

**INQUIRY INTO HOMELESSNESS AND LOW-COST  
RENTAL ACCOMMODATION**

**Organisation:** Council on the Ageing (NSW)  
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The Director  
Standing Committee on Social Issues  
Legislative Council  
Parliament House  
Macquarie Street  
SYDNEY  
NSW 2000

6/3/2009

RE: Inquiry into homelessness and low-cost rental accommodation

Dear Sir/Madam

The Council on the Ageing NSW (COTA NSW) is a non government organisation that is a peak body representing persons over 50 years of age in NSW. While we acknowledge that age is no barrier to homelessness the majority of the feedback we receive on housing issues concerns the affordability of rental properties in the private market. The socio-economic disadvantage of single age pensioners is well documented. Most recently, a NATSEM<sup>1</sup> report has established that single age pensioners are over-represented in the lowest socio-economic quartile. Given that the report also notes that high numbers of single age pensioners are renting (29.6% male and 23.6% female) it is clear that people who do not own their own home are highly represented in the nation's poor.

Many older people no longer have the option of returning to the market for employment, yet when they are renting privately it is the market that determines where they are able to live. International research<sup>2</sup> has linked housing to prospects for healthy ageing acknowledging that the home is an important source of well being, security and meaningful activities for older people in particular. When access to housing becomes tenuous or the current home begins to become unaffordable these benefits are lost, many already vulnerable older people are left facing further disadvantage.

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<sup>1</sup> NATSEM, 2009, 'Reform of the Australian Retirement Income System', Prepared by Dr Simon Kelly for The Brotherhood of St Laurence.

<sup>2</sup> Oswald, F, Wahl, H-W, Schilling, O, Nygren, C, *et al*, 2007, 'Relationships Between Housing and Healthy Ageing in Very Old Age', *The Gerontologist*, vol 47, no. 1, Feb 2007, 96-107.

**COUNCIL ON THE AGEING (NEW SOUTH WALES) est. 1956**

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For Age Pensioners, rent can be a particularly vexed issue. Table 1. outlines the income single age pensioners as well as the maximum amount of rent assistance.

**Table 1. Pension and Rent Assistance Rates for Single Age Pensioners**

<b>INCOME</b>	<b>Single Age Pensioner</b>
Pension including supplement	\$281.05
Maximum Rent Assistance	\$ 55.10
<b>Total</b>	<b>\$336.15</b>

Source: Centrelink 2009, 'Payment Rates for Age Pension', and 'Payment Rates for Rent Assistance' <http://www.centrelink.gov.au>

**Table 2. The median rent for a one bedroom premises in four differing areas around NSW.**

	<b>Inner Ring</b>	<b>Middle Ring</b>	<b>Outer Ring</b>	<b>Rest of GMR</b>
Median Rent	\$385	\$320	\$220	\$160
Single Age Pension	\$336.15	\$336.15	\$336.15	\$336.15
Balance after Rent Paid	-\$48.85	\$16.15	\$116.15	\$176.15

Source: Housing NSW, 2008, 'Rent and Sales Report', No 85, ISSN 1440-0049.

As you can see from Table 2., Single Age pensioners living in Sydney's inner and middle suburbs who are paying private rents would find it impossible to manage financially as their rent would demand all or more of their income. It becomes clear that the financial stress of paying rent is reduced as one moves further from the city. However, it is often the case that areas of cheap rent have reduced access to services that are important to older people, such as regular and reliable public transport or public medical, dental and allied health services.

Of course there are situations where people are paying lower rents than are reflected by the median rates quoted in Tables 2. However, even where rent is affordable, older tenants report that they experience high levels of anxiety over the possibility of rent rises, especially where they are unable to access any viable alternatives. This anxiety is intensified with the knowledge that in the past pension rates have not risen in step with the rental market. This fear is not unfounded. Housing NSW<sup>3</sup> data shows that median rent on one bedroom premises have increased in many suburbs. Inner suburbs such as Botany Bay have had a

<sup>3</sup> Housing NSW, 2008, 'Rent and Sales Report', No 85, ISSN 1440-0049.

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46.1% annual increase, middle suburbs such as Parramatta have shown annual increases of 21.3%, while outer areas such as the Blue Mountains have increase by 15.6% in the last year. In comparison the Consumer Price Index (CPI) quoted by the NSW Office of State Revenue<sup>4</sup> for the December 2008- April 2009 quarter is 3.8%.

There are options for people to move into public housing and gain protection from market driven rent rises. However, long waiting lists provide no surety of when a place will become available. One Single Age Pensioner who is renting privately in an outer Sydney area told COTA NSW that she felt her part time work was stopping her from receiving priority on the Public Housing list.

*"I don't know what to do. I'm doing some part time work to help pay for necessities I can't afford on the pension but I'm worried this income is keeping me from progressing on the Public Housing Priority List....I'm worried about what will happen to me when the rent goes up again. Next time I'll have to move out- the rent is taking nearly all of my pension now. ....Thinking about money, it's a constant struggle."*

COTA NSW therefore recommends;

- That clear pathways to Public Housing are developed for older people so that small amounts of supplementary income do not inhibit their progression on waiting lists.
- That the government interface with the private sector to encourage the development of rent controlled options for financially disadvantaged older people.

Kind regards



Jon Bisset  
Executive Director  
COTA NSW Inc.

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<sup>4</sup> NSW Office of State Revenue, 2009, CPI Method sourced at <http://www.osr.nsw.gov.au/taxes/lease/rates/cpi/>

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