



COUNCIL ON THE AGEING NSW

Social Housing in NSW: a discussion paper for input and comment

COTA NSW comment

Introduction

The Council on the Ageing NSW (COTA NSW) acknowledges the constraints of the NSW social housing system, as outlined in *Social Housing in NSW: a discussion paper for input and comment*. Furthermore, COTA NSW acknowledges the value of promoting the objectives of fairness and of developing clients' independence within the social housing system. However there is also an imperative to recognise that older people who are eligible for social housing, and older people who are likely to need social housing in the future, tend to lack the education and employment opportunities over their lifetimes that are necessary to secure long-term, stable and quality housing.

These realities are compounded by the reality of age discrimination in the workplace, which means that it is highly improbable that many older people already in social housing can realistically expect to secure permanent long-term employment in order to enjoy economic independence. In turn it is unrealistic to expect that older people in this position will be able to participate in the private rental market. Furthermore, there is a growing body of older people who are currently holding on to the bottom rung of the private rental market ladder. Faced with the reality of age discrimination in the workplace, the older these renters get, the less likely it is that they'll be able to find employment, and will no longer be able to afford to rent.

In 2014 COTA NSW conducted a Consumer Survey with a focus on housing of people aged 50 years and over in NSW. The Survey, which was compiled into the subsequent *50+ Report: with a focus on how and where older people are living*, found that 20% of respondents under 60 paid rent or board. Alarmingly, this figure only drops to 10% of respondents after age 60, and remains set at this level, even among respondents aged 85 (COTA NSW, 2014). It is worth noting that the 25% of respondents who were still working indicated they would not retire until after they reached 70 years of age. Together, these responses strongly suggest that some individuals are delaying retirement because doing so would render them unable to continue to pay rent in the private rental market.

These findings indicate that we risk seeing the rise of an elderly underclass, as more and more older people slip from the bottom rung of the housing market ladder. COTA NSW urges government to place older people at the top of the hierarchy of eligibility for social housing. Furthermore, allowing older people to remain in social housing is the most efficient use of government resources. Moving older people out of social housing is a short-term solution with short-term savings, which may have costly long-term ramifications. Older people who lack the capacity to obtain and maintain long-term employment will inevitably fall into a crisis situation and may return to seek public housing with more acute and urgent needs than when they left. It is highly likely that they will require assistance from homelessness, health and crisis services with increasing need as time goes on. Enabling older people to live out their days in social housing is the most economically viable option in the long term.

Background to the issue

We understand that the *Social Housing Discussion Paper* offers a pragmatic approach to a shrinking commitment on the part of both the Commonwealth and New South Wales (NSW) governments to funding a social housing system to meet growing demand. The policy direction mirrors the direction of other states such as Queensland, which also call for social housing to be considered 'transitional' rather than a permanent housing solution.

We believe that the provision of adequate affordable housing is essential to NSW, particularly in Sydney, which now has the third most expensive housing market in the world. Older people on low incomes are particularly vulnerable in the speculative Sydney housing marketplace.

Our primary concern is for older people and their housing security. While it's assumed that older people own their own home by the time they retire, there is a growing number of older people who rent, and the majority of them rent in the private rental market. These older people are particularly vulnerable to disadvantage and homelessness and have little or no safety net. Their chances of accessing social housing are slim.

We believe older people already in social housing should be considered particularly vulnerable and be granted long term, secure housing tenure. They are the least able to re-enter employment and in most cases face increasing levels of disability and health issues as they age.

In this context, COTA NSW urges Housing NSW to consider the following issues related to social housing, older people and older tenants living in social housing in NSW. We also recommend ways to improve housing security for older tenants, increase the supply of affordable housing and suggest possible housing models that could be made available to house older people in need.

Main issues for consideration

1. The transition model in the paper doesn't work for vulnerable older people

Australian Housing and Urban Research Institute (AHURI) found that many housing tenants do not want to move out of public housing even if they do find work. Public housing often provides a stable, secure base that allows them to function. Given this, plunging people back into the private rental market may have the effect of destabilising them and putting them at further disadvantage and risk of homelessness. We believe that this transition model doesn't work for older people, in particular, who rely on secure housing tenure more as they age.

2. Social Housing cannot be considered apart from the broader housing crisis in NSW

The discussion paper does acknowledge that “private rental affordability can be a challenge” and that the “Sydney metropolitan region has become increasingly unaffordable for low income households over the past ten years” (p.16). Given that the marketplace is acknowledged in the paper as ‘unaffordable’, it is difficult then to justify moving vulnerable tenants from the relatively secure tenancy of social housing to the volatile and expensive private rental market. We agree that certain tenants should be given the “opportunity and pathways for independence” but that given the limited availability of affordable rentals in the private market, it is older vulnerable tenants that should be provided with a “safety net” that provides secure long term tenure. Creating links with non-profit aged care and retirement villages may provide more opportunities for accommodation for older people in need that also include care provision, through the Commonwealth aged care reforms.

The housing crisis in NSW and the lack of affordable rental housing in the market means there is a greater, not a lesser need for a sustainable social housing system that can meet growing demand. We believe that no one is more vulnerable in this housing crisis than older people. House prices and rent levels are crucial factors to the wellbeing of older Australians and therefore older people should be given special consideration in any discussion about protecting the most vulnerable.

3. The need for social housing for older people will increase

Home ownership has been and continues to be the cornerstone of both housing and aged care policy for older Australians. It reduces housing costs in the long term and so reduces the overall cost of living in later life. It provides security of tenure and psycho-social benefits such as independence, autonomy and a sense of belonging and achievement. Home equity also provides a buffer against the twin threats of ill health and living longer than expected.

However, the proportion of older Australians who own their own home is decreasing (Petersen & Jones 2013 p.90) and an increasing numbers of older people are experiencing housing stress as a consequence of mortgage payments (Wood *et al.* 2010). In addition, the traditionally high levels of home ownership are expected to drop to 72% by 2046. At a time of life when many homeowners would have expected to have paid off their home loans, 35% of those aged between 50 and 64 will still be carrying mortgage debt.

The situation for older renters is even worse, fuelled by a pensions system based on the presumption of home ownership, an inaccessible social housing system and an expensive, under-supplied private rental market. As mentioned, increasing numbers of older people are relying on the private rental market, with 10.8% of people over 55 years renting privately in 2011 compared with 8.6% in 2006 (Petersen & Jones 2013). An age pensioner living in Sydney can easily spend over half to three quarters of their income on rent. As a

result, many older people become homeless for the first time due to factors such as a lack of superannuation, family breakdown or rising rent. This is particularly the case for older women who are particularly vulnerable.

4. Secure housing tenure is fundamental to healthy ageing

Affordable, secure housing is one of the most important indicators for healthy ageing, so having access to secure and affordable housing becomes more, not less, important as we get older. Studies show that renting privately while relying on the aged pension impacts on an older person's health and wellbeing (McFerran 2010; Morris 2012; Westmore & Mallet 2011) whereas access to secure, affordable housing plays a 'preventive' role by reducing demand on health services (including mental health services), enabling effective delivery of community aged care, and facilitating social participation.

The ability to age in place is also important to the health and wellbeing of older people. Relocation to outer suburbs or to rural or regional locations can disconnect older people from established social networks that provide companionship and support. The absence or removal from such relationships may mean that care requirements can become the responsibility of agencies or government. In addition, access to essential services such as hospitals and medical specialists can also be problematic especially if public transport is unavailable or limited. This goes beyond mere inconvenience: the impact of a change of residence heightens the risk of a decline in health in both the short and longer term.

5. More models are needed that integrate care and accommodation

COTA NSW recommends the development of partnership models where social housing is provided in conjunction with support services for older people. Increasing demand and demographic changes means that future housing for older people should provide more choices to age in place and include models that integrate housing and care and universal housing design. Greater longevity will mean older people with a disability will require supportive environments and access to care. More people, especially older frail women, will be living alone. Partnerships with not-for-profit retirement villages and aged care providers who hold large amounts of housing stock should be explored. Links with the new Commonwealth Home support programs that includes Home Modification and Maintenance services, respite, Home and Community Care (HACC) services and the Assistance with Care and Housing for the Aged (ACHA) Program should also be established.

6. A commitment to creating liveable communities is needed

Supportive urban planning is essential for creating liveable communities for everyone and ensure the provision of housing choices that allow people to age in place. A strong body of research exists to suggest that accessible and adaptable housing and improved design to strengthen local neighbourhoods would enhance the lives of those with a disability and older Australians. Good neighbourhood design is crucial in enhancing social participation by older people while supportive housing design can also reduce care costs by enabling home-based care to be appropriately offered to meet a wider range of needs.

7. A cross government approach

COTA NSW believes there should be better co-ordination between the Department of Housing and other agencies in the development, planning and delivery of affordable housing for older people and policies can have unforeseen consequences. For example, many older people on low incomes live in manufactured home parks, but the redevelopment of many of those parks is forcing many park residents out of their homes. We must ensure that this source of affordable housing in the marketplace is retained for low income older tenants.

8. Planning legislation

A major barrier to the development of affordable housing is the planning system itself and local councils who fail to enforce affordable housing targets. COTA NSW supports the recommendation to introduce penalties for local councils that fail to meet agreed targets for affordable housing and housing suitable for older people. COTA NSW also supports making universal design standard for all new dwellings, unless an argument is made on a case-by-case basis as to why it should not. This should include community education to reduce fears about affordable, aged, and disability housing and to understand the benefits of universal housing design for everyone, not simply older Australians or people with a disability.

Housing NSW's *Central Living* development in Fairfield city centre and the Benevolent Society's *Apartments for Life* project share a similar aspiration - to create buildings that foster older people's wellbeing and allow them to age in place. Both are based on the Humanitas Foundation concept developed in Rotterdam, The Netherlands, and focus on maintain older people's quality of life, their autonomy and independence. Both offer innovative ways of providing social housing for older people on medium to low incomes, albeit with different degrees of emphasis. How the two projects differ is in the way the planning process unfolded, their funding and local community support. The Benevolent Society's *Apartments for Life* project received no public funding and encountered enormous local opposition, primarily from neighbours of the site. Whereas the Fairfield Central Living

project's \$12.3 million complex was funded with public funds through the Nation Building Economic Stimulus Plan and successfully overcame NIMBYism (not in my back yard) that served as a major roadblock in the Apartments for Life project.

COTA further recommends

1. Exploring partnerships with non-profit age care and retirement village operators. This will provide the opportunity to expand affordable housing options for older people, including those options that can provide both care and housing for vulnerable older people in need. COTA NSW recommends a roundtable meeting between FACS and aged care and retirement village operators to discuss and investigate options. COTA NSW would be happy to host and facilitate such a meeting.
2. Creating links between Housing NSW and the Commonwealth aged care system, particularly the new Home Support program. The new Home Support Program includes HACC services, home modification and maintenance services, respite services and the ACHA program. COTA NSW recommends that Housing NSW look closely creating links with both the Home Modifications and Maintenance program and the ACHA program and consider how it may work more closely and to consider contribution funding to increase ACHA's support and reach to vulnerable older people living in NSW, particularly in Sydney.
3. The needs of older people in social housing are unique and therefore require a separate approach within a broader social housing framework. COTA NSW encourages the NSW Government to develop a coordinated housing policy for older people. The former NSW government's *New Directions in Housing for Older People* provided an example of such an approach. It sought to increase the amount of public housing stock available to older people, boost safety and improve access for older people.

A new *Housing Strategy for older tenants* should address:

- Safety and security issues
- Tenancy continuance with reduced rent when an older person enters hospital or respite care for a period
- Consideration for older people to age in place
- Eligibility criteria review
- Simplifying the application process for older people
- Developing innovative housing options and models that can support older people to be located with carers and near family support
- Encouraging recreational activities in partnership with tenant groups and local councils, welcoming new older tenants to their neighbourhood and

informing them about essential local services and programs in their community

- Providing flexible services to meet the needs of older people, for example a 24 hour telephone service for maintenance problems.
- Coordinating with Commonwealth community care support services

4. Innovative types of ownership models for older people should be investigated such as shared equity arrangements, co-operatives and seniors clusters. Financing of these alternative models – or of housing for older people generally – could include encouraging superannuation funds to invest in seniors housing; enhancing the role of socially responsible investment and offering tax concessions for those who invest in housing for older people. This could also include reviewing the balance of social rental housing stock with the aim of leveraging the stock. When the UK introduced legislation to allow community housing groups to borrow funds, the percentage of social housing provided by community housing increased from 10% to about 60% today. COTA NSW also recommends investigating how the Abbeyfield Society shared equity model could be expanded.

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ⁱ This author had a couple of articles under his name on the same topic in 2012. The link to his published work is: <http://cmsa.arts.unsw.edu.au/staff/alan-morris-1194.html>