



Review of National Housing and Homelessness Agreement - 2022

Introduction

Housing for the Aged Action Group (HAAG) is the only Australian organisation of its type specialising in the housing needs of older people. The organisation has over 600 members actively campaigning for housing justice. Established over 30 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 2020-21 financial year, HAAG supported over 800 older people, and assisted more than 150 older people into long term, affordable housing.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 welcomes the opportunity to provide input into the Review of National Housing and Homelessness Agreement. This submission is based on the service experience delivering housing and related support services to older people, research and the lived experience of older people of housing stress or homelessness in Australia.

Context

National picture

Homelessness is a significant issue in Australia with over 116,000 people experiencing homelessness in 2016.³ Across the country, one in six people experiencing homelessness are over the age of 55 years.⁴ Almost 24,000 people who accessed specialist homelessness services were older people over 55 years.⁵ These numbers are likely to be higher due to underreporting and the hidden nature of older people's homelessness as a result of stigma, shame and a lack of awareness of housing options and available supports.

There is a growing gap of social housing yield and demand. According to National Housing Financial and Investment Corporation, over the period 2016 to 2036, some 727,300 additional social dwellings would be needed, implying an annual average growth of 5.5% over the existing stock. To simply prevent further deterioration in the current shortfall of social housing, 290,000 homes are required over the projection period, or 15,000 annually.⁶ None of the existing Federal, State and Territory government commitments are nearly enough to or come close to increasing the housing stock at the rate that is required to prevent people from experiencing homelessness.

¹ Housing for the Aged Action Group, Annual Report 2020-2021, accessible at:

https://www.oldertenants.org.au/sites/default/files/annual_report_2020-2021_web.pdf

² See further: Housing for the Aged Action Group, Ageing on the Edge National Action Project, accessible at:

<https://www.oldertenants.org.au/ageing-edge-national-action-project>

³ Australian Bureau of Statistics, 2049.0 - Census of Population and Housing: Estimating homelessness, 2016, accessible at: <https://www.abs.gov.au/ausstats/abs@.nsf/mf/2049.0>

⁴ Ibid

⁵ Australian Institute of Health and Welfare, Specialist Homelessness Services Annual Report, 2021, accessible at: <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/older-clients>

⁶ National Housing Financial and Investment Corporation, State of the Nation's Housing 2021-22, 2022, accessible at: <https://www.nhfc.gov.au/media/1814/nhfc-state-of-the-nations-housing-2021-22-full-final.pdf>

Older people and homelessness

Older people are increasingly at risk of homelessness. Older women are the fastest growing cohort experiencing homelessness in Australia and unlikely to seek support from homelessness services.⁷ Research found that 61% of older Australians aged 55–64 cited lack of a deposit as a barrier to long term housing aspirations, the most important barrier of all cited. This was also an issue for those aged 65–74 and those 75 years and above.⁸ It is also estimated that about 405,000 women over 45 years are at risk of homelessness in Australia.⁹

Older people who are not presenting at services and living in precarious housing are also likely to be living in extremely high rental stress. A Productivity Commission report noted that a quarter of low-income households spend over half their income on rent, and 7% spend over 75%.¹⁰ These people can benefit from accessing a service that can assist them navigate the housing system or finding alternative housing options that are affordable where possible.

The Royal Commission into Aged Care Quality and Safety found that the current aged care system is not adequately equipped to support people from a range of backgrounds, including those who have experienced homelessness or are at risk of becoming homeless. The Commission made a series of recommendations relating to Specialist Homelessness Services (SHS) agencies, such as, providing personal advisers for older people in order to link them with housing services as well as developing more affordable and appropriate housing.

The Federal Treasury 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.¹¹

⁷ Australian Human Rights Commission, Older Women's Risk of Homelessness: Background Paper, 2019, accessible at:

https://humanrights.gov.au/sites/default/files/document/publication/ahrc_ow_homelessness2019.pdf

⁸ A. James, et al, Older Australians and the housing aspirations gap, AHURI Final Report No. 317, 2019, accessible at: <https://www.ahuri.edu.au/research/final-reports/317>

⁹ Housing for the Aged Action Group, At Risk: Understanding the population size and demographics of older women at risk of homelessness in Australia, 2020, accessible at:

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

¹⁰ Productivity Commission, Vulnerable Private Renters: Evidence and Options, 2019, accessible at:

<https://www.pc.gov.au/research/completed/renters>

¹¹ 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

Key Recommendations

HAAG's policy recommendations respond to the National Housing and Homelessness Agreement Review Issues Paper.

1. Assessing the performance and suitability of the Agreement

- 1.1 Develop a National Housing Strategy identifying the respective roles of the Australian Government and the State and Territory Governments for housing and homelessness policy.
- 1.2 Focus on improved housing and wellbeing outcomes for all people experiencing or at risk of homelessness, including older people.
- 1.3 Ensure NHHHA is in alignment with parallel policy areas, such as, social services, including addressing housing and homelessness related recommendations in the Royal Commission into Aged Care Quality and Safety report and in the National Plan to End Violence Against Women and Girls.
- 1.4 Incorporate priority cohorts to bring housing policies in line with other parallel policy areas, including people from CALD backgrounds, LGBTIQ+ people and older women.
- 1.5 Address specific barriers people with disability, including older people, experience including access to affordable, safe and accessible, housing that adhere to universal housing design principles.

2. Issues across the housing spectrum

- 2.1 Incorporate early intervention and prevention as a priority policy area.
- 2.2 Fund the delivery of specialist housing information and support services for older people, based HAAG's Home at Last service model, in every State and Territory.
- 2.3 Recognise and add measures to address the challenges arising as a result of the COVID-19 pandemic on housing and homelessness across the country.
- 2.4 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.
- 2.5 Make recommendations to increase income support payments as part a holistic response to address the housing and homelessness.
- 2.6 Strengthen rental protections and harmonise State and Territory legislation to ensure equitable rental protections across the country.
- 2.7 Incorporate retirement housing to the next iteration of NHHHA to increase age-appropriate affordable housing options for older people with additional and nationally consistent legislative framework.
- 2.8 Identify solutions for the 'missing middle' including investment in Independent Living Units for older people.

3. Supply Side of the housing market

- 3.1 Fund the construction of 25,000 public, community and affordable homes per year across the country as a matter of priority, including specific allocations for older people.
- 3.2 Incorporate Mandatory Inclusionary Zoning in the next iteration of National Housing and Homelessness Agreement (NHHHA).
- 3.3 Implement measures to incrementally remove Capital Gains Tax and Negative Gearing to create an equitable housing market.

1. Assessing the performance and suitability of the Agreement

The purpose of NHHA

Recommendation

1.1 Develop a National Housing Strategy identifying the respective roles of the Australian Government and the State and Territory Governments for housing and homelessness policy.

The NHHA in its current form has failed to meaningfully address the housing and homelessness crisis facing this country. It is critical that housing strategy and associated funding agreements are underpinned by consistent and coherent policies across all levels of government, with flexibility to respond to local contexts.

HAAG, along with other community sector organisations, has been calling for a National Housing Strategy that sets a long-term vision and a clear policy agenda spanning Federal, State and Territory governments.

The National Housing Strategy should be the overarching, umbrella framework that sets the policy direction, with the National Housing and Homelessness Agreement and each of the bilateral agreements sitting under the main framework that lays out clear implementation plans with discernible outcomes. The operational and outcomes related aspects could be outlined in the NHHA and bi-lateral agreements.

Critical elements of the new National Housing Strategy:

- Clarity in relation to roles and responsibilities of Federal, State and Territory governments

Currently the NHHA is treated as a mere funding tool which absolves the responsibilities of the Federal government in providing national leadership. The National Housing Strategy should clarify the joint and separate roles of Federal, State and Territory governments.

There is precedence for Federal Government to set a national housing agenda to address the social and affordable housing crisis. For example, *The Road Home Strategy 2008* provided a broad framework over 12 years which encapsulated the need to support people to maintain tenancies, prevent exits into homelessness and address intersections with domestic and family violence and mental health.¹²

There is also historical evidence to demonstrate the critical role the Federal Government has played in contributing to increasing social and affordable housing stock. These date back to the Commonwealth State Housing Agreement (CSHA) in 1947 that delivered 221,700 dwellings over 14 years.¹³ Furthermore, in 2009 the Council of Australian Governments (COAG) funded Nation Building – Economic Stimulus Plan (NBESP). A key component of the NBESP was the Social Housing Initiative

¹² Department of Families, Housing, Community Services and Indigenous Affairs (Australia), *The road home: a national approach to reducing homelessness White Paper, 2008*, accessible at: <https://www.abc.net.au/cm/lb/4895838/data/the-road-home---a-national-approach-to-reducing-homelessness-data.pdf>

¹³ Everybody's Home, *Social housing – Federal vs State responsibility, 2022*, accessible at: <https://everybodyshome.com.au/resources/>

(SHI) which funded the construction of approximately 19,700 new dwelling.¹⁴ The Federal Government also provided funding to selected State Governments through National Partnership Agreement on Rural Indigenous Housing (NPARIH)¹⁵ and provided direct funding under National Rental Affordability Scheme (NRAS).¹⁶

These examples demonstrate the current narrative of the Federal Government that housing is a state and territory government responsibility is inaccurate and not based on evidence. The next version of the NHHA should provide clarity in relation to the roles and responsibilities of different layers of government through the National Housing Strategy.

Table 1. below identifies the policy levers available to different layers of governments that could form the basis for a National Housing Strategy.

Table 1: Policy levers to stimulate social and affordable housing

Policy Lever	Details and examples	Gov't role	Scale of Impact
Construction or development costs	<ul style="list-style-type: none"> Innovative design and build concepts such as modular housing Large scale development capability of Community Housing Providers (CHPs) to reduce project costs 	N/A	LOW
Financing costs	<ul style="list-style-type: none"> Budgetary investment in public and community housing and/or shared equity scheme Interest rate subsidy – equivalent of 2-3% as a cash transfer Government guarantee administered by a financial intermediary Investment returns from Future Fund or equivalent paying for social and affordable housing 	Federal & State	MEDIUM / HIGH
Financing terms	<ul style="list-style-type: none"> Long dated financing tenor up to 15-20 years (funding certainty for borrowers) Lower debt servicing hurdles where prudent 	Federal & State	MEDIUM
Management rights transfer	<ul style="list-style-type: none"> Leverage rental income stream to develop new stock Limited by maintenance liabilities on existing stock 	State	LOW/ MEDIUM
Planning regulations	<ul style="list-style-type: none"> Inclusionary zoning – 10-15% based on Local Government Area (LGA) needs assessment S.94 contributions waived for CHP residential development projects 	State	MEDIUM
Income support	<ul style="list-style-type: none"> Increasing Commonwealth Rental Assistance (CRA) Raising rate of income support 	Federal	MEDIUM / HIGH
Tax incentive	<ul style="list-style-type: none"> Replacement mechanism for National Rental Affordability Scheme (NRAS) Tax credit for new social and affordable housing 	Federal	HIGH
Land costs	<ul style="list-style-type: none"> Partnership between not-for-profits, land banks and CHPs with alignment of mission and purpose Land gifted or leased at peppercorn rent from the State 	State	MEDIUM
Land or stock transfer	<ul style="list-style-type: none"> Title transfer of social housing to CHPs with leverage commitments Medium-long term leases (20-30yrs) of social housing to CHPs with land swap 	State	LOW/ MEDIUM

It is important to note that HAAG does not support all policy levers illustrated in the table, specifically land or stock transfers and transfer of management rights for public housing to community housing providers, as we believe that public housing should remain owned and managed by state and territory governments.

¹⁴ Housing Ministers' Advisory Committee, Social Housing Initiative Review, 2012, accessible at: http://www.nwhn.net.au/admin/file/content101/c6/social_housing_initiative_review.pdf

¹⁵ National Indigenous Australians Agency, National Partnership Agreement on Remote Indigenous Housing, accessible at: <https://www.niaa.gov.au/indigenous-affairs/land-and-housing/national-partnership-agreement-remote-indigenous-housing-2008-18>

¹⁶ Department of Social Services, National Rental Affordability Scheme, accessible at: <https://www.dss.gov.au/our-responsibilities/housing-support/programmes-services/national-rental-affordability-scheme>

- Long-term funding certainty

After the 2017–2018 federal budget and under the new National Housing and Homelessness Agreement (NHHA), there is now certainty in relation to future funding for homelessness services. This funding guarantee for community services that support people experiencing homelessness should be maintained.

- Increased accountability and transparency for Federal, State and Territory governments

It is imperative that there are accountability measures and transparency build into the framework, providing clear annual data on how the National Housing Strategy and the outcomes under the bi-lateral agreements are tracking. These should be measurable outcomes with clear targets on expenditure, dwellings built/renovated, legislative measures. It is also critical that all relevant data is available in a central location.

The current frameworks contain vague undertakings that are not substantive or discernible. For example, in the Federal and NSW bilateral agreement there is a commitment to ‘deliver targeted social housing options for older women in 4 to 5 locations, to be evaluated for expansion’.¹⁷ This commitment lacks clarity and does little to meaningfully address the issue of older women’s homelessness. It is imperative that these accountability and transparency issues in the current NHHA are addressed as a matter of priority.

- Recognise housing as a human right

Despite the international commitments, Australia has not recognised housing as a human right.¹⁸ Recognising housing as a human right 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.¹⁹ The Productivity Commission should incorporate the need to recognise housing as a human right to the Federal government through this review process.

Performance monitoring and reporting

Recommendation

1.2 Focus on improved housing and wellbeing outcomes, including for older people.

The future National Housing Strategy and associated National Housing and Homelessness Agreement should focus on improved housing and wellbeing outcomes for all, including older people. This will ensure that strategic and high-level objectives are meaningful. Existing national outcomes, such as ‘a well-functioning social housing system that operates efficiently, sustainably and is effective in assisting low-income households and priority homelessness cohorts (box 3) to manage their needs’, are meaningless without connection to the impacts on people’s lives. By any measure, the current NHHA has not achieved this intended outcome although the terms used are open for interpretation. Outcomes must be clearly defined and include measurable targets and evaluable indicators.

¹⁷ Federal Treasury, National Housing and Homelessness Agreement, accessible at:

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

¹⁸ 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>

¹⁹ Justice Connect, Housing should be a human right, 2021, accessible at:

<https://justiceconnect.org.au/fairmatters/housing-should-be-a-human-right/>

Outputs measures can be used to track progress by state and territory governments. Outputs, such as having housing and housing strategies, must identify appropriate and consistent outcome measures across the country.

NHHA and alignment with other policy areas

Recommendations

1.3 Ensure NHHA is in alignment with parallel policy areas, such as, social services and aged care, including addressing housing and homelessness related recommendations in the Royal Commission into Aged Care Quality and Safety report and in the National Plan to End Violence Against Women and Girls.

It is encouraging to note the recognition of a diverse range of policy areas that should be in line with NHHA, including aged care. The Issues Paper makes a clear reference to the Australia's Disability Strategy 2021-2031. However, it is important to recognise and align with other relevant policies. Considering the findings of the Royal Commission into Aged Care, it is critical that the impacts of elder abuse and domestic violence on older people's housing are addressed, and responses are consistent with the Plan to End Violence Against Women and Girls.

As part of efforts to streamline navigation services for aged care, Assistance with Care and Housing (ACH) services will transition out of the Commonwealth Home Support Programme (CHSP) and into the new CareFinder program from January 2023. This is a vital housing support program that assists and prevents older people from experiencing homelessness. The program is funded under Department of Health and is not covered under the NHHA framework. However, it is a critical component of a suite of housing supports provided to older people and as such should be aligned with the next iteration of NHHA.

HAAG is committed to supporting the ACH program and ensuring that the unique skills and expertise of the workforce are not lost during the transition to the new CareFinder model. HAAG has been seeking funding to continue to support ACH providers through this transition, at a cost of approximately \$100,000 per annum until 2025.

1.4 Incorporate priority cohorts to bring housing policies in line with other parallel policy areas, including people from CALD backgrounds, LGBTIQ+ people and older women.

The current agreement identifies a number of priority cohorts for the respective state and territory homelessness strategies. Although older people are mentioned as a priority cohort, little progress has been made to meaningfully address the increasing housing challenges they experience.

Numerous Federal, State and Territory government policies identify cohorts that are at increased risk of or experiencing higher level of disadvantage. Typically, there are some commonalities and harmony with the identified priority cohorts. However, there is no consistency across different policy areas such as health, ageing, housing and homelessness and disability policy.

The *Aged Care Act 1997* identifies a range of cohorts as people with special needs and they include people from Aboriginal and Torres Strait Islander background, people from culturally and linguistically diverse backgrounds, those living in rural and remote areas, people who are financially or socially disadvantaged, veterans, people who are homeless or at risk of becoming homeless, care-leavers, parents separated from their children by forced adoption or removal, lesbian, gay,

bisexual, transgender and intersex people and people of a kind (if any) specified in the Allocation Principles.²⁰

The National Disability Insurance Scheme has developed a number of strategies, and these include Aboriginal and Torres Strait Islander Strategy, LGBTIQ+ Strategy, Culturally and Linguistically Diverse Strategy, Rural and Remote areas Strategy.²¹

Considering the need for consistency across different policy areas, it is imperative that the next iteration of the housing agreement ensure that there is consistency in terms of priority cohorts that are similar to other government policy responses.

- Older women

It is encouraging that older people are a priority cohort recognised under the NHHA and in some of the bi-lateral agreements. Single older women are amongst the most marginalised groups in terms of their access to safe, affordable housing that is well located and suitable for their needs.²² The *At Risk: Understanding the population size and demographics of older women at risk of homelessness in Australia* report estimates that over 405,000 women over 45 years were at risk of homelessness in Australia.²³

Many older women experiencing homelessness have not been homeless before and have had 'conventional' housing histories throughout their life. This means they often do not identify as being homeless or know where to turn for help. For this reason, the cohort of older women at risk of homelessness is often described as 'invisible'.

Since the start of the pandemic, women have been found to be more likely to live in poverty than men and tend to stay in poverty for longer; additionally, rates of poverty for older women have risen.²⁴

Multiple structural and systemic issues, as well as changes to personal circumstances, can increase an older women's risk of homelessness. In addition to rising housing costs, eviction, job loss, financial instability, domestic violence or elder abuse, the end of a relationship, sudden illness and disability or a combination of these factors can result in older women experiencing homelessness later in life. These challenges are exacerbated for older women who have been in the largely feminised and low paid care sector, taking time off work for care responsibilities and have limited superannuation.

Although the solutions that are needed to support these women transcend mere housing support, there needs to be clear Federal government measures through NHHA to meaningfully address these issues including recognising them as a priority cohort.

²⁰ Aged Care Act 1997, Section 11.3, accessible at: <https://www.legislation.gov.au/Details/C2017C00241>

²¹ National Disability Insurance Scheme, Strategies, accessible at: <https://www.ndis.gov.au/about-us/strategies>

²² Homelessness NSW, Mercy Foundation, *et al*, A Plan for Change: Homes for Older Women, 2016, accessible at: <https://homelessnessnsw.org.au/wp-content/uploads/2021/03/Feb-2016-A-Plan-For-change-homes-for-older-women.pdf>

²³ Housing for the Aged Action Group, *At Risk: Understanding the population size and demographics of older women at risk of homelessness in Australia*, 2020, accessible at: https://www.olderrentals.org.au/sites/default/files/at_risk_final_report_web.pdf

²⁴ Grattan Institute, *Women's work: The impact of the COVID crisis on Australian women*, 2021, accessible at: <https://grattan.edu.au/wp-content/uploads/2021/03/Womens-work-Grattan-Institute-report.pdf>

- Lesbian, gay, bisexual, transgender and intersex, Queer, Asexual and other (LGBTIQA+) older people

Evidence demonstrates the significantly disproportionate risk of homelessness for older people from LGBTIQA+ communities. LGBTIQA+ people are over-represented in homeless populations due to both the complexity of their experiences and the difficulties they have when trying to access services.²⁵ The public perception of LGBTIQA+ people is largely one of a young, affluent community. However, the reality is that within the LGBTIQA+ community, a large share of LGBTIQA+ adults are older, have a low-socioeconomic status and at risk of homelessness.²⁶

Case Study 1

Kris* is a woman in her 60s who had a successful career as a teacher working in schools throughout Melbourne. Focused on her career, and passion for education, Kris never married.

In 2015, Kris came out to her employer as transgender, the following year her contract was not renewed. At 53, Kris found herself without a job and struggling to find work.

Kris was eligible for DSP and to supplement her income she started looking for work. For a couple of years, Kris was able to get by on casual shifts at a friend's store, but as her savings began to dwindle, and the costs of her gender-affirming medication and healthcare began to rise. This meant affording her \$400 a week, one-bedroom apartment in Brunswick was becoming impossible.

Kris is getting increasingly anxious that she is going to be evicted. As her identity documents do not match her name or gender, she is worried about having to apply for new rentals. Therefore, she began skipping meals and turning off heating in winter to pay rent.

**Name has been changed for privacy and consent of the person has been obtained to share the case study*

Kris' story demonstrate the difference in housing implications for older people from LGBTIQA+ backgrounds and the need for better nuance in policy and procedures that will translate to meaningful action from Federal, State and Territory governments.

- Older people from culturally and linguistically diverse backgrounds

Older people from culturally and linguistically diverse communities may have less superannuation savings and lack of access to, and awareness of, financial services.²⁷ Language barriers, experiences of discrimination, cultural reasons, lack of community or family support and limited knowledge about support services can isolate people from migrant and refugee backgrounds who are

²⁵ Housing for the Aged Action Group, Out of the Closet, Out of Options: Older LGBTI people at risk of homelessness, 2020, accessible at:

https://www.oldertenants.org.au/sites/default/files/out_of_the_closet_out_of_options_-_final_report_october_2020.pdf

²⁶ Ibid

²⁷ Senate Social Affairs Committee, A hand up not a hand out: Renewing the fight against poverty Report on poverty and financial hardship, 2004, accessible at:

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Completed_inquiries/2002-04/poverty/report/index

experiencing homelessness.²⁸ These issues are further complicated for older people on temporary visas with no access to social security allowances or community services.

The challenges older people from migrant and refugee backgrounds experience need to be clearly articulated and solutions need to be designed, developed and delivered in consultation with people from those communities and their representative organisations. Such solutions must be incorporated into the next iteration of the housing and homelessness framework with demarcated resources and funding to implement those policies.

Case Study 2

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

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

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

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

1.1 Address specific barriers people with disability, including older people, experience including access to affordable, safe and accessible, housing that adhere to universal housing design principles.

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.

Approximately 50% of HAAG's clients have mobility issues that impact on their housing. Although mandatory minimum accessibility standards have been included in the National Construction Code, not all states and territories have agreed to implement them. A lack of accessibility in housing, and a lack of funds to modify homes to make them more accessible means that mobility issues can push people into homelessness.

According to Anglicare Australia's *Rental Affordability Snapshot*, of over 74,000 properties available to rent, only 0.3% or 236 properties were affordable for people receiving DSP.²⁹ This results in people with disability and older people renting properties that are unaffordable, putting them at significant rental stress. For example, Australian Institute of Health and Welfare report on people

²⁸ Mission Australia, Ageing and Homelessness: solutions for a growing problem, 2018, accessible at: <https://www.missionaustralia.com.au/publications/position-statements/ageing-and-homelessness-solutions-to-a-growing-problem>

²⁹ Anglicare Australia, Rental Affordability Snapshot, 2021, accessible at: <https://www.anglicare.asn.au/wp-content/uploads/2021/05/rental-affordability-snapshot-national-report.pdf>

with disability found that 31% of income units receiving CRA who had at least one member receiving the DSP are in rental stress after receipt of CRA and without CRA, 71% of these income units would be in rental stress.³⁰

"I rent from a Community Housing organisation, so my rent is lower than market value ... CRA is useful but not a panacea to a low DSP payment designed for people who don't pay rent like own their own home or live with family."

(Older woman in receipt of DSP)

Given the lack of appropriate and affordable housing, many people resort to unsuitable or untenable housing options such as couch surfing or living in cars as they are unable to find appropriate housing in the private rental market.

Evidence also demonstrates that there is a clear nexus between inadequate income support payments and poorer mental health outcomes.³¹ This particularly causes serious negative mental health implications for people with a history of homelessness or being at risk of homelessness.

"I am terrified of becoming homeless in the future, given lack of affordable private rental housing for people on low incomes and lack of social housing. I have no family or friends to ask for support."

(Man in his late 50s in receipt of DSP)

Community housing is an affordable option for people struggling in private rental, however, community housing providers rely upon rental income to remain economically viable. Rental payments are capped at a percentage of the tenants income (usually 25-35%), which means that people on the DSP are less desirable tenants due to the low amount of rental income the payment provides. Some community housing providers are reluctant to make modifications due to the high cost and issues with getting approvals for the modifications, and that is another barrier to accessing housing for people with disability.

"On the disability pension I can manage but, you know, I've got a really tight budget. I mean, I couldn't go out to buy myself a new car, I budget on my petrol, you know, I walk instead of driving the car to save petrol, things like that."

(Community housing tenant in her 50's)

With a large proportion of the income spent on housing people with disability and older people struggle with managing other expenses. There are significant negative health impacts caused as a result of the inadequacy of social security allowances as they are forced to forgo medication, rely on food with limited nutritional value and are unable to address issues caused by environmental factors such as heating or cooling during periods of extreme weather.

³⁰ Australian Institute of Health and Welfare, People with Disability in Australia, 2020, accessible at: <https://www.aihw.gov.au/getmedia/ee5ee3c2-152d-4b5f-9901-71d483b47f03/aihw-dis-72.pdf.aspx?inline=true>

³¹ K. Kiely, P. Butterworth, Social disadvantage and individual vulnerability: A longitudinal investigation of welfare receipt and mental health in Australia, Centre for Research on Ageing Health & Wellbeing, The Australian National University, 2013, Volume: 47 issue: 7, page(s): 654-666.

The case study below demonstrates the difficulty to obtain DSP, significant pressure people with disability are under to find affordable and appropriate housing and the ongoing challenges of having to report income fortnightly and other unnecessary administrative burdens on people with disability with little or no support.

Case Study 3

Abby* is a woman in her mid-60s receiving DSP. The application process took nearly a year for Abby to become eligible for the payment. During this period, Abby was in receipt of Newstart payment which was significantly inadequate to meet her financial needs and she had to rely on her savings to manage her expenses including rent. Even after she was approved for DSP, she was still struggling to meet her housing costs in the private rental market.

It took more than three years before she was offered a unit through social housing. Although the rent was affordable on DSP as it was capped at 25% of her income, unfortunately, the units were poorly managed by Department of Families, Fairness and Housing (former Department of Health and Human Services). One of the neighbours was violent towards Abby and other neighbours. He was a high-needs tenant and the Department failed to deal with his multiple tenancy breaches. Abby felt unsafe in her home and was afraid to use the back yard or socialise with her other neighbours.

After about two years of living in that property, Abby applied for community housing and was fortunate to find a more suitable housing option. Community housing rent is fixed and is not proportion of income. Therefore, her current accommodation amounts to about 35% of Abby's income. However, she is more comfortable and feels safe in a community that predominantly consists of older women.

Abby works a few hours a week which keeps her engaged in the community. However, due to the income free threshold of \$178 a fortnight before her DSP benefit is cut by 50 cents for every dollar she earns, she loses close to \$40 of her DSP per week. Abby feels that this acts as a disincentive for people with disability to find appropriate employment. If she did not work and relied solely on DSP, Commonwealth Rent Assistance and Mobility Allowance, her rent would cost close to 45%-50% of her income which would push her into severe poverty.

**Name has been changed for privacy and consent of the person has been obtained to share the case study*

These examples clearly demonstrate the urgent need for the government to increase the DSP, age pension and other associated payments to support people who are living in poverty and/or severe rental stress.

2. Issues across housing spectrum

There are a number of key policy aspects that should be considered and incorporated into the next iteration of the Agreement.

Recommendation

2.1 Incorporate early intervention and prevention as a priority policy area.

Under the current NHHA, the housing strategies are expected to address the housing priority policy areas relevant to the state or territory. The housing priority policy areas include:

- affordable housing,
- social housing,
- encouraging growth and supporting the viability of the community housing sector,
- tenancy reform,
- home ownership and
- planning and zoning reform initiatives.

A comprehensive approach to address housing and homelessness should include early intervention and prevention to reach older people before they experience a housing crisis and avoiding the associated detrimental mental and physical health impacts of homelessness.³² 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.³³

More effective provision of information for older people is needed to support better housing decisions.³⁴ Effective provision of information requires consideration of the stigma, shame and hidden nature of older people’s experiences of homelessness. This means reaching 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.

In relation to housing and homelessness services, the design of existing services is based on an assumption that the person in need will present at an appropriate service either in-person or obtain information via a phone call or online (see Example 1 below). Increasing reliance on digital service delivery of human services is an additional barrier for many older people at risk of or experiencing homelessness, due to low levels of digital literacy and/or limited access to the internet, computer and mobile devices. For those that do use technology, the available information can be both overwhelming in terms of information about housing and aged care and underwhelming for older people seeking affordable housing for whom residential care remains a distant prospect.

³² 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>

³³ Ibid

³⁴ Productivity Commission, Housing Decisions of Older Australians, Commission Research Paper, 2015, accessible at: <https://www.pc.gov.au/research/completed/housing-decisions-older-australians>

Example 1

Askizzy³⁵ is a federally funded service information website and phone app that claims it can connect an individual to 370,000 national services to find housing, meals, healthcare, counselling, legal advice, addiction treatment, etc..

- The results are not appropriate for older people at risk of or experiencing homelessness, as most results relate to residential aged care or general aged care services.
- The number of responses the search produces can be overwhelming.
- It assumes that older people know about the service. It takes navigating and scrolling through multiple federal and state government websites with different key words before there is a suggestion to access Askizzy/Infoexchange.

For those who do present at homelessness services, options include short-term housing and tenancy supports. Emergency supports, including rental subsidies do not address the insecurity of the private rental market. Crisis-oriented homelessness services are not resourced to assist with social housing applications, which are complicated and involve the compilation of extensive documentation which means that older people are likely to languish in social housing waiting lists for decades.

Case Study 4

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

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

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

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

2.2 Fund the delivery of specialist housing information and support services for older people, based HAAG's Home at Last service model, in every State and Territory.

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.

The HAAG Home at Last service model in Victoria demonstrates that better housing outcomes can be achieved for older people experiencing financial disadvantages. Home at Last provides accessible, equitable and appropriate support and housing information for older people who are experiencing homelessness or at risk of homelessness. Services range from providing tailored housing information

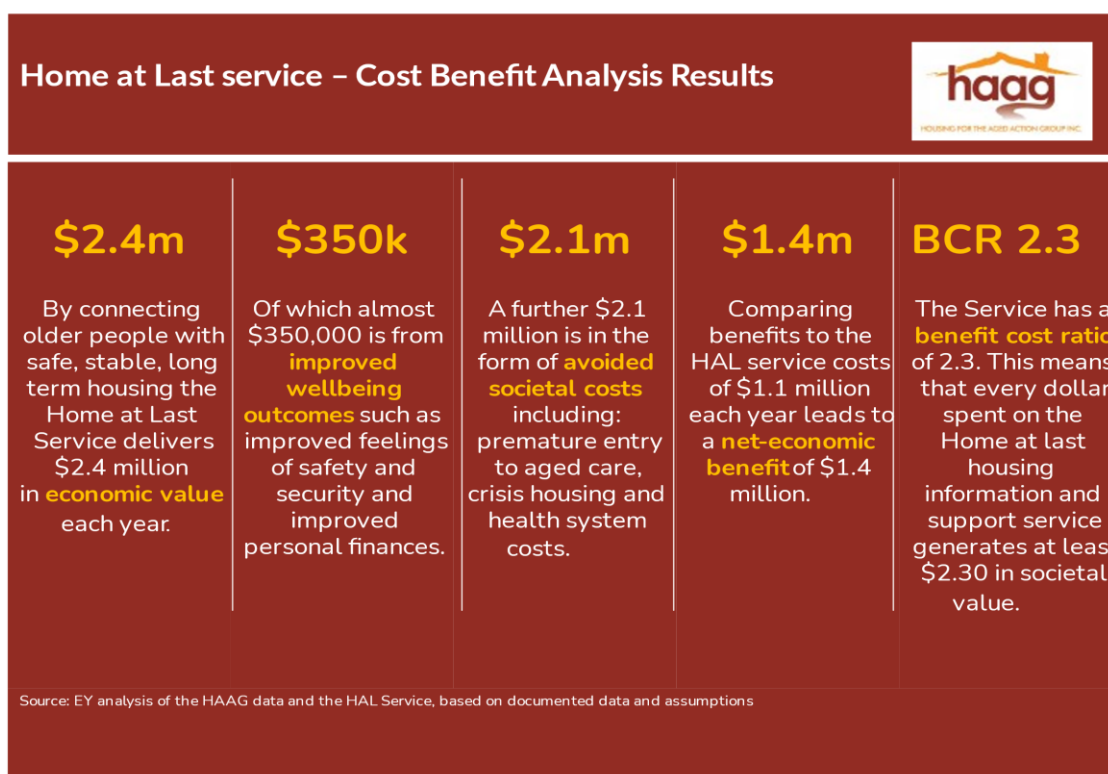
³⁵ Askizzy, accessible at: <https://askizzy.org.au/>

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 2 below) found that the Service has a benefit cost ratio of 2.3.³⁶ 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.

Table 2: Cost Benefit 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.³⁷

³⁶ 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

³⁷ Ibid

The Victorian and Federal bilateral agreement refers to 'targeted services to prevent older people experiencing homelessness through the provision of information and support to older people and other vulnerable cohorts'.³⁸ This is likely a reference to the HAAG's Home at Last Service which demonstrates the State government's recognition of the success of the service. Given the success of the service in assisting older people to navigate the complex housing system with a significant saving to the government, the Home at Last model should be adopted in every state and territory and adapted for the local context and service systems.

Below are two examples that demonstrate both the effectiveness of the service in supporting older people to navigate the housing system in Victoria (case study 5) and the difficulty an older woman is experiencing in navigating the service system in NSW (case study 6).

Case Study 5

Vanessa is an older woman from Victoria who has lived in Australia for over 30 years. She had to go overseas briefly to care for an ill family member. When she returned, she was unable to find work or affordable housing with her income support payments. Vanessa was sleeping rough, an experience she found terrifying and humiliating.

A social worker at Centrelink who referred her to a local homelessness service, something she didn't know existed as she had never needed to access services before. The local homelessness service was not able to assist Vanessa with any housing or even emergency funding at that time as they had run out of their allocated crisis housing funds. They referred Vanessa into our Home at Last service for assistance in finding long term housing.

Shortly, Vanessa was able to source relevant materials with the help of Home at Last service and she was offered a public housing unit. Vanessa is in safe and stable accommodation and is volunteering with HAAG to ensure other women in her situation are able to access services before they reach crisis point.

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

Case Study 6.

Anna* is a 70-year-old woman experiencing long-term homelessness in NSW. She has been unable to access permanent housing since being made redundant in 2015. She was unable to find alternative employment and felt discriminated against due to her age. She was forced to leave Sydney as she could not afford housing. She has now almost exhausted her superannuation to manage her expenses, including medical costs.

Anna currently lives in a caravan in regional NSW. As she can only live in the caravan for 180 days a year, she house-sits in Sydney for the rest of the year. She has no social networks in this regional area, is geographically isolated and fears for her safety living in the caravan park by herself. She is a long way from the supermarket and other services and there is no public transport.

Anna applied for social housing in April 2018. Her application highlighted the urgency of her need as she lives in a caravan, that she has various physical and mental health issues and has been living off her dwindling superannuation. Since lodging the application, she has had close to 40

³⁸ Federal Treasury, National Housing and Homelessness Agreement, accessible at: <https://federalfinancialrelations.gov.au/agreements/national-housing-and-homelessness-agreement-0>

separate interactions with Department of Communities and Justice (DCJ) in person, on the phone and via email.

Despite the evidence to demonstrate her precarious and unsuitable housing situation over 3 years, DCJ determined that Anna did not meet the criteria to be on the priority housing list. In August 2020, she was asked to submit a change of circumstances form to reassess her eligibility for priority housing. When she inquired about this on several occasions, she was informed that the forms have been 'filed' but not been assessed yet. DCJ officials are also unable to inform her where she is on the housing waiting list.

During the pandemic, the caravan park overlooked the requirement for residents to leave after 180 days, which has meant that Anna has been able to stay longer than usual. However, Anna is also concerned that the caravan park may be planning to remove many of the onsite caravans to make more sites available for campers. She may soon be required to look online for house sitting options that has a significant impact on her physical and mental health.

**Name has been changed for privacy and consent of the person has been obtained to share the case study*

The Queensland government has committed to establish a specialist housing hub based on the HAAG Home at Last model.³⁹ This commitment is part of an investment package of almost \$14 million to ensure older women have the security and stability of a home. It provides an example of a state government supporting meaningful, substantive, and measurable initiatives for older women that should be complemented at a federal level. It also reflects recognition of the importance of specialist housing and supports for older people.

2.3 Recognise and add measures to address the challenges arising as a result of the COVID-19 pandemic on housing and homelessness across the country.

Demand for Specialist Homelessness Services (SHS) supports are on the rise with close to 280,000 people accessing the services. Concerningly, in 2020–21, on average, there were more than 300 unassisted requests per day, or a total of around 114,000 unassisted requests for 2020–21. This was around 18,700 more than in 2019–20.⁴⁰ The recognition of lack of investment in early intervention and prevention in the issues paper is welcome. Unfortunately, where there are early intervention and prevention services, they are unlikely to be useful or accessible to older people.

Even prior to COVID-19 related housing challenges, cost of housing was a significant issue across all jurisdictions including in rural and remote areas. The pandemic demonstrated the key role that the community sector played in supporting people experiencing various challenges around housing and homelessness, financial hardship, care and support at home, mental health and participation in education or employment.

³⁹ Queensland Government, New housing support hub and advisory group to help older Queensland women access housing, accessible at: <https://statements.qld.gov.au/statements/94495>

⁴⁰ Australian Institute of Health and Wellbeing, Specialist Homelessness Services Annual Report, 2021, accessible at: <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/unmet-demand-for-specialist-homelessness-services>

COVID-19 impacted on different cohorts in different ways. It was encouraging that many States and Territory governments adopted measures to support people experiencing homelessness and rapidly provide accommodation as a response to COVID-19. However, these are temporary measures that were implemented by State and Territory governments and have been discontinued. Furthermore, there has not been an adequate direct response or leadership from the Commonwealth government in relation to people experiencing homelessness during this period.

A considerable proportion of people sleeping rough were able to access housing and other supports at the peak of the pandemic. However, it is unclear how many of these people have been supported to access long-term housing. Additionally, the impact of the sudden influx of applicants to various social housing lists, particularly the priority list without a proportionate increase in social and affordable housing units are yet to be seen.

In addition, evidence demonstrate that global pandemics and other adverse climate events are likely to increase as a result of climate change. Therefore, it is important that lessons learnt over the past two years in relation to supporting people experiencing or at risk of homelessness are incorporated into the long-term housing strategies and plans.

2.4 Ensure the National Construction Code contains measures that allow all current and future social and affordable housing stock to be adaptable to climate change.

NHHA and the bilateral agreements do not acknowledge the growing threat of climate change on housing. 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 situations.⁴¹ 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.⁴²

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.⁴³ This is particularly the case for older people in Australia who are in private rental market and receiving income support payments. Unlike homeowners, renters have little control over improvements that make the biggest difference to costs, such as insulation or fixed appliances. This 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.

A growing body of evidence demonstrates the multitude of benefits in ensuring social and affordable housing are adaptable to climate change. The National Construction Code should be updated 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

⁴¹ 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

⁴² Ibid

⁴³ 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

implementation process.⁴⁴ Some of the State governments are already making positive strides to address these challenges. However, given the intensity of the challenges that the country is experiencing at the moment including the bush fires and recent floods, it is critical that these are incorporated into ongoing policy development with national consistency.

2.5 Make recommendations to increase income support payments as part of a holistic response to address the housing and homelessness.

The vast amount of Federal government spending on housing is to supplement the housing costs of people on low incomes. There is ample evidence to demonstrate that the income support payment levels are significantly inadequate to meet the basic expenses and that people with disability live under severe housing stress after paying rent. Research indicated that severe financial stress has declined through recent decades across the whole population Australia. However, those receiving working age social security payments, such as, the DSP, Carer Payment, Parenting Payment and JobSeeker have been left behind.⁴⁵ The financial stress and poverty levels experienced by income support recipients have worsened through Australia's long economic boom of the last 30 years.⁴⁶

Research demonstrates that a significant proportion of people in receipt of CRA are still experiencing significant housing stress. *Demand-side assistance in Australia's rental housing market: exploring reform options* report found that raising the CRA maximum rate would improve affordability outcomes for 623,800 income units or 44% of low-income private renters.⁴⁷

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.⁴⁸ Therefore, NHHA and other housing policy initiatives should consider the negative implications of inadequate income support payments on housing and homelessness and the clear need to increase the payments as part of the holistic response to address the housing and homelessness in a meaningful and sustainable way.

2.6 Strengthen rental protections and harmonise State and Territory legislation to ensure equitable rental protections across the country.

For older people renting on a low income, the connection between housing insecurity and broader feelings of personal insecurity are especially acute.⁴⁹ Many older people at risk of or experiencing homelessness manage by living in unaffordable, substandard and insecure private rentals or seeking support from family and friends in what they hope to be a temporary arrangement whilst they are

⁴⁴ Environment Victoria, Homeworthy Standards for Renters, accessible at:

<https://environmentvictoria.org.au/campaign/rental-standards/>

⁴⁵ B. Phillips and V. Narayanan Financial Stress and Social Security Settings in Australia ANU Centre for Social Research and Methods, 2021, accessible at: https://www.socialventures.com.au/assets/Making-a-difference-to-financial-stress-and-poverty_full-report-SVA-BSL.pdf

⁴⁶ Ibid

⁴⁷ R. Ong, et al, Demand-side assistance in Australia's rental housing market: exploring reform options, 2020, accessible at: <https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI-Final-Report-342-Demand-side-assistance-in-Australias-rental-housing-market-exploring-reform-option.pdf>

⁴⁸ 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>

⁴⁹ E. Power, Older women in the private rental sector: unaffordable, substandard and insecure housing, Western Sydney University, 2018, accessible at: <https://doi.org/10.26183/5edf0f0d75cf8>

‘between homes’.⁵⁰ They employ a range of precarious coping mechanisms, such as, going without food, heating/cooling and medication.

Rental protections are a key area highlighted in the NHHA and there has been little or no progress to ensure meaningful protections for renters in various states and territories. Strengthening rental protections will increase the security of tenure for many renters, especially those on low incomes. For example, different states have varying levels of legislative protections in relation to ‘no grounds evictions’, home modifications for disabilities, protections for renters experiencing family violence, minimum standards, and protections for renters living in caravan parks. There is a clear need to strengthen rental protections as well as harmonise State and Territory legislation to ensure equitable rental protections across the country.

2.7 Incorporate retirement housing to the next iteration of NHHA to increase age-appropriate affordable housing options for older people with additional and nationally consistent legislative framework.

Retirement housing is an integral part of the housing spectrum and should form part of the national housing and homelessness strategy to ensure that these options are made available to older people with legal protections that are consistent across every State and Territory.

Retirement housing is poorly regulated and, in most cases, there are perverse incentives for retirement housing providers to end tenancies leaving older people more vulnerable to being prematurely forced into residential care or evicted. Retirement Villages tends to remain exclusive and costly, partly because providers seek profits in the form of exit fees that are exorbitant, as well as unfair.⁵¹ State and Territory legislation does not provide protection against, unfair fees, unclear contracts and poor management across the range of retirement housing types and there is a lack of affordable and low-cost retirement housing options.

Due to the highly unregulated nature of retirement housing models that operate across the country and the lack of consistency across states and territories, there are significant risks of older people living in this type of housing who are unprotected from unconscionable conduct by retirement village managers. Often they have invested all of what little assets they have into their retirement housing, yet remain unprotected from eviction and may be trapped there due to exorbitant exit fees.

2.8 Identify solutions for the ‘missing middle’ including investment in Independent Living Units for older people.

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’.⁵²

⁵⁰ D. Faulkner and J Fielder, The older I get the scarier it becomes: Older people at risk of homelessness in NSW, 2017, accessible at: <https://www.older tenants.org.au/sites/default/files/older-i-get-scarier-it-becomes-291117.pdf>

⁵¹ Housing for the Aged Action Group (HAAG) Submission to the Retirement Villages Act Review Options Paper, May 2021, accessible at: <https://www.older tenants.org.au/publications/submission-the-retirement-villages-act-review-options-paper>

⁵² 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.older tenants.org.au/sites/default/files/missing_middle_briefing_note_feb2021.pdf

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.

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.⁵³ ILUs offer a high level of security of tenure, affordable rent, and require either low, means-tested, or no ongoing contributions. For some older people who are part of the missing middle, ILUs can be the only option that meets the long-term needs.

As the ILU sector has not been adequately funded since the mid-1980s the stock is in serious decline. Early findings from HAAG's research suggests that around 50% of Victoria's ILUs are no longer in service. Anecdotally HAAG understand that many ILUs have closed or sold off, often shifting to the provision of residential aged care as a more financially viable business model. Many of the ILUs that still exist are generally older and often in need of major repairs and maintenance.

Policy solutions to support this group should include shared equity schemes and low-cost retirement housing options, such as ILUs with no or low entry fees in the next iteration of NHHA.

3. Supply side of the housing market

Recommendation

3.1 Fund the construction of 25,000 public, community and affordable homes per year across the country as a matter of priority, with specific allocations for older people.

As highlighted in the Issues Paper, the Federal government has a key and active role to play in addressing housing and homelessness across the country. Considering the rising demand for housing and related supports, the current level of funding is significantly inadequate to achieve the outcomes if the Agreement. There are some states that increased funding for construction or upgrading of existing housing stock.

However, there are 155,000 applicants in social and housing waiting lists⁵⁴ and likely more people at risk of homelessness but not reflected in the data. There are over 400,000 households in need of affordable housing.⁵⁵ These are likely to be conservative estimates and the demand will increase, especially in the context of rising housing and cost of living coupled with increasing natural disasters that are impacting on affordable housing stock.

State and Territory governments have increased investment in social and affordable housing in the last few years. For example, State and Territory Governments in Victoria, Queensland, Tasmania, and

⁵³ Housing for the Aged Action Group, Establishing a 10-Year Strategy for Social and Affordable Housing Discussion Paper, 2021, accessible at:

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

⁵⁴ ACOSS, Rental Housing and Homelessness: impacts in Australia, 2021, accessible at:

https://povertyandinequality.acoss.org.au/wp-content/uploads/2021/11/Covid-19_rental-housing-and-homelessness-impacts-in-Australia-v3.pdf

⁵⁵ Ibid

Western Australia have announced significant self-funded social housing construction programs as a component of post-pandemic stimulus investment, providing an investment of nearly \$10 billion over the next few years.⁵⁶ While these programs will add over 23,000 dwellings, this is woefully inadequate and will only support approximately 1 in 6 people on the current waiting lists. Federal government needs to significantly boost the current level of funding to increase the stock of social and affordable housing as well as increase funding for early intervention and prevention services.

The largest financial contribution of the Federal government is the Commonwealth Rent Assistance and although essential, this does not contribute towards increasing housing stock. The Federal government in collaboration with State and Territory governments should fund the construction of social and affordable housing as a matter of priority. Given the current shortage and the future demand (as identified by NHFIC research), the government should fund the construction of 25,000 social and affordable homes per year as a matter of priority.

3.2 Incorporate Mandatory Inclusionary Zoning in the next iteration of National Housing and Homelessness Agreement (NHHA).

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. Although a lever of state and territory governments, this is a policy area that would benefit from national leadership in establishing consistent targets and facilitating regulatory coherence.

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.⁵⁷ Various States and Territories have employed both mandatory and voluntary (incentivised) inclusionary zoning measures.

Research found that between 2005 and 2016, planning schemes delivered 5,485 affordable homes rental and low cost home ownership dwellings in South Australia.⁵⁸ Currently, as part of the Victorian government's housing strategy, Homes for Victorians, the Department of Environment, Land, Water and Planning (DELWP) is undertaking an Inclusionary Housing Pilot (Pilot) on six surplus government land parcels.⁵⁹ There are similar approaches in some other States and Territories with varying levels of success.

In the UK similar schemes led to 83,790 new affordable dwellings.⁶⁰ In New York, new developments, or enlargements constituting more than 50% of existing floor area, within Inclusionary Housing

⁵⁶ Ibid

⁵⁷ 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-affordablehousing-supply-Evidence-based-principles-and-strategies-for-Australian-policy-and-practice-ExecutiveSummary.pdf

⁵⁸ Ibid

⁵⁹ Victorian Department of Environment, Land, Water and Planning, Inclusionary Housing Pilot, accessible at: <https://www.planning.vic.gov.au/policy-and-strategy/housing-strategy/inclusionary-housing-pilot>

⁶⁰ N. Gurran, et al, Supporting affordable housing supply: inclusionary planning in new and renewing communities, 2018, accessible at: <http://www.ahuri.edu.au/research/final-reports/297>

designated areas that allocate at least 20% of their residential floor area for affordable housing can receive a floor area bonus of 33% above the base floor area permitted.

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.⁶¹ The Federal Government should work with State and Territory governments to significantly expand the current inclusionary zoning policies to meet the emerging housing demand through the next iteration of National Housing and Homelessness Agreement (NHHA) between the Federal government and States and Territories.

3.3 Implement measures to incrementally remove Capital Gains Tax and Negative Gearing to create an equitable housing market.

In 2016, tax breaks provided to property investors come at an annual cost of \$11.7 billion to government revenue.⁶² These costs are likely to be much higher now. 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.⁶³ 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.⁶⁴ Incremental reform would address many of the concerns raised with the CGT discount and such reform appears to have the support of a significant proportion of the taxpayer population.

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.

Conclusion

Australia's housing system is failing people experiencing disadvantage, particularly older people who are falling through the cracks. The existing policy frameworks are inadequately equipped to support people at risk of homelessness and there is a clear need for national leadership through a National Housing Strategy to develop and deliver sustainable solutions that are properly resourced.

Housing policies and procedures often neglect the needs of older people, particularly in relation to early intervention and prevention, long-term housing and financial support that are not appropriate for older people.

There are significant inconsistencies across different federal policies as well as across housing policies in different states and territories which results in creating inequitable outcomes for older people.

⁶¹ Ibid

⁶² Grattan Institute, Time to fix Australia's unaffordable capital gains tax and negative gearing policies, 2016, accessible at: <https://grattan.edu.au/time-to-fix-australias-unaffordable-capital-gains-tax-and-negative-gearingpolicies/>

⁶³ 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.

⁶⁴ 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>

There are numerous housing policy areas that are not adequately captured by NHHa including CHSP, ILUs and Retirement Housing that should form part of the broader framework. These should form part of the next iteration of NHHa.

It is critical that in addition to this review, different layers of government engage and work closely with experts, community sector organisations, peak advocacy bodies and people with lived experience to design, develop and implement the next National Housing Strategy and the implementation framework.

For further information

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