

Inquiry into Homelessness in Victoria

Mr Christopher Hampton

Organisation Name:

Your position or role:

SURVEY QUESTIONS

Drag the statements below to reorder them. In order of priority, please rank the themes you believe are most important for this inquiry into homelessness to consider::

Public housing,Mental health,Housing affordability,Services,Employment,Rough sleeping,Family violence,Indigenous people

What best describes your interest in our Inquiry? (select all that apply) :

A peak body

Are there any additional themes we should consider?

YOUR SUBMISSION

Submission:

Do you have any additional comments or suggestions?:

FILE ATTACHMENTS

File1: [5e7da15f97a7a-2020.03.16 Inquiry into Homelessness in Victoria Submission FINAL.pdf](#)

File2:

File3:

Signature:

Christopher Hampton



INQUIRY INTO HOMELESSNESS IN VICTORIA

Submission

27 March 2020



ABOUT ACSA

Aged & Community Services Australia (ACSA) is the leading aged care peak body supporting over 700 church, charitable and community-based, not-for-profit organisations. Not-for-profit organisations provide care and accommodation services to about one million older Australians.¹

ACSA represents, leads and supports its members to achieve excellence in providing quality affordable housing and community and residential care services for older Australians.

Aged care providers make a significant \$17.6 billion contribution to the economy by producing outputs, employing labour, paying wages and through buying goods and services.² This is akin to the contribution made by the residential housing, beef and dairy industries. In many regional and rural areas aged care is the largest employer, which is where the majority, if not all, providers are not-for-profit.

ACSA members are important to the community and the people they serve and are passionate about the quality and value of the services they provide, irrespective of their size, service mix or location.

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¹ Australian Government, Department of Health, Report on the Operation of the *Aged Care Act 1997*, November 2017.

² Deloitte Access Economics, *Australia's aged care sector: economic contribution and future directions*, Aged Care Guild, June 2016, page 24.

INTRODUCTION

ACSA is pleased to have the opportunity to contribute to the Parliament of Victoria Legislative Council’s Legal and Social Issues Committee’s *Inquiry into Homelessness in Victoria*. This Inquiry commenced during Homelessness Week 4th -10th August 2019 and has called for contributions by 16 March 2020.

On 7 June 2019, the Legislative Council agreed to the following motion:

“That this House requires the Legal and Social Issues Committee to inquire into, consider and report, within 12 months, on the state of homelessness in Victoria and in particular, the Committee should -

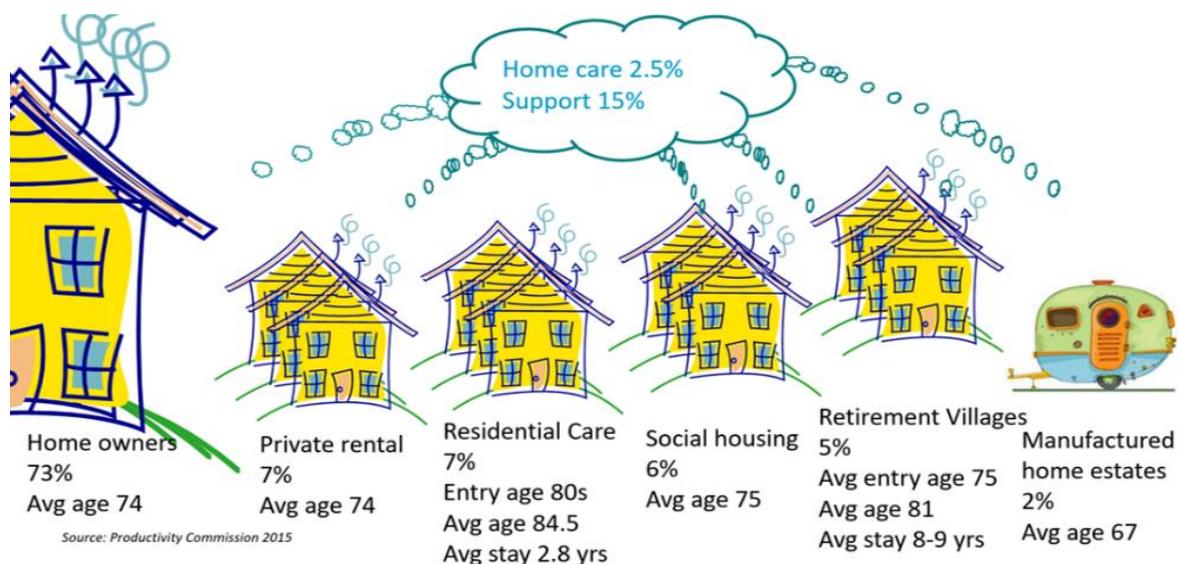
1. provide an independent analysis of the changing scale and nature of homelessness across Victoria;
2. investigate the many social, economic and policy factors that impact on homelessness; and
3. identify policies and practices from all levels of government that have a bearing on delivering services to the homeless.”

In this submission, ACSA will address these terms of reference particularly as they relate to older people who are homeless or at risk of becoming homeless in Victoria.

ACSA supports the principle that housing is a human right as set out in Article 25.1 of the Universal Declaration of Human Rights¹ and sees the elimination of homelessness as the only acceptable imperative.

ANALYSIS OF SCALE AND NATURE OF HOMELESSNESS

Where do people aged 65+ live in Australia?



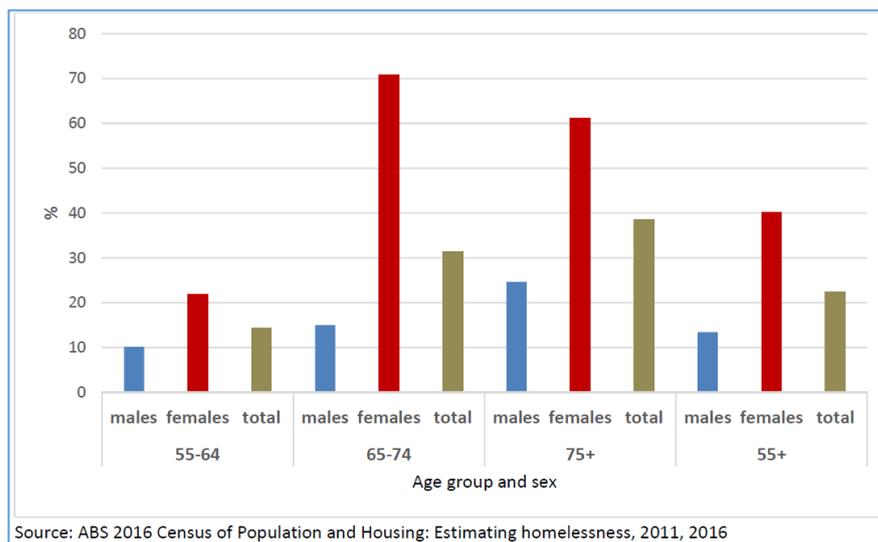
¹ United Nations, *The Universal Declaration of Human Rights*, 1948

Who is at risk?

- Older people who are experiencing homelessness are not represented in the previous graphic. While the ABS 2016 census shows that the percentage of older people who are homeless was 0.3%, the numbers of people affected is unacceptably high and growing, especially among older women. At the same time, the supply of secure and affordable housing is diminishing.
- The group in the graphic most likely to be at risk of becoming homeless is older people living in private rental.
- The elderly homeless are particularly at risk as this cohort has a high incidence of premature ageing and a complexity of care needs across physical, psychological and social dimensions.
- Traditionally, our retirement income systems and housing security has been predicated on home ownership as the asset base. Continually rising costs and mortgage debts over recent decades have been eroding this base which puts at risk those who are assumed to have financial and housing security.

How many people are experiencing homelessness?

- All ages: 116,427 people were homeless in Australia; 24,817 or 21% are in Victoria²
- Aged 55+: 18,625 or almost 1 in every 6 of all homeless in Australia; 3,311 or 18% are in Victoria³
- Aged 55+: 58% increase in Victoria since 2006; 23% since 2011⁴
- Older women are the fastest growing cohort of people experiencing homelessness in Victoria:



Graphic by Housing for the Aged Action Group, Victoria Inquiry submission 2020

- Aged 55+: 11,963 people were assisted by Specialist Homelessness Services in Victoria in 2017-18. This is 50% of the total number of older people assisted across Australia.⁵

² ABS, 2049.0 - Census of Population and Housing: Estimating homelessness, 2016

³ ibid

⁴ ibid

⁵ Australian Institute of Health and Welfare, *Older clients of Specialist Homelessness Services*, Supplementary Tables, 2019

How many people are at risk of homelessness?

- ✦ 336,174 aged 55+ in private rental in Australia in 2011 (43% increase over five years)⁶
- ✦ 43% of renters aged 65 and over are in poverty in Australia⁷
- ✦ 3.2% of listed properties in Australia were affordable for couples on the aged pension (2.0% in Victoria) and 0.8% for singles on the aged pension (0.2% in Victoria)^{8,9}
- ✦ 47% of homeowners aged 55 to 64 years owed money on a mortgage in Australia in 2015. This rate has more than tripled over 14% in 1990.¹⁰

What are the options for those at risk?

- ✦ Private rental and live in poverty paying more than 30% of their income on housing

- ✦ Retirement villages: rental
 - While this is an affordable and appropriate model for older people, supply is short as it is very difficult for providers to make it work financially.
 - Retirement villages deliver many benefits for residents and the broader community:¹¹
 - Delay moves to residential aged care by 5 years
 - Reduce the number of hospital admissions
 - Reduce hospital stays by an estimated 2 days
 - Reduce GP visits where a village has on-site medical services
 - Improve mental health by reducing social isolation
 - Make a significant contribution to GDP.

- ✦ Independent Living Units (ILUs)
 - The Commonwealth Government, through the Aged Persons Homes Act (APHA) in force between 1954 and 1986 subsidised the development of 34,700 ILUs across Australia.
 - ILUs are self-contained dwellings providing rental housing for older persons with low incomes and low value assets, and who do not own their own home. Prospective residents pay either a low in-going contribution or an ongoing rental amount.
 - They were predominately built, owned and managed by the church and charitable sectors.
 - They operate under state or territory residential tenancy or retirement village legislation.
 - Much of the original ILU housing stock is now between 30 and almost 70 years old and in urgent need of upgrading, reconfiguration and in some cases, replacement. Most of the units are small, one bedroom and now below community standards.
 - Funding for the ILU program was transferred from the Commonwealth to the States in 1986, placing them in competition for funding with state housing authorities and community housing organisations. The result is that ILUs have been largely ignored by funding bodies ever since.
 - Despite the fact that ILUs in 2004 provided 27% of all social housing for older Australians¹², there is no systematic approach to funding the capital work now required.

⁶ Institute for Social Science Research (ISSR), *Older Women's Pathways out of Homelessness in Australia*, 2014, p6

⁷ ACOSS, *Poverty in Australia*, 2020

⁸ Anglicare Australia, *Rental Affordability Snapshot*, April 2019

⁹ Anglicare Victoria, *Rental Affordability 2019 Victoria Snapshot*

¹⁰ <https://theconversation.com/older-and-poorer-retirement-income-review-cant-ignore-the-changing-role-of-home-131151> viewed 27/02/2020

¹¹ Grant Thornton, *National Overview of RV Sector*, 2014

¹² McNelis, S. (2004) *Independent living units: the forgotten social housing sector*. Australian Housing and Urban Research Institute and Swinburne-Monash Research Centre, AHURI Final Report No. 53.

- ♦ Land lease communities / Manufactured home parks
 - While this can be an affordable option, communities tend to be built on the urban outskirts away from essential services and community opportunities.

- ♦ Social housing
 - Public housing stock in Victoria declined by 581 dwellings between 2006 and 2016 and supply has not grown to meet demand¹³
 - Community housing has increased by 9,593 dwellings or 81% 2006 to 2016 but has not kept up with household growth¹⁴

- ♦ Residential aged care
 - There a few facilities in Australia that operate aged care at 100% concessional rate offering housing and support services for eligible homeless people. Wintringham, pioneer of this model, has been operating in Victoria since 1989.

- ♦ Homelessness which includes the various marginal housing options.

FACTORS THAT IMPACT ON HOMELESSNESS

The Australian Bureau of Statistics succinctly describes in the introduction to its key findings on homelessness the factors that impact on homelessness:

“Homelessness is not just the result of too few houses. Its causes are many and varied. Domestic violence, a shortage of affordable housing, unemployment, mental illness, family breakdown and drug and alcohol abuse all contribute to the level of homelessness in Australia (FaHCSIA, 2008).

Homelessness is not a choice. Homelessness is one of the most potent examples of disadvantage in the community, and one of the most important markers of social exclusion (Department of Human Services, 2002).”¹⁵

A related but important observation is that the lack of affordable housing has been found be a contributor to elder abuse. The Royal Commission stated that “meeting the accommodation needs of older women (and some older men) with limited financial resources may be the only effective way of protecting them from violence. For those who choose to leave their homes, an increase in appropriate and affordable housing is needed.”

¹³ Housing for the Aged Action Group, *Victoria Inquiry submission 2020* p5

¹⁴ *ibid*

¹⁵ ABS, 2049.0 - *Census of Population and Housing: Estimating homelessness, 2016*

GOVERNMENT ACTIONS THAT CAN BEAR ON SERVICES

The approach by Governments to planning and providing for the growing need for affordable housing has historically been piecemeal and fragmented.

All three levels of government have provided housing assistance programs and instruments but with little coordination. Government has tended to approach housing policy separately as either a social or an economic asset. An AHURI report comments on the ability of government to respond: “there is almost no coordination between different housing policy instruments nor a conceptual framework through which the role and purpose of these instruments is identified”¹⁶. Response to the need for housing has largely been left to the market.

In response, ACSA would like to see Government:

1. Develop a national older person’s coordinated housing strategy developed through COAG to apply to all levels of governments

There is a need for government to take on a coordinating role to explore the issues, to develop an integrated plan and provide the necessary incentives and regulatory framework to deliver on this need both now and into the future. This would entail the development of critical reporting on housing supply, demand, levels of ownership and affordability, similar to the National Housing Supply Council which the Federal Government disbanded in 2014.

2. Work across a variety of initiatives

Government could investigate and facilitate a number of initiatives as part of a multipronged approach, for example:

- Increase social housing built on the principle of Housing First.
The guiding principle of Housing First is to prioritise housing for people experiencing homelessness. The principle is that safe and secure housing is quickly provided prior to, and not conditional upon, addressing other health and well-being issues. For older people, housing providers also need to be partnered with home care providers for the delivery of services. Housing supply needs to grow to meet the demands long term. This model which began in the United States in the early 1990s has since been taken up by several European countries, Canada, New Zealand and a pilot program by Mission Australian from 2010-2013. This MISHA project found that after two years, 97% of clients were still living in secure housing and the cost savings to government equated to \$8,002 per person per year.¹⁷

Housing needs to be supplemented by case management. Research shows that it costs government more to keep a person chronically homeless than it costs to provide permanent supportive housing to end homelessness.¹⁸ Tenancy management needs to be supportive and

¹⁶ Dodson, J., de Silva, A., Dalton, T. and Sinclair, S. (2017) Housing, multi-level governance and economic productivity, AHURI Final Report 284, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/284>, doi:10.18408/ahuri-5307501 page 28

¹⁷ <https://www.ahuri.edu.au/policy/ahuri-briefs/what-is-the-housing-first-model> viewed 17/02/2020

¹⁸ <https://academic.oup.com/bjsw/article-abstract/47/5/1534/2622376> viewed 26/03/2020

focused on maintaining tenancies for particularly the chronically homeless older person.

- ♦ Pop-up housing for the homeless in vacant buildings

In 2016 a property developer in Melbourne proposed housing the homeless in vacant office buildings as short term crisis accommodation.¹⁹ This would apply typically for office buildings lying idle for 18 months while waiting for planning processes and redevelopment. The proposal was to temporarily partition existing toilet and shower facilities and create separate lockable rooms within an open-plan office. This concept has also been tried in other States. For example, Uniting in NSW repurposed one of its old aged care homes set for demolition into a temporary home for women aged 45 and over²⁰

- ♦ Convert old pubs to provide for the homeless

Anglicare Sydney in 2013 commenced an initiative to convert old pubs into bed-sitter style rooms with private bathrooms and kitchenettes, residences for older people at risk of homelessness. Projects are intended to provide high-quality, affordable housing along with support services to rental tenants that foster independence and connection to the local community.

- ♦ Increase supply of “last resort housing” for the homeless

In a recent report and using a cost-benefit analysis, the University of Melbourne found that it is cheaper to provide last resort housing to homeless people than to leave them sleeping rough.²¹ Last resort housing refers to legal rooming and boarding houses and emergency accommodation.

3. Facilitate investment in the ‘Build to Rent’ model for the development of affordable housing for seniors

Government could facilitate and encourage the development of this ‘Build to Rent’ affordable rental model giving priority access to socially disadvantaged older Australians

This model is popular in central Europe where large insurance companies, banks and pension funds (e.g. Allianz, UBS, Credit Suisse, Swiss Re) own and manage whole buildings and provide affordable, long-term rental housing at scale.

Typically, in Australia, large super funds contribute to property investments through direct ownership but mainly through investments in Real Estate Investment Trusts (REITs). Significant work is being done by First State Super and Hesta in delivering affordable housing for key workers.

In Australia, these are mainly in the commercial, office and industrial property but generally not in the residential sector.

With the very large Australian super funds looking for long term steady returns, especially in the current low interest environment, investing in large build -to-rent residential developments could

¹⁹ <https://www.abc.net.au/news/2016-07-12/idea-to-house-homeless-in-vacant-office-buildings/7623066> viewed 23/03/2020

²⁰ <https://www.abc.net.au/news/2018-07-02/pop-up-shelter-for-homeless-women-makes-use-building-sydney/9918850>

²¹ Witte, E. 2017 *The case for investing in last resort housing*, MSSI Issues Paper No. 10, Melbourne Sustainable Society Institute, The University of Melbourne

be an attractive investment with the right mix of both yield and capital growth, as well as strong social benefits. The buildings are managed on a longer-term corporate model rather than the current strata owner model with 'mum and dad' owner. The model could provide solid financial returns for super fund members and stable well-maintained homes for low-income residents.

4. Establish specific grants pool to rehabilitate affordable housing for older people

Government could consider a refurbishment program for all Independent Living Units (ILUs) stock if this significant housing stock is to be retained.

ILUs are self-contained dwellings managed by not for profit and local government organisations who provide rental housing for older persons with low incomes and low value assets, and who do not own their own home.

Over 34,700 ILUs were developed nationally under the Aged Persons Homes Act (APHA) between 1954 and 1986 with Commonwealth Government assistance.

They operate under state or territory residential tenancy or retirement village legislation. Prospective residents can pay either a low ingoing contribution or an ongoing rental amount.