

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

**Organisation:** Community Housing Ltd

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**Submission: Inquiry into  
homelessness amongst older  
people over 55 in NSW**



**COMMUNITY HOUSING LTD**  
GROUP OF COMPANIES

## 1.0 EXECUTIVE SUMMARY

- 1.1 Community Housing Limited (CHL) has the largest reach of any community housing provider in Australia with nearly 11,400 community rental housing homes under management and a current design and construction program of nearly 2,000 homes across six States.

In NSW, CHL manages nearly 3,000 community rental homes, and on the Mid North Coast also manage a suite of homelessness programs on behalf of the NSW Government.

- 1.2 Fewer Australians own their own home than at any time since 1950, with AHURI forecasting the home ownership rate to fall to 50% by 2040. The National Housing Finance and Investment Corporation (NHFIC) has reported that in cities like Sydney, only around 20% of housing is affordable for the bottom 60% of income earners. The declining home ownership rate means more demand for rental accommodation, an increase in rents across the state and the resultant impact on declining levels of affordable rental accommodation.
- 1.3 The Aged Pension in Australia is based on the premise of outright home ownership and, as such, does not adequately cover ongoing housing related expenses such as mortgage or rent. Current social security payments such as the Age Pension and Commonwealth Rental Assistance (CRA) are insufficient for many older people, particularly those in lone households and in the private rental market.
- 1.4 Anglicare 2022 Rental Affordability Snapshot report identified that only 0.1% of rentals were affordable and suitable for a single retiree on the Age Pension
- 1.5 With social housing waiting lists in NSW at more than 51,000, and average expected wait times of more than 5 years, the status quo is untenable if we have a genuine commitment to a fair and equitable society.
- 1.6 The solution to this overwhelming problem is financially achievable for the NSW Government with the following levers: -
- 1) NSW Rent Choice Private Rental Subsidy program expanded to include people aged 67 + years.
  - 2) Expand social housing stock in NSW by 20,000 over the next five years. With the Federal Government establishing a Housing Australia Future Funds to pay for the delivery of 30,000 social and affordable housing over the next five years, the NSW Government is ideally placed to leverage state assets and attract institutional investment and senior debt through the community housing sector (CHS) to deliver 20,000 new social houses.
  - 3) The age of eligibility for priority social housing should be lowered to 67 years, and to 45 years for Aboriginal and Torres Strait Islander people.

## 2.0 CHL MISSION STATEMENT

### 2.1 Our Vision

A world without housing poverty.

### 2.2 Our Mission

Working to ensure the provision of affordable and sustainable housing for all by: -

- Providing housing which is affordable, has long-term tenure and appropriate services to live comfortably.
- Assisting residents to access housing and to maintain links with their communities.
- Ensuring that the development of housing improves social, economic and environmental sustainability.
- Creating employment and training opportunities.
- Assisting the development and sustainability of strong communities with social diversity by fostering community building initiatives to improve the health and wellbeing of disadvantaged people.

### 2.3 Our Clients

CHL develops housing strategies in partnership with communities and their governments to assist: -

- Low to moderate income people in metropolitan and regional Australia who are in highest housing need and/or have been disadvantaged by market failure on the path to securing long-term rental or home ownership.
- People who live in informal and slum housing in international locations and/or low to moderate income people who are unable to secure long-term affordable housing.

### 2.4 Our Reach

CHL is building a strong national presence across Australia and expanding its international footprint across those regions where extreme poverty remains pervasive.

## 3.0 COMPANY SERVICES

### 3.1 The CHL Group currently has the following activities: -

- Management of long-term community rental housing presently across six states of Australia.
- Homelessness Services for those who are homeless or at risk of homelessness in Australia.

- Development, design, and construction of housing for people in need in Australia.
- Development of affordable housing in Chile, India, Indonesia, PNG, Peru, Rwanda and Timor Leste.
- Community development, training, business development and employment creation activity in relation to some of the communities where it provides housing.

#### 4.0 **OLDER AUSTRALIANS EXPERIENCING OR AT RISK OF HOMELESSNESS**

- 4.1 The Productivity Commission annual report identified 48.2% of people in NSW who asked for accommodation assistance from specialist's homelessness services in 2020-2021 financial year went without.
- 4.2 People of any age have a right to safe, secure, and affordable housing – but this basic human right is tenuous or unachievable for some older people, resulting in increasing numbers of people ageing without a place to call home.
- 4.3 National research has identified there is rapid prevalence of older people living in housing poverty and stress, and risk of homelessness. There is also a growing number of older Australians experiencing homelessness for the first time.

- 2016 Census people aged 55 and over represented 16% of all homeless people in Australia
  - Aged 55–64 accounting for 57%
  - Aged 65–74 accounting for 30%
  - Aged 75 and over accounting for 12%.  
(ABS 2018)
- Older people in the 55-74 age bracket are the fastest growing cohort within the overall homeless population (*Australian Homelessness Monitor Overview, 2018 - Professor Hal Pawson (City Futures Research Centre, University of New South Wales, Sydney)*)
- Older women have emerged as one of the most vulnerable groups in relation to housing insecurity and homelessness in Australia in recent years.
  - The number of homeless older women grew by 31% between 2011 and 2016 and 56% for those between 65 and 74. (ABS 2018)
  - A report released in August 2020 by HAAG and Social Ventures Australia finds that the number of older women at risk of homelessness in Australia is a staggering 405,000

## 5.0 THE MAJOR DRIVERS CONTRIBUTING TO THIS RAPID INCREASE OF HOMELESSNESS AMONGST OLDER PEOPLE

- 5.1 An ageing population - By 2057, people aged 65+ are expected to make up 22% of Australia's population (ABS).
- 5.2 Insufficient supply of social and affordable housing. The existing deficit of 651,300 social and affordable homes across Australia will blow out to nearly 1,024,000 by 2036 unless a change in policy is introduced, with nearly one-third of the shortfall occurring in NSW.

State	Social housing shortfall 2019	Affordable housing shortfall 2019	Projected extra social housing needed by 2036	Projected affordable housing needed by 2036	Total needed by 2036
NSW	137,000	79,400	76,100	24,100	316,766

SOURCE: UNSW CITY FUTURES RESEARCH CENTRE, CHIA NSW

- 5.3 Women remain exposed to the impacts of violence in the home. Factors such as domestic violence, relationship breakdown, financial difficulty and limited superannuation can put women at greater risk of homelessness (ABS 2018).
- 5.4 Decreasing levels of home ownership and increasing retiree mortgage debt - . The University of Adelaide estimates that the demand for older persons rental housing is projected to rise to 511,200 dwellings in 2028.
- 5.5 Unprecedented economic pressures relating to unaffordable private rents and the cost of living (supporting evidence provided in Section 6 of this report).
- 5.6 In NSW, people must be 80 years old to be automatically considered for priority public housing.
- 5.7 Service providers and people who are homeless report that the current system of supporting older people who experience homelessness is fragmented, poorly resourced and unable to provide long-term solutions.

## 6.0 OLDER PEOPLE BEING PERMANENTLY FORCED OUT OF PRIVATE RENTAL HOUSING

- 6.1 The number of older people in private rental accommodation has increased. For those with limited financial resources, the cost of renting in the private market can lead to the risk of homelessness in later life, particularly after they are no longer working.



6.2 The aged pension in Australia is based on the premise of outright home ownership and, as such, does not adequately cover ongoing housing related expenses such as mortgage or rent. Current social security payments such as the Age Pension and Commonwealth Rental Assistance (CRA) are insufficient for many older people, particularly those in lone households and in the private rental market.

6.3 Among people aged 65 years and over, the poverty rate varies greatly depending on home ownership. While the poverty rate among older home-owners (12%) is slightly below the overall poverty rate (13%), the risk of poverty is three times higher (43%) for older people in the rental market.

*NSW Council of Social Services – Mapping Economic Disadvantage in NSW*

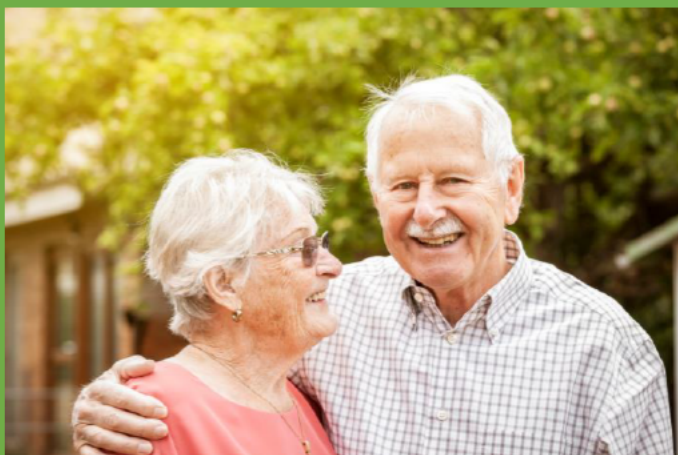
- In NSW there was a 54% increase in older people paying unaffordable rents in only 5 years (from 21,000 to 34,000)
  - 12,000 were aged 75 and over
  - 9,314 were in severe housing stress paying more than 50% of their household income in rent
  - Single women represented 45% of those in housing hardship, males 30% and couples 24%  
(Unpublished data, Department of Social Services 2018)
- A growing number of regional cities and towns across NSW are in the midst of a rental crisis. The COVID-19 pandemic has particularly impacted the affordability of the regional housing market, with decreasing residential vacancy rates and increasing median rental property prices due to migration from urban centres.
  - The price for a regional rental property soared by 12.5 per cent in the 12 months to September 2021, the largest annual increase on record.
    - In Port Macquarie, rents have increased by 18.6 per cent and property prices have climbed by 39.8 per cent
    - In Coffs Harbour, rents have increased by 25.1 per cent and property prices have climbed by 16.3 per cent*Corelogic*
- Anglicare 2022 Rental Affordability Snapshot report identified that only 0.1% of rentals were affordable and suitable for a single retiree on the Age Pension.

6.4 Renters on low incomes are bearing the brunt of the tightening of the market because they are forced to compete:

- With people on higher incomes and more stable jobs for the scarce supply of new rental homes that become available.
- With record numbers of people who can no longer afford to buy.

This has led to a market that has never been less affordable.

## CASE STUDY - Margaret and Edward



Margaret and Edward\* have lived in the mid north coast for most of their adult lives. Now in their 80s the couple lived in a modest and affordable rental in Port Macquarie for over seven years.

They were taken by surprise in March this year, when the property they were renting was put up for sale. The couple was given 42 days' notice to vacate the property when it sold and their lives started to unravel.

The couple found themselves in a desperate situation in the midst of an unprecedented housing crisis. Despite applying for over 20 properties within two weeks, they were unable to secure a new rental property.

They began to despair, and Edward told their neighbour they were considering ending their lives as they contemplated becoming homeless.

Thanks to the advocacy and support of their neighbour, the couple were referred to Community Housing Limited by their local MP.

With continued support from their neighbour, Margaret and Edward registered with the Housing NSW, making them eligible for social housing through CHL.

On 21 April 2022, the couple signed a lease with CHL and are now living in an affordable rental property in an over 55s apartment complex.

Margaret and Edward say they are now settling into their new home and have a deep appreciation for social and community housing.

CHL was able to assist Margaret and Edward on this occasion, but we continue to struggle to meet the growing demand for housing by some of the most vulnerable people in our communities as a result of the housing crisis.

It is unacceptable in a wealthy country like Australia, that older vulnerable people like Margaret and Edward contemplate ending their lives due to the fear of becoming homeless.

*\*Names have been changed to protect the privacy of the couple in this case study.*



- 6.5 Added to the rise in over-55s reliant on private affordable housing is the fact that a significant government rental affordability scheme, National Rental Affordability Scheme (NRAS) is about to come to an end, with all subsidies phasing out by 2026..

Under the scheme, the government has subsidised the construction of 34,501 new dwellings which provide rent set at least 20 per cent below market value for ten years. These dwellings currently house some 63,000 tenants, of which 14 per cent are aged over 55.

The problem is that, once the ten year subsidy period runs out, the tenants on low incomes will be forced back into the private market, with no government transition process in place.

State	Allocations ceasing by calendar year					Total
	2022	2023	2024	2025	2026	
NSW	457	605	1140	1186	2008	5396
Vic	1296	1356	2143	387	0	5182
Qld	2694	2499	2845	603	0	8641
WA	352	1110	920	891	1573	4846
SA	517	806	1079	240	2	2644
Tas	150	25	321	98	596	1190
ACT	746	93	542	60	361	1802
NT	150	125	188	532	50	1045
Total	8384	8642	11202	6022	6616	30746

*From a Department of Social Services dashboard*

CHIA NSW report, *What next for NRAS*, identifies for NSW:

- Community Housing Providers (CHPs) will retain 3,161 NRAS properties they own and continue to manage as affordable housing
- All but 24 NRAS properties owned by other investors will leave the affordable housing system once NRAS payments end
- 3,197 of the lost NRAS properties are located in LGAs that are unaffordable to moderate income households.

## 7.0 SOCIAL HOUSING STIMULUS

- 7.1 There is now a focus on social housing development in some States to assist housing those most in need who have been left behind by rising private rental levels and reducing vacancy rates in many States. For example:

- In Tasmania the Government is funding 1,000 new units over the next two years to be delivered by partners
- Queensland has set a target of 6,000 additional units over the next four years; most significantly to address historical social and affordable rental housing deficits
- Victoria is planning 13,400 additional units over four years all to be delivered or managed by the community housing sector
- WA is planning 3,300 additional units over the next four years.

The rental deficit is also prevalent in NSW however at time of writing there is currently no coherent State Government response of scale.

## 8.0 BENEFITS TO GOVERNMENT

- 8.1 Health impact of housing insecurity on older people who are Homeless or at risk of homelessness is an unacceptable breach of human rights and has many negative effects on people's health and wellbeing, effects which are multiplied as people age.

Petersen et al. raised concerns in the AHURI report *Preventing First Time Homelessness Amongst Older Australians* that the inherent insecurity of private rental housing can impact on health. An older person experiencing or at risk of Homelessness:

- Is more likely to prematurely age when compared to the general population
- Chronic health conditions are generally more common
- Will often also experience mental illness, which may be the result of, or compounded by, traumatic experiences while homeless
- The risk of death is higher than that for older people with secure housing.

- 8.2 Two studies from AHURI and KMPG - *Ageing On the Edge*, 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.
- 8.3 Assisting older people to access affordable housing, ensuring they can live independently for longer, means reduced need for emergency housing and health services including premature entry into residential aged care accommodation.

## CASE STUDY – Amanda and Jane



*When Amanda and Jane contacted CHL in Port Macquarie in December 2021, they were homeless and sleeping in their car.*

*Amanda is in her 70s and cares for her adult daughter, Jane. Jane lives with a disability and her mother has been her carer throughout her childhood and adult life.*

*Prior to contacting CHL, Amanda and Jane had been living in a private rental property in Port Macquarie for two years. They found themselves homeless after the property owner decided to return to Australia and move back into the property due to the COVID-19 pandemic.*

*With skyrocketing rental prices in the region, Amanda and Jane were unable to find another affordable rental and resorted to sleeping in their car.*

*Amanda told CHL that she had to take her daughter to the Emergency Department of the local hospital on most nights as Jane would become agitated and unwell due to not understanding why they were sleeping in the car and not having a stable home.*

*CHL was unable to find a permanent home for Amanda and Jane immediately due to the extreme shortage of social and affordable housing in the region but provided temporary accommodation while prioritising their housing request.*

*Amanda and Jane are now feeling safe and secure in their new CHL home instead of living in fear and experiencing the trauma of being homeless and living in their car.*

*Amanda and Jane are just two of the hundreds of thousands of Australians who are either homeless right now or at risk of becoming homeless due to the dire shortage of affordable housing.*

*This is not acceptable in a wealthy country like Australia where everyone should have the right to affordable and appropriate long-term housing.*

*\*Names have been changed to protect the privacy of the people in this case study.*

## 9.0 RECOMMENDATIONS

Housing solutions need to be appropriate and responsive to the individual's current and future needs, and support ageing in place. CHL's three recommendation are:

### 1) Priority Public Housing Eligibility

The age of eligibility for priority social housing should be lowered from 80 years to 67 years, and to 45 years for Aboriginal and Torres Strait Islander people.

### 2) Private Rental Subsidy Program

The NSW Government currently provides a financial subsidy to young people and people escaping domestic or family violence through the Rent Choice Youth and Rent Choice Start Safely Program. A financial subsidy is provided to help people to:

- Stay in current private rentals if its unaffordable
- Secure private rental accommodation

The Rent Choice program could be expanded to people who have reached the retirement age of 67 years old and do not have sufficient superannuation to pay off a mortgage and are risk of homelessness through the inability to maintain or access affordable housing. The subsidy:

- Would be provided to anyone who is an Australian citizen, resides in NSW and eligible for social housing
- Is based on the difference between 30% of their income plus CRA and capped at the average cost of private rental for the LGA (based on the NSW Rent and Sales Report)

This subsidy would remain in place until the person/household secures long term social housing.

### 3) Increase social housing supply by 20,000 over the next five years

With the Federal Government establishing a Housing Australia Future Funds to pay for the delivery of 30,000 social and affordable housing over the next five years, the NSW Government is ideally placed to leverage state assets and attract institutional investment and senior debt through the community housing sector (CHS).

By leveraging Federal funding, States assets and debt raised by the CHS, we will be able to deliver a new supply of social housing at a scale we have not seen for some decades.

CHL is presently redeveloping public housing in Victoria under a long term lease to deliver 1,100 social, affordable, disability and market rental housing using the structure of an annual availability payment.

- This leverages \$450 million in debt and equity to complement a \$50 million State Government grant and long term peppercorn lease of land.
- After 12 years the equity is paid down and the availability payment is utilized to double the housing made available over the following 28 years.
- This approach can be replicated across Australia, both resolving current asset management challenges in State Government owned housing stock and the need for growth in social and affordable housing supply.



## 10. **CHPS DELIVER VALUE ON GOVERNMENT INVESTMENT**

*(CHIA NSW 2022-23 Pre-Budget Submission)*

The NSW community housing sector has a demonstrated track record in delivering new social affordable housing in perpetuity through key government initiatives including the Social and Affordable Housing Fund, Communities Plus, the Community Housing Innovation Fund (CHIF), and the National Rental Affordability Scheme.

The sector has invested more than \$1.6 billion to build more than 4,400 homes across NSW over the last decade and has the capacity and expertise to partner with governments and the private sector to deliver more homes for people in greatest need.

The community housing sector has been recognised repeatedly by the NSW Government as being more cost effective and efficient in delivering social and affordable housing. For example, the most recent investment of \$50 million by the Government in 2021 through the CHIF will deliver more than 270 homes at a cost to Government of around \$185,000 per unit of housing, approximately 40% of the cost of provision directly through Government. By leveraging debt and other partnerships, this \$50 million investment will result in direct investment of \$116 million to deliver these projects. This investment creates thousands of jobs in the construction industry, drives broader economic growth in local communities, reduces homelessness, and delivers cost savings across multiple government portfolios. With an increased supply of social and affordable homes entering the market, more individuals and families can access safe, secure, and affordable housing and the opportunities they need to contribute to our society and economy.



