



COTA Victoria & Seniors Rights Victoria

*Submission response to the Inquiry into the worsening
rental crisis in Australia*

To:

Senate Standing Committees on Community Affairs
Parliament House
Canberra ACT 2600

Via email to: community.affairs.sen@aph.gov.au

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About Us

Council on the Ageing (COTA) Victoria is the leading not-for-profit organisation representing the interests and rights of people aged over 50 in Victoria. For over 70 years, we have led government, corporate and community thinking about the positive aspects of ageing in the state.

Today, our focus is on promoting opportunities for and protecting the legal rights of people 50+. We value ageing and embrace its opportunities for personal growth, contribution, and self-expression. This belief drives benefits to the nation and its states alongside communities, families, and individuals.

Seniors Rights Victoria (SRV) is the key state-wide service dedicated to advancing the rights of older people and the early intervention into, or prevention of, elder abuse in our community.

SRV has a team of experienced advocates, lawyers, and social workers who provide free information, advice, referral, legal advice, legal casework, and support to older people who are either at risk of or are experiencing elder abuse. SRV supports and empowers older people through the provision of legal advice directly to the older person.

Executive Summary

COTA Victoria and SRV welcome the opportunity to contribute to the Community Affairs References Committee's inquiry into the worsening rental crisis in Australia. This submission has been adapted from [COTA Victoria and Seniors Rights Victoria's submission](#) to the Legislative Council Legal and Social Issues Committee's inquiry into the rental and housing affordability crisis in Victoria.

We are concerned about the current housing challenges that older people are facing with inflating rental prices and low available rental housing stock. We have found it increasingly difficult for older Victorians to progressively maintain the affordability of their current rental property amidst the current environment, especially with the increased cost of living exacerbating the financial pressures experienced by seniors. This submission highlights the impact that older Victorians are facing with the ongoing rental crisis, which is also widely impacting older people across Australia.

The worsening rental affordability crisis is having a range of negative impacts on older people. Vulnerable cohorts, such as older women and older people with a disability, are likely to be hit hardest, with financial pressures contributing to increased reports of elder abuse.

It is vital that there is significant investment and support to ensure that older people have access to secure rentals if we want to support positive ageing. Greater protections are needed to ensure that older people do not pay the costs for a lack of action on this issue.

Submission

The rental affordability crisis is increasingly impacting older Victorians

Older people are a key demographic impacted by the worsening rental crisis in Australia, demonstrated by the increased demand for support and increasing fears around property sustainability.

The COTA Victoria's information line has received, on average, 14 calls per month over the last 3 months with concerns about the ongoing housing and rental crisis.¹ This represents a significant increase in our usual call volume related to housing, which had previously constituted approximately 2-5 calls per month. The two most prominent issues are:

- Renters at risk of losing their tenancy or issues receiving tenancy, and
- Older Victorians experiencing long wait times or limited responses in accessing residential aged care services.

The growing number of calls about renting align with a broader, increasing societal trend of older Victorians renting – which has a direct effect on their housing security. According to the 2022 State of the Older Nation (SOTON) survey, approximately 1 in 5 (22%) of older Australians are renting.² Yet, of the 5% of older Australians identified as being significantly concerned about their risk of homelessness in the upcoming year as part of the same survey, 67% of them were renting.³

This means the lack of rental stock and increasing rental costs are impacting more older people. There has been a 44% drop in the number of affordable properties across Melbourne, while the national rental vacancy rate has dropped to its lowest rate in over 20 years.⁴

Case Studies – Examples of issues we are hearing from older Victorians

- *An older couple were being forced to move out of their private rental in a 6-week time frame due to ongoing conflicting issues regarding their lease, despite renting the home for 12 years.*
- *One older person had faced issues around ageism in attempting to move, while the complexity of online applications forms was impeding her ability to find appropriate accommodation.*
- *The caller had been moved into the home of a family member to ostensibly receive "respite care". They were now concerned that they were not being allowed to leave and return home.*

¹ Based on information collected on private calls to the COTA Information Line from older Victorians in 2023.

² COTA Australia. 2023. State of the Older Nation Report. COTA Australia. Retrieved from: <https://www.cota.org.au/wp-content/uploads/2023/05/SOTON-2023-Full-Report.pdf> (16 June 2023)

³ Ibid.

⁴ Australian Housing and Urban Research Institute. 2022. Why does Australia have a rental crisis, and what can be done about it? AHURI. Retrieved from: <https://www.ahuri.edu.au/research/brief/why-does-australia-have-rental-crisis-and-what-can-be-done-about-it> (26 June 2023)

Older Australians are increasingly impacted by rising rental costs because they are becoming an ever-increasing cohort. In Victoria, the older population is growing; the 2021 Census found that there were almost 1.5 million Victorians aged 60 years or older, approximately 22% of the total population of the state.

This cohort is growing rapidly. The number of Victorians aged 60+ is expected to grow by roughly 60% by 2046, equating to more than 2.3 million people or approximately 25% of the anticipated population.⁵ With an increasing demographic with an ongoing shortage of available rentals, it is likely that supply and demand will greatly disadvantage older Australians.

The rental affordability crisis greatly impacts vulnerable older Australians

Recent data highlights that worsening rental costs are particularly impacting more vulnerable demographics amongst the older population. The 2022 SOTON survey demonstrated that the growth in the number of older people renting is affecting more vulnerable groups.⁶ The demographic groups with the highest levels of renters includes those who identify as Aboriginal or Torres Strait Islander (55%); those who are not in paid employment (47%); people with a disability (38%); people who identify as LGBTQ+ (38%); single people (37%); and those whose primary source of income is a government pension (34%).

It was also found that those who worry they are at risk of homelessness are more likely to be struggling in nearly every aspect of their lives. Those surveyed rated their quality of life as poor, reflecting their financial situation, physical health and mental health.⁷ SOTON 2022 also highlighted that people who have experienced hardship in the previous 12 months were most likely to worry about their risk of homelessness, especially people who have experienced domestic violence (21%) or have had a partner or spouse pass away (21%).⁸

There is also a gender component to how older people are being affected by this crisis. Women over the age of 55 are the fastest growing cohort of Australians at risk of homelessness.⁹ Women who have a small amount of savings often are ineligible for community and public housing, yet they do not have enough to purchase a home or afford adequate rental properties.¹⁰ Women are more likely to feel at risk of homelessness (6%) in contrast to men (4%). Previous research has identified a number of reasons why older women are increasingly at risk of homelessness; concerningly these mirror indicators of an increased risk of elder abuse.¹¹ This highlights how the rental crisis is targeting more marginal members of society.

⁵ Department of Families, Fairness and Housing. 2022. Ageing Well in Victoria. Victoria State Government. Retrieved from: <https://content.vic.gov.au/sites/default/files/2022-06/Ageing%20well%20in%20Victoria.pdf> (3 July 2023)

⁶ COTA Australia. 2023. State of the Older Nation Report. COTA Australia. Retrieved from: <https://www.cota.org.au/wp-content/uploads/2023/05/SOTON-2023-Full-Report.pdf> (16 June 2023)

⁷ Ibid.

⁸ Ibid.

⁹ City of Melbourne. 2023. Alternative Housing Pathways for Women. City of Melbourne. Retrieved from: <https://www.melbourne.vic.gov.au/community/health-support-services/for-older-people/Pages/housing-older-women.aspx> (30 June 2023)

¹⁰ Housing For the Aged Cation Group. 2022. Victorian Election 2022. HAAG. Retrieved from: https://www.olderrenters.org.au/sites/default/files/haag_vic_election_2022_platform.pdf (29 June 2023)

¹¹ Seniors Rights Victoria. 2020. Victorian Government Inquiry into Homelessness. SRV. Retrieved from: <https://seniorsrights.org.au/wp-content/uploads/2021/03/2020January22PolicyHomelessnessInquiryVicGov.pdf> (29 June 2023)

Older Australians with a disability are also often finding that they may have limited options of accessible and adequate rental properties suited to their needs. Those who are unable to access a rental home suited to their disability needs will often require home modifications and alterations for in-home support.

Some older people with a disability in rental properties have faced issues around landlord approval to put this support in place.¹² The recent 2022 SOTON data found that 15% of surveyed participants rated their ability to adapt their rental property to make it more accessible as poor.¹³ COTA Victoria's Information Line has received calls from older Victorians having to temporarily move in with younger family members until ramps or handrails are installed into their property so that they can feel safe.¹⁴

Key rental and housing issues impacting older Australians

While the rental affordability crisis is affecting all ages, some of the issues, and knock-on effects, are more distinct amongst older demographics.

Older Australians are being affected by the worsening rental crisis as their income is not matching the increase in costs. Older Australians, particularly those above retirement age, are reliant on their pensions and superannuation. Nearly two-thirds of older Australians receive the Age Pension after the age of 65; this provides their only income or supplements their savings, superannuation, or investments.¹⁵ But Australian's fixed pensions are failing to match the increase in rental costs and maintain the affordability of renting for older people.¹⁶

For instance, Victorians have been experiencing a median rent rise of up to \$122 per week (+10.8%) amongst Melbourne suburbs with the Metropolitan Rent index (MRI) increasing by 5.2% in the 2023 March quarter.¹⁷ According to Anglicare Victoria's 2023 Rental Affordability Snapshot (RAS), only 100 properties on the market in Victoria were considered affordable for older people reliant on the aged pension and additional income supports.¹⁸ Yet, the national age care pension threshold has only been raised by \$24, at maximum, per fortnight for couples. Despite the assistance from ongoing rental assistance payments, greater supports are essential for older Australians to continue ageing well in their homes with reduced financial pressures. Access to appropriately affordable properties is essential to support positive wellbeing for all renting older

¹² Department of Health and Aged Care. 2022. Assistive Technologies and Home Modifications Scheme for in-home aged care. Australian Government. Retrieved from: <https://www.health.gov.au/sites/default/files/2022-12/assistive-technologies-and-home-modifications-scheme-for-in-home-aged-care.pdf> (3 July 2023).

¹³ COTA Australia. 2023. State of the Older Nation Report. COTA Australia. Retrieved from: <https://www.cota.org.au/wp-content/uploads/2023/05/SOTON-2023-Full-Report.pdf> (16 June 2023)

¹⁴ Based on information collected on private calls to the COTA Information Line from older Victorians in 2023.

¹⁵ Australian Institute of Health and Welfare. 2019. 'Income support payments for older people' in Australia's Welfare. Australian Government. Accessed at <https://www.aihw.gov.au/reports/australias-welfare/income-support-payments-for-older-people> (4 July 2023)

¹⁶ Anglicare Victoria. 2023. Rental Affordability 2023 Snapshot. Anglicare. Retrieved from: <https://www.anglicarevic.org.au/wp-content/uploads/2023/04/Victorian-Rental-Affordability-Snapshot-2023.pdf> (29 June 2023).

¹⁷ Department of Families, Fairness and Housing. 2023. Rental Report. Victorian State Government. Retrieved from: <https://www.dffh.vic.gov.au/publications/rental-report> (7 July 2023)

¹⁸ Anglicare Victoria. 2023. Rental Affordability 2023 Snapshot. Anglicare. Retrieved from: <https://www.anglicarevic.org.au/wp-content/uploads/2023/04/Victorian-Rental-Affordability-Snapshot-2023.pdf> (29 June 2023).

Australians.¹⁹

Socio-economic circumstances are a key issue impacting how older people are experiencing the ongoing rental crisis. Older people with less money are more likely to be affected by high rental interest rates. The largest cohort of people receiving Australia's national JobSeeker payment are those aged over 55 years old.²⁰ This means many older renters who are relying on income support payments, especially those over 55 years on JobSeeker, are at a higher risk of homelessness due to the growing rental crisis.

The concern is that more older people are feeling financially insecure; the 2022 SOTON survey found that nearly a fifth (19%) of older Victorians feel very or somewhat insecure about meeting their financial needs for the rest of their lives.²¹ This issue is exacerbated by ageing as many people in later life have less potential to earn additional income, as well as a higher likelihood of additional age-related challenges.²²

The concern around the growing number of older people renting, and the impact that this will have on them positively ageing, further emphasises the need for additional supports to allow people to stay healthy and independent. The Australian Government encourages positive ageing by planning early for one's health, whilst remaining healthy and independent for as long as possible until additional supports are required.²³ This is about ensuring that people can age in their communities, with appropriate supports, so they do not need to enter residential aged care until it is the right time. This is incredibly important as Australian facilities do not have enough aged care beds to service its older growing population at present.

Older people need stable and affordable rental properties that they can live in for a long period to be ageing positively in their communities. Yet, in Victoria's private rental sector, the median length of tenancies is currently 17 months in metropolitan Melbourne. This is not conducive to supporting older Victorians to age in place.

The 2022 SOTON report also highlighted how renters are less likely to feel positive about their living situation. With increasing competition for rental properties — particularly with the return of international visitors leading to increased demand for rental properties in major metropolitan cities across Australia — it is harder for older Australians to first access and then maintain tenancy for long periods of time to enable them to age positively.²⁴

The risk is that a lack of suitable rental options could force older people into residential aged

¹⁹ Reserve Bank of Australia. 2023. New Insights into the Rental Market. Retrieved from: <https://www.rba.gov.au/publications/bulletin/2023/jun/new-insights-into-the-rental-market.html> (17 July 2023)

²⁰ Housing for the Aged Action Group. 2023. Older People and the Housing Crisis. HAAG. Retrieved from: <https://www.oldertenants.org.au/news/older-people-and-the-housing-crisis> (3 July 2023)

²¹ COTA Australia. 2023. State of the Older Nation Report. COTA Australia. Retrieved from: <https://www.cota.org.au/wp-content/uploads/2023/05/SOTON-2023-Full-Report.pdf> (16 June 2023)

²² Seniors Rights Victoria. 2020. Victorian Government Inquiry into Homelessness. SRV. Retrieved from: <https://seniorsrights.org.au/wp-content/uploads/2021/03/2020January22PolicyHomelessnessInquiryVicGov.pdf> (29 June 2023)

²³ Department of Health and Aged Care. 2023. Positive Ageing. Australian Government. Retrieved from: <https://www.health.gov.au/topics/positive-ageing?language=en> (July 21 2023)

²⁴ Reserve Bank of Australia. 2023. New Insights into the Rental Market. Retrieved from: <https://www.rba.gov.au/publications/bulletin/2023/jun/new-insights-into-the-rental-market.html> (17 July 2023)

care earlier or require the use of more intensive, and expensive community supports. This would necessitate a greater reliance on the health system, which could have implications on Australian's positive ageing. For instance, many older Australian renters cannot afford to enter alternative accommodation, such as retirement villages, because they do not have the capital from owning their own home. These older Australians are unable to save after they expend their aged pension on renting. This may mean residential aged care is their only option if they cannot find suitable rental options.²⁵

With the emphasis on ageing well and ageing in place in Victoria, as well as positive ageing nationally, this is a concern. Residential aged care is a vital service for some older people, especially for those whose health is declining or requires higher levels of care. An increased demand for residential aged care facilities for people who don't need these supports yet will likely put greater strain on these services.

This is reflected in the increased number of calls to COTA Victoria that deal with problems accessing residential aged care services in Victoria. With the recent Commonwealth budget signaling how older people increasingly want to be cared for in the community, and an expected drop in funded residential aged care spaces, it is vital that we make sure there are appropriate rental properties for older people to positively age in the community.²⁶

This is just one aspect of broader financial pressures affecting the health and wellbeing of older people

Rising rental prices are not occurring in isolation; inflation and increased energy costs mean that Australians are facing greater cost-of-living pressures, which can have indirect implications for some older people. It is important to look at these issues holistically, as they contribute to broader issues.

For instance, there are concerns over increasing energy prices and how this will impact older Australians, particularly Victorians. Energy prices are spiking, with the Victorian Default Offer increasing by 25%, while gas costs have also increased in 2023.^{27 28} The increase in electricity costs is being experienced across the country.²⁹ Older Victorians are struggling to pay these increased costs. The 2022 SOTON survey found that 18% of older Victorians had overdue bills, with the single largest cause being energy payments. This can have an impact on older people's health and wellbeing. Research from the Australian Energy Regulator has found that people are taking increasingly more steps to limit their energy usage, with those in financial stress taking more extreme steps such as not

²⁵ Anglicare Australia. 2022. Ageing in Place: Home and Housing for Australia's Older Renters. Australia Fair Series. Retrieved from: <https://www.anglicare.asn.au/wp-content/uploads/2022/09/Australia-Fair-Ageing-in-Place.pdf> (21 July 2023)

²⁶ Herman, N. 2023. Federal budget projects a shift in aged care, which promises to save Australia billions. ABC News. 11 May 2023. Retrieved from: <https://www.abc.net.au/news/2023-05-11/budget-aged-care-measures-and-home-care/102328544> (24 July 2023)

²⁷ Essential Services Commission. 2023. Victorian Default Offer 2023-24: Final Decision. ESC. Retrieved from: <https://www.esc.vic.gov.au/media-centre/victorian-default-offer-2023-24-final-decision> (3 July 2023)

²⁸ Convery, S. 2023. Renters and families to be hit hardest by new gas price rises, advocates warn. The Guardian. 2 February 2023. Retrieved from: <https://www.theguardian.com/australia-news/2023/feb/02/renters-and-families-to-be-hit-hardest-by-new-gas-price-rises-advocates-warn> (3 July 2023)

²⁹ Australian Competition and Consumer Commission (ACCC). 2023. Households face higher electricity bills as wholesale price spikes flow through. ACCC. Retrieved from: <https://www.accc.gov.au/media-release/households-face-higher-electricity-bills-as-wholesale-price-spikes-flow-through> (17 July 2023)

using their heating.³⁰ This is concerning because energy, health, and wellbeing are inexorably linked for older people.³¹

Evidence indicates that older people taking greater steps to reduce their energy consumption will result in negative physical and mental health implications,³² while research shows that concerns over wasting energy, rising fuel costs, and fuel poverty can cause older people to put their health at risk.³³ With rental costs also increasing, and with a largely static income as described earlier, it may mean that all older Australians will be forced to make difficult choices that may significantly impact their health.

These increasing financial pressures can also lead towards elder abuse. SRV has found that housing concerns are contributing factors for elder abuse; older people are deprived of their assets when family members look to exploit the increased value of property by selling, or taking on living in a property.³⁴ More recently, SRV has seen an approximate 40% increase in phone calls to its elder abuse helpline since the start of the year, which has been connected to current cost of living pressures.³⁵ This is concerning, as elder abuse also makes a person more vulnerable to homelessness,³⁶ yet some frontline elder abuse services are experiencing a cut in funding.³⁷

³⁰ Australian Energy Regulatory Consumer Reference Group. 2022. CRG Consumer Survey 3: Update on insights into energy consumers' price - service priorities and price impacts. Energy Consumers Australia. <https://energyconsumersaustralia.com.au/wp-content/uploads/CRG-Consumer-Survey-3-Report.pdf> (3 July 2023)

³¹ Gordon, R., Harada, T., Schuster, L., McGregor, A., Waitt, G., Cooper, P. 2019. Final Report Prepared for Energy Consumers Australia: Exploring the nexus of energy use, ageing, and health and wellbeing among older Australians. Sydney: Macquarie University

³² Chard, R., & Walker, G. 2016. Living with fuel poverty in older age: Coping strategies and their problematic implications. *Energy Research & Social Science*, 18(1),62-70. <https://doi.org/10.1016/j.erss.2016.03.004>

³³ Ibid.

³⁴ Seniors Rights Victoria. Victorian Government Inquiry into Homelessness. SRV. Retrieved from: <https://seniorsrights.org.au/wp-content/uploads/2021/03/2020January22PolicyHomelessnessInquiryVicGov.pdf>. (29 June 2023)

³⁵ Miles, D. 2023. Calls to Elder Abuse helpline increase by 40 per cent amid cost-of-living crisis. ABC News. 18 June 2023. Retrieved from: <https://www.abc.net.au/news/2023-06-18/elder-abuse-seniors-rights-victoria-helpline-calls-increase/102478102> (3 July 2023)

³⁶ Seniors Rights Victoria. Victorian Government Inquiry into Homelessness. SRV. Retrieved from: <https://seniorsrights.org.au/wp-content/uploads/2021/03/2020January22PolicyHomelessnessInquiryVicGov.pdf>. (29 June 2023)

³⁷ COTA Victoria and Seniors Rights Victoria. 2023. Victorian Government cuts funding to Seniors Rights Victoria. COTA Victoria and SRV. 29 June 2023. Retrieved from: <https://www.cotavic.org.au/wp-content/uploads/2023/06/06-29-2023-Victorian-Government-cuts-funding-to-Seniors-Rights-Victoria.pdf> (7 July 2023)

Recommendations

It is vital that there are two components to any attempt to address the rental affordability crisis and how it is affecting older Australians: immediate support to mitigate its impact, and long-term solutions to ensure there is secure housing to enable people to age well in their communities.

Regarding immediate support, we recommend that the Commonwealth Government:

- Encourage the states and territories to increase their financial supports for older people, particularly those from more marginal cohorts.
- Ensure that the aged care pension and JobSeeker payments reflect increasing cost of living pressures, including the rising cost to rent.
- Increase the Commonwealth Rent Assistance to reflect the rising cost of living, as well as investing to increase awareness and uptake of this support.

For a longer-term solution, the focus must be on securing greater availability of affordable rental housing for older people. At the [2022 Victorian State Election](#), COTA Victoria and SRV called for improved access to age-friendly housing by:

- Building at least 60,000 new public and community homes by 2032 and maintaining the prioritisation of people over 55 on the Public Housing Register.
- Ensuring public and community housing is built in areas that support people to maintain social and cultural networks, feel safe, and retain access to transport, health, and other services.

We continue to believe that these are necessary steps to deliver a vital supply of age-appropriate housing options to address Victoria's worsening rental and housing crisis. We recommend that the Commonwealth Government help to address the issues driving the national rental crisis by supporting and funding the building of public and community housing at the state and territory level. We also support the development of a rolling ten-year National Housing Strategy in cooperation with all states and territories to increase the availability of secure, affordable, appropriate housing.³⁸

With Australians ageing, and the implications and increasing pressures that this will have on public services, it is vital that we take the necessary steps to ensure the rental market is ready to support people to be positively ageing in their communities.

Conclusion

COTA Victoria and SRV support this inquiry and are keen to see it highlight the issues affecting older Australians, particularly Victorians, during this ongoing rental crisis. We are also eager to see the inquiry explore options for how to resolve or mitigate these trends and impacts.

Older Australians are a demographic significantly impacted by the worsening national rental affordability crisis. Many older Australians are unable to access or afford adequate living circumstances due to contributing barriers such as the increased cost of rental properties and

³⁸ COTA Australia. 2022. Policies for Older People at the 2022 Federal Election. COTA Australia. 2 May 2022. Retrieved from: <https://cota.org.au/news-items/policies-for-older-people-at-the-2022-federal-election/> (24 July 2023)

rising cost of living.

COTA Victoria and SRV advocate for additional services and support for older people during this difficult time to reduce financial strain, and the resulting impacts that will be felt by the Australian population. It is also important that there is increased investment in affordable housing for older people to reflect Australia's initiative to enable positive ageing in our communities.