

**INQUIRY INTO HOMELESSNESS AMONGST OLDER
PEOPLE AGED OVER 55 IN NEW SOUTH WALES**

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Partially
Confidential

Submission to the Inquiry into homelessness amongst older people aged over 55 in New South Wales

a) the rate of homelessness, Rates of homelessness amongst this age cohort in NSW and nationally are well documented through the recurrent monthly Specialist Homelessness Services data collection. This data is readily available to the NSW Department of Communities and Justice (DCJ) and through the Australian Institute of Health and Welfare. Data on homelessness of this cohort is also available through the five yearly national Census on Population and Housing.

There is however also hidden, and probably un-estimable homelessness related to:

- 'forced' co-housing with children or other relatives due to lack of choice/options to leave.
- 'forced' co-housing with spouses due to lack of choice/options to leave.
- Persons accommodated in sub-standard conditions such as converted garages
- persons who are accommodated in health facilities due to lack of exit options, or because housing related stress or homelessness results in ill health.
- persons who are accommodated mental health facilities due to lack of exit options, or because housing related stress or homelessness results in ill health.
- persons who are accommodated in correctional institutions due to offending that may be significantly impacted by homelessness and housing-poverty related issues.
- persons who prematurely must move into aged care due to lack of suitable housing options with community support.
- persons whose circumstances put them outside the normal data collection processes – those who choose not to, or do not know about services.

b) factors affecting the incidence of homelessness, The major reasons for homelessness are simply affordability and availability. For some the lack of adequate support services may also limit their ability to obtain and maintain tenancies.

The major factors influencing homelessness are:

- The 'commodification of housing' as an investment product with associated drivers for economic gain combined with lack of adequate controls on rental price, security of tenure, dwelling standards/maintenance.
- Government policies that encourage the commodification of housing across the spectrum of taxation policy, land use planning policy, and economic stimulus/subsidy programs
- The significant decline in investment in and the proportion of social housing stock over time generally and across locations.
- Massive waiting lists for both general social housing and priority social housing
- Inadequate supply of housing across the private rental housing, social housing, affordable housing that is suitable to the needs of this cohort – accessibility of dwellings, size of dwellings, location of dwellings relative to transport, services, community connections.
- Inadequate supply of housing that is affordable to persons on low-medium and statutory incomes.
- From a renting perspective single and 2 bedroom properties suitable to the needs of this cohort are disproportionately expensive relative to 3-4 bedroom dwellings and require a disproportionately large portion of an individual's income. Single/single income household are therefore relatively disadvantaged.
- Income tests that exclude some lower income earners from social housing.

c) opportunities for early intervention to prevent homelessness, If the Committee is not addressing the issues of supply and affordability, it is essentially wasting its time. Early intervention and prevention services may assist an individual client at a particular point in time, however it simply cannot address homelessness for the over 55s cohort generally or any other age cohort. There is simply not sufficient supply of affordable housing to meet demand from persons on low or statutory incomes. Please see the Annual Rental Affordability Snapshot 2022

<https://www.anglicare.asn.au/publications/rental-affordability-snapshot-2022/> This is not a new problem and has been documented over many many years. No elected politician of any political persuasion can plead ignorance of this crisis.

d) services to support older people who are homeless or at risk of homelessness, including housing assistance, social housing and specialist homelessness services, The Specialist Homelessness Services (SHS) sector is grossly over-worked due to:

- Absolute level of demand
- The lack of exit options into secure and affordable housing. A very significant amount of the investment in the SHS system goes into sustaining people in homelessness while trying to find some sustainable exit.

Many services are forced to periodically 'close their books' to ensure manageable caseloads to ensure the health & safety of staff, and effective case-work for clients.

Current funding of the sector is very inequitable between services, both within and across regions, and is not based on any current or sound needs analysis, or service costing analysis (eg. unit costs for different types of service by duration of support).

Programs such as Rent Choice are narrowly targeted in terms of person characteristics (eg. DFV or Veterans or Youth), and the geographic locations where it is accessible. Levels of rental subsidy in these programs usually do not keep up with rental increases resulting in re-emergence of affordability gaps.

Other short term assistance for tenancy costs such as Bonds are ultimately ineffective and unsustainable if the underlying issues of rental affordability can't be addressed. It may be heretical to make this statement, but Commonwealth Rental Assistance (CRA) is simply a direct subsidy to landlords and simply inflates rents beyond what the market can genuinely afford. There is no evidence to suggest this subsidy to landlords brings more investment into housing supply. In contrast a corresponding investment of this massive CRA subsidy directly into social and affordable housing would put significant downward pressure on rents by increasing supply generally, and increasing supply of lower rent housing.

e) challenges that older people experience navigating homelessness services, 'Navigating' homelessness services is not the key issue. SHS operates under a 'no wrong door principle' and are usually well known in local service systems. SHS, NSW Housing and Community Housing Providers arguably operate fairly effectively although the experience for clients may be frustrating and unnecessarily bureaucratic. The reality is that these service providers have very limited options due to the lack of affordable housing supply. It is this lack of service ability to provide substantive help with actual secure affordable housing, that causes clients stress and to continually look for assistance.

f) examples of best-practice approaches in Australia and internationally to prevent and address homelessness amongst older people,

AND g) options to better support older people to obtain and maintain secure accommodation and avoid homelessness, There are many examples internationally and many options to increase access to secure and affordable housing. But these require a fundamentally different response to the 'business as usual' approach and continuing reliance on a private housing market where there is massive market-failure in relation to the needs of lower and statutory income earners. This is not 'new' information and has been available for decades.

It is not an issues of data, knowledge, evidence – but rather political will and commitment. Please listen to the following discussions:

<https://www.abc.net.au/radionational/programs/lifematters/could-housing-co-ops-help-solve-the-current-affordability-crisi/13863516> <https://abclisten.page.link/FxxrojpnMixZUsAG9> Australian Superannuation funds represent a potential major source of investment to grow an affordable housing sector, particularly targeted to older Australians. This would be very consistent with their mandate to support financial security in retirement. Affordable Housing should be one of the various investment opportunities available to members for those who wish to see this societal change implemented.

h) the adequacy of the collection of data on older people experiencing or at risk of homelessness and opportunities to improve such collection, Currently SHS homelessness data is not routinely reported or analysed for this over 55s aged cohort, although the data can be disaggregated by age as well as gender. Nor are over 55s an identified 'priority group' within the SHS program.

i) any other related matter Many older people, including myself (60) have larger homes with empty rooms and even the potential to develop 'granny flats'. For many reasons, people like me may not be interested in down-sizing for some years yet.

- There are a range of disincentives in the Tax and Social Security system to either:
- providing share/sub-let accommodation to others (whether 55+ or not)
- making granny flats available at a more affordable rent (whether to 55+ or not) Apart from income tax, Age Pension Income Test and eligibility, there are also Age Pension Asset Test and eligibility issues and Capital Gains Tax implications for the 'family home' as soon as either part of a house or granny flat is 'rented'. A consequence is that an owner is 'forced' to act commercially and demand market rents for such arrangements to be worthwhile. It also significantly complicates personal financial affairs. In short there is no 'incentive' to make spare/under-occupied accommodation available on a secure and affordable basis – quite the opposite.
- Planning laws and processes, building codes, and Council development conditions impose significant barriers and costs to minimalist conversions to dwellings to enable 'separate occupation' of part of the dwellings that would support sub-letting that could be very suitable to accommodating older single persons. While these laws and regulations are generally intended to service the broad public interest, they can make innovate and merit-based individual or community solutions to the housing crisis very difficult to implement.