

TRANSCRIPT

STANDING COMMITTEE ON LEGAL AND SOCIAL ISSUES

Inquiry into the retirement housing sector

Melbourne — 28 September 2016

Members

Mr Edward O'Donohue — Chair

Ms Nina Springle — Deputy Chair

Ms Margaret Fitzherbert

Mr Daniel Mulino

Ms Fiona Patten

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Participating Members

Ms Colleen Hartland

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Witnesses

Ms Nicola Young, Acting Director, Intergovernmental Relations and Social Policy, and

Ms Georgina Grant, Manager, Human Services Policy, Department of Health and Human Services.

The CHAIR — The next witnesses before us this morning are Ms Nicola Young, Acting , Intergovernmental Relations and Social Policy, and Ms Georgina Grant from the Department of Health and Human Services. Thank you both very much for your preparedness to be with us today. Before I invite you to make some opening remarks I will just caution that all evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Legislative Council standing orders. Therefore you are protected against any action for what you say here today, but any comments made outside this hearing are not afforded such privilege. Today's evidence is being recorded. You will be provided with proof versions of the transcript within the next week. Transcripts will ultimately be made public and posted on the committee's website. We have allowed half an hour for our time this morning. Again, thank you very much for being with us. We look forward to your opening remarks, and thereafter the committee will have questions.

Ms YOUNG — Great. Thank you very much, and thank you for providing the Department of Health and Human Services with the opportunity to present evidence to this inquiry and respond to any queries raised by the committee. As you mentioned, my name is Nicola Young. I am the Acting Director Of Intergovernmental Relations and Social Policy. I am representing the Department of Health and Human Services here today. I would just like to start by mentioning that there is really no one area of the department that covers the retirement housing sector; instead the issue is touched on by numerous policy areas, including public and social housing, aged care, homelessness, public health and wellbeing, and social policy. Therefore I am here to present information and the views of these many areas of the department.

As the Victorian population ages the role of government and other key stakeholders, including peak bodies and local government organisations, in creating age-friendly neighbourhoods, promoting social participation and maintaining quality of life for older adults is increasingly important. The main policy challenge is to plan for and promote age-appropriate housing in suitable locations where people have access to health and community supports, where housing is designed to ensure flexible use over a person's life course and policy is centred on supporting older people in their homes and communities of choice.

Rental housing options for older people are often limited by geography; affordability; lack of suitable, often smaller, housing in the neighbourhoods where people are already living; lack of design for accessibility; and the need for housing arrangements that promote social integration and interaction. The 2015 Productivity Commission report, *Housing Decisions of Older Australians*, indicated that older tenants are overrepresented among long-term tenants in the private market, with Aboriginal Australians aged 55 and over more than three times more likely to be renting than their non-Aboriginal counterparts. Although research consistently shows that older people who know they have stable, long-term accommodation demonstrate better health, older tenants are around four times more likely to move as those older people who own their own home.

With respect to the first question posed by the committee — namely, queries regarding legislation covering retirement housing in Victoria, in particular the Residential Tenancies Act and the Owners Corporations Act, the first point I would like to make is that the Attorney-General, the Minister for Consumer Affairs, Gaming and Liquor Regulation, the Minister for Planning and the Minister for Housing, Disability and Ageing are jointly responsible for the Residential Tenancies Act. The Minister for Housing, Disability and Ageing is responsible for sections in several parts of the act, including in part 2, 'Residential tenancies — tenancy agreements'; part 3, 'Rooming houses — residency rights and duties'; part 6, 'Termination'; and part 8, 'Violence on certain premises'.

In respect to the operation of the Residential Tenancies Act, the Department of Health and Human Services has nothing further to add to the commentary provided by Consumer Affairs Victoria regarding the current review. The Minister for Housing, Disability and Ageing is not responsible for the Owners Corporations Act and therefore the Department of Health and Human Services has no comments to make on the operation of the act.

The second question posed by the inquiry asks what plans the department has to encourage the growth of retirement housing options in Victoria. The commonwealth government is the primary funder of aged care in Australia. Victoria runs a number of public sector residential aged-care facilities, having stepped into the market largely where there has been a market failure. This includes the establishment of small-scale facilities associated with rural health services — for example, a rural health service may in fact be part aged care and part acute services — and a limited number of metropolitan aged-care beds, which are increasingly focused on those with complex care needs.

The current metropolitan aged-care policy is to maintain the public sector residential aged-care beds, which currently total 792, or around 2 per cent of the metropolitan market, by maintaining existing facilities. The department is also responsible for maintaining the stock of social housing. Currently there are approximately 85 000 public housing and community housing properties in Victoria, which provide affordable and secure tenure to a range of disadvantaged households. About one-fifth of all public housing properties are reserved for households of people aged 55 and older.

The most important reform for older housing applicants will commence in early 2017 with the creation of a new priority category under the recently established Victorian housing register for people who meet the income and assets test and are aged 55 years or older. Applicants under this new category will not be required to demonstrate an urgent housing need and will be prioritised for housing assistance ahead of other eligible applicants with the same income and assets in recognition of the increased disadvantage of older tenants in the private rental market. Older applicants who do demonstrate an urgent housing need, such as homelessness or risk of homelessness, and meet strict priority eligibility criteria may be further prioritised for social housing access.

With regard to the inquiry's question on the feasibility of single legislation covering all retirement housing, the department notes that there are many forms of housing that people who are retired, or those who have reached retirement age, live in, and are governed by numerous overlapping forms of legislation across jurisdictions, which are unlikely to be easily consolidated under a single legislative or regulatory regime. Current Victorian legislation is based on the type of tenure or regulatory function rather than the characteristics of the person entering into the market. The Department of Health and Human Services considers that a single piece of legislation covering one demographic, such as retirees, would create regulatory complexity in a range of housing types as well as have the potential to introduce disincentives into the rental market for the leasing of properties to older Victorians.

The final question from the inquiry refers to other issues of importance the department wishes to raise. I would like to specifically note that the department values the health and wellbeing of all Victorians and works to ensure that appropriate legislation or regulations are in place to monitor any residences for which it has responsibility.

I would like to provide additional information related to two types of housing catering to particularly vulnerable Victorians, some of whom are aged over 55. The first of these are supported residential services. Supported residential services are privately operated businesses that provide accommodation and personal support for people of different ages in a shared living environment. More than half of the currently registered supported residential services provide accommodation and support services targeted specifically at residents in receipt of government pensions, while others will operate at above pension level or be a combination of these models. These services provide accommodation and assistance with daily living for people with a variety of needs, including some older Victorians, people with a disability and people with mental illness.

The Victorian government, through the Department of Health and Human Services, registers all supported residential services, monitors compliance with the Supported Residential Services (Private Proprietors) Act 2010 and the Supported Residential Services (Private Proprietors) Regulations 2012 and takes action in the event of contravention of the act or regulations. The act and associated regulations set requirements related to staffing, minimum accommodation and personal support standards that proprietors must meet in providing accommodation and personal support to residents. The act also provides a range of sanctions and penalties if proprietors fail to meet the requirements.

The second type of accommodation I would like to mention is rooming houses, which are classified as a form of prescribed accommodation and are regulated under the Public Health and Wellbeing Act 2008 and the Public Health and Wellbeing Regulations 2009. The prescribed accommodation provisions regulate five classes of accommodation — namely, residential accommodation, hotels and motels, travellers' hostels, student dormitories, holiday camps and rooming houses. The act and regulations require that prescribed accommodation be registered with local councils and impose a number of requirements on the proprietors of these premises, all of which are intended to protect public health and control the transmission of communicable diseases in public and shared accommodation. Those standards relate to matters such as overcrowding, maintenance and cleanliness of the premises, drinking water and bathing facilities, and sewage and rubbish disposal.

I would like to thank the committee for their time today and invite any questions. I go back to my earlier statement that I am here to represent a range of areas across the department and so will not necessarily have the technical expertise to answer your questions and will take questions on notice if I am not able to provide accurate information.

The CHAIR — Thank you, Ms Young, for that comprehensive opening statement. I would just like to ask a couple of follow-up questions. You said there are 792 aged-care beds in the metropolitan area; is that correct? Can you just clarify that?

Ms YOUNG — Yes, that is correct.

The CHAIR — And that the intention is to maintain that stock level?

Ms YOUNG — That is the current policy under the metropolitan aged-care policy.

The CHAIR — Given population growth at a bit under 2 per cent per annum and an ageing population profile, that really means a reduction in beds per capita being provided. Do you see that as creating an issue for future supply?

Ms YOUNG — I might have to take this question on notice and confer with my aged-care colleagues, given that a lot of the aged-care market is regulated by the commonwealth.

The CHAIR — Sure. But those 792 beds are state-funded beds?

Ms YOUNG — That is correct.

The CHAIR — I am not talking about regulation; I am talking about state-funded beds that you are responsible for. Leaving aside the regulatory aspects of it, just the raw number of beds that are being provided is remaining the same even though the population is going up and the profile of the population is ageing.

Ms YOUNG — I would have to, as I said, confer with my colleagues in aged care to provide an accurate answer to this question. The commonwealth has control of the funding levers as well for the aged-care market, so I would have to consult with them about the interplay between state-funded beds and those commonwealth funding levers and how that impacts on overall supply.

The CHAIR — Sure. But we are just talking about the 792 beds you said were state funded.

Ms YOUNG — That is correct.

The CHAIR — Okay. I look forward to your response on notice. In relation to rooming houses, what does the department say to the issue of gentrification that is seeing the number of rooming houses available, particularly around transport nodes and in traditional areas where rooming houses have been located, being reduced over time through market forces of increased prices?

Ms YOUNG — I am not aware that the department has a position on gentrification. Are you asking is there a concern about the number of rooming houses that are available and are closing down and whether the department has plans or concerns around the impact of that?

The CHAIR — Yes.

Ms YOUNG — I will have to take that question on notice.

The CHAIR — Okay. Much of your presentation was in general terms around sufficient stock being available. Besides the beds you fund directly, what input do you have and what are you advocating for in relation to having sufficient stock available in the marketplace going forward?

Ms YOUNG — For residential aged-care beds?

The CHAIR — Yes, for residential aged-care beds, for rooming houses and for supported residential services, given the interplay between the planning system and funding through resources being available. What is your department doing in relation to those issues of future supply to meet growing demand?

Ms YOUNG — I would like to that question on notice so I can confer with the relevant areas and come back with a comprehensive answer across all of the markets.

Mr MULINO — Just in relation to social housing, the stock is about 85 000, and I think you said that around one-fifth of that is currently being occupied by people 55 and over. Do you have a sense of what the trend is in that proportion?

Ms YOUNG — I would like to take that question on notice.

Mr MULINO — You may have mentioned this, but in relation to rooming houses, what is the total stock of that?

Ms YOUNG — I would like to take that question on notice.

Mr MULINO — Yes, sure. Last question. I think that your observations in relation to the regulatory regime, which is that it is better to have legislation and regulation that are specific to types of housing stock and types of residential arrangements rather than individuals, are consistent with what previous witnesses observed, and I think it is fair to say they are consistent with what a succession of governments have broadly thought to be the most sensible approach. But it is probably also true to say that there is an awareness that cutting across that is a group of people who might be said to have certain common characteristics across different types of housing. For example, retirees have certain characteristics that one might argue are common, to varying degrees by individual, but one is generally that their income has stopped and they are relying on investment income. Another is that they have got a growing vulnerability to health issues and so forth.

One could come up with a number of characteristics that one might argue are correlated with certain types of vulnerability across different types of housing, and in a sense we are seeing this reflected in some of the regulatory approaches by CAV around better disclosure and so forth, which is targeted to that demographic. Do you have any observations, I suppose, about regulatory approaches that you think make sense for that demographic that might cut across different types of housing? It might be that disclosure cuts across all of them, for example. That is sensible in relation to rooming houses and public social housing as well.

Ms YOUNG — I think there is certainly scope to improve the regulation around aged care, and that is something that we work closely with the commonwealth on. I would have to get back to you with further detail around what we think could be done to improve regulation for the cohort of people in aged care.

In terms of what the department does in terms of the Public Health and Wellbeing Act, that regulatory function is really focused on operators to achieve public health outcomes, so I do not see that there would be value necessarily in looking to do something for a particular age cohort in that case.

On supported residential, I would like to take that one on notice to find out and have a think about whether there is, and ask my colleagues about whether there would be, something that could be done differently for that particular cohort within the demographic that they service within their client group — about whether there is something in particular. Having said that, that particular client group does display vulnerabilities that are not necessarily like those issues that you mentioned. The low income and the vulnerabilities are actually characteristics of the client group as a whole and are not confined to the over-55 age group.

On residential tenancies, Simon Cohen before me, I assume, would have covered that act being under review. There may be scope to have a look at whether there is something that needs to be done differently for that particular cohort in the private rental market, but that is something that consumer affairs would be looking at. Certainly the department's interest in that particular review is, on the one hand, that we are a big landlord with public housing. The director of housing is a big landlord, but we are also concerned about the needs of disadvantaged and vulnerable tenants. Older people could form part of that cohort. Given that options are currently being developed and will be publicly consulted on, we do not have a firm position on that as yet.

Ms HARTLAND — Thanks very much for your presentation. It seems to me in listening to this that one of the problems we actually have is that there is a range of pieces of legislation that cover rooming houses and that cover caravan parks and it is not joined up. You may not be able to answer this question, but it is one that would be really good to get information from the department on. Has there been any consideration about a legislative review to have an act that is about retirement housing, whether it is caravan parks or rooming houses or whether

it is your more up-market villages — whatever — so that the basis in which that act covers them is if they are over 55? I am not sure whether you can answer that or whether you can — —

Ms YOUNG — To the best of my knowledge there has not been work done or consideration to date on a single act to cover retirement housing or to cover people over 55. However, I will formally take it on notice so I can confirm that, but to the best of my knowledge and in preparing for today, that has certainly not been something that had been considered, as far as I was able to glean.

Ms HARTLAND — Are you aware of what the waiting list is for people over 55 waiting for public housing?

Ms YOUNG — I would like to take that on notice.

Ms HARTLAND — Clearly one of the things that has been raised quite a bit just in probably the last two years is homelessness in the over-55s group, particularly people who have worked all their lives and could pay their rent but then lost their jobs, particularly women, with no superannuation and who did not ever own a property, and they become homeless. What is the state government's plan to deal with that particular group?

Ms YOUNG — I would like to take that question on notice.

The CHAIR — Ms Young, just to come back to the point you made about the changed priorities for potential tenants on the housing waiting list over the age of 55 — I think there is a difference to Mr Mulino's question — have you profiled the change that will have on the future age of the average housing tenant?

Ms YOUNG — I would like to take that on notice.

The CHAIR — Again, Ms Hartland asked how many over-55s there are currently. How many does the department project there will be once this change is implemented?

Ms YOUNG — I would like to take that on notice.

Ms HARTLAND — I have just one last question. Before I was an MP I worked in the older persons high-rise program in Williamstown. It is a fantastic program; it really helps older people stay in public housing, but there is clearly not enough public housing, so it is something that I really would like to hear back from the department about what their plans are for older people, because there is just this huge gap, especially for women.

Ms YOUNG — Thank you. I will take that on notice.

The CHAIR — I would like to thank Ms Young and Ms Grant for joining us today from the Department of Health and Human Services. I appreciate that you have taken virtually all questions on notice, and I look forward to your speedy response to those questions.

Ms YOUNG — Thank you.

Witnesses withdrew.