

**Submission  
No 119**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE  
HOUSING**

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**COTA NSW submission**

**Inquiry into Social, Public and Affordable Housing**

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**“If Australians are to age well, they must be housed well”.**

**Professor Andrew Jones**

### **COTA NSW**

COTA NSW is the peak body representing people over 50 in NSW. We’re an independent, non-partisan, consumer-based non-government organisation. We work with politicians, policy makers, service and product providers as well as media representatives to make sure our constituents’ views are heard and their needs met.

### **The focus of the COTA NSW our submission**

In this submission COTA NSW will focus on affordable housing as it relates specifically to the ageing population and to older people living in NSW. This includes older people currently living in social housing or on waiting lists for social housing, older people struggling to find affordable rental options in the private market as well as older home owners who may be struggling with the upkeep and maintenance costs of their homes and looking for more affordable alternatives.

## Ageing and affordable housing

### NSW Ageing Strategy action: improve housing affordability and accessibility

Australia has one of the most unaffordable housing markets in the world and NSW is the most unaffordable state in the country. Over the years little provision has been made to develop a sustainable public housing system to balance the soaring costs related to buying or renting in the private market.

Both commonwealth and state policy is based on the assumption that the majority of people own or will own their own home by the time they reach retirement. While that may be the case for the majority of people reaching retirement now, experts predict that in the future fewer people will reach retirement owning their own home. Where will these people live once they reach retirement?

Clearly increasing housing supply and relying on market forces to drive the system is not enough, as the cost of housing in NSW continues to outstrip increases to the average income. Focusing on home ownership is only one part of a very complex solution.

COTA NSW is concerned that older people are not a priority in the public housing system and the private rental market is increasingly unaffordable to older people on fixed, low incomes. So, affordable housing options shrink as people age, increasing the possibility of older people living in substandard accommodation or homeless shelters. Research also suggests because the public housing fails to adequately prioritise low income older renters, they are more likely to enter residential aged care and are at greater risk of homeless than in the past.

In addition, COTA NSW urges the Committee to keep in mind that the state's ageing population are not a homogenous group. They differ in their level of mobility and independence, cultural backgrounds and economic circumstances. Housing and support responses, therefore need to be flexible, creative and able to adapt to people's needs as they age.

**Access to affordable and secure housing for an ageing population must be a priority for New South Wales. We urge the Committee to recognise the importance of secure housing to older people and to recognise that they are often overlooked when it comes to discussions about affordable housing.**

### Ageing in place and housing security

Research led by Professor Bruce Judd (AHURI, 2010) shows that the majority of older people wish to remain in their existing homes in familiar surroundings. Research also suggests that an older person's security of place becomes more important as they age and that their wellbeing is closely linked to their ability to remain living independently in secure, affordable housing.

In fact, the majority of people have few plans to move or downsize and prefer to remain in their homes with support as they age. This suggests that the focus of policies for the future housing of the ageing population should be on appropriate housing in the community rather than increasing the provision of segregated and specialised aged-specific housing developments, including retirement villages.

We will first look at the limited ability of social housing to meet the needs of older tenants and those older people at risk in the private rental market then look at the concept of ageing in place and how the planning system can help promote the development of age friendly communities and affordable and adaptable housing.

## **Older people have no priority in social housing**

Older people will continue to constitute a high proportion of tenants in the social housing system, but a steadily increasing proportion of low-income older households will be renting in the private market as well. Due to the lack of growth in the sector and competing pressures from other special needs groups COTA NSW believes the rights of older people as either current or prospective tenants of social housing are being largely ignored and urges the Committee to ensure that older people are given higher priority in the system.

## **Public housing**

Apart from the private rental market, there are limited options for older renters on low incomes through public and community housing. Currently the NSW government has no strategy related to affordable housing for people over the age of 65 and no priority access for older people to public housing. In NSW, the limited supply of public housing combined with the policy of prioritising applicants with complex needs, make it more difficult for older people to access public housing. Older people dependent on the age pension may be approved for housing assistance as an elderly client only when they turn 80 and Indigenous Australians when they turn 55. We urge the Committee to consider the specific needs of older in social housing whose rights can often be eclipsed by the needs of other vulnerable groups and to reconsider eligibility criteria.

Ageing public housing clients may be living with long term disability or complex care needs and chronic illness as they age. Where the premise may be that many younger social housing clients can be re-abled and ultimately return to the private rental market or go on to purchase homes, those same opportunities may not be possible in many cases for older clients who may be disabled or reaching retirement age. In addition, there is little opportunity for older people at risk in the private rental market who may be in need of public housing to access the system.

COTA NSW urges the NSW Government to ensure that the Centre for Affordable Housing develops a coordinated policy response to the needs of older public housing renters and to give priority access to disadvantaged older people vulnerable to homelessness.

## **Older people and community housing**

Community housing, is a growing sector of social housing supported by State governments to house people who previously would have sought public housing. However priority access to housing is often determined by the national agreements with no priority given to older people. However, community housing and community housing providers have the opportunity to provide creative affordable housing options for older people. COTA NSW urges the Committee to ensure that the NSW Government encourage community housing providers to develop innovative housing models for older people. The advantage of community housing is that is usually combines sources of funding from government, non-profits and other sources to provide housing that meets the needs of the local community, specifically for people on low to moderate incomes. Community housing is 'people centred' and approaches housing issues locally with a strong emphasis on involving tenants in decisions about their housing. Increasingly community housing providers are working in partnership – with support providers, with local government, with public housing providers, and with private sector partners.

### **Older renters in the public rental market**

*“A new policy approach is required to meet the anticipated increase in demand for affordable rental housing for lower-income older Australians during the next two decades. A projected increase of 115% from 2001-2026 in the number of lower-income people aged 65 and over living in rental households far exceeds the supply capacity of the social housing system.”*

Jones et al, AHURI 2007

Those most at risk of housing stress and ultimately homelessness are single, older renters in the private rental market and there is strong evidence that the situation for older private renters will get worse. The number of people aged 65 and over living in lower-income rental households is projected to increase by 115 per cent from 195,000 in 2001 to 419,000 in 2026. The greatest projected change is in the 85 and over age range where the number of low-income renters is estimated to increase by 194 per cent from 17,300 to 51,000. This will create a strong and continuing demand for rental housing suited to older, lower-income, sole person households. These households are projected to grow in number from 110,800 to 243,600, an increase of 120 per cent from 2001 to 2026. Approximately two-thirds of these households will be sole women. There will also be growing demand for rental housing suited to older, lower-income couple households, which are projected to increase from 32,200 to 69,900, an increase of 117 per cent.

### **Older people in crisis and at risk of homelessness**

*‘Homelessness and housing services are reporting an increase in aged people presenting for assistance with no (recent) history of homelessness. Older Australians in private rental, or those entering private rental for the first time, appear to be particularly vulnerable. While the population is diverse, these people all have insecure tenure and limited income.’*

Westmore & Mallett 2011

Currently, the homelessness services sector doesn't provide a clearly differentiated response to those at risk of housing crisis or homelessness who are ageing. COTA NSW is concerned that there is no coordinated response to support older people in housing crisis and at risk of homelessness in the new homeless service system in NSW and urges the Committee to seek to redress this situation. COTA NSW calls on the NSW Government to ensure that older people are considered a priority in the NSW service system.

In December 2012 the Minister for Family and Community Services announced five new non-government members had been added to the Premier's Council on Homelessness. The Council is a collaboration of Government and non-government representatives charged with developing policy solutions targeted at reducing homelessness across NSW. None of the members of the Council currently represent the needs of older people in NSW who currently make up 43% of the state's population. That older people are not represented on this Council further underlies the fact that older people are ignored when it comes to any serious discussion of housing and homelessness.

COTA NSW also believes the provision of housing support, crisis and homelessness services specific to older people should be an important part of the work of the Premier's Homelessness Council and that representation should be sought from the appropriate ageing peak representing the needs of older people in NSW.

In addition, in order to provide better support to vulnerable older people at risk of homelessness COTA NSW recommends immediately expanding the NSW Loan Bond program, with special provisions made for older people at risk of homelessness

COTA NSW believes homelessness should be addressed from the perspective of prevention not outcome with a coordinated Commonwealth and state approach to addressing housing affordability, with homelessness services being only part of the response to a planned approach to housing affordability.

### **Older women are particularly vulnerable**

Single, older women in Australia have emerged as a group vulnerable to housing insecurity and as being in danger of homelessness in their old age. Wage inequality and interrupted working lives due to caring responsibilities are contributing factors and have meant that women, especially single women, have a decreased capacity to acquire housing equity or retirement savings in their own right.

A recent 2010 report entitled, *‘It could be you: female, single, older and homeless’* (McFerran, L, 2010) investigated evidence of increasing numbers of older women entering the first time homeless population. The report addressed the downstream effect of a serious policy issue - the evidence of the combined impact of housing trends affected by changing demographics, the impact of ageing, and entrenched financial disadvantage on women. The study argued for a gendered analysis of housing, homelessness and ageing policy. COTA NSW supports this recommendation.

COTA NSW considers that older women can be particularly disadvantaged and urges the NSW Government to consider them as a priority group in need of specialised programs and support. Given the unaffordability of housing in NSW, The NSW Government through COAG should ensure that programs such as NAHA and NRAS consider women to be particularly at risk and ensure that there is a specific policy response to women’s experiences of housing stress, marginal housing and homelessness.

### **Older people with mental illness are also overlooked**

The COTA NSW 50+ Report indicates that older people’s well-being is intimately linked to their housing and financial circumstances. COTA NSW urge the Committee to consider older people with a mental illness as a particularly vulnerable group. Research shows that older people who are in precarious housing circumstances are more likely to be depressed and often have other mental health problems.

### **Helping ensure people can age in place**

Ensuring people can age in place and remain connected and included in their communities helps contribute to people’s health and well-being as they age. Urban environments need to enable ‘active ageing’ so that as people age they can continue to be independent, and to live in familiar surroundings and supportive, healthy environments. Urban environments also need to accommodate the changing needs of people as they age, who may increasingly experience mobility difficulties and need a more forgiving physical and social environment. People as they age continue to need opportunities for getting out and about through better urban design, street construction and maintenance (overcoming the ravages of utility companies on footpaths), and compact settlements with a mix of facilities.

## **Planning for affordable, adaptable housing in NSW**

It is essential that NSW have a planning system recognises the impact of the ageing population and can respond to the desire of people to age in place. Planning legislation should seeks to remove the barriers to promoting affordable and adaptable housing models for people as they age and provide more housing choices for people in their existing neighbourhoods.

The planning system is a major lever for ensuring the development of affordable and adaptable housing for older people. COTA NSW urges the Committee to consider how policy and planning legislation can support livable housing design and a range of housing models that suit older people in various economic circumstances including granny flats, high-density rental developments, assisted living communities, and well located retirement communities.

COTA NSW believes that the issue of the ageing population has been neglected in the proposed overhaul of the planning legislation and urges the NSW government to ensure that before any new planning legislation is passed it acknowledges and addresses the link between the ageing of the population and the built environment.

## **The Livable Housing Design Guidelines**

The National Liveable Housing Design Guidelines and Strategic Plan encourage the adoption of universal design principles into mainstream residential development across Australia. The Livable Housing Design Guidelines, developed by Livable Housing Australia help guide the residential and building industry and all levels of government to build homes that are easy to enter, safer to move around in and more cost effective to adapt when life circumstances change.

## **Home Modification and Maintenance Services**

The Home Modification and Maintenance program is an important part of helping people maintain their independence and remain living at home for as long as possible. The cost is relatively small compared to expenditure on health and aged care for older people and reduces government spending in other areas by decreasing the levels of hospitalisation and length of stay, enhancing capacity to manage individuals with chronic conditions in the community and reducing or delaying entry in residential aged care. Ensuring increased funding for this important program to meet the needs of an ageing population is critical component to any coordinated approach to ensuring that housing is accessible, affordable and appropriate for a person's changing circumstances as they age. COTA NSW believes there is an outstanding need to organise home modification and maintenance at a local level.

## **Innovative housing models for consideration**

COTA NSW supports the NSW Ageing Strategy's call for the development of innovative models of affordable housing for older people, recognising that the majority of people want to age in place and do not want to relocate to age-specific developments or aged care facilities. Models from dual occupancy through to manufactured homes need to be encouraged. The problem is that often adaptable and affordable housing choices for people within their own communities are limited. So an older person may consider moving within their neighbourhood to more appropriate accommodation, but there may be limited options available. Given the lack of options for people looking to move to more appropriate housing in their existing neighbourhoods, the importance of the Home Modification and Maintenance program will continue to be important as the population ages.



## **Seniors rental units**

Rental units for seniors offer a popular and flexible alternative to buying a retirement unit, with the number of senior apartments available for rental and senior rental villages around Australia increasing to meet demand. Those on the age pension may also be eligible for Government funded rent assistance to subsidise the rent - or to help cover the weekly maintenance charges or ground rent if buying a retirement village unit or relocatable home.

Renting a seniors unit can offer the benefits of retirement village living without the upfront costs or enable a person to try before you buy. This makes it accessible for those with limited funds, but it can also be very attractive to those who are not yet ready to buy or those who prefer not to tie up all their savings in a retirement unit. Rental units can also offer more flexibility, making it easier to relocate to be near family or to try a new area before committing to buy a new home there. Some villages offer both units for sale and units for rent, while others are purpose built rental villages.

While prices vary, many rental communities for seniors are specifically geared to those on the age pension. They may offer a level of support such as meals and laundry service, in return for a percentage of the age pension and government rent subsidy for eligible seniors.

Government rent assistance is also available to pay the weekly maintenance cost of living in a retirement village for eligible seniors, to help manage the cost of living when on a limited budget. There are also other types of senior communities and villages where rent assistance applies - such as those where you buy a relocatable home and then rent the plot of land it stands on within a village. These are usually advertised in the "For Sale" listings.

### **The Boarding House Financial Assistance program**

The Boarding House Financial Assistance Program provides grants of \$10,000 per room to developers for the construction of new generation boarding houses or for the addition of new self-contained rooms to existing premises. New generation boarding houses offer rooms that are self-contained, with en-suite bathrooms and kitchenette facilities suitable for a range of low to moderate income people such as key workers, singles and students.

### **The Defence Housing Model**

Phibbs and Hanna (2011) suggest that the Defence Housing sales and leaseback program could be adapted to expand affordable housing in Australia, possibly leveraging from the National Rental Affordability Scheme (NRAS) offering investors a government guarantee to offset vacancy and arrears risk.

### **Housing NSW Smart Street Fairfield seniors urban living housing model**

This is the first example of Housing NSW's innovative Seniors Urban Living model which is specifically designed to cater for the needs of older people. This six-storey, 45- unit building is located in the heart of Fairfield. Two dedicated rooms for visiting doctors or aged care nurses will bring vital services onsite. The development will also feature retail outlets which will provide potential employment opportunities for residents

## **Mission Australia's Inner City Drift Program and Way 2 Home**

Mission Australia's Inner City Drift Program and the City of Sydney's Way2Home program focus on getting homeless people off the street and re housing them in rental accommodation.

## **The village movement in the USA**

'Villages' are member driven organisations that employ staff to provide a range of services for members who wish to remain living at home and managing their own affairs. The movement began in Beacon Hill in Boston and has spread to 70 locations across the USA. Beacon Hill provides social and cultural programs health ageing, transport and volunteer services; and discounts to a range of service providers, including home care, home maintenance and gyms. Beacon Hill is financed by membership fees and supplemented by foundation grants to cover membership fees for people on low incomes. Local government is assisting in the growth of the village movement through peppercorn rentals or support of back office functions.

## **Tax structures and builder incentives**

Property tax structures increase costs and build inequality by inflating the price of housing and rents. COTA NSW urges the Committee to consider the costs of state taxes that contribute to the cost of building a dwelling, driving costs higher.

## **Stamp duty**

"Stamp duty also discourages people from moving house as their careers and responsibilities change, so they remain in houses that do not suit their needs. "

John Daley, Grattan Institute

COTA NSW believes that the NSW Government's stamp duty concessions should ought to apply to all properties, not just new builds and be made available to all older people on minimal income, for example, those solely reliant on the age pension. If the government is serious about creating effective incentives for seniors to move out of their family homes and free up more housing to meet demand in NSW then this concession needs to be extended to existing housing as well as new builds. This will ensure that those older people who need to free up equity in their homes are more able to move and seek more affordable accommodation.

## **Council rates and pensioner rebates**

COTA NSW has numerous concerns expressed through its consumer reference groups about the soaring costs of council rates. For older people on fixed incomes meeting the costs of quarterly rates can be difficult. As many pensioners who own their homes are asset rich and income poor, COTA NSW urges the Committee to consider that pensioner rebate need to be pegged to rate increases so that the rebate is set as a fixed percentage of the current council rate.

## **Recommendations**

### **COTA NSW urges the Committee to consider**

- 1. The NSW Government develop a policy framework for older people in public housing and consider them a priority group. The policy would recognise that older people have a right to safe and secure housing and their rights should not be subsumed below other special needs groups.**

- 2. That dedicated funding be set aside as part of that Framework to ensure public affordable housing is available that meets older people's needs.**
- 3. The NSW Government broaden the eligibility criteria for older people seeking access to public housing in NSW. Priority access to public and other forms of social housing for older private renters and for vulnerable and disadvantaged older home owners.**
- 4. The NSW Government ensure that the Centre for Affordable Housing develop a coordinated policy response to the needs of older renters and to disadvantaged older people vulnerable to homelessness.**
- 5. That the Housing NSW Seniors Communities Program be reviewed and expanded to ensure that all older tenants in need of secure housing are given priority attention.**
- 6. The NSW Government support local councils to deliver affordable housing options for older people by providing adequate funding and ensuring planning legislation reflects the need for affordable housing options for older people in local communities.**
- 7. The NSW Government ensure that any NSW planning legislation acknowledges the impact of the state's ageing population on the physical and social environment.**
  - a. Ensure the Seniors Living SEPP promotes the development of affordable housing in existing communities around NSW that suit the needs of older people.**
  - b. Ensure the Affordable Housing SEPP promotes the development of housing options for older people in established areas close to amenities.**
- 8. That the definition of 'affordability' and 'affordable housing' be explicit and consistent between NSW legislation.**
- 9. The NSW Government continue to provide incentives to developers that encourage the development of affordable housing in local communities.**
- 10. The NSW Government, through COAG, ensure that NRAS consider the unique needs of older private renters and ensure adequate funding is available and prioritised to vulnerable older people.**
- 11. Ensure stamp duty concessions apply to aged pensioners if they choose to move to more affordable and adaptable accommodation, not just new build.**
- 12. Review NSW Government taxes and levies related to building and sales costs.**

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