



HOUSING FOR THE AGED ACTION GROUP INC.

Supplementary Submission to Parliamentary Inquiry into Worsening Rental Crisis in Australia

Thank you for inviting Housing for the Aged Action Group (HAAG) to provide evidence before the committee on 27 Wednesday October 2023. This supplementary submission addresses the question on notice in relation to rent freezes and some additional information not covered in our previous submission.

HAAG's *Ageing in a Housing Crisis: Older people's housing insecurity and homelessness in Australia* report highlights the extreme magnitude of the housing crisis facing older people in Australia.¹ As highlighted in our submission, housing is a fundamental human right and older people in Australia should have access to safe, affordable and accessible long-term housing that is situated close to health services, public transport and community support for them to 'age in place'.

The Australian retirement system is built on the expectation that older people will own a home at the time of retirement. Yet the proportion of older people who live in homes that are owned outright is declining. Growing numbers of older people in Australia live in private rental and in marginal housing, and more older people are experiencing homelessness. Housing insecurity is increasing and affects older people across the housing system.

According to census data, about 700,000 people aged 55 and older rented from a private landlord, a 73% increase in ten years. There are at least 220,000 older people over 55 renting privately, paying unaffordable rents.

In particular, 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

¹ 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>

cohort. They are also less likely to find alternative income streams to increase their household income or supplement their income support payments.

In 2019-2020, there were about 120,000 older people in the lowest two income quintiles who were paying affordable rent. 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'.² Therefore, these older renters are now likely to be in significant rental stress.

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. We were encouraged by the recent announcement of a combined \$3billion investment from Federal Government to increase social housing supply.³ However, considering the growing demand and the unprecedented housing crisis, we are calling on the Government to invest more in public and community housing.

Immediate relief for renters

Australia's private rental sector does not provide security of tenure, affordability or accessibility for older low-income households. For renting in retirement to be as secure as home ownership, it requires proper regulation and legislative reform. Rental reform led by national leadership can ensure a rental system where everyone can have an affordable home and maintain community connections, including ageing in place.

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, we urge 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.⁴

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

² Core Logic, Housing Affordability Report: Reflections on the Pandemic and the Rental Market, 2023, accessible at: <https://www.corelogic.com.au/news-research/reports/housing-affordability>

³ 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>

⁴ 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

evictions is already in place in States and Territories except for Northern Territory and Western Australia.

Long-term rental agreements will likely 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*.⁵

As highlighted in our submission, inadequacy of income support payments including Commonwealth Rent Assistance is a significant challenge for many older people. Below are some recent examples. Please note that names and other identifiable information has been changed for privacy.

Marie is an 82 y/o client who has been privately renting a National Rental Affordability Scheme (NRAS) property 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's 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 \$638 per month which is unaffordable and 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 that she may have to enter residential aged care prematurely as there are no affordable housing options available to her.

Jen is a 71 y/o client 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 expressed fear of becoming homeless.

Ivon a 75 y/o 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

⁵ Ibid

'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.

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.

Frey is a 57 year old woman from a migrant background. She was privately renting with her husband until her husband 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 (exact time unknown).

Roshmi is a 67 y/o Arabic speaking woman from a migrant background. Roshmi and her husband have been alternating between living with their two adult children. The couple expressed that they would prefer their own accommodation, noting that their children's homes are overcrowded as their son and daughter each have children of their own.

They are also managing serious health issues, and both have limited vision. With inadequate (and declining) public housing in areas of high demand, the couple face an incredibly lengthy wait for affordable housing that will enable them to move out and remain close to their son and daughter.

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 she is 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.