



April 14, 2021

To whom It May Concern

### **Ten-Year Social and Affordable Housing Strategy for Victoria**

The Old Colonists' Association of Victoria is pleased to submit to the Ten-Year Social and Affordable Housing Strategy for Victoria.

The Old Colonists' Association of Victoria (OCAV) is a leading not-for-profit retirement village provider offering a continuum of care from independent living, assisted living and aged care in Victoria. Our four retirement villages in Berwick, Euroa, North Fitzroy and St Helena are home to 500 older Victorians in need. The OCAV was established in 1869 by Victorian founding fathers including George Selth Coppin, a Member of Parliament and philanthropist.

### **Our interest in this strategy**

We have a keen interest in assisting with the shaping of this strategy because of our unique resident profile and our demonstrated ability to provide affordable housing to older people in need. While 73 per cent of all older Australians own their home (Productivity Commission 2015, p9), only 47 per cent of OCAV residents owned their home before moving into an OCAV village. The remaining 53 per cent of OCAV residents were either homeless or vulnerably housed while living with family or friends, in private rentals, public housing or in temporary accommodation. We have a wait list of over 1,000 older Victorians in need of housing.

We have spare land on which we wish to build together with a concept plan that will accommodate 70+ residents. It is almost shovel-ready but we are unable to gain government funding as we are not a registered housing provider. This is despite having a 150-year track record of providing housing to older Victorians in need. All developments to date, including two recent multi-million developments in St Helena and Fitzroy North have been funded through OCAV's finances without government funding. We seek up to \$20million from government to see this latest development come to fruition.

### **Involve us**

We would support any opportunity to engage with the Victorian Government for this project and others to build affordable housing for older Victorians which is both age and dementia friendly. We already know how to deliver, as can be seen through our award-winning developments.

With kind regards

Phillip Wohlers  
CEO

### **How can Victoria achieve its social and affordable housing vision?**

*“Inclusion is the key for me, and it begins with seeing value in everyone. ‘Who’ is every Victorian. We need to talk about change in the way we see people. It can’t just be a business transaction, if it has people value, it will be successful, just as it has with OCAV. Sadly, we are still shaking off the stigma of ‘affordable housing communities’. We need to find the champions of those communities and speak loud and proud of the positive difference it has brought to their own lives, and the lives of others. Life should not stop when you find a place in an affordable housing community, it should begin and continue to be meaningful.”*

- Sophie, aged 69, prospective OCAV resident

### **Executive summary**

We support the vision: for all Victorians to have access to a safe, affordable and appropriate home.

The pandemic has exposed the cracks in the housing system and highlighted the critical link between safe, secure and affordable housing and good health and wellbeing, particularly in older age. This reality highlights why we believe that older people should be the ‘people at the centre’ of the 10-Year Strategy for Social and Affordable Housing.

In our view, the Government must produce more housing that is suitable for and available to older people at risk of homelessness, and especially older women. This is important to note given that the housing needs of older people are barely acknowledged in the consultation paper. This is despite the consultation paper listing the elderly as one of four areas under ‘changing profile of need’.

This means reinvestment in the Independent Living Unit (ILU) retirement village sector, such as Old Colonists’ Association of Victoria, changes to social housing eligibility for Victorians, changes to policy to make it easier for NFPs with housing provision track records to participate in social housing funding initiatives, further increases in housing stock, targeted shared equity initiatives and/or support to scale pilot projects.

OCAV also notes that however well-intentioned the Victorian Government is in its ten-year strategy, little will be advanced unless the Federal Government involves itself in tackling this problem. The sector is held back by a tax system that incentivises multiple home ownership as a financial asset and drives up its price. Critical to any strategic direction is the need to treat affordable housing as essential infrastructure.

The assumption built into the Australian retirement housing system is that on retirement, people own their own home. OCAV attests that this is not necessarily the case and for women it is even less likely. There is a significant gap in wealth and asset accumulation between men and women. Pension payments do not cover basic living expenses particularly for those in the private rental market.

## Recommendations specific to the strategic direction

### Legislation changes are crucial

1. Australian governments should legislate for affordable housing. The International Covenant on Economic, Social and Cultural Rights, to which Australia is a signatory, recognises the right to adequate housing in article 11. However, at a domestic level, Australia does not legally recognise housing as a human right. Both France and Scotland have codified the right to adequate housing, while UK legislation places a responsibility on local government to provide housing for those in need.

### People at the centre

2. Recognise older people's right to housing and their unique housing needs. Older people and women in particular are the fastest growing cohort of homeless people and urgently require targeted responses across the spectrum of housing policy, services and investment.

### Pathways

3. There should be a No Wrong Door approach to providing affordable housing. This can be achieved by funding a central information hub to collate and distribute information about ILU vacancies and eligibility criteria and provide navigation support.
4. Support referral pathways between aged care, housing and homeless and health care sectors to develop early identification and service integration for older people at risk of homelessness.

### Communities

5. Increase social and affordable housing options for older people particularly in areas that allow maintenance of social and cultural networks, access to transport, health and other services, and green space.

### Growth

6. Fund Old Colonists' Association of Victoria to build tailored affordable housing for older Victorians in need. We have a 152 -year track record of successful provision.
7. Invest in in general in ILU housing - with small rental homes and communal space, such as the award-winning villages run by the Old Colonists' Association of Victoria.
8. Implement mandatory Inclusionary Zoning across Victoria.
9. Ensure all new and existing public, social and affordable housing complies with universal design principles, ensuring access for older people and in recognition that they are also likely to live with a disability. Housing should also meet climate change 7-star rating environmental standards.
10. Include in the scope, the Royal Commission into Family Violence Recommendation 20 the need for the Victorian Government to report yearly on the extent of unmet housing demand among people affected by elder abuse, and proposed actions for meeting the continuing housing demand from older people affected by elder abuse.

11. Rural and regional allocations of Big Housing Build investment and any future investment in housing should prioritise housing in areas of the greatest need, and among people with the greatest need.

#### Partnerships

12. Ensure specialised ILUs (who are not registered housing providers) are given opportunities to build new social and affordable housing via the Big Housing Build and do not miss out to the larger providers.

## **Observations specific to older people's needs**

Older people are often overlooked. We note that older people are not specifically addressed in the TOR for this submission. This, in our view, is a major oversight.

Meeting the housing and care needs of Australia's increasingly ageing population is a significant challenge, compounded by several other trends: fewer older people will own their homes in retirement and have the security and independence afforded by home ownership in retirement (Productivity Commission 2015, p2).

In future, more older people will rent and therefore be more vulnerable and economically disadvantaged and because of that, increasing their risk of homelessness (Productivity Commission 2015, p2) and Australia will also have increasing numbers of older people who are unlikely to have sufficient retirement savings to be able to meet their living costs (Bridge et al. 2011).

People who retire without owning their own home and with a small amount of assets are ineligible for social housing yet cannot afford other housing options. This is a growing trend.

## **Older women – a particularly at-risk group**

Older women are a particularly at-risk group, as evidenced by our own research and others, due to gender disparities in wages, workforce participation and superannuation. A report prepared by Monash University identified that over half a million older women are living in long term income poverty and increasingly at risk of homelessness.

Policy reforms should encompass an increase in appropriate and affordable housing supply, investment in services to support this group before they reach a crisis point and gender analysis in policy making to identify and mitigate gender inequalities.

## **Consider the potential of NFP retirement villages as partners**

In its new 10-year strategy, the Victorian Government should seriously consider the role that ILU providers, such as Old Colonists' Association of Victoria, can play in the roll out of appropriate affordable housing which enables older people to age in place.

This would require invigorated investment in the ILU sector to support at scale pilot projects, such as those offered by Old Colonists' Association of Victoria. Changes to affordable housing eligibility and Registered Housing Provider requirements will be needed to enable ILUs which are bound by the Retirement Villages Act to play a more active role in supplying new housing and take part in targeted shared equity initiatives.

**Case study: Sophie is a 65-year-old woman who is on the OCAV wait list. We asked her for her answers to the main questions raised in the discussion paper:**

**What services or housing supports do you think people seeking and living in affordable housing need to help find and then keep a home, and specifically older people?**

*Clear pathways in finding safe, affordable housing, regardless of your current location, income and age. A single application with a standard list of questions and criteria for eligibility. A support worker who can help you fill the application and a guaranteed interview process to discuss your application.*

**What do you think are the most important features of affordable housing?**

*Price, security of tenure as well as secure location, access to transport as well as safe parking where possible, reasonable distance to daily amenities, support services.*

**What do you think could help strengthen connections between local communities and affordable housing communities?**

*Community education, promotion of inclusion, investment by local communities into affordable housing communities e.g., gardens, small retail within housing communities, medical services etc*

**What does Victoria need to do to make sure affordable housing better meet the health and wellbeing needs of residents?**

*Accept the reality of this need, and include in its town planning, funding and vision the necessity and benefits of a more diverse, inclusive society.*

**What does Victoria need to do to ensure affordable housing meets the needs of people with specific support and housing needs?**

*Consider the rent/buy options for lower income people, or long-term rental with reduced or no increase in rent as incentives for the tenant. Stop the 'investing' model and look at increasing the 'housing for all' possibility.*

## **GROWTH IS NEEDED**

- What do you think are the best ways to stimulate growth in social and affordable housing?
- What do we need to do to ensure social housing meets the needs of people with specific support and housing needs?
- What do we need to do to support a well-functioning affordable housing system that provides rental and home ownership opportunities for those that need them?

## **Recommendations**

Fund Old Colonists' Association of Victoria to build tailored affordable housing for older Victorians in need. We have a 152 -year track record of successful provision.

Invest in in general in ILU housing - with small rental homes and communal space, such as the award-winning villages run by the Old Colonists' Association of Victoria.

Rationale: ILUs are, essentially, not-for-profit retirement villages such as those provided by Old Colonists' Association of Victoria. They offer a high level of security of tenure, affordable rent, and require either low, means- tested, or no ingoing contributions. They are the only option that meets the long-term needs of many older people who do not own their own home but have savings or assets above the social housing asset limit of \$34,656. They are not wealthy enough to buy their own home or fund a place in a retirement village but are also not impoverished enough for social housing. This leaves them with radically fewer options and most housing and homelessness services simply will not assist them.

The ILU sector sits outside the Victorian Housing Register, with vast differences in the eligibility, vacancies and access between ILU providers who are independent of each other and of the housing sector more broadly.

## **Recommendation**

Implement mandatory Inclusionary Zoning across Victoria.

Rationale: **Inclusionary zoning** is a simple and cost-effective mechanism to ensure an increase in affordable and social housing, without the need for cash handouts to private developers. With this in mind, we encourage strong and transparent governance around investment to ensure value-for-money outcomes and streamlined delivery of projects.

## **Recommendation**

Ensure all new and existing public, social and affordable housing complies with universal design principles, ensuring access for older people and in recognition that they are also likely to live with a disability. Housing should also meet climate change 7-star rating environmental standards.

Rationale: Lack of accessibility in housing is forcing older people into homelessness. Where someone has to leave their housing due to lack of accessibility, there are few accessible alternatives and older people will sometimes find themselves with no alternative than to prematurely enter residential aged care.

At a minimum, all new housing should have:

- An accessible path of travel from the street or parking area to the entry level of a dwelling

- Doors, corridors and living spaces that allow ease of access for most people on the entry level
- A bathroom, shower and toilet that can be used by most people with reinforced wall areas for grab-rails at a later date. In addition, we recommend:
- Education and training for the housing industry on minimum access features
- Retrospectively modify existing public and social housing stock to meet universal design standards.

Older people are particularly vulnerable to the effects of climate change, with heat waves a significant risk for people aged over 75. This is compounded by poverty, which is a barrier to accessing the very few measures available to people in extremely hot conditions – visiting a cinema, local pool or shopping centre is impossible for older people who lack mobility or cannot afford transport. This means that having well-insulated homes with adequate cooling is a life-saving measure for older people in a heat wave.

### **Recommendation**

Include in the scope of the Royal Commission into Family Violence Recommendation 20 the need for the Victorian Government to report yearly on the extent of unmet housing demand among people affected by elder abuse, and proposed actions for meeting the continuing housing demand from older people affected by elder abuse.

### **Recommendation**

Rural and regional allocations of Big Housing Build investment and any future investment in housing should prioritise housing in areas of the greatest need, and among people with the greatest need.

Rationale: There is a perception that housing is cheaper in rural areas, however, many older people who move to regional areas find themselves socially isolated, in housing stress, reliant on maintaining a vehicle, and with fewer available health and other services. Many areas of high need due to rising house costs post COVID, natural disasters and rural decline have missed out on minimum investment guarantees.

**In addition, we believe that:**

### **Legislation and policy need to change**

Negative gearing, capital gains tax discounts, and other tax concessions cost the federal Budget more than double what federal and state governments spend on housing and homelessness services each year. These need to end. This leaves us with a home ownership market that is skewed towards investors, making it easier for someone to buy their fifth or sixth property than for someone to buy their first. The snowball effect is that a larger proportion of the population are being forced into the rental market, resulting in rents going up and increasing the number of families facing significant rental stress.

### **Housing is essential infrastructure**

We need to view affordable housing as essential infrastructure for the community.

We need all levels of government to support the delivery of new affordable housing by raising and investing more money in this essential infrastructure.

However, in Victoria, the absence of policies and levers to require private sector contributions has reduced the overall availability of affordable housing to those who need it.

A coordinated response is required across governments, the private sector, community housing sector, industry groups and the community.

### **Over reliance on the private market to supply affordable housing.**

Supply of housing in the private market is important, but on its own it is not enough to increase the supply of affordable housing. Demand for housing in Australia is not only motivated by the need for shelter. A lot of new housing is absorbed by investors, rather than owner occupiers. In Australia, home ownership is one of the primary ways to build wealth.

### **Sustainability is important**

Sustainability is vital in regard to ensuring public, social and affordable housing complies with universal design principles, ensuring access for older people and in recognition that they are also more likely to live with a disability. It is also essential that housing is adapted for climate change and meets 7-star rating standards. Older people, especially those aged over 75 years, living alone or in poverty, are identified as a vulnerable group in heatwaves.

### **Fast Tracking and faster support**

In Victoria, the Minister of Planning has made available the Victorian Planning Authority and Development Victoria agencies responsible to fast-track rezoning and approvals for the development of strategic sites, where the provision of affordable housing is a key attribute of the project. This has resulted in a series of projects being rapidly delivered, including the 16.4Ha Alphington Mills where a 5% commitment of the inclusion of affordable housing was achieved. More similar partnerships and projects are urgently required.

### **New Markets and Models**

Numerous opportunities are emerging for innovative ways to deliver both development opportunity and community benefit. Institutional investment in the sector is evident for example Australian Super in the Assemble BTR model, the mixed tenure Nightingale Village, and the emergence of Ethical Investment Classes, such as Conscious Investment Management. Based on the overseas precedents, these early entrants are likely to secure significant early scaling opportunities from governments and investors seeking solutions to pressing needs.

Local Government is similarly developing strategies including the Cities of Hobsons Bay, Glen Eira, Darebin and Moreland are amongst those with Affordable Housing strategies that develop expectations for developers and leverage their own land holdings.

**People at the centre:**

- What do you think we need to do to make sure we seek, hear and respond to people who need or use social and affordable housing?

**Recommendation:** Recognise older people's right to housing and their unique housing needs. Older people and women in particular are the fastest growing cohort of homeless people and urgently require targeted responses across the spectrum of housing policy, services and investment.

Rationale: Residents should be included in every step of the redevelopment of their home and neighbourhood. Just because they live in social and affordable housing does not mean they are not entitled to full consultation or a viewpoint. Inclusion does not just mean conducting surveys: it needs to involve community meetings (as is currently happening in Hawthorn with an affordable housing building). As a matter of course plans for each site should be developed with input from current tenants, the local community and other stakeholders.

**Communities:**

- What do you think could help strengthen connections between local communities and social and affordable housing communities?
- What do we need to do to make sure social and affordable housing better meet the health and wellbeing needs of residents?

**Recommendation**

Increase social and affordable housing options for older people particularly in areas that allow maintenance of social and cultural networks, access to transport, health and other services, and green space.

Rationale: People who retire without owning their own home and with a small amount of assets are ineligible for social housing yet cannot afford other housing options. Women are disproportionately represented in this area due to gender disparities in wages, workforce participation and superannuation.

Affordable Housing does not mean poor quality or bad neighbours. Helping the community at large to understand this is best addressed through community education, along with regular meetings with prospective and existing community residents before, during and at the end of the build.

By prioritising local people with strong local connections, strong relationships are likely to be formed between new residents and neighbours thereby strengthening communities.

Holding a gender and age lens to all new developments will also better meet the health and wellbeing needs of residents. Typically, this would include siting of lighting, designing hazard-free pavements, wide pathways, signage that is easy to follow, landscape and roadscape design which is dementia friendly, and with young families and older people with poor mobility in mind.

## Pathways

- What services or housing supports do you think people seeking and living in social and affordable housing need to help find and then keep a home?

### Recommendation:

There should be a No Wrong Door approach to providing affordable housing. This can be achieved by funding a central information hub to collate and distribute information about vacancies and eligibility criteria and provide navigation support.

Support collaboration and referral pathways between the aged care, housing and homeless, and health care sectors to develop early identification and service integration for older people at risk of homelessness.

**Rationale:** Older people are not at a stage of life where they can easily move between different housing options or along the housing continuum. Moving is costly and physically and emotionally demanding. Older people require a permanent home. They are looking for a range of “affordable” housing options, security of tenure and the potential to “age-in-place”, in locations that allow for maintenance of social networks, access to transport, health and other services, employment for those who have not yet retired, and green space.

The housing and homelessness system and the aged care system are complicated and difficult to navigate. Homelessness services are oriented towards a crisis response, providing emergency relief and very short-term accommodation; they often do not have the time to help someone with a housing application. Likewise, the aged care system is also stretched. The focus is on things like assessing fall risks, home care and residential care, and they often do not think about housing.

The issue for many is trying to get accurate and timely information. At the moment there is no one place to collect the information. ‘No Wrong Door’ approach means that any client can seek housing advice and assistance through any ‘service delivery’ door of social housing providers and be linked in with other service providers.

Older women who experience domestic violence are often faced with no financial security and no safety nets, and so enter into the homelessness sector for the first time.

Research on housing futures, age and gender tell us that women who are older and living alone will be poorer than men their age, less able to maintain homeownership and less able to compete in the private rental market for affordable accommodation.

## **Partnerships**

### **Recommendation**

Ensure specialised ILU providers (who are not registered housing providers) are given opportunities to build new social and affordable housing via the Big Housing Build and do not miss out to the larger providers.

### **Rationale**

OCAV strongly supports strengthening partnerships to achieve positive housing outcomes for older people experiencing or at risk of homelessness.

Government, philanthropic, corporate and community organisations need to partner to create and increase the supply of social and affordable housing options whilst funding housing support services across the country.

We are concerned that small providers, such as OCAV, miss out in a competitive tendering process that favours several larger community housing providers who have the resources to commit to the application, including the capacity to hire expensive architects and lawyers. For housing to be co-designed, flexible and provide choice there needs to be a range of housing providers both large and small who are able to develop appropriate housing options.

## **Facts and Figures**

### ***Ageing in Victoria***

- Currently more than 15% of Victoria's population are older people.
- The number of Victorians aged 65 and above is set to triple by 2058.
- By 2057, people aged 65+ are expected to make up 22% of Australia's population.
- The population is living much longer, with people aged 85+ increasing 153% compared with 32% overall population growth.

### ***Increasing older homelessness***

- There has been a steep increase in the numbers of older people who are both homeless and at risk of homelessness in Victoria between 2011 and 2016.
- Australia-wide, there were a total of 116,427 people over 55 who were homeless on Census night 2016.
- Older people in the 55-74 age bracket are the fastest growing cohort within the overall homeless population. (Australian Homelessness Monitor Overview, 2018). There were close to 3,311 people in Victoria who were over 55 and homeless on census night in 2016. This has risen from 2100 in 2011 and was an increase of 57.6%.
- In Victoria, in the five years between 2011 and 2016, there was a 70.8 % increase in the number of women between 65-74 who reported being homeless, and a 61% increase in women aged 75 years and over.
- 120,000 women aged 45 and over are estimated to be at risk of homelessness in Victoria.

### ***Older people and ageing in place***

- Older people need stable housing in order to "age in place". This cannot occur in private rental where the medium turnover is currently 1.4 years in metro Melbourne.
- There is a long-term trend of reducing numbers of older people who own their homes. In 1995, 85.1 % of people aged between 55-64 years owned their own home, and 85.2% of those aged over 65. By 2014 these figures had dropped to 80.4% and 84.5% respectively.
- The number of older private renters is set to more than double over the next 15 years.
- Australia-wide, the number of private renters aged 65 and over will increase from 246,439 in 2011 to 581,134 in 2031 – a jump of 131%. This represents the greatest tenant population increase of any age group during this period.

### ***Affordable housing in decline***

- In Victoria, social housing currently provides accommodation to just 3.5% of the population.
- Public housing supply has not grown to meet demand, instead public housing stock declined by 581 dwellings between 2006 and 2016, due to the disposal of 6466 dwellings, mostly through demolition and sales.
- Community housing stock has increased by 9593 dwellings, it has not kept up with household growth.
- Between 2011–12 and 2015–16, the Australian Government's real expenditure on Commonwealth Rent Assistance (CRA) increased by around 23%, from \$3.6 billion to \$4.4 billion. In 2017, 42% of CRA recipients were still in rental stress.

- Without adequate public housing, older people renting on low incomes will largely be at risk of homelessness.
- Across Australia, 45% of older women who rent spend more than 30% of their income on rent.