



**Aged & Community  
Services • Australia**



## **THIS WAY HOME**

**Submission on the Green Paper**

**“Which Way Home?”**

**- A New Approach to Homelessness**

June 2008

## Introduction

Aged and Community Services Australia (ACSA) applauds the Rudd Government's recognition of the urgent need to address our homeless numbers and its commitment to developing a new approach to this complex problem.

ACSA is the leading national peak body for aged and community care providers and represents around 1,200 church, charitable and community-based organisations providing housing and supported accommodation, residential and community care services to over 700,000 older people, younger people with a disability and their carers.

ACSA members make up about two-thirds of Australia's rapidly growing \$7 billion aged and community care industry. They provide over 42,000 retirement village/independent living units across Australia, making ACSA the largest industry body representing the retirement village sector. We have members who specialise in service provision to the elderly homeless and we have mainstream services across the nation who attempt to cater for the needs of this complex group.

Older Australians who live under significant housing stress that may render them potentially homeless constitute a target population of 250,000 (AHURI August 2005: 1). Many are so marginally housed that they are counted amongst the 100,000 Australians who are recognised as homeless (Australian Government January 2008). This includes the 10,000 Australians aged 50 years or over who actually sought accommodation in SAAP services in 2005-6, constituting 9.7% of all SAAP clients (AIHW 2007: 25). This has increased from around 5000 in 2000 (Judd and others 2003: 6). A significant proportion of Australia's homeless are in rural Australia. Around one in ten is a war veteran.

The Green Paper highlights the complex causes and consequences of homelessness. Community and economic factors, such as unemployment, limited housing supply and income levels sit alongside individual triggers such as family breakdown, drug addiction, mental illness and domestic violence.

ACSA's response to the Green Paper focuses specifically on the elderly homeless – the size of the problem and the appropriate service responses within the housing and aged care service spheres. Others are better placed to make recommendations regarding the future of SAAP.

Our response is underpinned by a human rights approach. ACSA believes that every person has the right to a roof over their head and our community has a responsibility to eradicate homelessness and not just reduce it

## Affordable Housing & Demographics

Housing affordability is at an all time low in Australia with rental vacancy levels below 2%. For older people with a precarious attachment to housing the situation is getting worse.

The underlying causes of the housing affordability problems that are particular to older people are set to worsen over the next two decades. The key factors driving the affordability crisis for older people include:

- the dramatic increase in the number of older people in Australia;
- the generational shift in government public housing priorities to housing younger people and families;
- residential aged care being targeted to higher needs older people; and
- the increased occurrence of older people retiring without owning a home. (Naufal & Naughtin 2008)

The size of all the age group cohorts of older people is projected to increase dramatically over the next two decades. AHURI has projected that the number of people aged 65 and over in low income rental households is expected to increase 115% from 195,000 in 2001 to 419,000 in 2026. The number of people aged 85 and over in low income rental households is projected to grow from 17,300 to 51,000 over the same time period, approximately 2/3 of whom will be women living on their own.

Currently over 102,000 people or 29% of all residents in public housing in Australia are over 65 years of age, 48% of whom are over 75 years of age. Demand for public housing for older people is expected to increase 76% between 2001 and 2016 with the highest increase in demand from the 85 year old plus group (McNelis 2007).

## **Affordable Housing Supply**

ACSA welcomes the Government's initiatives in this area, such as the National Rental Affordability Scheme (NRAS) and the Housing Infrastructure Fund but these initiatives will have a limited impact on the options for the homeless older people.

While demand for public housing is growing, in the 10 years to 2006, public housing supply fell by about 100,000 dwellings relative to the total number of dwellings available in Australia (NAHS 2007). ABS figures show that in March 2008 public housing approvals hit their lowest level in 30 years (Khadem 2008).

Demand for public housing is increasing, supply is diminishing and priorities have changed. The shift in public housing priority target groups to single people with complex needs and younger families has created a generational shift in the makeup of new public housing residents (McNelis 2007).

Where public housing is not available to older people, and the cost of private rent is prohibitive, the options are boarding houses, rooming houses, relocatables and caravan parks. These accommodation sources have been decreasing over the last couple of decades due to gentrification of inner suburbs and the redevelopment of valuable land.

Another option within our industry is independent living units (ILUs). An AHURI survey in 2002 found that 34,200 ILUs were developed between 1954 and 1986 under a Commonwealth funding program and they provide about 27% of social housing for older people. However, since the Commonwealth funding ceased the number of units has declined to 32,000 with organisations having to source alternative funding, where possible, for upgradings. A number of organisations have found that they need to increase rents or introduce ingoing donations in order to cover capital costs so they are no longer affordable options. The housing stock is ageing and AHURI estimates that 34% needs upgrading if it is not to be lost to the community.

Commonwealth rent assistance (CRA) has been identified as a subsidy to be analysed in the context of the development of the National Affordable Housing Agreement. ACSA appreciates that there are some inequities with the CRA. However many of our providers have structured their fees around the CRA and this has contributed to the affordability for residents and organisational viability. The aged care industry needs to be consulted before any changes are made to the CRA that might inadvertently impact on the availability of affordable housing options.

**In the short term, ACSA has called on the Rudd Government to consider the needs of older people within its current strategies, including the NRAS and the negotiation of the National Affordable Housing Agreement. Consideration would need to be given to target numbers, priority, stock location and stock design.**

**In the longer term ACSA is calling for the development of a National Older Persons Housing Strategy that would focus on enabling older people to make housing adjustments and choices that enhance ageing in place, wellbeing and social inclusion. Such a strategy would have broad coverage but would also benefit the ageing homeless. Such a strategy would:**

- **Increase the supply of affordable rental housing;**
- **Promote the development of adaptable housing, including a change to building standards;**
- **Address the changing support needs of older public housing tenants;**
- **Expand home maintenance and modification programs;**
- **Focus on maintaining or creating supportive local communities that enhance older people's capacity for independence; and**
- **Include a plan for the redevelopment and support of the more than 32,000 independent living units that currently provide affordable rent for older people but with many in need of refurbishment.**

## **Assistance with Care and Housing for the Aged**

In 1993 the Commonwealth Government established a pilot program called *Assistance with Care and Housing for the Aged* (ACHA) to trial approaches to address the accommodation and social support needs of older people in insecure housing or who are homeless. The program began with 48 pilot services. Forty-two ACHA services now provide case managed support to around 6000 clients a year (Judd and others 2004: 8; Judd and others 2003: 2). The program was funded as a 'no growth' program throughout the Howard Government years despite growing unmet need and despite a series of reviews that identified it as a crucial program for the homeless.

The ACHA program aims to support aged people at risk of homelessness to maintain or establish housing security and to assist them to access community care services to enable them to live independently in the community. ACHA services support mainstream community and residential aged care programs with their most complex cases. A 1996 evaluation of the program recommended that funding be substantially increased, and that the program be rolled out nationally. The roll-out was not proceeded with and program funding remained essentially at pilot program level, despite the program being identified by the Commonwealth Advisory Committee on Homelessness as the key national approach in coordinating services to the aged homeless (National Homelessness Strategy 2001, 2003). While 48 agencies were established nationally at the outset of the program, budget constraints since 1996 have seen the merger of six small services into larger services and the reduction of staff in most agencies from one EFT to 0.8 or 0.6 workers, while case loads have continually risen. Most of the 42 services are now dependent on subsidisation from their auspice bodies.

An increased funding allocation announced in the 2007-8 budget has not restored ACHA to the level of service identified as necessary in the 1996 evaluation and in these subsequent reports, leaving the aged homeless still without adequate support.

ACHA has a unique facilitation and monitoring role for homeless and marginally housed older Australians (including many between 55-65 years whose life course has seen them prematurely aged) that goes beyond services provided through mainstream packaged care and housing services. As the program is currently positioned, age restrictions leave many ACHA clients unable to transition to packaged care support once their housing situation is stabilised, leaving them

vulnerable to resumed homelessness or to continued reliance on a service that is not funded to cater for their ongoing needs. The ongoing support of these clients needs to be taken up through packaged care, delivered in close consultation with ACHA. Successful outcomes for ACHA clients depend on strong linkage between ACHA, mainstream packaged care and state housing offices.

Despite severe funding constraint, the ACHA program has supported around 80% of its clients to continue living in, or to regain a foothold in, the community. ACHA clients speak eloquently of the value of the program, describing the ACHA support teams as 'lifesavers' whose interventions have been 'absolutely life changing'.

A significant research program conducted by the Australian Housing and Urban Research Institute (AHURI) between 2002-2005 found that ACHA services continue to play a major role in opening up secure housing options for older homeless Australians despite the very limited options available, and that 'even minimal outside intervention by service providers' makes 'an enormous difference' to the lives of vulnerable older people (Morris and others 2005:7). They suggest a range of options for expanding the program to better meeting the needs of homeless older Australians. The 2007 review of ACHA reporting guidelines and performance indicators is currently with the Department.

ACSA calls upon the Government to make the funding and expansion of ACHA an immediate priority. The ACHA program is a proven, cost effective means of improving the lives of older homeless people and people at risk of homelessness by supporting them to access services to which they are entitled. The benefits of a pro-active response to the needs of older Australians at risk of homelessness include slowing the onset on premature ageing, reduced chronic and acute mental and physical health care costs, and cost savings due to later entry into high cost residential care. ACHA cannot continue to operate without a substantial injection of funds.

ACSA launched a position paper on ACHA in May 2008 and the recommendations below are drawn from this industry report. A copy of the report is attached.

**We recommend that:**

- **the ACAR guidelines explicitly prioritise packages for homeless (and 'at risk') older Australians, including those under 65 years whose life course has seen them prematurely aged;**
- **there be a seamless transition pathway between ACHA and packaged care;**
- **ACHA program funding be increased by a further 10% and indexed, in addition to the \$5.7m already allocated for the period 2007-8 to 2010-11. This will take the program's global budget to \$4.6m *per annum*. This claim is based on the need to restore staffing levels to 1.0 EFT in every ACHA service, from the current estimated average of 0.7 EFT to which staffing has fallen due to the non-indexation of ACHA allocations since 1993. A 10% increase plus indexation on top of the current allocation will enable ACHA services to meet operational expenditure, including staff and overhead costs, and provide rudimentary funds for client expenses necessary for the establishment and stabilisation of a tenancy. ACHA should no longer be reliant on subsidisation by auspice bodies.**
- **a discrete funding component be provided within ACHA funding for workforce development to better equip workers for this specialist area of service provision;**
- **the ACHA program be extended to cover all Department of Health and Ageing planning regions, with professional staff ratios appropriate to the target population – this ratio to be set at one full time worker per 2,000 of the target group; and that**
- **service contracts for ACHA be 3-5 years to ensure appropriate service development, continuity and quality of care for clients.**

## Aged & Community Care Service Provision

The core services within the aged care industry are:

- residential care, both low and high care;
- packaged care, including low, high and dementia specific packages, where supports are provided to assist the client to live independently in the community; and
- a range of community services such as HACC, respite and day therapy centres.

These core services may be mainstream or operated by specialist providers. For example, there are multicultural and ethno specific services, a range of indigenous flexible services and some services specifically targeting the homeless. ACSA supports this mixed and responsive mainstream service supplemented by specialist providers but it has implications for providers and the elderly homeless.

The *capital* to upgrade low care residential facilities is based on a user pay system where residents with means are required to pay a refundable deposit called an accommodation bond. This is substantially repayable when they leave. The Commonwealth protects the interests of those who do not have assets with which to pay a bond by paying a concessional resident supplement to compensate the provider for the lack of bond income. Facilities are encouraged to take a set percentage of concessional residents through an incentive payment system however the subsidy, even at its highest level is worth significantly less than the interest and draw down of average bonds..

It is rare to have a homeless resident with assets and if a service houses a large percentage of concessional residents then they have difficulty generating the capital funds required. For mainstream providers this may mean limiting the number of concessional residents taken and for specialist homeless providers it means having to source capital funds via other means which is extremely difficult.

**ACSA believes that the current capital raising system for low and high care requires Government attention and that any system implemented must:**

- **remove any disincentive for mainstream providers to house concessional residents/homeless;**
- **link Government payments for concessional residents to the average bond rate. This measure is estimated to have a cost of \$280m to Government;**
- **make capital grants available for services that have a large percentage of concessional residents; and**
- **make zero interest loans available to services that primarily target the financially disadvantaged.**

The new residential care funding tool used by Government, the *Aged Care Funding Instrument (ACFI)*, has recently been implemented but it is not clear at this stage what impact this new tool will have on service's income for various clients. Some believe that it takes little account of the lifestyle and consequent behaviours of older homeless clients. Early indications suggest that funding for the lower categories of residential care may be reduced. For some of the elderly homeless, and particularly for the indigenous elderly in more remote locations, residential care is the only available accommodation. If the funding levels for these lower categories are reduced then this housing option may be lost to this marginalised group. The Government has put a Business Advisory Service in place to assist services to manage the transition from the old to the new instruments. They are also planning a review of the ACFI by Access Economics at 18 months post implementation.

**ACSA believes that the Department of Health and Ageing should, within its current plans, specifically monitor the impact of the introduction of the ACFI on funding for the organisations who cater for the elderly homeless and take remedial action if required to ensure that services for this group remain viable.**

The elderly homeless can present to services suffering from multiple cognitive problems (including psychiatric illness, intellectual disability, alcohol related brain injury and associated memory loss), poor health status, poor nutrition, behavioural problems, premature ageing and social isolation. Most mainstream residential services do not have the resources or the level of expertise to provide accommodation, care and support for this marginalised group.

**ACSA believes that:**

- **funding should be available for mainstream services to be supported by specialist organisations, via tertiary consultations, to ensure that elderly homeless gain access to services and receive appropriate care; and**
- **all aged care assessment services should receive adequate training and support on the needs of the older homeless.**

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