



Brotherhood of St Laurence

Working for an Australia free of poverty

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Retirement Income Review
The Treasury of Australia
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Retirement income review

The Brotherhood of St Laurence works to prevent and address poverty and disadvantage

The Brotherhood of St Laurence is an independent non-government organisation with strong community links that has been working to reduce poverty in Australia since the 1930s. Based in Melbourne, but with a national profile, the Brotherhood continues to fight for an Australia free of poverty. We undertake research, service development and delivery, and advocacy with the objective of addressing unmet needs and translating the understandings gained into new policies, new programs and practices for implementation by government and others.

There are large numbers of Australians doing it tough in retirement

Australia's retirement income system works reasonably well in providing financial wellbeing and economic security for most people through their retirement. However, many older people—particularly those in private rental and women—are not faring well:

- There is significant poverty among older Australians: more than 11% of those aged 65+ years are living below the 50% median income poverty line¹.
- **There are high rates of rental stress and housing insecurity among older people** : More people are entering retirement without owning their home. Increasing numbers are carrying a mortgage into

¹ Davidson, P, Saunders, P, Bradbury, B & Wong, M 2018, *Poverty in Australia, 2018*, ACOSS & UNSW Poverty and Inequality Partnership Report No. 2, ACOSS, Sydney, p. 24.

retirement.² Over 60% of single women on the Age Pension do not own their own homes.³ Older renters are often facing high and untenable levels of rental stress and housing instability—which impacts participation in community life, health and access to aged care services. Over 43% of Australian renters over 65 years old are living below the 50% median income poverty line.⁴ Around 16% of people experiencing homelessness are over 55 years⁵, with older women the fastest-growing group.⁶

- Overall, women are worse off than men, 22% found to be in poverty seven or more years out of 10 in the period 2008–2017⁷.

People who experience disadvantage in their working years—including those reliant on government benefits for extended periods, those living in rental stress, working insecure jobs and anyone with a health condition that impacts on employment prospects—are at high risk of entering their retirement years in poverty.

The interests of those not faring well under the current system—Australia’s largely invisible and voiceless older people—must be front and centre of this Review. Our short submission brings into sharp focus structural challenges and the systemic reforms required across interlinked ‘infrastructures of inequality’ to tackle poverty and disadvantage in retirement. We include 13 recommendations for reform across four domains: adequate and decent social security; equitable and sustainable superannuation; mature-age employment opportunities; and affordable and secure housing.

Five years on Newstart. No help whatsoever from employment service provider...I'm 60. A school teacher. I had a run of illnesses. A marriage break-up. I have depression and anxiety. I live in rural Victoria ... I know what it is like to go hungry. That's something I never dreamed of.

‘Theresa’, correspondent to the BSL)

² Among home ‘owners’ aged 55 to 64 years, the proportion owing money on mortgages has tripled from 14% to 47%. <https://theconversation.com/more-people-are-retiring-with-high-mortgage-debts-the-implications-are-huge-115134>; <https://www.mercyfoundation.com.au/wp-content/uploads/2018/08/Retiring-into-Poverty-National-Plan-for-Change-Increasing-Housing-Security-for-Older-Women-23-August-2018.pdf>

³ Australian Human Rights Commission (AHRC) 2019, *Older women’s risk of homelessness: background paper – exploring a growing problem*, AHRC, Sydney.

⁴ Davidson et al. 2018 *Poverty in Australia*, p. 27.

⁵ Australian Institute of Health and Welfare (AIHW) 2018, *Older Australia at a glance*, cat. no. AGE 87, viewed 15 October 2019, <<https://www.aihw.gov.au/reports/older-people/older-australia-at-a-glance/contents/summary>>.

⁶ AHRC 2019 *Older Australia*; Australian Association of Gerontology (AAG) 2019, *Australian Association of Gerontology’s Aboriginal and Torres Strait Islander Ageing Advisory Group submission to the Royal Commission into Aged Care Quality and Safety*, viewed 4 December 2019, <<https://www.aag.asn.au/documents/item/2921>>.

⁷ Wilkins, R, Laß, I, Butterworth, P & Vera-Toscano, E 2019, *The Household, Income and Labour Dynamics in Australia survey: selected findings from waves 1 to 17*, Melbourne Institute: Applied Economic & Social Research, University of Melbourne, p. 46.

Adequate and decent social security prevents poverty in retirement

1. Increase the rate of Newstart to above the poverty line

The adequacy and decency of the pre-retirement social safety net is critical to post-retirement circumstances.

There is widespread acknowledgement of the economic, social and individual harms caused by the extremely low rate of Newstart Allowance.⁸ This sub-poverty level payment undermines people's ability to seek work (making it practically impossible to meet the costs of work search, such as transport and phone/data usage) and drives many into poverty⁹ and ill-health.¹⁰ What was designed as a short-term payment has increasingly become a long-term payment.¹¹ Australia has among the lowest unemployment payments in the OECD.¹²

I am 57 years old, and this is the first time in 40 years that I have ever been unemployed. I send out over 50 emails a month to try and get a job; out of those 50 emails I never get a reply, not one. My Newstart is \$262 per week, my rent is \$350 per week. How can I possibly pay for a motor vehicle or fuel to look for a job ... or even pay for a bus or train fare? ... I can see myself ending up homeless sooner or later because of lack of funds ... I think sometimes it would better to just die.
'Peter', correspondent to the BSL

Particularly relevant to this Review are:

- **The prevalence of mature age jobseekers on Newstart:** over half (51%) of people on Newstart are aged over 45, and a quarter are 55 years or over.¹³
- **Finding a job gets more difficult with age.** Long term unemployment among older jobseekers is prevalent. Among those unemployed for over a year, median duration of job search is 131 weeks for 45–54 year olds and 135 weeks for 55–64-year olds. Among those unemployed for over two years, the median job search duration is 160 weeks for 45–54-year olds, 218 weeks for 55–64 year olds and 235 weeks for those aged 65 plus.
- **Mature aged jobseekers spend longer on Newstart:** The following table (derived from Department of Social Security data)¹⁴ shows that the average time (in weeks) on Newstart increases with age.

⁸ See, for example, the [Reserve Bank of Australia](#), [Australian Medical Association](#), [Country Women's Association](#), [Business Council of Australia](#), and former [Prime Minister John Howard](#). Academic [research](#) also concludes that NSA is so low that it prevents people from seeking work.

⁹ Davidson et al. 2018, *Poverty in Australia*.

¹⁰ Collie, A, Sheehan, L & McAllister, A 2019, *The health of Disability Support Pension and Newstart Allowance Recipients: analysis of National Health Survey data*, Insurance Work and Health Group, School of Public Health and Preventive Medicine, Monash University.

¹¹ The proportion of recipients aged 18–64 on income support for 2 or more years increased over the 20 years to 2018, from 61% to 72%. Australian Institute of Health and Welfare 2019, *Australia's welfare 2019*, p. 71; DSS 2019, *DSS demographics March 2019*, https://data.gov.au/data/dataset/dss-payment-demographic-data/resource/50429fc7-69ee-4e78-a624-d0d40e3eb888?view_id=83168596-ae92-41eb-9a44-47e88ca5c848

¹² <https://www.theguardian.com/australia-news/2019/jul/23/one-of-the-worst-how-newstart-compares-to-unemployment-payments-in-rest-of-the-world>

¹³ DSS demographic data September 2019 <https://data.gov.au/data/dataset/dss-payment-demographic-data/resource/1fb71211-4e8a-4bf2-b659-148cd4d6972d>

¹⁴ Maiden, S 2019, 'The surprising age group that is most reliant on Newstart', *New Daily*, 17 July, <https://thenewdaily.com.au/news/2019/07/17/surprising-age-newstart/>

¹⁴ Henriques-Gomes, L 2010, 'One of the worst: how Newstart compares to unemployment payments in rest of the world', *The Guardian*, 23 July, <https://www.theguardian.com/australia-news/2019/jul/23/one-of-the-worst-how-newstart-compares-to-unemployment-payments-in-rest-of-the-world>

Newstart recipients by age and average weeks on payment

| Age Group | Female | Male | Total |
|-----------|--------|------|-------|
| Under 25 | 45 | 46 | 46 |
| 25-29 | 101 | 105 | 104 |
| 30-34 | 118 | 129 | 125 |
| 35-39 | 134 | 143 | 139 |
| 40-44 | 150 | 158 | 154 |
| 45-49 | 168 | 167 | 168 |
| 50-54 | 185 | 178 | 182 |
| 55-59 | 191 | 185 | 188 |
| 60-64 | 187 | 188 | 187 |
| 65+ | 188 | 190 | 189 |

2. Ease Disability Support Pension eligibility requirements for people facing ongoing health issues

Alongside increases to Newstart, more realistic eligibility requirements for the Disability Support Pension are needed to avoid impoverishment for people with long-term health conditions.

Tightened eligibility requirements for the Disability Support Pension, together with delayed eligibility for the Age Pension, mean that **many mature-aged people who are unwell or with disability are on Newstart**. Increasing numbers have no job search requirements or have been assessed as having only partial work capacity due to health/disability¹⁵, which points to their limited employment prospects. First Nations peoples are disproportionately affected by these changes, because of higher rates of long-term health conditions.¹⁶

The Brotherhood's significant research on mature age workers and jobseekers consistently highlights the importance of health on their ability to continue working in later life. Health plays a major role in selecting who stays or leaves work as they age and is the 'primary and crucial factor' underlying both voluntary and

¹⁵ At December 2014, 1 in 5 people receiving Newstart were assessed as having only a partial capacity to work (less than 30 hours per week). By December 2018, more than 1 in 4 or nearly 200,000 Newstart recipients were in this category. See <https://www.afdo.org.au/disability-support-pension/poverty-and-disability-fast-facts>; Hermant, N 2019, *Record number of people with a disability being forced onto Newstart*, ABC News, <<https://www.abc.net.au/news/2019-09-12/disability-support-pension-applicants-diverted-to-newstart/11486164>>.

¹⁶ Long-term health conditions affect almost 9 in 10 (88%) Aboriginal or Torres Strait Islander people over the age of 55. <https://www.aihw.gov.au/reports/older-people/older-australia-at-a-glance/contents/diverse-groups-of-older-australians/aboriginal-and-torres-strait-islander-people>

involuntary exits from paid work at mature ages.¹⁷ Workers who retire involuntarily can be **stuck in a netherworld – too old to work, yet too young to retire.**¹⁸

3. Pause the lifting of the eligible age for the Age Pension until the inadequacy of Newstart is addressed

With eligibility for the age pension rising to 67 years by 2023, older people reliant on Newstart face an extended period of impoverishment. This extension should be deferred unless and until social security reforms to address the inadequacy of Newstart (and thus significantly narrow the gap between the Age Pension and Newstart) are implemented.

We welcome the government's announcement that it intends to abandon earlier plans to incrementally lift the eligibility age for the Age Pension to 70 years.

4. Increase Commonwealth Rental Assistance at a level that prevents rental stress and adjust it to reflect regional rental movements

Low-income private renters are particularly vulnerable to rental stress (spending over 30% of their income on rent). More than half of the people living in poverty in Australia are renters.¹⁹ Increasing number of retirees are renting—a challenge given that Age Pension adequacy is predicated on home ownership.²⁰ While Commonwealth Rental Assistance is an essential support²¹, 40% of low-income households receiving CRA are still in rental stress.²² There is broad consensus that CRA needs to be significantly increased and capable of reflecting regional variations in rental costs.²³ Indexation of the CRA to the Consumer

A constant theme from the Brotherhood's work is that 'rent comes first'—keeping a roof overhead is top priority. To stay housed, people: skip meals; avoid using the heating or running a car (an additional barrier in the outer suburbs); cannot socialise, play sports, pursue hobbies or afford school excursions; dodge ticket inspectors on public transport; go uninsured; avoid or defer medical costs; and borrow money for day-to-day expenses, often on terrible terms.

¹⁷ <https://www.agedcareguide.com.au/talking-aged-care/age-friendly-workplaces-could-lead-to-a-healthier-later-life;> 'Working longer, staying healthy and keeping productive'. The ARC project comprises five studies, each taking a different approach to informing policy development around older workers and their workplaces. A

http://library.bsl.org.au/jspui/bitstream/1/11501/1/Hart_etal_Improving_health_older_aged_care_workers_2019.pdf

¹⁸ McGann, M, Bowman, D, Kimberley & Biggs, S 2015, *Too old to work, too young to retire*, University of Melbourne & Brotherhood of St Laurence, Melbourne, <https://www.bsl.org.au/research/browse-publications/too-old-to-work-too-young-to-retain/>.

¹⁹ Davidson et al. 2018, *Poverty in Australia*, p. 27.

²⁰ Smith, W & Hetherington, D 2016, *The adequacy of the Age Pension in Australia: an assessment of pensioner living standards*, Per Capita, Melbourne.

²¹ Over 92% of CRA payments are made to low-wealth households (Productivity Commission 2019, *Vulnerable private renters: evidence & options*, Productivity Commission, Canberra, p. 13).

²² Productivity Commission 2020, *Report on government services: Part G Housing and homelessness*, viewed 31 January 2020, <https://www.pc.gov.au/research/ongoing/report-on-government-services>.

²³ For example, the Grattan Institute calls for CRA to be increased by 40%—an additional \$1,410 for retired singles and \$1,330 for couples each year (Daley, J, Coates, B & Wiltshire, T 2018, *Housing affordability: re-imagining the Australian Dream*, Grattan Institute, Melbourne, p. 4). The Henry Tax Review also called for CRA to be increased and maintained at an adequate level, indexed to moves in national rents (Treasury 2010, pp. 100–101). Likewise, the Productivity Commission (2019, *Vulnerable renters*, p.108) recently found that raising CRA is 'the clearest path to improving [housing] affordability'. Raising the maximum CRA rate by just 10% would benefit over a million recipients at a cost of

Price Index is also problematic, with rents increasing faster than CPI, particularly in lower end properties. Benchmarking CRA to median rents would better reflect real rental costs.

5. Establish an independent Social Security Commission to set and review rates

The Brotherhood has long been calling for the establishment of an independent body to review the rates and structure of social security payments. This would enable a transparent, non-partisan process based on a principled approach.

6. Legislate principles to underpin Australia's social security system

Most Australians access social security at some point in their lives. Accordingly, how the system treats people is all important. Australia would benefit from a definitive set of social security principles which articulate how the nation understands the purpose of social security and what it wants the system to achieve. Principle would shape the system design and provide an agreed reference point to test future policies and practices against. We need an approach that values the social safety net as an investment in our nation, advances human rights, reflects our commitment to the Sustainable Development Goals (which include tackling poverty), builds capabilities and addresses systemic drivers of disadvantage.

To this end the Brotherhood has proposed **five indivisible principles** to guide social security reform—adequacy; dignity and autonomy; equity; accountability; and solidarity—which we urge the Review panel to consider.²⁴

Australia's superannuation scheme needs to be truly universal

7. Ensure all workers are paid superannuation and expand equity measures for low income earners and those out of the labour market

While we recognise the great strengths of Australia's compulsory superannuation system, structural flaws mean that too many people—low income earners in particular—are missing out on employer superannuation contributions, are unable to accumulate reasonable savings, or are spending their superannuation balances early. Key areas for attention include:

- **Ensuring precarious and low-income workers are paid superannuation:** Workers with volatile incomes including casual workers and those juggling multiple jobs are likely to miss out on superannuation if they earn less than \$450 a month from an employer. The assumption of regular, consistent income no longer holds. The superannuation system needs to reflect the changed reality of Australia's labour market, including the trends towards more insecure employment, irregular pay packets and multiple concurrent employers.²⁵

around \$360 million per annum, while a 30% increase—approximately \$20 a week—would cost around \$1.1 billion (p.117).

²⁴ Bowman, D, Thornton, D & Mallett 2019, *Reclaiming social security for a just future: a principled approach to reform*, Brotherhood of St Laurence, Fitzroy, Vic.

²⁵ <https://www.oecd.org/els/the-future-of-social-protection-9789264306943-en.htm>

- **Extending coverage to gig and on-demand workers:** The rise of the gig economy and increased use of contracting in place of direct employment undermines superannuation protections. The 2018 Senate Inquiry on the Future of Work and Workers recommended altering workplace laws so that all workers (regardless of their status and classification) would have entitlements including superannuation. To date, there has been no government response.²⁶
- **Boosting superannuation top up and co-contribution schemes for low income earners:** A system approach to supplementing low superannuation balances of low income workers is needed. The existing Super Co-contribution (up to \$500) and the Low Income Super Tax Offset (which offsets the 15% contributions tax for low-income earners) provide a base for expansion through increased government contributions.²⁷
- **Exploring potential super protections for people on benefits for extended periods** (e.g. carers, people with illness or disability). Consider establishing a basic superannuation guarantee for people of working age who are out of the workforce for extended periods.

Everyone's using contractors ... because then they don't owe you sick pay. They give you work, they pay; you don't work, they don't pay ... They don't pay you super, they don't pay anything for you. Get a contractor, everything's his problem then. It's not the employer's problem.

Archie, 58, Mature age jobseekers and employment services study

8. Apply a gender lens to superannuation reforms to drive more equitable outcomes for women

Women are considerably more likely than men to have inadequate super. Half of all women aged 55–59 approach retirement with less than \$50,000 in their super.²⁸

Women face systemic disadvantage at every point of the super system – from being more likely to be in low paid and precarious work,²⁹ to shouldering the lion's share of family care responsibilities,³⁰ and navigating

'I have worked since I have left [university] and then had a family but I didn't give any mind to family breakdown and in amongst all that, I think it was just a matter of continuing as a nurse to find the best-paid shifts, the best situation I could match up with being a parent half-time with my children. Superannuation didn't start till late in my working life and there is no superannuation at all [left] to spend because in times of hardship I accessed that'

—Iris, Money for Jam evaluation (BSL)

²⁶ Select Committee on the Future of Work and Workers 2018, *Hope is not a strategy*, Senate, Canberra.

²⁷ Modelling for Women in Super shows an additional annual \$1000 for people earning less than \$37,000/year until their balance reaches \$100,000 would see a woman aged 25 with a starting salary of \$25,000 and projected retirement balance of \$205,210 reach \$235,347 (a gain of \$30,137). This 14.7% increase would make a significant difference. Women in Super 2016, *Make super fair*, viewed 10 February 2020, <https://www.womeninsuper.com.au/content/make-super-fair/gjub5>.

²⁸ Association of Superannuation Funds of Australia 2018, *Women's economic security in retirement*, viewed 5 December 2019, <https://www.superannuation.asn.au/policy/reports>. Citing HILDA survey data 2014

²⁹ Cassells, R, Duncan, A, Mavisakalyan, A, Phillimore, J, Seymore, R & Tarverdi, Y 2018, *Future of work in Australia: preparing for tomorrow's world*, Focus on the States, no. 6/18, Bankwest Curtin Economics Centre, Curtin University, Perth, p. 23.

³⁰ Hodgson, H & Hamilton, M 2019, 'Voluntary super: a good way to increase women's dependence on men', *The Conversation*, 29 July, <https://theconversation.com/voluntary-super-a-good-way-to-increase-womens-dependence-on-men-120979>.

perverse signals from the tax, social security and childcare subsidy systems that operate as a disincentive to workforce participation.³¹

Equity measures discussed above will overwhelmingly benefit women. Additionally, we point to significant recommendations from the Senate Inquiry on Achieving economic security for women in retirement that remain unaddressed³² including:

- Paying the superannuation guarantee on the Commonwealth Paid Parental Leave Scheme
- Examining mechanisms to improve the retirement incomes of carers

9. Moderate concessions and tax breaks for high income earners to reinvest in equity measures

Current concessions and tax breaks are regressive and overwhelmingly benefit male high-income earners. Each year over \$45 billion of the federal Budget is allocated to superannuation tax concessions.³³ The top 1% of income earners will receive on average \$700,000 in taxpayer contributions to their super, while the bottom 10% of income earners will receive on average less than \$50,000.³⁴ We join calls for reforms to age-based and superannuation tax breaks, including capping voluntary contributions and greater taxation of superannuation yields. Winding back these concessions and tax breaks would generate savings that could be channelled directly into subsidy schemes for low-income earners. At the very least, people on low wages should receive the same tax support per dollar contributed to their superannuation as those on high incomes.

10. Implement planned increases to superannuation contributions, but first address equity issues so that low income earners can reap the benefits

The Brotherhood supports planned increases to the superannuation contribution rate. For low income earners, compulsory super is pivotal to greater economic security in retirement. While we are mindful of concerns that increased super could mean lower wages growth, on balance we believe that, if combined with equity measures (discussed above), increases in the guarantee will benefit those most in need.

³¹ Kalb, G 2018, 'Paid parental leave and female labour supply: a review', *Economic Record*, vol. 94, no. 304, pp. 80–100; Daley, J, Goss, P, Duckett, S, Norton, A, Terrill, M, Wood, D, Wood, T & Coates, B 2019, *Commonwealth Orange Book 2019: policy priorities for the federal government*, Grattan Institute, Melbourne, <https://grattan.edu.au/report/commonwealth-orange-book-2019/>

³² Australian Government response to the Senate Economics References Committee Report: 'A husband is not a retirement plan' Achieving economic security for women in retirement August 2018

³³ Treasury 2019, *2018 tax benchmarks and variations statement*, Treasury, Canberra, viewed 27 November 2019, <https://treasury.gov.au/publication/p2019-357183>.

³⁴ Modelling released by Treasury (2019a, p.18) as part of this Review

Access to decent and sustainable employment

The economic wellbeing of older Australians is closely tied to their employment history. The participation of older people in the labour market has grown steadily over the past forty years, albeit from a low base, and much of this growth is driven by women.³⁵

11. Advance reforms identified by the Human Rights Commission’s Willing to Work Inquiry to address barriers to employment for mature age workers

While mature age unemployment is relatively low, older people are more likely than other age groups to become long-term unemployed.³⁶ Mature age jobseekers face a range of distinct challenges—notably discrimination, lack of formal qualifications, the need to update skills, health issues and care responsibilities—which were well articulated in the Human Rights Commission’s Inquiry into Discrimination Against Mature Aged Workers – Willing to Work.³⁷ While we acknowledge progress has been made on some of the Commission’s recommendations—including roll-out of the Career Transition Assistance Program and establishment of a Collaborative Partnership on Mature Age Employment by the Minister for Jobs—much more action is needed.

12. Increase the flexible retirement earnings cap to make it easier to work while drawing a pension

Flexible retirement—being able to draw a pension while continuing in paid work—can be an important option for lower income retirees who need to continue earning, boost their superannuation and gain economic security. Enabling flexible work encourages people to remain in the workforce.³⁸ Increasing the income limit for earnings (currently just \$175 a fortnight, or \$300 per fortnight for those on the Work Bonus Scheme) would have a positive impact on labour supply and taxation yields without increasing pension expenditure.³⁹

³⁵ Australian Bureau of Statistics (ABS), Labour force, Australia, detailed - electronic delivery, Cat. no. 6291.0.55.001.

³⁶ Gilfillan, G 2016, ‘Employment in Australia’, Parliamentary Library Briefing Book, Canberra, https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook45p/EmploymentAustralia

³⁷ Australian Human Rights Commission 2016, *Willing to work: National Inquiry into Employment Discrimination against Older Australians and Australians with Disability*, AHRC, Sydney. See also Wickramasinghe, S & Bowman, D 2017, *Help, but not real help: mature age jobseeker perspectives on employment services in Australia*, Brotherhood of St Laurence, Fitzroy, Vic.

³⁸ Australian Human Rights Institute (AHRI) 2018, *Employing older workers: research report*, Australian Human Rights Commission, Sydney.

³⁹ Kudrna, G 2015, *Means testing of public pensions: the case of Australia*, Michigan Retirement Research Centre Research Paper, no. 2016-338; Breunig, RV & Carter, A 2018, Do earned income tax credits for older workers prolong labour market participation and boost earned income? Evidence from Australia’s Mature Age Worker Tax Offset, Tax and Transfer Policy Institute, Working paper no. 15/2018, Australian National University (ANU), Canberra.

Secure and affordable housing

13. Develop a National Housing Strategy to address the affordable housing crisis

Housing stress is a live and growing issue for older Australians. High levels of rental stress among age pensioners,⁴⁰ coupled with the dire shortage of social and affordable housing are pushing people into deep economic and social exclusion, loneliness⁴¹ and homelessness.⁴²

A recent study highlighted the link between housing tenure and loneliness—a silent killer in health terms. It singled out private rentals as the highest risk tenure type: ‘Many older private renters have

little disposal income, because the cost of housing uses up much of their income. They also live with the constant possibility that they may be asked to vacate their accommodation. Their limited budgets mean they often end up living in a poorly located property. These features, individually or in combination, create fertile ground for anxiety and loneliness.’⁴³

Access to aged care services is deeply intertwined with housing security. It is our experience that housing insecurity can cause premature or (otherwise) unnecessary entry into residential care.

Urgent policy action and sustained commitment is needed from all levels of government,⁴⁴ including:

- development of a National Housing Strategy to underpin a refresh of the National Housing and Homelessness Agreement
- sustained investment to significantly lift social housing as a proportion of housing stock expansion (as many as 60,000 social housing places are needed for older people⁴⁵), measures to incentivise affordable rentals (a reformed National Rental Affordability Scheme), and planning levers (e.g. inclusionary zoning) to drive new supply of affordable housing
- immediate relief from rental stress (increasing Commonwealth Rental Assistance discussed above)
- reduction in tax concessions for housing investors (capital gains and negative gearing) to relieve pressure on housing prices and create savings to invest in social and affordable housing initiatives

The BSL’s aged care services provide community care to Anne in her rental in Frankston (Vic). She is 73 years old, living alone and pays \$600 rent each fortnight—63% of her income. She used to be a sociologist at a university, but (like many people) encountered a series of unexpected life events that left her with no savings to fall back on. She regularly goes without a meal to ensure she can feed her cat. She is also experiencing energy cost stress: to manage she avoids using the heater in winter or cooling in summer.

⁴⁰ SGS Economics, *Rental affordability index*, November 2019, highlights that for single pensioners, rents in all metropolitan areas are extremely or severely unaffordable – more than 50% of pension income. For a pensioner couple, with one engaged in part-time work, rents range from unaffordable to severely unaffordable.

⁴¹ Saunders, P & Bedford, M 2017, *New minimum income for healthy living budget standards for low-paid and unemployed Australians*, Social Policy Research Centre, University of New South Wales, Sydney.

⁴² Nicholson, T 2017, *Rough sleeping in Victoria: situation appraisal – May 2017*, p. 47, viewed 26 July 2018, <<http://chp.org.au/services/rough-sleeping-situation-appraisal/>>.

⁴³ Morris, A & Verdasco A 2019, ‘“I really have thought this can’t go on”: loneliness looms for rising numbers of older private renters’, *The Conversation*, 12 June, <https://theconversation.com/i-really-have-thought-this-cant-go-on-loneliness-looms-for-rising-numbers-of-older-private-renters-118046>

⁴⁴ The BSL is a member of the Everybody’s Home campaign. See <https://everybodyshome.com.au/our-campaign/>

⁴⁵ Mission Australia 2017, *Ageing and homelessness: solutions to a growing problem*, Mission Australia, Sydney.

- rental law reforms (modelled on Victoria's recent changes) to improve security of tenure, facilitate building modifications and support ageing in place
- reframing of homelessness services towards prevention rather than a crisis response.

The Brotherhood stands ready to assist further with this Review. For further information please contact Nicole Rees, Senior Manager Public Policy, on nrees@bsl.org.au or 0407-337-940.