



The National Housing Report

11 November, 2008 – Issue 1
Aged & Community Services Australia



Welcome to the first edition of the scion of ACSA's regular National Report – *The National Housing Report*. We will produce this email update every 2 months to keep our members who are interested in housing abreast of developments, particularly as they relate to older people. The Rudd Government has made housing a priority so there is considerable activity that we cannot cover adequately in the fortnightly National Report

The National Housing Report will be brief, cover newsworthy items plus developments in seniors housing at home and abroad. We would like to hear from you about your plans, projects and ideas. We think this report may only have a limited lifespan of 12 months or so while housing is such a national priority. Please let us know if you find this regular update useful.

The Housing Crisis Facing Older People in Australia

The scarcity of affordable housing is becoming a serious contributor to poverty and disadvantage among older Australians. Prime Minister Rudd acknowledged the housing affordability problems among older people when he quoted the NATSEM estimate that in March 2008 112,000 households headed by a person aged over 70 were in housing stress, compared with 56,000 in 2004, that's a staggering 100% increase in four years! AHURI has projected that the number of people aged 65 and over in low income rental households will increase by 115% from 195,000 in 2001 to 419,000 in 2026. The situation is only set to get worse with the increasing numbers of older people and AFCI's decreased support for housing older people in low care.

Older Persons Affordable Housing Alliance

Concerned with the growing scale and scope of the housing problems confronting older people, Aged and Community Services Australia (ACSA), the Brotherhood of St Laurence and the Council on the Ageing (COTA) have formed the *Older Persons Affordable Housing Alliance*. The Alliance is calling for a *National Older Persons Housing Strategy*. Its key elements include:

1. An increase in the supply of affordable and appropriate housing for older people with security of tenure
2. A coordinated plan for the redevelopment of the significant proportion of the 32,000 independent living units that are reaching the end of their lifespan
3. The adoption of universal design principles in built environments and infrastructure planning
4. Expansion of the home maintenance and modification programs

Alliance members will finalise the policy, lobbying and advocacy plans soon and a copy of the policy will be forwarded to you to assist you to promote the content when talking to decision makers.

National Affordable Housing Agreement (NAHA)

The NAHA is a once in a generation opportunity to improve the supply of low cost housing for lower income households. It is massive and will include public housing, NRAS, Commonwealth Rental Assistance, indigenous housing, homeless and other social housing programs.

This Agreement between the Commonwealth, State and Territory Governments is due to commence from 1 January 2009 but will probably be delayed as a result of the international economic crisis impacting on the COAG agenda. This change process is being driven by COAG with a high level of central agency involvement where housing is competing for scarce funds with other Government priorities such as health and education.

ACSA has been participating in the roundtables held by the National Affordable Housing Summit group to promote the needs of older Australians. The Summit group has been highly successful in influencing NAHA negotiations. It seems that the NAHA will differ from the old Commonwealth State Housing Agreement as it will:

- Focus on outcomes rather than inputs;
- Set targets and KPIs;
- Separate growth and operating funds for State Housing Authorities; and
- Hopefully include new money.

The NAHA offers aged care providers a numbers of opportunities to participate in housing related funding growth. ACSA will continue to advocate to ensure developments in the NAHA actively consider affordable housing for older people. Websites you should follow include www.housingsummit.org.au, www.coag.gov.au and your state housing authorities.

NRAS Update November 2008

In July the Federal Government announced the call for applications for its new National Rental Affordability Scheme (NRAS). The Rudd Government has allocated \$623 million over the next four years to NRAS with the states providing over \$200 million in cash or in kind



The government recognized that the aged care sector is an ideal area to attract NRAS participants and funded consultant Roland Naufal to work with ACSA Policy Officer, Lesley Dredge to undertake a sector facilitation role. The project was completed in late October after ACSA finalized its national series of NRAS workshops.

The aged care services industry is now beginning to engage with NRAS and the opportunities it presents. Many organizations are asking for NRAS financial modelling and ACSA is currently working with consultants Premier Partners to produce a number of scenario models that should prove helpful.

The Senate Community Affairs Committee is currently reviewing the NRAS legislation and ACSA appeared before the Committee and highlighted a number of concerns, including;

- There is currently confusion in the tax office about whether NRAS is considered as a legitimate “charitable” activity. We advised the committee that ACSA members will not participate in NRAS if there is any question of a threat to their PBI tax status and we have also written to the Treasurer requesting urgent action to resolve this matter.
- A major impediment to industry involvement in NRAS is the approach taken by a number of State Housing Authorities to strongly favour community housing providers for state based NRAS support. ACSA is advocating that the barriers to aged care industry involvement in NRAS that are being created

- in many states need to be urgently removed as there is room for both the community housing and aged care sectors. These barriers are also anti competitive.
- We stressed the need to continue to be flexible on project size as a small number of units is sometimes the best service response for an area.
- A key area for NRAS development is the need to support providers who are planning on closing their ILUs because of a lack of capital for upgrades. We believe that NRAS is an appropriate vehicle for ILUs to be rehabilitated and they should be afforded the same priority as new projects, regardless of the size of the development. It is counterproductive to develop new rental properties while watching old, often well located, units close.
- Further funding should be made available by the department to assist the industry to participate successfully in NRAS

STOP PRESS

Outcomes for NRAS Round One applications will now not be announced until the NRAS bills currently before Parliament have passed. The Round Two Call for NRAS Applications has been deferred and will now occur within two weeks of the NRAS legislation being passed. Please refer to the NRAS website www.fahcsia.gov.au under Housing for progress reports.

Housing Older People

Business Opportunity Meets Mission

The two key components of aged care, *built environments* and *services* do not have to be offered in a single package. Developing new models of housing for older people with separate support services is one of the fastest growing business opportunities in Australia and overseas. Aged care organisations bring many assets and capabilities to housing as a business including:

- Facility management expertise
- Property development experience
- Significant organisational infrastructures
- Land, access to funds and strong brands

A range of factors are fostering the momentum in the development of standalone housing services within aged care. The need to increase choice for the boomer generation is a key driver for change and demand for housing that supports their independence will grow strongly. The ACFI is creating viability issues for low care and many providers are concerned about the future of older ILU's and facilities that require upgrading. The lifespan of new buildings means service development decisions taken today will have ramifications for decades. New housing funding sources such as NRAS offer aged care providers the chance to grow and diversify their income base.

A number of entrepreneurial providers are currently registering as housing associations with their state housing authorities to help capture this opportunity. They recognise that housing older people is also a good fit with mission because:

- the scarcity of affordable housing is a serious contributor to poverty and disadvantage amongst older Australians
- accessible housing promotes independence and reduces older peoples' social isolation
- well located appropriate housing promotes healthy ageing and is the base for the provision of community care

There is now a strong compatibility between consumer, organisational and government goals in this area. All want to see outcomes which support older people to remain as independent as possible for as long as possible. Business models which deliver these outcomes will tap into strong consumer demand and receive significant levels of government funding and support.