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AHURI submission to the Legislative Council Standing Committee on Legal and Social Issues Inquiry into Retirement Housing Sector
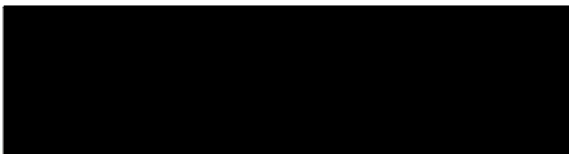
On behalf of the Australian Housing and Urban Research Institute (AHURI) I am pleased to make this submission to the Victorian Legislative Council Standing Committee on Legal and Social Issues Inquiry into Retirement Housing Sector.

This submission draws on the AHURI evidence base to address policy principles for the provision of housing for older people, as well as broad housing market trends for older people, the retirement housing sector and related policy and legislative implications.

In this submission we also provide a list of AHURI researchers with expertise relevant to the terms of reference of the Inquiry.

I would like to thank the committee for its consideration of our submission. If there is any way we can be of further assistance to the Inquiry, please contact me directly on ▋▋▋▋▋▋▋.

Yours sincerely

Dr Michael Fotheringham
Deputy Executive Director
Head of Research Services Group
Australian Housing and Urban Research Institute

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August 2016

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www.ahuri.edu.au

About AHURI

AHURI Limited is the small not-for-profit management company based in Melbourne that leads and manages the work of the Australian Housing and Urban Research Institute. Staff are experts in research management, research synthesis, knowledge transfer and research dissemination—including event design and management, and evidence informed facilitation.

AHURI Limited manages the National Housing Research Program, including a network of university-based Research Centres throughout Australia. It also supports the Indigenous Housing and Homelessness Policy, Practice and Research Network, convenes the biennial National Housing Conference, supports a range of events to engage the research, policy and practice communities, and supports the development of research capacity building.

Through its National Housing Research Program, AHURI Limited currently invests around $4 million annually in high quality policy-oriented housing research and associated activities.

The company, through the AHURI Limited Board, is committed to the highest standards of corporate governance—undertaking vigilant internal and external audit processes each year—and to the promotion of transparency in our operations.

AHURI has a public good mission to deliver high quality, policy-relevant evidence for better housing and urban outcomes. Our work informs the policies and practices of governments and industry, and stimulates broader debate.

AHURI receives income from three sources: grants from the Australian and all state and territory governments, contributions from our university partners, and third party income generated through fee for service activities.

What is our research approach?

AHURI is purposefully structured to support the delivery of high quality research and actively transfer this into policy development. We broker engagement between policy-makers and researchers, which allows us to undertake research that is purposeful and that actively contributes to national housing policy development.

We use a variety of academically rigorous research approaches, giving us the flexibility to undertake longer-term projects when fundamental research is needed and also respond quickly to new policy or practice issues as they arise.

Once research is complete, we ensure findings are actively disseminated through a variety of mechanisms, including our peer reviewed report series, events and conferences program, and website.

Expert AHURI Researchers able to provide testimony

AHURI is able to facilitate direct communication with the authors of AHURI research, should further evidence be of assistance in the Inquiry hearings. Authorities in the area of affordable housing in Australia include:

→ **Emeritus Professor Gavin Wood**

Expertise: home ownership
taxation policy

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→ **Professor Terry Burke**

Expertise: changes in home ownership
public housing

→ **Professor Tony Dalton**

Expertise: marginal housing

→ **Professor Robin Goodman**

Expertise: marginal housing

→ **Professor Andrew Jones**

Expertise: rental housing
service integrated housing

→ **Professor Bruce Judd**

Expertise: downsizing amongst older Australians
age specific housing
ageing in place

→ **Associate Professor Catherine Bridge**

Expertise: age specific housing
ageing in place
housing equity withdrawal

→ **Associate Professor Rachel Ong**

Expertise: housing equity withdrawal

→ **Dr Maree Petersen**

Expertise: homelessness amongst older Australians

→ **Dr Sean McNelis**

Expertise: public housing

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Submission to the Legislative Council Standing Committee on Legal and Social Issues Inquiry into Retirement Housing Sector

Section 1: Definition and Policy Principles

1.1   What is the retirement housing sector?

Housing for older people is typically characterised by life-cycle or the need for care. In Australia a range of terms are used to describe housing for people in later life that is not residential aged care: 'Retirement housing', 'Housing for the elderly/for the aged', and 'Seniors' housing'. Such housing has been classified in terms of people's age in years often in relation to the typical working career.

The use of the term 'retirement housing' has limitations in that not all residents have been in the workforce and houses people who are not typically classified as older people. Some people (e.g. chronically homeless) physically age more rapidly and so people at younger age (those over 50 for chronically homeless, and over 45 in the case of Indigenous homeless) have been granted access to 'retirement' housing with services and support. Retirement housing has also been used to house younger people with disabilities.

Furthermore, some tenures such as rooming housing or caravan parks, are not defined exclusively as housing for those that are retired from the workforce, even though they constitute a significant source of housing for the aged.

One way around this problem is to categorise 'retirement' housing in terms of the support services integrated with the housing rather than the age of those residing in them. Jones (2010) argues in favour of the term 'Service Integrated Housing'.

For the purposes of this Inquiry, the 'retirement housing sector' refers to age specific housing and other forms of marginal housing that are significant sources of accommodation to the aged, where they are regulated by the Victorian state government. This includes:

→ Retirement Villages (including Independent Living Units) regulated by the Retirement Villages Act 1986 and Retirement Villages Amendment (Information Disclosure) Act 2013 and associated Regulations; and

→ Caravan parks and residential parks regulated by Residential Tenancies Act 1997 (Part 4) and The Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2010.

Though not strictly part of the Inquiry, we will also examine the rooming house sector (regulated in Victoria by Residential Tenancies Act 1997 and Residential Tenancies (Rooming House Standards) Regulations 2012) and also consider other tenures where we believe they are relevant to older people.

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1.2   What policy principles should guide the provision of housing for older people?

Policy makers are especially concerned with provision of care for elderly people. It should be noted that there are market segments which have significantly different means to access retirement housing. Home owners who have access to their house as an asset have the financial means for a smoother transition to retirement with greater choice. Renters, particularly those on lower incomes are more restricted in choice and their capacity to access affordable housing.

A range of factors outlined below might be considered relevant in addressing the housing needs of older people as they age:

Security of Tenure

An important attribute of housing for older people is that they feel secure in their housing as they age. Australian housing policy has been to encourage self-provision of housing through home ownership so that retirees enjoy benefits of security of tenure and are not reliant on the state in retirement. Historically it has also sought to ensure security for those that have missed out on home ownership through community and public housing.

Affordability

Older people need to have access to housing that is affordable—especially for those reliant on pension income. Affordability outcomes are typically good for those with outright ownership and public housing, but poorer for other tenures.

Control and independence

Studies have shown that the meaning of home for older people is closely linked to independence and control (e.g. Peace, Holland & Kellaher 2006).

Accessibility

It is important that housing is physically accessible. This might relate to accessible (or universal) design appropriate to the needs of older people with mobility or other issues, financial barriers to access (such as deposits, waiting lists or bonds), or to whether the place is accessible to family members or other social supports.

Social Supports

A key issue around housing for older people is around social supports in place. Evidence from UK (Crane and Warnes, 2007) suggests that for those at risk of homelessness to remain housed and settled requires revived contacts with relatives, taking up activities, and regular help from housing support workers. By contrast, unsettledness and tenancy failure were associated with worries about living independently, and continuing contacts with homeless people.

Ageing in Place

Many studies have emphasised the importance of belonging and sense of place in determining high satisfaction levels. The emphasis has been to facilitate ageing in place, with government supports such as home and community care enabling older people to remain in their own housing as long as possible. Older people require

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housing that accommodates their disabilities, that does not require extensive maintenance and that is located close to amenities and public transport.

Care

Housing for older people includes the need to integrate housing with care as this, amongst other things, has implications for how older people are able to age in place. While not all older people require care and support, housing needs to be age appropriate and be able to facilitate changes in a person's abilities and the receipt of community care and support if needed in the future.

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Section 2: Broader Housing Market trends for older people

2.1   Diversity of housing types

Older people will demand a greater diversity of housing types in future. Older people currently occupy a range of housing tenures, including:

→ owner occupation

→ intergenerational housing (e.g. 'granny flats' on site or in a house with relatives)

→ private rental

→ social rental (public or community housing)

→ supported age specific housing (such as retirement villages and residential aged care)

→ marginal housing (including caravan or residential parks and rooming houses)

→ homeless.

Population ageing is one of the main drivers of the increased number of smaller households. The demand emerging within the older population is diverging from the demands of younger age groups, and these differences call for policy that promotes housing diversity.

McDonald (2003) finds that complex social trends will combine with population ageing to make older households more diverse and present new challenges for housing an ageing Australia, including:

→ more young-old retirees seeking housing suited to their lifestyles;

→ more frail, very old people, especially older women living on their own, creating a greater demand for housing that incorporates some forms of support;

→ sustained and substantial numbers reaching old age as renters and whose housing choices will diminish as they grow older; and

→ increasing intergenerational inequity stemming from transfers of housing assets.

Choice is restricted by supply constraints. For example, there are limited opportunities for downsizing within a preferred location which includes access to services and remaining within the same community, and housing which is affordable, more compact and low maintenance (Judd et al, 2010).

Operators in the private market have sought to respond to the needs of older people, both with age specific but also mixed age developments. For example, Retirement by Design Pty Ltd., a member of the Delfin Lend Lease Group, developed a *mixed housing model* to respond to housing preferences of people aged 55 and over wanting multi-generation, independent living in adjoining, self-contained dwellings. Key features include low maintenance housing, security, and low maintenance gardens. More compact housing was scattered through some developments and clustered in others, but always as part of larger community developments catering for all age groups and providing for a range of facilities and services (AHURI, 2004).

2.2   Home ownership

Owner occupation remains the most important tenure for older Australians but it is likely to decline. In 2011 in Victoria, approximately 74.2 per cent (N=549,872) of households in which the reference person is aged 65 years and over were home owners, with 8.1 per cent of these still with a mortgage (derived from ABS Census

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2011). Yates et al predict longer term declines in overall home ownership including those at older ages (2008:43). There has also been a reduction in outright home ownership and increased numbers of older people taking debt into retirement (Wood and Ong 2012:12). Increased numbers of those aged 50-64 years still carry mortgage debt (Wood et al. 2010). In addition, increasing numbers of older people are falling out of home ownership. A high number of Australians are leaving home ownership permanently relative to numbers in the UK (Wood et al, 2013). Implications of falling out of home ownership or carrying a mortgage later in life is the potential inability to self-finance retirement housing.

For the many in home ownership, there are questions about how policy can assist older owners to operate in the housing market to adjust their housing to fit their changing preferences and needs. A range of policies supporting home ownership have encouraged residential immobility into old age. These policies include capital gains tax exemptions on the family home, lack of taxation on imputed rents, exemption on asset tests on the family home for pension eligibility, and stamp duties on sale of housing.

More recent innovations around reverse mortgages have sought to help households access equity within houses without requiring movement. This supports continued home ownership and ageing in place in the case where the house is suitable. Bridge et al found that from the perspective of facilitating both informal care and ageing in place, for many people reverse mortgages have been a useful product (2010: 82). Bridge warns however, 'If reverse mortgage products are to be accessed to enable ageing in place, by supplementing the housing and care needs of older homeowners, greater guidance and support is required, particularly for the most frail and vulnerable' (2010: p82). Downsizing to a more appropriate housing option in the same community is a variance on ageing in place. However, Ong et al found that downsizing as a means of releasing equity has often been a response to financial constraint (Ong et al, 2013).

Older people are less likely to want to move house or downsize than younger households. Judd et al (2014) show that over the five-year period from 2006 to 2011, 18 per cent of Australians 50 years and over had re-located. Of the survey respondents who had moved since turning 50 years of age, 43 per cent had downsized into a dwelling with fewer bedrooms mostly within the general community and into smaller detached houses or retirement villages. Most older home owners have expressed a desire to remain in the family home and utilise spare rooms for other activities. (Judd et al, 2014)

Judd et al (2014) found that the most common circumstances leading to downsizing was a desire for lifestyle change or an inability to maintain a large house or garden. Financial issues were a factor in relatively few cases with financial gain from downsizing more important than financial difficulties. Children leaving home or retirement were moderately important. Of the 26 per cent of survey respondents who found the downsizing process difficult, lack of availability of suitable housing, its high cost or unaffordability and poor suitability of available locations were the main difficulties encountered in the moving process.

2.3   Private Rental

In Victoria around 22,400 older people aged 65 and over are living in private rental (derived from ABS Census 2011). This is a relatively small proportion (3%) of older people who live in this tenure, however private rental is increasing as a tenure for older people. Jones et al (2007) show that based on the anticipated growth of the

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older population, there will be 419,000 older people living in the private rental sector in Australia by 2026.

The residual nature of private rental means there is presently a lack of age appropriate options for older people in this tenure. For example, many landlords are unwilling to modify houses in line with support needs (often due to cost), resulting in many older people living in housing that is poorly suited to their physical needs and requirements. It has been suggested that the small numbers living in private rental could partially explain the lack of incentive to supply age-friendly accommodation other than age-specific living options (Davy et al. 2010).

Private rental is often unaffordable, insecure and may not facilitate ageing in place. Public or community housing is a secure tenure, envisaged as a tenure for those unable to make it into home ownership, but this is often not the case for private rental which was seen as a 'tenure of transition', and inappropriate for older people seeking security of tenure. It is not known with any degree of precision what proportion of these households enjoy reasonably secure housing and what proportion live in precarious housing circumstances (Petersen and Jones, 2012) however they argue that 'occurrence of housing crises for individual older renters is commonplace', with housing crises precipitated by rent increases or changes in personal circumstances. Living in precarious housing in the private rental sector has potential to increase costs for governments through premature moves into residential care (Howe 2003; Productivity Commission 2011a:322).

Private rental can offer choice of location and dwelling type and autonomy. However, it is often unaffordable for those on pension incomes (Table 1).

Table 1: **Advantages and disadvantages of older renters' housing, by tenure type and feature**

	Affordability	Security of Tenure	Choice of Location	Choice of dwelling type	Autonomy	Communal living or facilities	Suitability for ageing in place
Non-aged specific housing:							
Public housing	✓	✓	✗	✗	✗	✗	✗
Private rental	✗	✗	✓	✓	✓	✗	✗
Co-op housing	~	✓	✗	✓	✓	✓	✗
Boarding houses	✓	~	✓	✗	✗	✓	✗
Aged specific housing:							
Retirement rental	✓	✓	~	✗	✓	✓	✗
Assisted living	✗	✓	✗	✗	✓	✓	✓
Small communal	✓	~	~	✓	✓	✓	✓

Key: ✓ Advantage; ✗ Disadvantage; ~ Mixed or uncertain

Source: Jones et al (2008)

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There is concern that the supply of low cost rental housing is insufficient to meet current and future demand from an ageing population (Flood & Baker 2010; Jones et al. 2007; Productivity Commission 2011b). The level and range of public housing is insufficient, and rent assistance is ineffective in overcoming the affordability difficulties faced by older renters competing in the private housing market.

2.4 Social housing

Social housing has served as a safety net for older people who are on low incomes and historically has offered security of tenure, unlike the private rental market. While proportions of older people living in public housing are increasing, the proportion of public housing stock has been steadily declining. Groenhart and Bourke compared the census years from 1996 to 2011 and found that there was "a real decline in the number of public rental dwellings by 12,000 properties and a relative decline to only 4.1 per cent of the national dwelling stock. Some of this was made up by growth in the community sector but factoring this in there was still absolute decline with the proportion of social housing of all stock falling to 4.8 per cent" (2014:17). Victoria has one of the lowest percentages of social housing stock, with only 3.4 per cent of total housing stock (Groenhart 2014:17).

Figure 1 shows the increasing proportion of older residents in public housing in Australia while Figure 2 shows the comparison of tenure types for each age group (Groenhart 2014).

Figure 1   Age profile of residents in public housing, Australia, 1981, 1996 and 2011
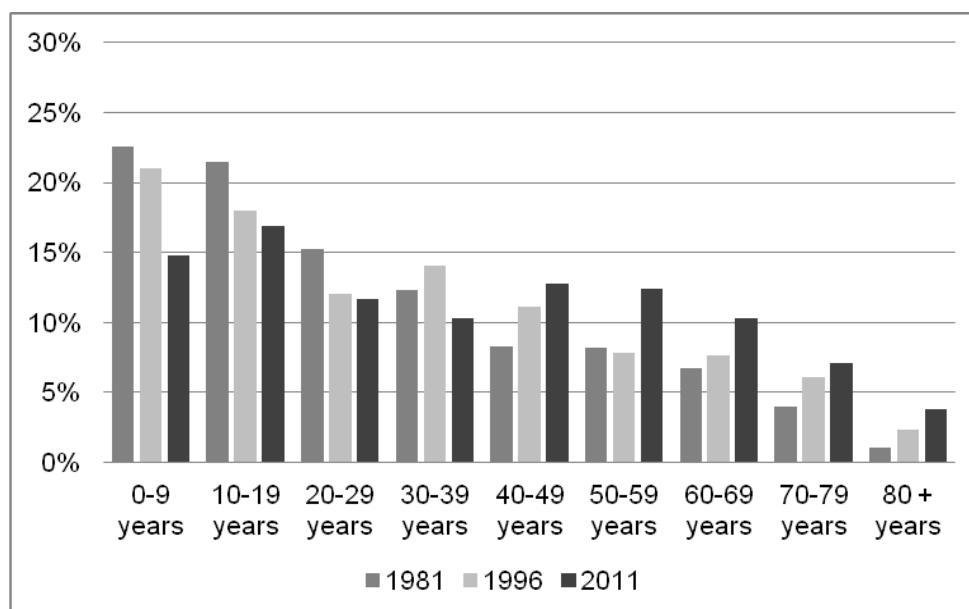
Source: ABS, Census of population and housing, 1981, 1996 and 2011

Figure 2 Age profile of residents by type of tenure, Australia, 2011
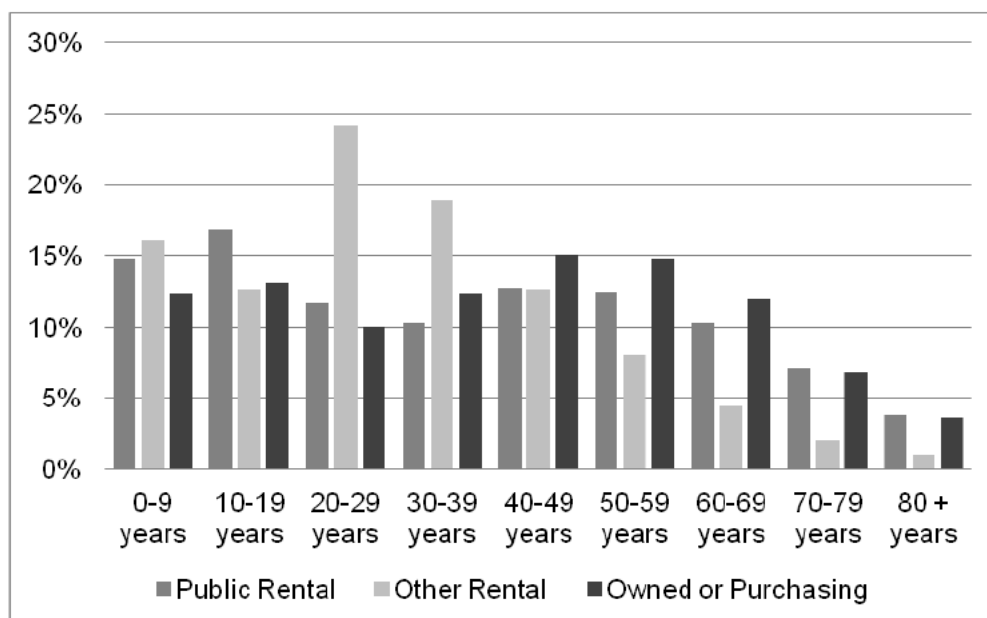
Source: ABS, Census of Population and Housing, 2011

2.5 Marginal housing and homelessness

The ABS publishes estimates of people living in marginal housing, and ABS Census data show that there was an increase in the number and proportion of older people living in marginal housing from 2001 to 2011 (See Petersen et al, 2014:21). This includes people living in a crowded dwelling (as distinct from severely crowded dwellings, which are enumerated as homeless), in other improvised dwellings (e.g. tent not classified as homeless as it is considered adequate) and living long term in caravan parks. The greatest change was in the number of older people living marginally in caravan parks, which rose from 25 per cent of total persons in 2001 to 44 per cent of total persons in this form of accommodation in 2011 (Petersen et al, 2014:21).

The ABS Census data for homelessness rates indicate that as at 2011, around 14.6 in every 10,000 older persons is homeless, down slightly from 15.4 in 2006 (see Petersen et al, 2014:17). However, the ABS data indicate that there has been an increase in the number of older people who are homeless (see Table 2 below).

Table 2: Older homeless people, by age group and gender, 2006 and 2011

	2006	2011	Change
Men 55 years and over	7,688	9,521	1,833 ↑
Women 55 years and over	4,772	5,330	558 ↑
Total 55 years and over	12,461	14,851	2,390 ↑
Total homeless (all age groups)	89,728	105,237	15,509 ↑

Source: ABS 2012, Census of Population and Housing: estimating homelessness, 2011, Cat. No. 2049.0.

Note: Cells in this table have been randomly adjusted to avoid the release of confidential data. As a result, cells may not add up to the totals. Taken from: Petersen et al, (2014).

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Older people who become homeless are more likely to be facing it for the first time (Petersen et al, 2015) and have no understanding of the homelessness sector and therefore have particular issues in terms of accessing assistance. Furthermore, there remain ongoing issues around system complexity and inflexibility, which make accessing assistance for older people who become homeless more difficult. These concerns were recently affirmed in the Productivity Commission's Report, Caring for Older Australians' (Petersen and Jones, 2012:51). Petersen and Jones argue that the best option to prevent homelessness for this group is to provide higher income through pensions and or more social housing, but also wider implementation of integrative responses (like the Assistance with Care and Housing for the Aged or ACHA program) that link up health, aged-care and housing support options. Recently the historic neglect of older people who are homeless or at risk of homelessness has been partially addressed though identifying them as a 'special needs' group under the Aged Care Act 1997 with priority access to residential aged care (Petersen et al, 2014:1).

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Section 3: Retirement Housing Sector

3.1   Service Integrated housing

Retirement housing comprises a diverse range of housing options specific for older people. Jones (2010) argues for a new term—*Service Integrated housing*—to define a third component of aged care in Australia. Figure 3 below shows that there are those who receive home and community care and care packages in the community (around 610,000 clients); those in residential aged care homes (165,000), and an emerging group in forms of service integrated housing (130,000 residents) which is 'intermediate between community care and residential care, and overlapping with both these components' (Jones, 2010).

Figure 3 Service integrated housing as a third component of aged care intermediate between community care and residential care
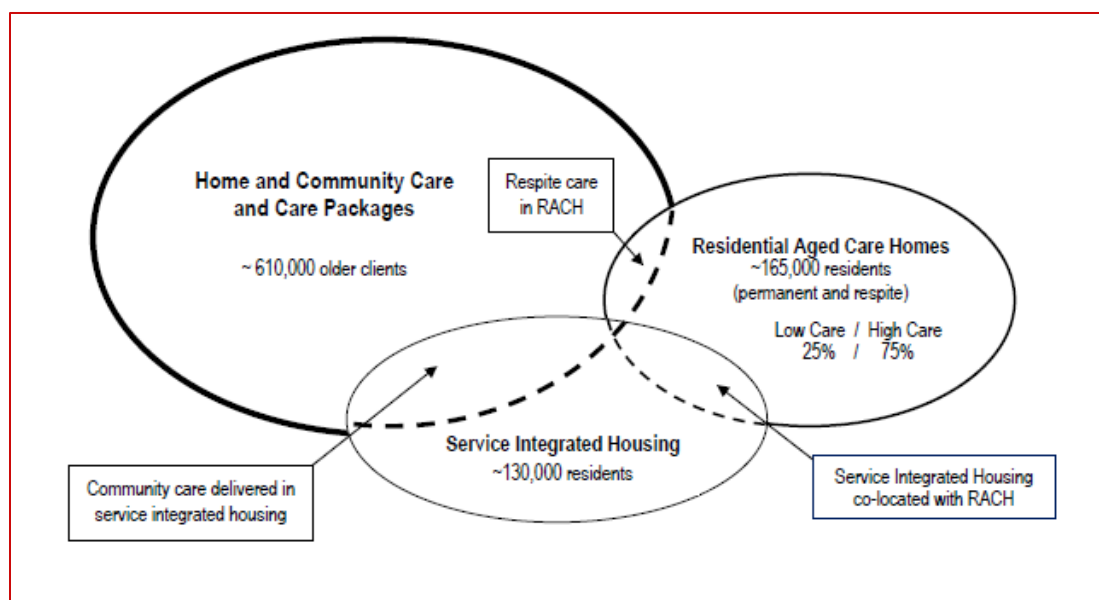
Source: Jones et al, 2010:42

The history of service integrated housing involved four key phases (see Figure 4):

→ *Independent Living Units (ILUs)*, which were developed by community organisations under the Aged Persons Homes Act (APHA) from the 1950s, until the cessation of government capital funding in the mid 1980s.

→ *Hostels*, which were developed through funding and legislative changes in the late 1960s and early 1970s and progressively transformed to give a greater emphasis on care, culminating in hostels and nursing homes being brought together under the Federal Aged Care Act in 1997.

→ *Retirement villages*, which were developed by community and private sector providers from the 1970s, in part filling gaps left by shifts in policies, but emerging without explicit policy direction.

→ *Innovative projects* addressing needs of particular groups, with targeted groups including insecurely housed and homeless older people who require special support.

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Figure 4: History of the development of service integrated housing in Australia
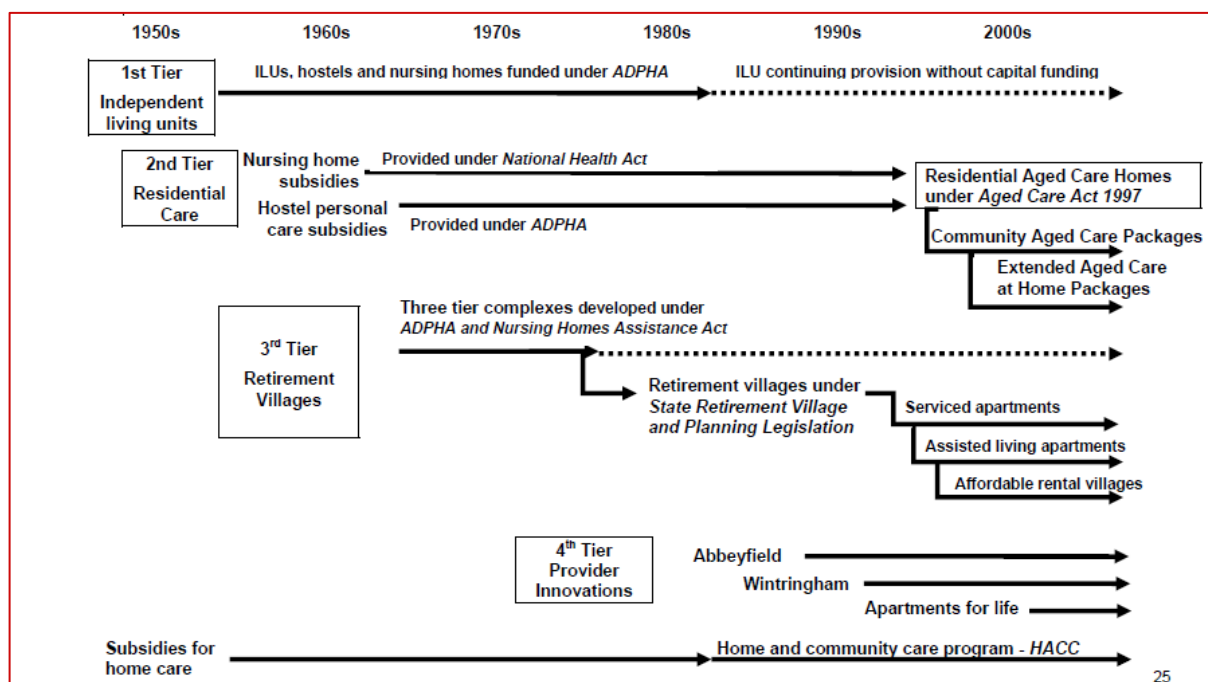
Source: Jones et al, 2010:25.

This history has left a diverse range of service integrated housing types oriented to older people available in Australia. Jones (2010) documents the increased diversification of housing types—some of these have prospered with government support, while others have emerged because of market demand and have drawn on international models. The diversity of options has to some degree been facilitated by the major expansion of home and community care services which were expanded in the 1980s and which can be provided in a range of housing arrangements including in community settings as well as age-specific housing. Jones (2010) presents a typology of service integration types based on a continuum of support and care—from those suited to early retirees in good health (demanding lifestyle and recreational services), through to those integrated with some social support, and finally those integrated with support and care (Table 3).

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Table 3:   Service Integrated Housing types

Housing and support service type		Australia	Other countries
Service integrated housing offering lifestyle and recreation: Services typically include sporting and recreational facilities and activities, and social activities focused on a club house or community centre		Lifestyle Village	Active adult retirement community (AARC), or Leisure Oriented Retirement Community (LORC) (US)
Service integrated housing offering social support: support services may include some or all of the following: barrier-free environments, on-site management, general property maintenance, social and recreational activities, group transport, limited supervision including personal alert/emergency call systems, social support.	**a. Independent living complex** (formal, independent living arrangement designed for older people in a communal environment providing support services)	Independent Living Units/self-care units Retirement Village Residential Park, Manufactured homes, affordable rental villages	Sheltered Housing (UK) Independent living facility (ILF) Retirement Village (UK and US) Mobile home park (US)
	b. Shared Housing A living arrangement for older people where small numbers of unrelated persons live together in a dwelling unit with a mix of shared and private facilities with the aim of providing a supportive environment	Abbeyfield housing Agency assisted shared housing (Wesley Mission) Boarding/rooming houses	Abbeyfield housing (UK) Agency assisted shared housing (UK) Cohousing—Europe Single room occupancy hotels (US)
Service integrated Housing with support and Care In addition to 'support services', care services may include property maintenance in response to individual needs, assistance with domestic work (cooking, cleaning, laundry, shopping and household management), individualised transport service, assistance with self-care (bathing, toileting, dressing, grooming, eating, medication), nursing care, allied health services and case management and counselling	**a. Housing with care.** Housing arrangements that offers support services and a range of care services to frail older people.	Hostels Supported Residential service (Vic). Assisted living facility Serviced apartment Flexi-apartment	e.g. Congregate seniors housing (CSH)—US Service-enriched housing—UK e.g. Assisted living facility—US Very sheltered housing—UK Service housing—European countries
	b. Housing with continuing care Services emphasise continuation of care that is adaptive to the changing needs of the older person over the whole period of later life.	Three-tier complexes Continuum of care Ongoing care Apartments for life	Continuing care retirement community (CCRC)—US Life care community—US Retirement community—UK Retirement village—UK (some) Apartments for life—Netherlands

Source: adapted from Jones et al, 2010:47-49

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The sector is diversifying, and management models of retirement housing vary according to a range of concerns:

→ Design: accessibility and usability for older people (including those with a range of disabilities);

→ Social support: independent living or congregate living;

→ Affordability: affordable to pensioners or for self-funded retirees;

→ Management model: profit or not for profit;

→ Access to care: co-located with residential aged care facilities or reliant on home aged care or community aged care services.

Many of the options being created for the market are oriented to existing home owners or self-funded retirees. Also of interest to policy makers, however, is the emergence of models that are more affordable and are oriented to renters. Jones (2007) finds a range of rental options for older people in Australia, though he finds they vary in the availability of communal amenities and assisted living services (Table 4).

Table 4: Rental housing for older people in Australia—types and amenities

Rental tenure type	Assisted living services	Communal amenities
Public housing	Nil or limited	Nil or limited
Private rental housing	No (other than serviced apartments)	Generally nil
Rental retirement complexes (e.g. ILUs)	Usually limited	Varies (some recreational facilities, maintenance and onsite management)
Assisted living rental villages (e.g. Village Life, Sunnycove)	Meals, laundry cleaning	Common lounge/dining, maintenance, laundry, on site management, some recreational facilities
Small scale communal housing (e.g. Abbeyfield Housing)	Meals, laundry cleaning, supervision	Common lounge, dining, kitchen guest room, laundry, maintenance
Cooperative and community housing	Varies	Varies
Residential parks	No	On-site management, some recreational facilities, laundry
Boarding and rooming houses	Varies—some provide meals, cleaning, laundry and supervision	Varies—typically common bathroom, kitchen and laundry facilities
Supported residential services	Personal care and supervision, meals	Common lounge, dining, some recreational facilities and activities
Family housing	Varies	The family home

Source: adapted from Jones et al, (2007:8).

The remaining section focuses on ILUs and retirement villages, residential parks and rooming houses.

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3.2   *Retirement Villages*

Retirement villages are the main form of service integrated housing in Australia. At the 2011 Census, 28,082 people aged 55 years and over (26,204 aged 65 and over) lived in retirement villages in Victoria (derived from ABS Census 2011). As at 2013 in Victoria there were over 400 retirement villages on the Consumer Affairs Victoria Retirement Village Register with an estimated 37,700 Victorians living in retirement villages (Consumer Affairs Victoria 2013).

Population ageing and growing demand for service integrated housing are likely to drive continuing market growth, innovation and diversification. There are different segments of the sector depending on the level of care and support provided:

→ *Lifestyle Villages*: This form of housing is typically targeted at early retirees still in an active phase of life, and is integrated with sporting and recreational facilities. Social activities often focus on a club house or community centre. Some Australian retirement villages are modelled on resort style Leisure Oriented Retirement Communities (LORCs) in the United States.

→ *Retirement Villages*: This form is similar to independent living facilities (US), and sheltered housing (UK). An increasing number of retirement villages are catering for older people requiring care. While some have developed serviced apartments and assisted living facilities, many providers assist residents in 'self-care' units to access community care services. Although mostly catering for those who buy in by selling their former home, new forms of retirement villages, including affordable rental villages, are catering for low-income, low-asset aged pensioners. For example, Affordable rental villages developed in the 2000s by Village Life and other private companies provide low cost apartments with kitchenettes, support services, all meals in a central dining room and a linen service, but no personal care services.

→ *Abbeyfield Housing*: This model involves small numbers of unrelated persons living together with a mix of shared and private facilities with the aim of providing a supportive environment. Abbeyfield Housing (in the UK and Australia) provides private rooms in a communal setting while providing some support services.

→ *Assisted Living Facilities* (ALFs): are similar to Assisted Living Facilities (ALFs) in the United States and Very Sheltered Housing or Extra Care Housing in the United Kingdom. Examples in Australia are serviced apartments and assisted living units in retirement villages, and hostels (pre-1970s). Other similar models include Housing with Continuing Care is housing that emphasises the provision of care that is adaptive to changing needs over the whole period of later life. It is distinguished from residential aged care insofar as it does not offer access to 24-hour on-site nursing care.

→ *Apartments for Life:* are similar to Continuing Care Retirement Communities and Life Care homes in the US, some retirement communities in the UK, and 'apartments for life' in the Netherlands. For example, Ocean Street Project (Bondi, NSW) is a high rise 'apartment for life' project being developed by the Benevolent Society of NSW, based on the Dutch Humanitas model. The concept is that residents can stay in the same high-rise apartment irrespective of changes in their care needs. Buildings and apartments are designed for barrier-free living and include assistive technologies. Care services are provided by the Benevolent Society and other community care providers. The project targets local people from a wide range of income and asset groups and with a wide range of independence/ dependency (See Jones et al, 2010).

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3.3   Independent Living Units (ILUs)

Independent Living Units (ILUs) encompass two different types of housing provision. Historically ILU is a term used with a specific meaning in Australia to refer to dwellings provided in a small-scale setting by not-for-profit organisations that received capital funding under the Aged Persons Homes Act 1954. Dwellings were usually provided for older people with modest income and assets, often on the basis of a modest entry contribution or on a rental basis. The term is also used to refer to the dwellings of those living independently in retirement villages, otherwise referred to as self-care units (Jones 2010:242).

McNelis (2004) defines an Independent Living Unit (ILU) is a self-contained dwelling:

→   which is managed by a not-for-profit organisation that received subsidies under the Aged Persons' Homes Act 1954 (APHA);

→   where capital funds have not come from State Housing Authorities, but include a broad range of sources such as ingoing contributions from tenants, donations and internal sources;

→   which is accessible to older people with low incomes and low value assets, thus the ingoing contribution is less than $100,000 (McNelis 2004).

History and trends

ILUs are a form of affordable or social housing, but are no longer funded through the National Affordable Housing Agreement. ILU providers were formed in the post-war period with the object of providing accommodation to older people who live independently. Between 1954 and 1986, eligible organisations such as churches, charitable bodies and institutions received subsidies from the Australian government under the Aged Persons' Homes Act 1954 to construct independent housing for older persons. ILUs remained an important source of affordable housing for older people: as at 2004, there were around 34,700 units Australia-wide, and this constituted up to 27 per cent of social housing for older people. This marked the first phase of the retirement village industry.

McNelis estimated that there were 6,200 ILUs in Victoria in 2004, though this is a lower number than the number funded under the APHA (7,543), suggesting a marked decline in the stock in this state over time (this is in contrast to other states which have expanded). Victorian ILUs are mostly located in the east and southeast of Melbourne, (whereas public housing for older persons tends to be located in the inner city and the north and west of Melbourne).

ILUs are predominantly cottages and are often located in areas which provide good amenity for residents. However most of the housing stock of ILUs was built many years ago (funded under the Aged Persons Homes Act 1954 and not those within newer Retirement Villages), and is now ageing. McNelis surveyed ILU organisations and almost half reported that more than 75 per cent of their housing stock was more than 20 years old and 32 per cent rated their stock below current community standards. It therefore often no longer meets older people's needs and expectations. McNelis (2004) estimates that 34 per cent of ILU stock in Australia needs upgrading.

ILUs provide segregated older person housing often in a village environment. They provide housing but a range of other services such as a meeting room, an emergency alarm in each unit, and an on-site caretaker/manager and often co-locate residential aged care services and thus can link residents with these services.

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ILUs have historically kept their rents at a level affordable to pensioners but that is at risk with increased demands undermining financial viability. Given the desire to maintain affordability for residents, without capital from federal and state governments through low interest loans or joint ventures, ILU organisations may not be financially sustainable. McNelis argues that there is a risk is that many ILU organisations will withdraw from the sector leaving a gap in the supply of affordable housing for aged people in need. They may have no option but to withdraw or move 'upmarket' and target older people with higher levels of assets.

Figure 5:   ILUs as a proportion of social housing, Melbourne
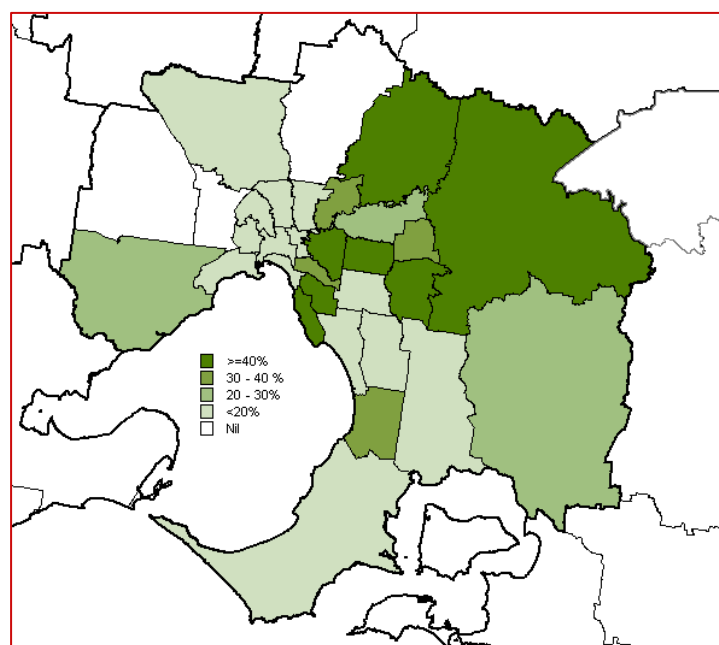
Source: McNelis 2004: 20

McNelis (2004) found that ILU organisations are mostly small in size (30 per cent of those surveyed had only 20 units or less), but some are large (13 per cent had more than 200 units). All are a community-delivered form of social housing, providing many of the benefits of 'retirement village' living such as a common meeting room, an emergency alarm in each unit, and an on-site caretaker/manager. Most ILU organisations (81 per cent) also provided residential care, but some ILU organisations were giving ILUs a lower priority in preference to residential aged care. An increasing proportion of residents were very old, with 42 per cent aged over 80 years. McNelis found that 72 per cent of organisations target pensioners who do not own their own homes, while 49 per cent and 47 per cent respectively target pensioners who own their own home and self-funded retirees.

ILUs have often been to service particular groups, from ex-servicemen or ethnic or religious groups. However, some new generation providers have provided ILUs for emerging need groups. For example, Wintringham (Melbourne) is a not-for-profit organisation providing independent living units together with support and care services in both campus and high-rise settings for older people who are homeless or at risk of homelessness. Support services include supervision, health support, cleaning, meal support and recreational activities. Wintringham is an accredited

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community care provider and uses its own staff to provide Community Aged Care and Extended Aged Care at Home packages to this group of older people, many with complex needs.

Over the past two decades the social context for ILUs has changed significantly:
→ Older people have different and higher expectations of their housing and living environment;
→ There is a strong emphasis on older people 'ageing in place' in their own homes and communities;
→ Community care programs are continuing to expand;
→ Australian Government priorities have changed to focus on residential aged care and community care programs—ILUs are no longer a high priority; and
→ ILU organisations now face competition from private developers of rental villages for older people, for example, Village Life.

Importantly, ILUs are a remnant of a former traditional three-tiered system of care—whereby older people 'graduated' from independent living, to hostel and then a nursing home. Now access to residential aged care is based on an aged care assessment rather than residency in an ILU. Although 84 per cent of ILUs had waiting lists, increased numbers of people are now accessing community care in their own home, reducing the demand for ILUs.

Governance

ILU organisations range from stand-alone housing organisations to those providing a broad range of aged care services (in particular, residential aged care services) and small and large organisations, diverse target groups, management arrangements and geographic distributions of units, all of which provide challenges around governance.

Extensive changes in legal responsibilities (occupational health and safety, the new taxation system, residential rights, privacy, corporate, financial and auditing requirements etc.) have complicated the management of ILUs. McNelis argues that many ILU organisations lack knowledge and strategic management skills or resources to address recent changes to the legal rights of older people. Most ILU organizations are small and are isolated from other ILUs, constraining their capacity to adopt best practice or to manage risks. For other larger organisations operating ILUs, ILUs 'were not a high priority but one of a range of services' (McNelis, 2004, iv).

While three quarters of all ILU organisations had a board of directors responsible for governance, others relied on individuals to 'keep the organisation going'. Some ILU organisations, especially the smaller ones reliant on volunteers, are struggling to manage their units properly; they lack a good knowledge of their primary legal framework, have difficulty in managing their broader legal responsibilities, and have inadequate written policies and procedures ILU organisations with small housing portfolios have little capacity to manage property risks. Those with larger portfolios can spread their risks. Some organisations have not made provision for refurbishment or redevelopment of their stock.

3.4 Caravan Parks and Residential Parks

Residential parks refer to any land or development used, or intended to be used, for the placement of manufactured homes. Manufactured homes (or relocatable homes) are small dwellings constructed off site and designed to be moved from one place to another with relative ease of disassembly and transportation. Typically, residents own

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their home but lease the site and pay a charge for use of amenities and facilities, but some residents may rent both. Ownership and business models in residential parks and villages are diverse with parks established on either private or crown land.

The trend towards manufactured home villages has been part of a process of gentrification of the sector. Goodman et al (2013) argue that it offers a more reliable and higher income stream than other models, and has met growth in demand from baby-boomer retirees. These developments generally have better facilities and sometimes are 'gated'.

The ABS classifies occupied caravans and cabins in caravan parks or residential parks as a form of occupied private dwelling (for caravans on roadsides/open land). The ABS however also categorise occupants of these dwellings as 'marginally housed' where they reported a usual address in a caravan, cabin or houseboat in a caravan park and are unlikely to have accommodation alternatives' (Chamberlain & MacKenzie 2008).

The ABS 2011 Census identified approximately 46,965 people residing in caravan parks (caravan, cabin or houseboat) excluding visitors and holidaymakers nationally and 7,031 in Victoria (ABS BCP 2011).

In 2011 the number of people considered marginally housed in caravan parks in Australia was 12,963 people, with 2,381 of these residing in Victoria (ABS 2011 Cat. No. 2049.0). In 2006, of the 17,497 marginal residents of caravan parks, 42 per cent (7,349 people) were over the age of 55 years (Chamberlain & MacKenzie 2008).

Wensing et al (2003) find that residents of caravan parks include:

→ People making a deliberate choice to live in a caravan park for reasons of lifestyle, including affordability and flexibility compared to other forms of housing. This includes retirees who own their dwelling but rent a site or rent both the caravan and the site. This group are on fixed incomes from superannuation or pensions and have been living in caravan parks for several years.

→ Itinerant or seasonal workers in the construction industry, farming and fruit pickers or other lower paid jobs who chose to live long-term or permanently in caravan parks also as a lifestyle choice. They tend to be renter renters (i.e. they rent both site and dwelling) rather than owner renters so they can move with the availability of work.

→ People who move into a caravan park 'as a last resort because there is no other suitable alternative at a particular time in their lives'. They are not there by choice as they do not have the means to gain access to housing in any of the mainstream sectors or they may already be on the public housing waiting list and may have rent debts and face financial constraint so they cannot pay a bond and rent in advance.

Caravan parks typically provide very basic conditions with minimal facilities and amenity compared to conventional forms of housing. Facilities in caravan parks vary enormously, with some providing much in the way of recreational facilities (Pools, spa, tennis courts etc.), while others are rudimentary and provide only minimal amenities (e.g. laundry, rubbish collection) (Goodman et al, 2013:87). Infrastructure provision was found to be poor in many cases, with lack of adequate road facilities and signage.

Many residential parks are located in areas (e.g. beach frontages) that would not normally be approved for residential development. Land might be also previously industrial, contaminated or under major power lines or other infrastructure (Goodman, 2013:69).

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Councils surveyed by Wensing et al (2003) found that although there was a desperate need of permanent accommodation, there was an increasing lack of permanent sites. Many on low incomes were not able to access caravan parks, including cabin accommodation, because of an increasing use of cabin style accommodation for early retirees and retirees generally, and the movement by some park operators towards full tourist parks. Those most at risk of the closures in permanent sites include:

→ residents who own their dwelling and rent the site. Owners of dwellings (often the elderly) face the loss of their only investment and face the prospect of homelessness, especially if the relocation of the caravan or cabin is greater than its capital value or unless they can find another park to relocate to and have the necessary upfront costs to do so; and

→ residents who rent both the dwelling and the site. This often includes families and those with disabilities who may have failed to maintain tenancies in the private rental market. They face the loss of their housing of last resort.

Goodman et al (2013) find that 'once threats of closure and eviction are minimised, governance issues addressed, and a reasonable standard of facilities offered, many residents find living in residential parks comfortable and supportive'. As a tenure, its attractiveness to over 50s will grow and so this presents a challenge to policy makers to ensure the facilities provided are appropriate for ageing in place.

3.5   Rooming Houses

A rooming house is defined under Section 3 of the Residential Tenancies Act 1997 as follows: "a building in which there is one or more rooms available for occupancy on payment of rent." (a) in which the total number of people who may occupy those rooms is not less than 4; or (b) in respect of which a declaration under section 19(2) or (3) is in force."
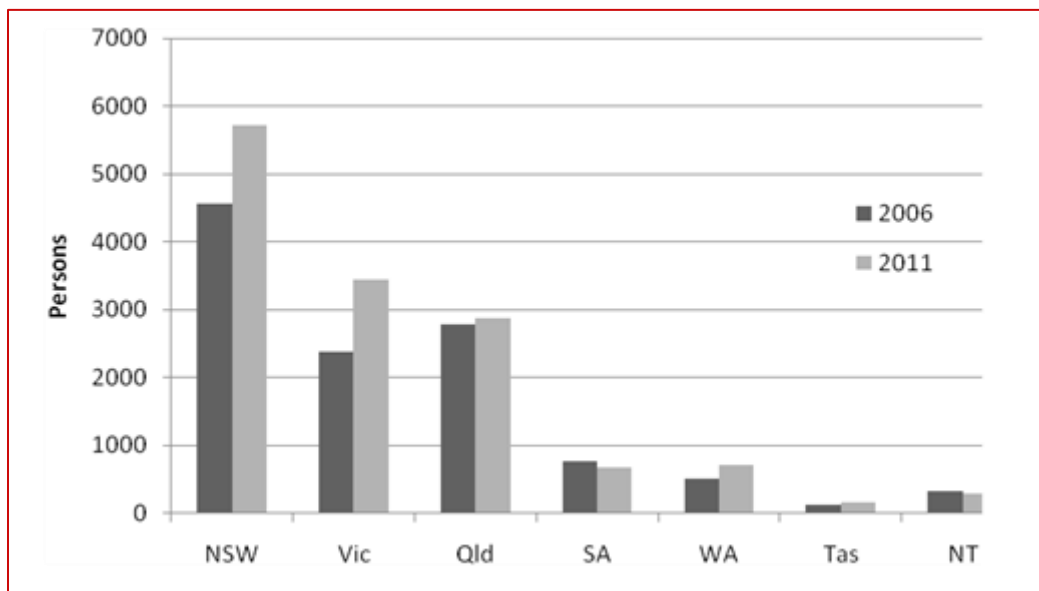
Boarding houses in Australia (or 'rooming houses' in Victoria) provide low-cost accommodation mainly in inner-city areas of larger cities. Residents are low-income people, including significant number of older people, especially men. Boarding houses offer long-term single or shared rooms, often furnished, and usually shared bathroom, kitchen and laundry facilities. In many boarding houses, meals and serviced rooms are provided. Historically, most boarding houses have been provided by the private sector, but the community and public sectors are also involved in boarding house provision.

While rooming houses were initially designed to accommodate single working men on a 'board and lodging' basis (and more recently 'backpackers'), today they are a primary source of rental accommodation for low-income individuals who often experience other forms of disadvantage and are largely disengaged from the labour market.

In 2011, three-quarters of Australian boarding house residents (76 per cent) were male and 40 per cent of boarding house residents are not in the labour force. Around 40 per cent of male residents (N=4211) were aged between 40 and 59 years. Only 11 per cent were aged over 65 years. Boarding house residents are generally masculine and middle-aged (Goodman et al, 2013:32-33).

According to the 2011 Census, 13,880 people resided in boarding/rooming houses in Australia on census night, with 4,397 in Victoria (Goodman et al 2013). Over the period 2006 to 2011, there has been a 21 per cent increase in the number of people in boarding and rooming houses across Australia, and a 45 per cent increase in Victoria (Figure 6).

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Figure 6: **Number of Boarding house residents by state and territory, 2006 and 2011.**

Source: Goodman et al 2013: 22

This growth has followed a decline in boarding house numbers in Australia (Chamberlain 2012). Recent growth has come through 'small', 'suburban' or 'mini' rooming houses which follow a different model to the 'traditional' rooming house (see Rooming House Standards Taskforce (Vic.) & Foley 2009 and Chamberlain 2012). The new models of rooming houses are typically existing houses that are converted into rooming houses. This might involve internal modifications such partitioning of rooms to create additional bedrooms or conversion of garages into habitable rooms.

In June 2014 there were 1,131 registered rooming houses in Victoria, with 60 per cent operated by individuals and 40 per cent by organisations (Dalton 2015:1). Figures 7 and 8 show that rooming houses are predominantly situated in Melbourne's south eastern and inner suburbs, with a large number in the city of Whitehorse, Monash and Dandenong.

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Figure 7:   **Distribution of rooming houses (per cent) by region (SA4), Victoria**
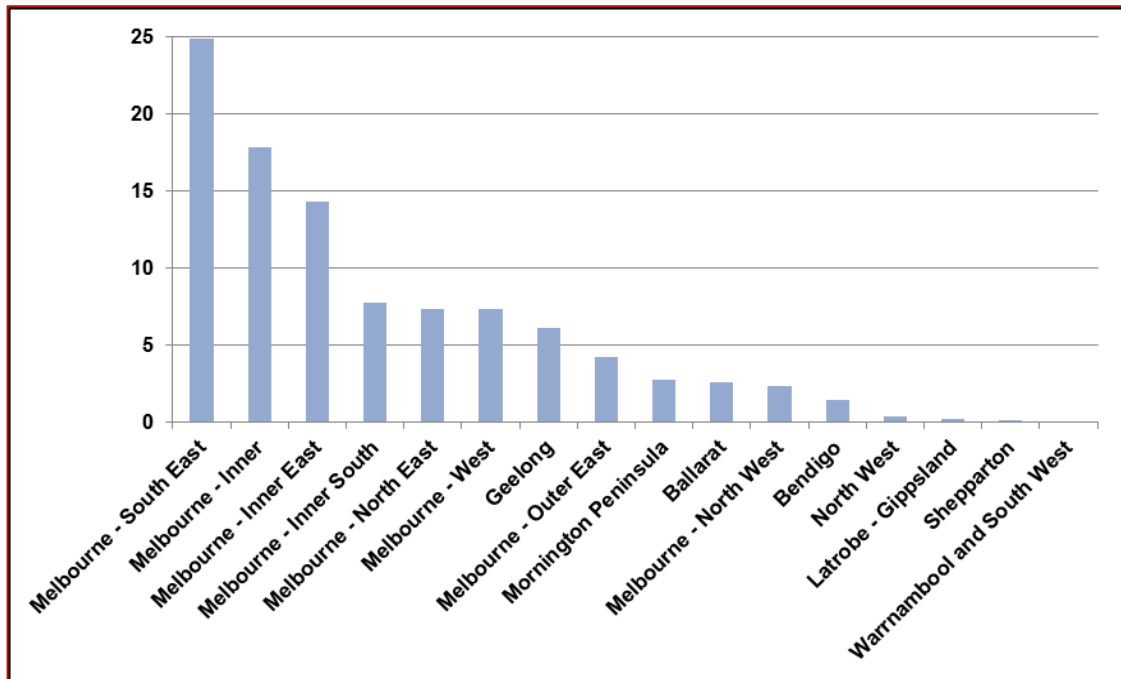
Source: Dalton 2015a:5

Figure 8:   **No. of rooming houses metro Melbourne LGAs 2014**
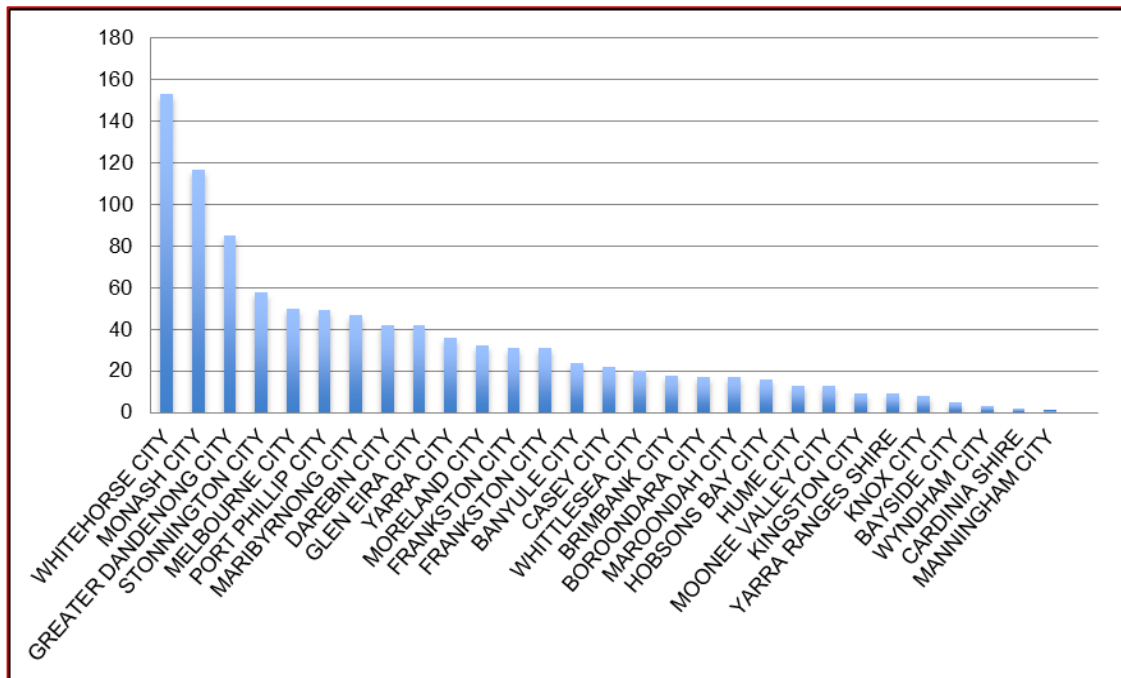
Source: Dalton 2015a:5

History of the sector

In the late 1970s and the 1980s the Victorian Government became involved in the rooming house sector due to concerns about decreases in supply of rooming houses and their state of repair, with consequent risks for residents (Dalton 2015b:13). The

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Victorian Government purchased older style rooming houses, provided grants and loans to repair selected rooming houses, and funded a custom-built boarding house using funding from the Local Government and Community Housing Program (Carter 1988, p.254 cited in Dalton 2015b:18). Dalton cites that as a result of this rooming house program, 43 rooming houses were owned by the Victorian Ministry of Housing and Construction and managed by community organisations, providing 818 beds (Carter 1988, p.255 cited in Dalton 2015b:18).

Subsequently, in Victoria, the Inner Urban Rooming House Project, formed in 1997 to highlight the issues of the sector. It was made up of a coalition of interests from the Tenants Union of Victoria, Consumer Affairs Victoria, local government authorities, building regulation and health areas and rooming house owners. The group agreed that key problems lay with 'the poor physical state of many rooming houses, high support needs of the client group, and lack of support and resources to rooming house owners' (Incerti, 2007, as quoted in Good man, 2013:27). Key recommendations centred on retaining and expanding rooming houses, improving management and continuing processes of consultation and advocacy. However, in 2006 the quality of rooming houses and the needs of residents became an election issue in Victoria, against the background of an inner city rooming house fire in October 2006 in which two young people died. This was followed by a commitment by the Minister for Consumer Affairs to examine rooming house issues in early 2007 (Consumer Affairs Victoria 2007). The Coroner recommended significant changes to regulations and legislation and considerable development of state and local government capacity for informing providers and rooming house residents as well as enforcing regulations. (Goodman, 2013:27)

In 2009 the Victorian government established the Rooming House Standards Taskforce charged with developing a plan to address the significant number of unregistered rooming houses. The Rooming House Standards Taskforce (Vic) & Foley (2009) made five recommendations in relation to the registration of rooming house operators and rooming houses. Subsequently this led to the development of a Public Register of Rooming Houses published on the Consumer Affairs Victoria web site (Dalton 2015b:4).

Dalton found that currently in Victoria, 95 registered rooming houses are run by not-for-profit bodies (21% of all registered establishments), with some of the titles transferred to the managing organisations. Around 20 of the properties have been substantially upgraded, for example, using Nation Building funds (2015b:18).

Section 4: Policy and regulation implications

4.1   Retirement villages (including Independent Living Units)

Regulation of Retirement Villages is covered by:

→ Retirement Villages Act 1986

→ Retirement Villages Amendment (Information Disclosure) Act 2013

- Retirement Villages Amendment (Records and Notices) Regulations 2013
- Retirement Villages Amendment (Contractual Arrangements) Regulations 2013

Consumer Affairs Victoria provides information and advice services, and dispute resolution and conciliation services for retirement village residents and operators. It also maintains a register of retirement villages and enforces and ensures compliance with the Retirement Villages Act and regulations.

Consumer protection

Jones et al (2010) argues that governments could selectively intervene on behalf of low-income, low-asset older people whose needs are not well met in existing arrangements for provision of service integrated housing. Attention might be given to upgrading accommodation developed under earlier public programs and promoting service integration by service integrated housing providers who are also community service providers. Possible models are illustrated by recent projects in public housing catering mainly for older people and service supplementation to residents in independent living units.

Dispute resolution

Retirement village operators must have procedures in place to resolve disputes between residents and between residents and operators (Consumer Affairs Victoria 2013).

Fair pricing

Models of retirement villages vary, however Jones found that for 'assisted living rental villages' affordability is an issue for older people on a pension due to the high proportion of pension income and rent assistance charged as rent. For those solely dependent on the aged pension little is left for other living expenses after paying 85 per cent of pension and 100 per cent of CRA for the unit, meals and laundry which is challenging for independent living. Jones notes that as the model matured, it was increasingly targeted towards older renters who had some other additional source of income. Jones found that "Village Life explicitly targeted this group in some of their later developments, charging up to 95 per cent of the single rate of the Aged Pension in some villages" (Jones 2007:119).

Management

Jones (2007) argues that policy interventions could facilitate current trends and enhance the roles being played by retirement village providers in supplying service integrated housing, while still relying principally on the entrepreneurship of private and community sector operators.

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Downsizers moving into retirement villages noted a lack of consultation by building management. Dissatisfaction with on-site care and support, and stressful experiences on resident's committees of strata title developments were all issues (Judd et al, 2014).

Outcomes (care, quality of life, affordability, security, access)

Retirement villages were applauded by some downsizer interviewees for the safety and security they provided (Judd et al 2014). Jones acknowledges that "while there is some evidence of a gap between expectations and the reality of the availability of services in retirement villages (Buys, 2000), other studies have found that many residents of retirement villages report improved quality of life, particularly linked to the social environment of the village, the support provided for house and garden maintenance, the health support and the quality of the physical environment (Gardner, Browning and Kendig, 2005)" (in Jones 2010:34.)

Jones notes that one consequence of the rapid growth of Assisted Living Facilities in the United States has been the development of a significant body of research addressing issues of service quality and access. Four key themes have been the quality of the physical environment, the quality of life of residents, continuity of residence and affordability (2010:63).

4.2 Independent Living Units (not part of Retirement Villages)

ILUs that are not part of retirement villages are governed under the Residential Tenancies Act 1997 or are unregulated.

Consumer protection

McNelis argues that in order to meet increased consumer expectations, ILUs need to upgrade, refurbish, reconfigure, redevelop or demolish their present stock. To do this, ILU providers need access to capital. This can only come from four possible strategies: resident funded contributions; a consolidation (amalgamation resulting in loss of stock), withdrawal of the organisation from provision of ILUs, or joint venture involving a joint partner (McNelis 2004: p.vii).

Fair pricing

Originally ILUs were not means tested, but they remain in large part affordable. Typically, rents are set in line with public housing income based rents (25 per cent of income). ILU organisations provide housing on both a rental basis and through residence agreements which require residents to make an upfront ingoing financial contribution to the cost of the home. Thus, many but not all ILUs are managed under various Retirement Village Acts.

McNelis argues that ILUs might improve their financial viability by better tapping into Commonwealth Rent Assistance. He also argues that there may also be opportunities for ILU providers to tap into groups outside their traditional target group. Given pressures to upgrade premises, ILU providers may face increased pressure to charge more to their residents, undermining affordability objectives.

Management

McNelis shows that many ILU organisations have transformed themselves in response to the new cultural imperatives such as the rights of residents, respect for

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and promotion of their independence and a recognition that many older people have active lives outside the retirement village. However, some are only slowly becoming aware that their current style of management is at odds with these cultural changes (2004).

McNelis (2004) suggests a range of possible ways forward for ILU organisations to address their management issues:

→ In relation to improving capacity for strategic planning—one option was to collectively establish an asset management organisation with the particular skills required or they could 'amalgamate housing portfolios so that they can achieve a size where they can employ the required expertise' (p.viii).

→ Secondly, ILU organisations could consider migrating to be governed as community housing organisations rather than Retirement Villages Act (this framework does not require entry contributions).

→ Tapping into available infrastructure support (p. ix).

4.3   Caravan Parks

Legislation and regulations include:

→ The Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2010, including:

- registration with local council and associated duties on owners
- fees for registration
- standards for fire safety and emergency management planning in caravan parks
- construction standards and installation requirements for movable dwellings in parks
- standards for services and amenities and the maintenance of sites and dwellings.

→ Part 4A of the Residential Tenancies Act 1997 which is the main piece of law that regulates site agreements between residents who own their movable dwelling but rent the underlying land (site tenant) and site owners (usually park owners) who rent out such sites.

→ The purchase of a dwelling is a separate arrangement to the site agreement. The purchase of a dwelling is regulated by other laws, including the Australian Consumer Law and Fair Trading Act 2012.

Consumer Affairs Victoria also provides advice to residents of caravan parks through a publication, Caravan Parks: A guide for residents, owners and managers.

Wensing (2003) found that responsibility for monitoring and regulating caravan parks is divided between state/territory and local governments in all jurisdictions. While local government has responsibility for the conventional land use planning and environmental health aspects in most jurisdictions, the state/territory governments retain overall responsibility for regulating the caravan park sector in other areas including affordability, tenants' rights and other consumer protection issues.

Goodman et al (2013) argue that policy-makers across Australia need to ensure that legislation and regulation is comprehensive and cover all components of marginal rental housing (this includes caravan parks and rooming houses). Key areas of importance include:

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→ rights and responsibilities of occupants and operators

→ minimum standards for buildings and open space

→ reasonable levels of privacy and amenity

→ adequate services and shared facilities.

They also argue that States and territories might 'consider working towards uniform standards for any type of marginal housing in Australia in the context of setting a broader policy of secure occupancy in all types of rental housing' (Goodman et al 2013:102). This would reduce the potential for exploitation of jurisdictions with weak legislation. They also advocate widening scope of legislation to cover residences with even just one boarder to ensure all boarders have similar rights before the law.

Consumer protection

Goodman et al (2013) show that residents of marginal housing like caravan parks have fewer rights because of the managed nature of the housing. Rights available to private or public renters (around privacy, and justification for eviction, and processes for appeal) are limited in marginal housing. Furthermore, they find that many residents are not fully aware of their rights and were not able to adequately look after their own interests in relation to signing the site agreement, especially in relation to rent increases. The culture of informality meant some did not have documentation and in some cases the agreement changed each time with rent increases. Goodman argues in favour of cooling off periods to give people more time to consider their decisions after moving in (2013:86). They also argue that it is reasonable to expect that the initial agreements between operators and marginal renters 'define and describe basic services and facilities, house rules, and inform renters of their rights and processes of appeal to ensure legislative compliance' (2013:103).

At the time of the study, the Victorian Act had provided greater security of tenure (offering five-year lease or tenancy agreement), but many had still to receive the agreement itself (Goodman et al, 2013: 86).

Goodman et al (2013) argue that there have been a number of problems with consumer protection in the owner-renter segment of the market. Issues have ranged from:

→ the lack of security of tenure around own-rent arrangements, with some tenants being evicted

→ the recent rise of shared equity arrangements which involve considerable disadvantages for owner-renters—some have argued that such arrangements should be made illegal (2013:80)

→ the limited capacity of owners to reap benefits of capital appreciation of the value of their properties (with some operators requiring they share in up to 50 per cent of any capital gain or up to 10 per cent of the value of the on-site sale price) (2013:81).

Goodman (2013) and Wensing (2003) also argue that there are problems for residents if the caravan park closes. The rate of closure has seemed to slow since the Global financial crisis (Goodman 2013). Although residents cannot get regular home loans to buy a dwelling on land in a residential park, park owners can mortgage the property on which their dwellings sit. However, because many parks are on land that is leased, they are vulnerable to repossession and closure. They argue that while most governments have established ad hoc closure management schemes to assist in the relocation of residents, these processes 'do not, and cannot, address the

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insecurity of living in a park that might be closed'. Furthermore, options to permit residents to collectively purchase land (successfully done in the US) or use long term (30–99 year) leases, have only recently been explored in Australia (e.g NSW Fair Trading, 2011).

Goodman et al (2013) find abuses in the way disadvantaged residents are often treated (at least in the NSW system of probationary occupation), with this resulting in tenancy instability and insecurity. They find evidence of rorting, with operators taking in people referred by Housing NSW for up to 60 days then terminating the residency, pocketing the bond and rent in advance (2013:84).

Wensing (2003) argues that there is scope to improve appropriate mechanisms for monitoring the patterns of use of caravan parks especially when closure or change in parks leads to a loss of permanent accommodation. Wensing also argues that state/territory governments should consider compensation for forced relocations to cover the rehousing and/or relocation costs where such costs are not covered by the park owner's legal obligations.

A roundtable meeting on marginal rental housing held in Melbourne in June 2012 reinforced calls for greater consolidation of current legislation to address its complexities (Thompson & Jones 2012). Tensions around regulatory reform exist: participants were concerned that too stringent regulation might push some forms of marginal rental housing underground but leniency might enable financially exploitative or unsafe situations to continue (Thompson & Jones 2012:9).

Finally, Goodman et al, (2013) found that service providers and interviewees reported health and safety issues, especially related to poor facilities and maintenance of plumbing, electrical, sewerage and drainage. In the case of residential parks, simple procedures like ambulance access were problematic as well as emergency management procedures in case of fire and flood. Regulatory enforcement and expanded coverage for prevention and readiness for fire were important as well.

Dispute resolution

Goodman et al (2013) reported in focus groups that residents expected to be able to speak with managers about problems and to work out some solution together but when these expectations were not realised it caused great distress. Elderly women were found to be particularly vulnerable to managerial abuse. There were also widespread expectations that living in a residential park would lead to conflicts between residents. The authors argue that managers require a high level of skills and training to manage these conflicts. Even so, residents prefer more informal means or formal mediation to resolve disputes.

Recent amendments to Victorian legislation (under Part 4A of the Residential Tenancies Act) have enabled resident committee meetings (formerly they had not been permitted to assemble and represent themselves). However, research by Goodman (2013) revealed that some Victorian park residents reported disruption in a park that seemed aimed to interfere with residents' committee meetings, including after successful appeals of rent increases.

Occupancy rights and rules for parks frame the experiences of residents, but often 'informality and illegality' often characterised their experience with permanent residents left vulnerable to any treatment by operators (Goodman 2013: 88).

Where residents' legal rights are ignored or violated, they have recourse to the Victorian Civil and Administrative Tribunal. All such tribunals have processes for hearings and mediation. The fees for appeal are relatively small, and the practices of

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the tribunals can exert a significant influence on residents' rights and responsibilities. Even so, despite bringing some matters to the tribunal some operators subsequently never carried through on the agreements made. Residents have also been disappointed at the low level of expertise at the tribunals (Goodman, 2013: 93). There is a need for the tribunal to have greater capacity to follow up when agreements are violated.

Fair pricing

Research by Goodman (2013) found that rents were generally affordable for those on low incomes. In NSW most owner-renter interviewees were paying $100–130 per week, falling 'neatly' under the Centrelink ceiling for rental assistance. Rents were generally set at a standard level for the dwelling and/or site, rather than varying by number of occupants (singles/couples/family) or by the size of the sited dwelling (Goodman, 2013).

However, Wensing (2003) found that affordability issues are prevalent among renters in caravan parks with nearly 41 per cent of those households in a caravan who rent privately were in rental stress (i.e. paying more than 30 per cent of their income on rent) compared with 27 per cent of all households.

Goodman's research highlighted several issues:

→ Exorbitant rent increases were reported in some manufactured homes in New South Wales, and there had also been issues around the lack of security of tenure around own-rent arrangements, with some tenants being evicted (2013:78).

→ There were reports that some operators refused to sign Centrelink statements for rental assistance, to try to ensure that residency agreements were only made with wealthier people.

→ Some interviewees reported that management sought to keep prospective residents away from existing ones, purportedly to stop discussion about rent levels (2013: 91).

→ There were complaints about sloppy accounting at some parks, such as incidents where people had been overpaying and it had not been discovered and in some cases direct debit arrangements not available, or charging for services (gas and electricity) not transparent (2013: 90)

→ For owner renters, there were cases where managers offered, even insisted, that they on-sell the dwelling in their park. Commissions generally varied between 2-5 per cent—though one Victorian manager regularly charged 10-15 per cent—and also might block sale if they don't like the new purchasers, potentially undermining the resale value for the consumer though many reported increases in the value of their housing over time (2013:90-91).

People moving into caravan parks do so partly because of its perceived affordability and perceived security of tenure associated with ownership, with those choosing this form of tenure sometimes revealing low retirement savings (Goodman et al, 2013:82).

Management

Goodman (2013) found there to be a gradual trend away from traditional family-owned residential park (where the management style tended to be more attentive to residents' needs) towards use of managers working for larger property groups. Some reported very good consultative management with good 'people skills'.

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Most of resident's general complaints about living in caravan parks revolved around issues of management. Advocacy groups also complained of 'horrendous rogue operators', 'illegal lockouts of residents', the 'use of bikie gangs as security', owners and operators with criminal histories and intimidating behaviour (Goodman 2013:72).

Goodman (2013) recommends that the systemic management issues would be served by mandatory training in dealing with residents with complex needs including substance abuse and mental health issues. This training should be standardised across the industry, delivered by independent educators and accredited. They also recommend mandatory licensing to screen owners and operators for previous criminal, fraudulent or financial misbehaviours. They also argue for set rules of conduct.

Care and support (dignity, respect, quality of life, care)

Goodman (2013) found evidence in parks of neglectful management, with management not present out of office hours or absent. There were also concerns that managers were not equipped to deal with issues of older people including end of life issues. They found disparities in service provision which stemmed from segregation of some kinds of residents (e.g. renter-renter occupants of caravan parks from owner renters) and lack of access to services suitable for those with complex needs (generally provided to residents of boarding houses).

Goodman shows that the security of facilities in caravan parks varies considerably. They also show that preparation for fire, flood and other safety risks, including in relation to rubbish removal is lacking (page 93).

There is evidence that residents (Owner-renters in particular) value the support and sense of community in residential parks and villages, which enriched and enabled their retirement.
Goodman (2013) argue that regulators and policy-makers can benefit from fostering this kind of constructive community neighbourliness in residential parks.

4.4   Rooming Houses

Legislation and regulations include:

→ Residential Tenancies Act 1997 (section 3)

   • Residential Tenancies (Rooming House Standards) Regulations 2012

→ Public Health and Wellbeing Act 2008

Consumer Affairs Victoria provides a published guide: Rooming houses: a guide for residents and operators.

A provision of the Public Health and Wellbeing Act 2008 requires operators to register their rooming houses with the local council if they intend to rent out one or more rooms to four or more people (Dalton 2015b:9).

There were three main amendments made to existing legislation in late 2012:

→ the government legislated for the establishment of a new state-wide register of rooming houses that would consolidate the existing registers maintained by local councils. Publishing the register would be the responsibility of CAV using powers incorporated in the Residential Tenancies Act 1996.

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→ the government legislated to require rooming house owners comply with minimum standards for rooms, facilities and common areas. The provision supporting the setting of minimum standards would be established through amendments to the Residential Tenancies Act 1996.

→ other amendments to the Public Health and Wellbeing Act 2008 increased the powers of councils to assess compliance with standards and registration (Parliamentary Library Research Service 2012 cited in Dalton 2015b:13).

Research by Dalton et al (2015) highlights that the enforcement of standards is only possible for registered rooming houses and it was the view of most research participants that there were a substantial number of non-registered rooming houses. The research acknowledges that local government is often best placed to identify unregistered rooming houses but would require additional resources to follow up with owners/proprietors to seek registration or closure. More coordination between agencies and ownership by a lead agency would enable ongoing monitoring and evaluation of regulatory change and propose reform as required. Dalton suggests that a forum such as a consultative council could assist in mapping issues and commission a program of review (2015).

Goodman et al (2013) argue that marginal rental accommodation is responding to demand, and as such any sustainable solution to the inadequacies of the sector must be to address the demand by meeting it with new types of well-managed multi-occupancy supply. They point to some directions that appear to be promising:

→ New establishments catering for 'new generation or high end of boarding/rooming houses' with good facilities, shared security and sporting facilities are already emerging this could be further expanded;

→ Community housing organisations are developing practical and attractive social housing on boarding/rooming house models with governance arrangements that support the autonomy of residents and offer reasonable tenancy rights; and

→ Using digital technology to provide accreditation and consumer feedback to force improvement in standards.

Consumer protection

Minimum standards are in place for registered rooming housing plus protections under the Residential Tenancies Act 1997.

Dalton notes that the current system of regulation does not fare well in circumstances where people "who do not have skills or capacities required to look after themselves [are required to] interact and harmoniously share common spaces with other residents" (2015:41).

Dispute resolution

Consumer Affairs Victoria may be approached to conciliate the dispute. Experienced conciliators will try to resolve the dispute without the need to attend court or tribunal hearings.

The Dispute Settlement Centre of Victoria can also hear disputes involving operators and residents, and help them reach agreement.

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If operators and residents have tried all avenues to solve a dispute, and still cannot reach an agreement, they may have to apply to the Victorian Civil and Administrative Tribunal (VCAT).

Fair pricing

Those run by community housing providers base their rents on a percentage of income, usually 25 per cent. Privately run rooming housing are market rents.

Residents may be eligible for Commonwealth Rent Assistance but operators do not receive any subsidies for support services. Residents may be eligible for HACC and other community services.

Management

Rooming house managers are increasingly described as rooming house operators. Consumer Affairs Victoria (2012) states that such operators can be the owner of the building, a person who has leased a building and is operating it as a rooming house, or an agent or head tenant employed by the owner.

In Victoria the report of the Rooming House Standards Taskforce (Vic.) and Foley (2009) recommended that the state government support 'the Registered Accommodation Association of Victoria to develop a revised code of conduct for members in light of the regulatory changes'. This led to the peak association representing rooming house owners and operators to propose a set of accountabilities for a person with responsibility for managing a rooming house. They direct that operators:

→ Have more direct communication with residents and help resolve problems sooner

→ Help residents feel safer and more secure.

→ Help minimise damage to the building

→ Ensure repairs and maintenance works are carried out quickly and maintain hygiene standards

→ Help enforce the house rules

→ Help build good relationships with neighbours

→ Deal with legal issues.

Outcomes (care, quality of life, affordability, security, access)

Goodman et al (2013) did interviews with rooming house residents. Some residents reported that they felt safe and secure and were happy with their life in a boarding house. However, overwhelmingly, residents found that safety and security was an issue for them and most wanted to move into independent affordable housing. Capacity to control their own room is a key issue for many residents so that their own possessions could be kept secure. Having a decent sized room, amenity of shared spaces and behaviour of other residents were all key issues (2013:28-31).

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