years*. She expressed distress about becoming homeless with the lack of affordable and suitable housing.

**Name and other identifiable information have been changed for privacy*

The Deloitte Access Economics *Analysis of the Impact of Raising Benefit Rates* report provides insights into the economic benefits of increasing the social security allowances including a boost to regional economies.³⁸ Given the level of increased housing stress people experience, including those on Age Pension and other income support payments, the government should increase income support payments as part a holistic response to address the housing crisis and homelessness.

4.1.2 Lack of accessible and affordable private rental housing

With limited housing options that are accessible and affordable across the country 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. Many older people are struggling to find housing that meets their growing accessibility needs in the private rental market. For those who are already in private rentals, there are significant challenges with improving the conditions to ensure properties are accessible for those with mobility issues.

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. 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 over that period, especially given the imminent threat of bushfires and heatwaves expected during summer as well as the inaccessibility of his current rental property that could result in causing serious injury.

**Name and other identifiable information have been changed for privacy*

Lack of accessible, secure and affordable housing mean that older people are living in private rentals that are inaccessible housing that increases the risks of injury. Inaccessibility coupled with lack of age appropriate nutrition can result in causing them significant physical harm.

Case Study

³⁸ Deloitte Access Economics, Analysis of the impact of raising benefit rates, 2018, accessible at: <https://www.acoss.org.au/wp-content/uploads/2018/09/DAE-Analysis-of-the-impact-of-raising-benefit-ratesFINAL-4-September-...-1.pdf>

Munir* is in his mid-80's and has been renting the same property over the last 4 years by himself. Recently, his rent increased by \$150 per month, bringing the cost of housing to 70% of his income support payments. He reported difficulty keeping up with bills and other expenses due to the cost of rent and has previously accessed emergency food support from the local Council. He struggles to buy food that's healthy to manage his health conditions on his limited income.

The property is unsuitable for Munir's declining health and mobility needs but he has been unable to find anything else that is structurally suitable within his budget. He noted that he has difficulty walking and climbing the stairs in the property. Munir reported that he recently had a fall where he sustained an injury to his head. He feels that he has a heightened risk of injury and experiencing homelessness if he cannot find an affordable housing option soon. Munir's social housing application is currently pending.

**Name and other identifiable information have been changed for privacy*

Often gender and age discrimination in the housing market further exacerbate the housing challenges older people experience. This is particularly the case for gender diverse older people.

"It (discrimination) comes out in all different ways, landlords demand renters send so many documents, character references and pictures so older transgender and LGBTQIA+ people experience discrimination ... Often our identity documents don't match up.

Some parts of the real estate industry are not regulated and are creating situations that are discriminatory ... If you are experiencing and have experienced lifelong discrimination, then you won't be picked as a tenant."

Member of HAAG's LGBTQIA+ Reference Group

HAAG, along with the community sector organisations is calling for urgent rental reform to address these issues.

4.1.3 Rental reform

The recent National Cabinet announcement on increased housing supply and rental reform are positive developments that was not seen for decades in housing policy. However, the suggested measures in relation to rental laws and regulations are less likely to have a significant impact on many States and Territories where similar policies or laws are already in place or development is currently underway. For instance, measures on requirement for genuinely reasonable grounds for evictions is already in place in States and Territories except for Northern Territory and Western Australia.

The minimum standards highlighted in the National Cabinet announcement referred phasing in minimum quality standards for rental properties (e.g. stovetop in good working order, hot and cold running water).³⁹ Although there are rental properties that do not provide functioning cooktops and hot water, there are much more significant improvements that are required in a large number of rental properties.

³⁹ Prime Minister and Cabinet, Media Release: Meeting of National Cabinet - Working Together to Deliver Better Housing Outcomes, 16 August 2023, accessible at: <https://www.pm.gov.au/media/meeting-national-cabinet-working-together-deliver-better-housing-outcomes>

Case study

Kim* is in her late 50's and has been privately renting a small unit for almost 4 years, currently paying \$725 a fortnight, over 60% of her sole Disability Support Pension. She has taken good care of the property and the garden area over the years. She noted that she always paid rent on time, even where it meant being unable to afford regular meals or to heat the home in winter.

She reported multiple unresolved maintenance issues at the rental property, including mould. She mentioned the landlord has given her a 'hard time' over the 4 years and refused to address the maintenance issues. Kim was admitted to hospital twice in past 12 months, due to a lung infection and influenza with a drawn-out recovery period. She believes that these could be caused or exacerbated as a result of mould in the rental that she is unable to resolve by cleaning.

Recently, Kim received a Notice to Vacate which has now expired, with the dire lack of affordable housing and a highly competitive private rental market she has not been able to find alternative housing and is still residing at the property, facing a VCAT application and possible eviction. She is seeking assistance to apply for public and community housing, as the only affordable and secure housing option.

**Name and other identifiable information have been changed for privacy*

While longer-term solutions such as increasing stock of public and community housing is brought to a level that meets the needs of older people, HAAG urges the government and other related parties to consider additional measures that can be implemented to alleviate the immediate pressures faced by renters. This could include:

- Greater stability and security for people who rent their homes,
- Fair limits on rent increases,
- Safe and healthy homes for renters, including mandatory minimum standards,
- Better enforcement, oversight, and accountability so that compliance is the norm,
- Access to free advice, assistance and advocacy, and
- Substantial investment in social housing from both federal and state governments.⁴⁰

Long-term rental agreements would provide stability for many renters, especially older renters who are accessing health and other supports such as Aged Care. Considering these challenges, we reiterate the importance of implementing measures highlighted above in the *Statement on the Worsening Rental Crisis in Australia*.⁴¹

⁴⁰ Statement on the Worsening Rental Crisis in Australia, 2023, accessible at: https://files.tenants.org.au/policy/2308_Joint_statement_worsening_rental_crisis_Australia.pdf

⁴¹ Ibid

4.2 Public and Community Housing

Available public housing units are declining across the country with the number of public housing dwellings decreased from 341,400 in 2006 to 299,500 in 2021.⁴² According to AIHW data, as of June 2022, nationally there were 174,600 households waiting to be allocated public housing.⁴³ A study conducted in 2021 found that age-specific housing estates or complexes are desired and preferred by many older tenants.⁴⁴ Many older people supported by HAAG prefer public housing due to a range of factors including security of tenure, lower housing costs, and the ability to build and maintaining a sense of community as a result.

Case Study

Milly* is an older woman from Melbourne. In 2020 she was renting a property that was reasonably priced. She was working in a stressful role. At the height of the pandemic, Milly was working from home and living alone. She fell ill and unfortunately lost her job. She suddenly had to navigate the Centrelink system and was on Jobseeker payment. Her landlord then informed her that her rental property will be put up for sale. The stress of her living situation had a significant impact on her health.

She was unfortunately unable to cover the rent and pay her other bills with her limited income. She was able to find a service that supported older people with their housing needs. She was assigned a support worker which was a massive relief for her. Milly's housing situation was precarious for about 18 months while her application for social housing in Victoria was being processed. Despite living in fear of getting a notice to vacate, due to housing market conditions at the time, her landlord was unable to sell the property.

She was forced to withdraw \$10,000 from her limited superannuation savings to cover her rent and was relying on family and friends for support during this time. She also used foodbanks and other charities as she did not have any money left for food after paying rent and her bills.

When she was eventually offered a public housing unit, she stated:

"It felt like a miracle. It was like they're so few and far between, so I felt so privileged to have something that was stress-free, that was affordable, that I was safe in as an older woman on my own. Every day I wake up and I just can't believe it. I almost have survivor's guilt because I know they're so few and far between, and there are thousands of people like me that still haven't got housing."

"I was really happy I got public housing rather than community housing, because I felt that public housing had more security of tenure. It's 25 per cent of your income, whereas community housing is 30 per cent of your income plus they take your rental assistance. Personally, I felt it was just even more of a bonus that I got public housing."

⁴² Australian Institute of Health and Welfare, Slow growth in social housing dwellings across Australia, 2022, accessible at: <https://www.aihw.gov.au/news-media/media-releases/2021/june/slow-growth-in-social-housing-dwellings-across-au>

⁴³ Australian Institute of Health and Welfare, Housing Assistance in Australia, 2023, accessible at: <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists>

⁴⁴ D. Faulkner, et al, Ageing well in public housing, 2021, Australian Housing and Urban Research Institute Limited, accessible at: <https://www.ahuri.edu.au/research/final-reports/369>

She has since become a volunteer and an advocate for older people experiencing housing issues to give back to her community. She says she wants to support others “because I know what it’s like to be in that incredibly stressful situation”.

**Name and other identifiable details have been changed for privacy*

Our research identified 150,000 people over 55 renting privately in the lowest income households, earning on average, approximately \$650 a week. Affordable rent for this cohort is around \$200 per week. There are no market-based rental solutions that are affordable for this group of people. They are also less likely to find alternative income streams to increase their household income or supplement their income support payments.

Measures to increase general or affordable housing supply to address the current housing shortages across the country will not increase supply for this cohort of the most vulnerable older people, unless it is dedicated public or community housing.

HAAG is calling on the Federal Government to work with State and Territory Governments to build public and community housing for people 55 years and over who are not able to afford rent in the private rental market. This must include, at minimum, housing for nearly 260,000 older people who are renting in the lowest income households and already paying unaffordable rents, living in marginal housing and experiencing homelessness.

4.3 Affordable Rental housing options

There is no clear and consistent definition of affordable housing in Australia. Different levels of government provide affordable housing and rely on different definitions. An AHURI research defined ‘affordable housing’ as housing provided subject to access and affordability requirements set by government. This included: rental housing priced at below market rents and earmarked for eligible low to moderate income households.⁴⁵

There is a critical need to increase affordable private rental properties for low to moderate income households, especially for older people who are ineligible for public and community housing. With the end of National Rental Affordability Scheme (NRAS), many older people are seeing an increase in rents that are beyond their financial capacity.

Marie* is an 82 y/o client who has been privately renting a property under NRAS scheme for 11 years and is on Single Age Pension. She provided full-time care for her late husband for 12 years until his condition worsened to the point that he required residential care. He passed away a few years ago and she is still dealing with the grief of losing him.

The NRAS rental had provided some level of security for her to maintain a roof over her head on Age Pension. When NRAS came to an end her rent was increased by an additional \$638 per month which is unaffordable and Marie is at risk of homelessness.

She describes herself as independent and capable person, and expressed that residential aged care is not appropriate for her needs and not something she wants to enter. However, she worries

⁴⁵ V. Milligan, et al, Profiling Australia's affordable housing industry, AHURI Final Report No. 268, 2016, accessible at: <http://www.ahuri.edu.au/research/final-reports/268>

that she may have to enter residential aged care prematurely as there are no affordable housing options available to her.

**Name and other identifiable details have been changed for privacy*

Under the Housing Australia Future Fund, there are 10,000 affordable properties earmarked for key workers. Properties that are advertised as affordable are usually capped at 80% of the market value. Unfortunately, given the current market rates, these affordable properties are not truly affordable for people on low incomes.

For example, in Sydney a two bedroom unit was advertised at time of writing for \$1150 per week, and a one-bedroom unit at \$775 per week, is currently being advertised as affordable for those on low to moderate incomes. The reality is these are still unaffordable even after being listed at 80% of the market rate.

This demonstrates using market rates to define affordable rents does not result in increasing stock of genuinely affordable housing for those on low to moderate incomes. In addition, eligibility criteria for what is deemed affordable properties can be strict and rules out many older people.⁴⁶

There are models available in different States and Territories that offer a better way forward. In 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.⁴⁷ In NSW, the affordable rent could be capped at 75%-80% market rate or 25%-30% of income or a combination of both.⁴⁸ Some local governments have developed their own affordable housing policies.

Considering the current rental crisis where all major cities saw a rent increase by about 15-20% in the last 12 months and nationally rental prices went up by 10.2%,⁴⁹ it is clear that rents capped at 75% or 80% is not likely to increase the affordable housing stock. Unless the rent is capped at 30% of the income, most older people will be in severe rental stress paying 80% of market rates.

HAAG recommends incorporating a definition for *affordable housing* capped at 30% of household income into the *Housing Australia Future Fund Act 2023* for all Federal Government funded affordable housing properties. The Federal Government through the National Housing and Homelessness Plan should also take initiative to create national consistency in relation to affordable housing for those on low to moderate incomes capped at 30% of household income.

The incentives for development of affordable housing should be carefully planned and implemented across the country. Incentivising the property development sector with changes to density limits and other concessions must form part of the suite of solutions to increase affordable housing supply to low to middle income households. However, there should be requirements placed on the developers to ensure that these investments should remain affordable housing in perpetuity. For example, the

⁴⁶ Ibid

⁴⁷ Homes Victoria, Affordable, accessible at: <https://www.homes.vic.gov.au/homes-victoria-affordable>

⁴⁸ Department of Communities and Housing NSW, Renting Affordable Housing, accessible at: <https://www.facs.nsw.gov.au/housing/help/ways/renting-affordable-housing>

⁴⁹ SQM Research, Weekly Residential Rents and Vacancy Rate: National, accessible at: <https://sqmresearch.com.au/weekly-rents.php?national=1&t=1>

NSW Government's announcement on planning rule changes to increase affordable housing, although a welcome development was envisaged to deliver affordable housing for 15 years.⁵⁰

Considering the tax, planning and other concessions that are afforded to property developers, it is critical to ensure through legislation that any incentives or funding provided by Federal, State, Territory or local government to private developers for construction of affordable housing remain affordable housing in perpetuity.

HAAG is concerned about for profit providers registering as community housing providers in some States and Territories, who are likely to be profit motivated.⁵¹ There needs to be better regulation and transparency in relation to which organisations are receiving incentives to boost affordable housing stock.

4.4 Challenges with home ownership

Since the late 1990s, research has been tracking the declining rates of home ownership in Australia. In 2021, 58% of people aged 55 and over lived in a home that was owned outright, this is a decrease from 62% in 2011.⁵²

As the percentage of older people who own their own homes outright, without a mortgage, by age 55 has declined, the percentage of those reaching 55 years of age with mortgage debt has increased. 23% of people aged 55 and over lived in a home that was owned with a mortgage in 2021, this is an increase from 19% in 2011.⁵³

Many older people, especially older women who fall out of home ownership in later life are less likely to be able to purchase properties in the current competitive housing market. There are limited affordable housing options in areas that are suitable for their needs and affordable.

"I bought my first home when I first got married at 23. In the course of the divorce, we sold our marital home. I was 58 at that stage. I thought I'd go and use what I got out of it on a deposit for another house. When I went to the bank, they virtually just laughed at me because I was 58. I had a good deposit nobody would touch. They told me if I was my former husband, they would have given a loan. I continued to work until I was 69 as a midwife."

Member of HAAG's NSW Lived Experience Advocacy Group (LEAG)

In some cases, property settlement post separation is fraught and protracted, the resulting settlement can be minimal. Some older women have expressed their frustration with the legal system which the former partners use as a method to emotionally and financially abuse partners

⁵⁰ M. Rachwani, Guardian Australia, Developers 'laughing' about windfall under NSW government's planning changes, mayor warns, 16 June 2023, accessible at: <https://www.theguardian.com/australia-news/2023/jun/16/developers-laughing-about-windfall-under-nsw-governments-planning-changes-mayor-warns>

⁵¹ National Regulatory System Community Housing, Provider Register, accessible at: <https://nrsch.my.salesforce-sites.com/providersearch/>

⁵² Housing for the Aged Action Group, Ageing in a Housing Crisis: Older people's housing insecurity & homelessness in Australia, 2023, accessible at: <https://www.older tenants.org.au/publications/ageing-in-a-housing-crisis-older-peoples-housing-insecurity-homelessness-in-australia>

⁵³ Ibid

which results in many women settling the court matters with an outcome that is financially more favourable to the partners.

Case study

Anne* now in her early 50s had a conventional life, a university degree and a professional job. She paid the deposit of the property and was paying the mortgage from her earnings for over 5 years. When her marriage broke down as a result of domestic and family violence, her ex-husband refused to agree to a property settlement. She left her home with her young daughters due to threat of violence and tried to lease the property. Anne learnt that her ex-husband instructed his lawyers to withhold funds stating *“I honestly don’t care how long this takes”. “I stand by my decision for you to withhold funds until all legal avenues are expired or until you are legally directed to by the judge.”*

Over the next 15 years, Anne’s ex-husband dragged the legal matters through various court processes. Anne lost the property as well as financial security she has built up over 25 years. Although she was employed and was capable of paying her mortgage, the bank refused to refinance because she was a single woman with dependants.

When she tried to get a mortgage at a later stage, she was informed that banks require potential mortgagees to have a full-time job.

She then moved to regional NSW as Sydney private rental market was unaffordable. Whilst regional NSW used to be affordable housing, rental prices doubled in 2 years. Anne is one of the many older women who are struggling to purchase a property due to age and gender discrimination and are unable to find appropriate housing in the private rental market and at risk of experiencing homelessness.

**Name and other identifiable details have been changed for privacy*

The proportion of older people living with a mortgage is increasing. Our research identified approximately 385,000 people over 55 in the lowest two income quintiles who are still paying off mortgages. It is concerning that the number of older people living in low-income households with a mortgage has nearly doubled in ten years.

Similar to older renters, older mortgage holders are less likely to find alternative income streams to increase their household income or supplement their income. There are few alternative affordable housing options for this cohort if they are unable to pay their mortgages.

Financial institutions should work with older mortgage holders to identify and intervene early to support those who are likely to default on their mortgages due to financial stress and better tailor their financial hardship measures. There is a need for the government to further examine the extent of this issue and the impact on older mortgage holders to support them to age in place.

4.4.1 Shared equity schemes

There are shared equity models that are proposed as solutions for resolving the housing issues of older people, especially older women. However, most older women with modest savings are unlikely to benefit from most shared equity models even if there are government guarantees as there are challenges with obtaining bank loans, cost of properties and current and future earning capacity.

Eligibility for the current home ownership guarantee provided under Homes Australia is limited to those who have owned a property in the last 10 years individually or with another person if they have a dependent child.⁵⁴ Many older people, particularly older women are less likely to have dependent children living with them. Even where older people do meet the criteria for the family home guarantee, it is less likely that they will be able to obtain a bank loan with their limited income and future earning capacity.

There are State supplemented shared equity models. For example, the NSW Government's Shared Equity Home Buyer Helper is designed to assist people enter homeownership or maintain their mortgages.⁵⁵ The scheme relies on older people being able to service a mortgage and be approved by a lending partner.

The website provides a few examples to demonstrate the application of the model. For an eligible first home buyer who is a teacher in Wagga Wagga buying an existing home at the maximum price of \$600,000, the 30% government contribution would be a maximum of \$180,000. The government contribution would lower monthly mortgage repayments by around \$1080 (assuming an interest rate of 6% over a 30-year term).⁵⁶ This could potentially mean that mortgage payments could possibly be around \$900-\$1,000 a fortnight. This demonstrates that many older people will be less likely to be approved for 30 year loans from financial institutions or be able to service a mortgage as earning capacity or increasing income sources as people age are limited.

There is a need for models that are appropriate for older people who are not eligible for social and affordable housing to access home ownership at affordable levels. This could include models such as retirement villages and Independent Living Units (detailed in the housing options for the 'missing middle section below).

It is also imperative to note that shared equity schemes should form a small part of the suite of solutions to increase affordable housing, with government investment in social and affordable housing being the main solution.

4.4.2 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'.⁵⁷

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 not wealthy enough 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.

⁵⁴ Housing Australia, Family Home Guarantee, accessible at: <https://www.housingaustralia.gov.au/support-buy-home/family-home-guarantee>

⁵⁵ NSW Government, Shared Equity Home Buyer Helper, accessible at: <https://www.nsw.gov.au/housing-and-construction/home-buying-assistance/shared-equity>

⁵⁶ Ibid

⁵⁷ 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

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.⁵⁸ 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.

5. Planning, zoning and development

Housing development and boosting public and community housing stock should be a shared responsibility led by States and Territory governments.

HAAG has opposed state governments selling public housing blocks to private developers where the number of public housing units decline. Given the increasing demand for public and community housing, it is imperative that state governments retain ownership of land that public housing is built on and ensure when public housing is demolished, 100% of it is rebuilt as public housing with a net increase in overall public housing supply.

5.1 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. Various States and Territories have employed both mandatory and voluntary (incentivised) inclusionary zoning measures successfully. For example, research found that between 2005 and 2016, planning schemes delivered 5,485 affordable rental homes and low cost home ownership dwellings in South Australia.⁵⁹

⁵⁸ 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

⁵⁹ N. Gurran, 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-affordable-housing-supply-Evidence-based-principles-and-strategies-for-Australian-policy-and-practice-Executive-Summary.pdf

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.⁶⁰ The Federal Government should work with State and Territory governments to significantly expand the current inclusionary zoning policies to meet the emerging housing demand.

5.2 Addressing the tax settings

Concerns have been raised about the inequity of the Capital Gains Tax (CGT) and Negative Gearing. Specifically, data on the net capital gains of individual taxpayers in Australia indicate that most of the benefit of the CGT discount is skewed towards high income taxpayers.⁶¹ The top 20% of household incomes received 82% of the CGT discount, whereas only 14% of the CGT discount was accessed by the bottom 70% of household incomes.⁶² Incremental reform would address the inequity currently present in the CGT discount and such reform appears to have the support of a significant proportion of taxpayers.

Penalising restrictive practices such as land banking can improve the number of dwellings available for sale or rent. As an example, land banking is discouraged by laws such as Victoria's Vacant Residential Land Tax (VRLT) which has operated since 1 January 2018.⁶³ As part of the VRLT, habitable homes located in 16 specified Melbourne-focussed council areas that have been unoccupied for more than six months of the previous calendar year can attract a tax of 1% of the property's capital improved value (which includes land, buildings and other improvements).⁶⁴ This has since been extended to the whole state with the policy to take effect from January 2025. Although this will have minimum impact on large investors, HAAG welcomes measures to ensure increased availability of properties considering the current housing crisis.

As highlighted above, current negative gearing settings and CGT exemptions distort the housing market and impact housing affordability. All Federal and state and territory tax settings impacting the housing market need to be modelled and analysed as part of any tax reform process and revenue gains should be directed to affordable housing. HAAG recommends that the government implement measures to incrementally remove Capital Gains Tax and Negative Gearing to create an equitable housing market.

6. Climate change and housing security

Climate change can have disproportionate impacts on the most vulnerable communities. Older people are at greater risk from storms, floods, heat waves, and other extreme events in part because they tend to be less mobile than younger adults and so find it more difficult to avoid hazardous

⁶⁰ Ibid

⁶¹ B. Freudenberg and J. Minas, Reforming Australia's 50 per cent capital gains tax discount incrementally, *eJournal of Tax Research* (2019) vol. 16, no. 2, pp. 317-339.

⁶² The Australia Institute, Rich men and tax concessions How certain tax concessions are widening the gender and wealth divide, 2021, accessible at: <https://australiainstitute.org.au/wp-content/uploads/2021/04/P911-Income-wealth-an-gender-distribution-of-tax-concessions-WEB.pdf>

⁶³ AHURI, Are there 1 million empty homes and 13 million unused bedrooms?, 2022, accessible at: <https://www.ahuri.edu.au/analysis/brief/are-there-1-million-empty-homes-and-13-million-unused-bedrooms>

⁶⁴ Ibid

situations.⁶⁵ Older people are also more likely to suffer from health conditions that limit the body's ability to respond to stressors such as heat and air pollution.⁶⁶

A recent AIHW report found that age increased hospitalisations and deaths as a result of weather-related injuries. The highest numbers and proportions of cases hospitalised with extreme weather-related injuries were aged 65 years or older accounting to over 35% of hospitalisations.⁶⁷ Extreme weather-related injury deaths were predominantly among people aged 45 years and over with 77% of deaths accounting for those over 45 years and over half or 52% of deaths were people over 65 years.⁶⁸ This demonstrates the disproportionate impact of extreme weather events on older people.

There is a lack of national consistency in relation to minimum standards for public, social and affordable housing properties. For instance, in Victoria's social housing system, heating is considered as part of the minimum standards and yet cooling is currently not available in all properties and there are discrepancies in relation to how these policies are implemented.

"In Victoria, State government committed funding to retrofit old public housing units with split-system air conditioning. This often happens when an existing property becomes vacant before new tenants move in. This is unfortunately not an option for the clients we support in old public housing towers because of structural issues of the building, which is where cooling and heating is such a massive issue ... The other issue we see for our older clients already in public housing is that they have to provide medical evidence for approvals to request upgrades as they are based on certain health conditions which they find challenging."

HAAG's Home at Last outreach team member

Considering the adverse impacts of severe weather events on older people, this should be the responsibility of all layers of government to ensure that older people have liveable homes and have subsidies to cover the increase utility costs, especially during extreme weather events.

Technology-led, market-led or state-led transitions aimed at meeting sustainability targets may fail without integrating dimensions of social justice and addressing the social and political exclusion that prevent disadvantaged people from accessing such improvements and increasing their incomes.⁶⁹ This is particularly the case for older people in Australia who are in private rental market and receiving income support payments.

The prohibitive costs of electricity or gas results in older people not using heating in winter or risking their health in summer as they are unable to make rental properties energy efficient. Unlike homeowners, renters have little control over improvements that make the biggest difference to costs, such as insulation or fixed appliances. Older renters on low-incomes may not have the financial capacity to purchase heating or cooling equipment to make their housing habitable where landlords fail to do so.

⁶⁵ K. R. Smith, et al, Human health: impacts, adaptation, and co-benefits. In: Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects, Cambridge University Press, 2014, pp. 709-754

⁶⁶ Ibid

⁶⁷ 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>

⁶⁸ Ibid

⁶⁹ Intergovernmental Panel on Climate Change, Climate Change 2022: Impacts, Adaptation and Vulnerability, 2022, accessible at: https://report.ipcc.ch/ar6wg2/pdf/IPCC_AR6_WGII_FinalDraft_FullReport.pdf

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 18 months to two years.

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

Some local governments offer free access to pools, libraries and other public amenities to provide some reprieve from heat. However, this relies on older people either having a car, being able to drive themselves and afford fuel. Furthermore, the number of people impacted by extreme heat at the same time makes it impractical for any significant number of people to seek relief in designated cool safe spaces.⁷⁰

“Older people may not be comfortable in busy spaces such as public pools and are also likely to be concerned about being in close proximity to large gatherings due to risks of contracting Covid or other illnesses.”

HAAG Carefinder Case Manager

⁷⁰ Sweltering Cities, Cool, Safe Spaces Report, 2023, accessible at: <https://swelteringcities.org/wp-content/uploads/2023/06/Cool-safe-spaces-report-1.3-2023.pdf>

HAAG supports the calls to urgently invest in making homes heatwave safe, starting with the most marginalised communities.⁷¹ This will ensure older people are safe in their homes during extreme weather events.

Considering these challenges, HAAG is currently developing an internal policy to support our clients who are vulnerable to extreme weather events such as heatwaves, especially those living in public, community housing or in private rental properties without adequate cooling.

Older people are also likely to be more vulnerable in floods, especially those already living in private rental properties, marginal housing such as caravan parks. Human Rights Watch found that NSW and local authorities did not provide adequate flood warnings, evacuation, or rescue support, leaving older people, people with disabilities, and those who were pregnant facing life-threatening circumstances with little government assistance.⁷² The impact of the floods have also resulted in some older people entering aged care prematurely.⁷³

There is general consensus that climate change induced weather events are becoming more frequent and increasing severity.⁷⁴ A considerable number of older people who were in flood impacted properties are living transient lives or experiencing homelessness. Providing these individuals with urgent access to public housing should be a key priority for all levels of government as well as ensuring those in flood risk areas are relocated to safer properties.

Case Study

Gordon*, who is almost 70-years-old, had previously lived in public housing, but was relocated after the site was marked for redevelopment. The property that he relocated to became unsuitable for his needs and he was forced to find a rental property. He experienced homelessness after his private rental in Seymour, Victoria was impacted by the October 2022 floods.

Since then, he has stayed temporarily with family and friends from time to time. Despite actively searching for private rentals and approaching multiple real estate agents, he has been unable to find any properties that were affordable on the Age Pension, reporting high level of competition for properties at the 'lower' end of the private market. He believes he did not receive compensation or housing support after the floods as he is not a homeowner.

He was linked in with the HAAG's service for support to reapply for public and community housing, as the only affordable and secure option.

**Name and other identifiable information have been changed for privacy*

⁷¹ Ibid

⁷² Human Rights Watch, Australia: Flood Response Failed to Protect Most at Risk Inclusive Climate Action, Planning Needed to Address Extreme Weather, 2022, accessible at: <https://www.hrw.org/news/2022/11/03/australia-flood-response-failed-protect-most-risk>

⁷³ H. Tatham, ABC News, 'Catastrophic' impact of NSW floods sees many elderly people going into residential care earlier than expected, 12 July 2022, accessible at: <https://www.abc.net.au/news/2022-07-12/elderly-survivors-of-the-nsw-floods/101202226>

⁷⁴ Intergovernmental Panel on Climate Change, Climate Change 2022: Impacts, Adaptation and Vulnerability, 2022, accessible at: https://report.ipcc.ch/ar6wg2/pdf/IPCC_AR6_WGII_FinalDraft_FullReport.pdf

The Federal Government developed a framework on flooding preparedness during the East Coast floods in 2022 to assist aged care providers.⁷⁵ Although this is a welcome initiative, the Federal Government should expand this work beyond Department of Health and Aged Care and take a leadership role in developing nationally consistent emergency management strategies that prioritise the most vulnerable people in floods and other natural disasters, including older people.

The most effective measure to address a large number of issues would be to update the National Construction Code to make all constructions adaptable to climate change. This will result in delivering social, economic, environmental and energy security benefits that vastly outweigh the potential for adverse consequences (on rent or housing supply), which can be managed through a well-designed, staged implementation process.⁷⁶ Considering the frequency and intensity of the challenges that the country is experiencing at the moment including the bush fires and floods, it is critical that these are incorporated into ongoing policy development with national consistency.

⁷⁵ Department of Health and Aged Care, Protecting Older Australians – Flooding preparedness, 2022, accessible at: <https://www.health.gov.au/news/newsletters/protecting-older-australians-flooding-preparedness>

⁷⁶ Environment Victoria, Homeworthy Standards for Renters, accessible at: <https://environmentvictoria.org.au/campaign/rental-standards/>

Annexure – Previous submissions relevant to the National Housing and Homelessness Plan

HAAG's submissions and other publications are available here:

<https://www.older tenants.org.au/publications>

Listed below are some of the key submissions made in the recent years.

- Submission to the Inquiry into the worsening rental crisis in Australia (2023): <https://www.older tenants.org.au/publications/submission-to-the-inquiry-into-the-worsening-rental-crisis-in-australia>
- Inquiry into the Rental and Housing Affordability Crisis in Victoria (2023): <https://www.older tenants.org.au/publications/inquiry-into-the-rental-and-housing-affordability-crisis-in-victoria>
- Submissions to The extent and nature of poverty in Australia Inquiry (2023): <https://www.older tenants.org.au/publications/submissions-to-the-extent-and-nature-of-poverty-in-australia-inquiry>
- Review of National Housing and Homelessness Agreement (2022): <https://www.older tenants.org.au/publications/review-of-national-housing-and-homelessness-agreement-2022>
- Submission to National Strategy to Achieve Gender Equality (2022): <https://www.older tenants.org.au/publications/national-strategy-to-achieve-gender-equality>
- Submission to Victorian Social Housing Regulation Review: Interim Report (2022): <https://www.older tenants.org.au/publications/submission-to-victorian-social-housing-regulation-review-interim-report>
- Submission to NSW Parliamentary Inquiry into Homelessness among older people over 55 years (2022): <https://www.older tenants.org.au/publications/submission-to-nsw-parliamentary-inquiry-into-homelessness>
- Submission to the Inquiry into housing affordability and supply in Australia (2021): <https://www.older tenants.org.au/publications/submission-the-inquiry-housing-affordability-and-supply-australia>
- Options to improve access to existing and alternate accommodation to address the NSW social housing shortage (2021): <https://www.older tenants.org.au/publications/options-improve-access-existing-and-alternate-accommodation-address-the-nsw-social>
- Submission to: Establishing a 10-Year Strategy for Social and Affordable Housing Discussion Paper (Victoria) (2021): <https://www.older tenants.org.au/publications/submission-establishing-10-year-strategy-for-social-and-affordable-housing-discussion>

- Cultural Diversity Reference Group submission to Submission to the Ten Year Affordable Housing Strategy (Victoria) (2021): <https://www.older tenants.org.au/publications/cultural-diversity-reference-group-submission-submission-the-ten-year-affordable>
- Joint submission to the Victorian Homelessness Inquiry: LGBTI Older People at Risk of Homelessness (2020): <https://www.older tenants.org.au/publications/joint-submission-the-victorian-homelessness-inquiry-lgbti-older-people-risk>
- Submission into the Australian Parliamentary Inquiry into Homelessness (2020): <https://www.older tenants.org.au/publications/submission-the-australian-parliamentary-inquiry-homelessness>
- Joint submission to the Inquiry into homelessness in Australia: LGBTI Older People at Risk of Homelessness (2020): <https://www.older tenants.org.au/publications/joint-submission-the-inquiry-homelessness-australia-lgbti-older-people-risk>
- Submission to the Victorian Parliamentary Inquiry into Homelessness (2020): <https://www.older tenants.org.au/publications/submission-the-victorian-parliamentary-inquiry-homelessness-0>