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Ageing On The Edge - The Older Persons Homelessness Prevention Project

Submission to:

**Senate Economics Legislation Committee
Treasury Laws Amendment (National Housing and
Homelessness Agreement) Bill 2017**

Submitted by:

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This submission focuses on the need for the National Housing and Homelessness Agreement Bill to acknowledge the dire circumstances facing an increasing ageing population that is facing a future of housing hardship due to successive government policies that have focused on private rental subsidies in Commonwealth Rent Assistance rather than much needed capital expenditure on public and community housing. This has created a long term need for investment in public and community housing but also urgently put in place specialist early intervention homelessness support services to assist the thousands of older people experiencing hardship and at risk of homelessness in the private rental market.

The views in this submission are based on the work being conducted by the **Ageing on the Edge – Older Persons Homelessness Prevention Project** that is a partnership between Jeff Fiedler from Housing for the Aged Action Group (HAAG) and Dr Debbie Faulkner from the University of Adelaide’s Centre for Housing, Urban and Regional Planning (CHURP). This five year project is funded by The Wicking Trust that aims to assist older people to stay at home longer and also supports housing stability for older Australians at risk of homelessness.

The project is being conducted in light of extensive research that is warning of rapidly increasing housing problems facing older people. The three main factors are: an ageing population, reducing rates of home ownership and significant increases in older people relying on private rental accommodation to age-in-place in retirement. The objective of the project is to increase awareness of older people’s housing issues across Australia, improve older people’s access to affordable housing and ensure better availability of services that can help older people in housing difficulty.

Recent research on older people in NSW

The findings of the recently release NSW focused report by the **Ageing on the Edge – Older Persons Homelessness Prevention Project** called ‘**The Older I Get the Scariest It Becomes**’

exposes a dire situation in NSW that is reflected across Australia. The report was launched at the recent National Housing Conference in Sydney on November 29 2017. The report provide a warning to the Commonwealth Parliament that urgent action is required to address the fast building wave of older people who do not have housing security in retirement.

The private rental problem for older people

Reliance on the private rental market is a problem facing many older people, the majority women, who have lived conventional working lives but have not attained housing security by the time they reach retirement age. There is increasing understanding in Australia that this circumstance can affect many people who have had one or more of the following factors in their lives that have prohibited them from entering home or maintaining ownership: low wages, insufficient savings and superannuation, time spent out of the workforce caring for family, illness, divorce etc. Having managed to cope in the private rental market for many years on a working wage, retirement can cause an immediate crisis when a person's rent suddenly costs 70-80 per cent of the age pension.

Increasing reliance on private rental housing has been created by successive Federal Government policy changes since the 1980s that has altered the way renters are assisted. Along with a 50 per cent reduction in expenditure on public housing since 1990, governments have focused support for low income renters through subsidies provided through Commonwealth Rent Assistance (CRA). The Commonwealth Government National Commission of Audit in 2013 stated that the Commonwealth expenditure on CRA had reached \$3.6 billion whilst the Commonwealth Government contributes approximately \$1.3 billion each year to the States through the National Affordable Housing Agreement. A further \$159 million was also provided each year through the National Partnership Agreement on Homelessness (National Commission of Audit 2013)..

However, for many people on low incomes CRA does not provide enough income support to bridge the affordability gap. Older people on the age pension, who are unlikely to be able to increase their income, are one of the groups least likely to cope. Private rental housing is also not suitable for older people to age-in-place as it offers only short term leases and is often not designed or adaptable for later age. Therefore rapidly growing numbers of older people are at risk of homelessness and need long term affordable housing options.

Specialist support for older people needed

Whilst increased affordable housing supply is the long term solution to this problem, a key need a focus on getting more immediate help and support for this rapidly increasing group in society. Due to shortages of affordable housing supply older people facing homelessness need highly skilled assistance to rapidly navigate their way out of trouble to a housing solution. Receiving a notice to vacate or unmanageable rent increase can cause bewilderment, fear, anxiety, stress and trauma, especially for people who may be experiencing such a problem for the first time in their lives.

The current Specialist Homelessness Service system does not effectively address the needs of older people at risk of homelessness. Australian Institute of Health and Welfare (AIHW) data released in December 2017 demonstrates that the number of older people in Australia accessing specialist homelessness services (SHS) has increased by over a third since 2012/13 to 23,600 clients and shows the growth in older people accessing specialist homelessness services is double the average annual growth rate of the general SHS population (HammondCare Press Release 2017). However, the numbers of older people presenting to SHSs is relatively small due to the lack of older persons specific services that can provide appropriate assistance to this group. For example, there are 300 SHSs in NSW but not one that specialises in support for older people. This is a common gap right across Australia, especially in terms of the need to assist older people at an early stage of housing insecurity. This was confirmed by a recent study by Smith and Hetherington using HILDA data that found older renters spend less on transport, health and food and are therefore more at risk of negative consequences if not assisted before a crisis occurs. (2016, p. 20)

Early intervention works

Research has shown there are great benefits for the health and wellbeing of older people, and for government expenditure, with the provision of 'upstream' early intervention focused specialist older people's housing services. Such services have been shown to provide significant economic savings compared to the cost of 'downstream' crisis interventions. Such services can assist older people access affordable housing and ensure they live independently for longer, requiring less emergency housing and health services and avoiding premature entry into residential aged care accommodation. Analysis by KPMG of three early intervention services, including Victoria's Home at Last service, the first one-stop-shop of older persons housing assistance in Australia, demonstrated cost savings of \$2.15 million over three years compared to people who have 'flowed through' to the crisis homelessness system.

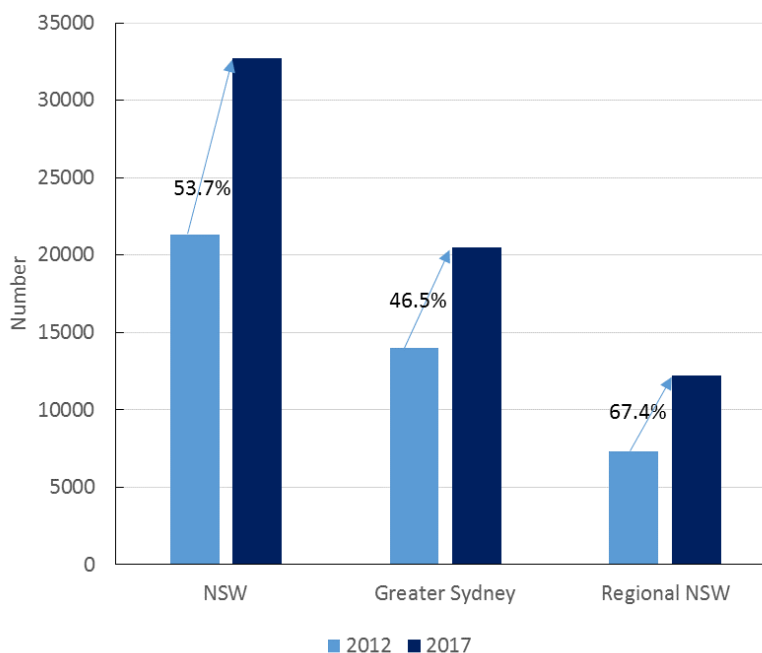
What the research has found in NSW

The private rental market across Australia is tight and this is particularly so in NSW which has experienced the greatest increases in house prices and rents (Yates 2017). As a consequence housing affordability in NSW and Sydney are at their lowest levels for a number of years (National Shelter, Community Sector Banking and SGS Economic Planning 2017). This situation is reflected in the numbers and growing proportion of older people at risk in the private rental market and the increase in older people seeking assistance from Specialist Homelessness Services.

This report has identified from Department of Social Services data:

- Since 2012 there has been a 53.7 per cent increase (or an annual average growth rate of nine per cent) in the number of low income households with a reference person aged 65 and over paying unaffordable rents.
- This increase represents a rise from 21,000 low income households aged 65 years and over receiving Commonwealth Rent Assistance paying more than 30 per cent of their income in rent in 2012 to nearly 33,000 households in 2017 in NSW.

- Of these 33,000 households, 9,314 were in severe housing stress paying more than 50 per cent of their household income in rent.
- In 2017 single women households account for 45.5 per cent of these households (single males 30.5 per cent and couples 24.0 per cent).
- 12,000 of these low income households were aged 75 years and over.
- Older households in housing stress can be found across the state with 63 per cent located in Greater Sydney, but regionally the greatest change has been in non-metropolitan NSW.



Number and percentage change in low income households with a reference person aged 65 years and over receiving a payment from the Department of Social Services including CRA paying more than 30 per cent of income in rent (Source: DSS unpublished data).

The Ageing on the Edge Project believes that a number of key initiatives are required to address this problem:

1. Prepare an Older People's Housing Strategy linked to a comprehensive credible housing strategy. The Strategy will drive whole-of-government responsibility and system reform for addressing homelessness for older people across departmental domains in the housing, homelessness, tenancy, senior's information, senior's advocacy, elder abuse, health, incomes and aged care sectors.
2. Improve identification of older people at risk of homelessness by working with service systems most relevant to older people such as health, aged care, incomes, senior's information and senior's advocacy for assessment and referral to housing and homelessness services that can help older people.
3. Provide resources to establish a national framework for older people's housing information and support services that can bring together currently fragmented resources to provide to older people extensive and detailed information on the range of housing options available to them across the government, community, aged care housing and retirement living sectors.

4. Provide training to generalist and early intervention Specialist Homelessness Services to improve their accessibility to older people. Such training would promote a better understanding of key service linkages and the specialist housing, health and aged care issues affecting older people.
5. Form a working party of government and non-government agencies to improve linkages and referral pathways between Commonwealth Government funded programs in housing, homelessness and aged care to better integrate Specialist Homelessness Services (SHS), the Commonwealth Home Support Program (CHSP) and the Assistance with Care and Housing (ACH) Program. This should also incorporate the key development of state based older people's housing information and support services.
6. Improve eligibility guidelines into public and community housing to acknowledge the specific disadvantages facing older people at risk of homelessness across Australia. Two specific areas that need reform are retirement-age based eligibility benchmarks for priority housing eligibility and the lack of ability of older people to apply for public and community housing in advance of planned retirement.
7. Support moves to regulate minimum access features in the National Construction Code for all new and extensively modified housing.
8. Seek support from the Ethnic Communities Councils across Australia to conduct projects with key organisations in the housing sector to improve access to housing information and support for older people from Culturally and Linguistically Diverse (CALD) backgrounds.
9. Engage with the community housing, aged care housing and for-profit housing sectors to expand the range of housing options available for older people in their later years.
10. Increase levels of funding to Specialist Homelessness Services and the Tenants Advice Services in each State so that they have the resources to extend their current reach to older renters.
11. Move to end no-reason eviction in residential tenancies legislation in each State.
12. Implement a long term approach to provide a significant boost to the supply of age-suitable public and community housing, incorporated into a National Older Person's Housing Strategy.