



**Senate Economics References Committee Inquiry into
Affordable Housing**

Carers Victoria Submission

March 2014

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About Carers Victoria

Carers Victoria is the state-wide peak organisation representing those who provide care. We represent more than 700,000 family carers across Victoria – people caring for a person with a disability, mental illness, chronic health issue or someone with an age-related condition. The people being cared for could be a parent, child, spouse, grandparent or a friend.

Carers Victoria is a member of the National Network of Carers Associations, as well as the Victorian Carer Services Network. Carers Victoria is a non-profit association which relies on public and private sector support to fulfil its mission with and on behalf of carers.

Carers Victoria is a membership-based organisation. Our members primarily consist of family carers, who play an important role in informing our work, contributing to advocacy and strategic aims, and distributing information more widely to other carers.

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1. Introduction

Carers Victoria welcomes the opportunity to participate in this important inquiry. Opportunities for input from disability or social policy advocates in regard to housing are often largely confined to very specific design or eligibility issues; for example, the need for modifications to make housing physically accessible for people with a physical disability or eligibility to social housing. While important, these more narrow foci can sometimes mean that the broader macro issues affecting families receive less attention.

Affordable housing shortages remain unaddressed, leaving advocates to constantly refine policy while the underlying problems continue to deteriorate. Many of the concerns that our constituency, carers, have about housing are related to the failure of the market and governments to provide affordable and appropriate housing for people with a disability, mental illness or chronic health condition.

While acknowledging its importance, this submission will leave the more detailed analysis and commentary about the impacts of tax and transfer policy on housing affordability to other experts.¹ This submission will focus upon how a lack of affordable housing affects the families of people with a disability or mental illness. As the submission will make clear, this makes up a significant cohort of the population, both in terms of gross numbers and the significance of the role they perform. The submission goes on to make a number of recommendations to the Committee.

This inquiry is particularly timely in the context of the trialling and future roll out of a National Disability Insurance Scheme (NDIS). The scheme, highly significant in its own right, has also invigorated broad and lively discussion about the needs and lives of people with a disability. While the NDIS will only provide individualised supports to a relatively small proportion of people with a disability, its impacts could be transformative. In recent times, access to housing and support for people with a disability has often been curtailed by either a lack of available or sufficient support to live in the community, or by problems in coordinating this support with access to housing. If sufficient support is forthcoming through NDIS, there will now be a cohort of people with a disability whose life choices and outcomes are only constrained by a lack of affordable and suitable accommodation.

It is clear that the NDIS will not, and probably should not, provide housing for the majority of people with a disability. Access to mainstream affordable housing remains a priority for the majority of people with a disability and their families. Not only this, but there is a risk that, without sufficient access to affordable housing, the smaller group of NDIS participants who are eligible for supported accommodation may become limited to congregate specialised accommodation settings, as service providers respond to the market. This would be a significant step backwards for community living policies for people with a disability.

Summary of submission main points:

- Access to appropriate and affordable housing is a key issue for caring families. In many ways, deinstitutionalisation and community living policies for people with a disability and/or mental illness were predicated upon the availability of affordable housing through the private rental market and social housing. In recent times,

¹ For example, Saul Eslake, Australian housing policy: 50 years of failure, Submission to the Senate Economics References Committee 21 December 2013
http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Affordable_housing_2013/Submissions

housing in the private market has become increasingly unaffordable and social housing has become scarcer.

- Families are the primary source of housing (or housing assistance) for adults with a disability² and yet receive minimal targeted government assistance in this regard.
- Family carers are concerned about the lack of affordable housing for their family member with a disability and/or mental illness but can also themselves be directly affected by a lack of affordable housing because of their reduced workforce participation and increased costs because of their caring responsibilities.
- People with a disability and/or mental illness and their carers/families face barriers to affordable housing across all housing tenure types.
- The consequences of lack of access to affordable housing include reduced housing choices, increased household stressors and, in some cases, homelessness. More broadly, it can mean entrenched social exclusion and poor health and wellbeing for the whole family, sometimes across generations.
- Concerns about housing are central to caring families' broader anxieties about the future of their family member with a disability and/or mental illness.

2. About carers

Carers provide unpaid care and support to a family member or friend needing assistance with a disability, mental illness, chronic health issue or age-related frailty.

Each caring situation is different. Carers come from all walks of life, all age groups and all cultures. They may be spouses, partners, parents, sons or daughters, siblings, friends, nieces or nephews or neighbours. *Many people identify themselves in terms of these family relationships and may not identify themselves as 'carers'.*

According to the Survey of Disability, Ageing and Carers, there are some 773,400 informal carers in Victoria (or 13.6% of the total population), 217,800 (3.8%) of whom are 'primary carers'.³ The 'primary carer' is defined as the carer within the household who provides the majority of ongoing care to the person requiring assistance.

The caring role is not evenly balanced across gender lines. Australia-wide, of the 769,800 'primary carers'; 536,700 or 70% are female and 233,100 or 30% are male.⁴ The same ABS (2013) survey estimated that there were 74,800 carers under the age of 15 years Australia-wide, while there were an extra 231,200 informal carers between the ages of 15 and 25 years.

According to a report prepared for Carers Australia by Access Economics, informal carers within the community provided 1.32 billion hours of care in Australia in 2010.⁵

When calculating the replacement cost to Australian society if all current informal community care was delivered through formal care systems, Access Economics conservatively estimated this figure to be \$40.9 billion per year. This is equivalent to

² Australian Institute of Health and Welfare Disability in Australia (2008): Trends in prevalence, education, employment and community living Bulletin 61 June 2008 Commonwealth Government. In 2003, of the 97.5% of people with severe and profound limitations under 65 who lived in the community, 84% lived with family.

³ Australian Bureau of Statistics (ABS), Survey of Disability Ageing and Carers (SDAC) 2013, Table 36- 1&2

⁴ ABS 2013 SDAC, Table 33, 1.

⁵ Access Economics (2010), The economic value of informal care in 2010, Carers Australia.

60% of the health and community sector budget for that year or 3.2% of annual Gross Domestic Product.⁶

3. Why this issue is of particular importance to caring families

Understandably, families of a person with a disability and/or mental illness are concerned about the wellbeing, life choices and opportunities of their family member. They are acutely aware of the vulnerability of their family members and the strong correlation between disability and/or mental illness and homelessness or other forms of insecure housing. When they can, families mitigate against the lack of suitable housing options by providing housing and support themselves for their family member.⁷

The vast majority of adults with a severe or profound disability in Victoria live with family. As housing becomes less affordable, fewer families are able to perform this role without experiencing significant difficulties or compromises. Even when families can provide housing, most usually by co-residing, they are often aware that this can limit the housing choices for their family member and themselves. It is a community norm that most adults will choose to leave their parents' home. For many adults with a disability,⁸ this is not an option because affordable housing and support are not available. Other families may happily choose to co-reside but experience acute anxiety about what will happen when the carers, usually parents, are not able to provide care or housing due to ill health or death.⁹

Concerns for caring families about access to affordable housing are not confined to those about their family member. Caring for a person with a disability, chronic illness or mental illness is strongly associated with lower incomes for the rest of the family. Carers are over represented in the lowest two quintiles of household income.¹⁰ This is a result of lower workforce participation for carers than that for the general Australian population. There are significant barriers to combining caring responsibilities with paid work. For example, only 42% of primary carers participate in the workforce, compared with 69% of the general population of Australians of workforce age.¹¹ When people with caring responsibilities are in paid employment, they are also much more likely to work part-time than their non-carer peers (19.2% versus 42%).¹² Carers are more likely to be dependent on income support as their main source of income. When it is considered that a family member who needs care is also likely to be on a very low income and/or reliant upon income support because of his or her disability, it can be seen that there are significant numbers of households with a person with a disability with very low incomes.

People with a disability and their families also bear additional costs because of disability.¹³ Even when carers and their family member do not co-reside, carers often

⁶ Ibid.

⁷ Beer, A. and Faulkner, D. The housing careers of people with a disability and carers of people with a disability, Melbourne, Vic. Australian Housing and Urban Research Institute, 2008.

⁸ This submission will often use the term 'disability' or people with a disability to also include those with mental illness and chronic health conditions.

⁹ Australian Institute of Family Studies, Percival, R & Kelly, S 2004, Who's going to care? Informal care and an ageing population: report prepared for Carers Australia by the National Centre for Social and Economic modelling, NATSEM, Canberra.

¹⁰ Australian Bureau of Statistics, Survey of Disability, Ageing and Carers (SDAC) 2013 Commonwealth Government.

¹¹ Australian Bureau of Statistics Survey of Disability, Ageing and Carers (2013), Table 37.

¹² Australian Bureau of Statistics Survey of Disability, Ageing and Carers (2009).

¹³ Saunders, P. (2006) The costs of disability and the incidence of poverty, Social Policy Research Centre.

subsidise the rent of the person with a disability.¹⁴ Low incomes and additional costs combine to make it difficult for many carers to find suitable and affordable housing for themselves as well as the person for whom they care.

4. Ways in which lack of affordable housing affects caring families

The combination of socio-economic factors associated with disability and caring create barriers to access affordable housing across all housing tenure types.

4.1 Home ownership

Home ownership, particularly in metropolitan area, relies upon the household having a dual income or considerable assets. As already outlined, caring families are less likely to be in this position. Carers aged 15–34 years are significantly less likely to own their own home (37%) than non-carers of similar age (44%),¹⁵ even though they prize the stability of private home ownership for themselves and their families very highly.

4.2 Private rental

Private rental for families with a person with a disability, mental illness or chronic health problem is often:

- Unaffordable or unavailable. Research by Wulff et al.¹⁶ demonstrated that even when rental housing is affordable for those in the lowest income quintile, this housing is often unavailable because it is taken by someone on a higher income.
- Subject to discrimination. A recent study by Victorian Equal Opportunities and Human Rights Commission (VEOHRC) indicated that people with a disability often feel discriminated against when applying for private rental housing, either because they have a disability or because they have an income source associated with their disability.¹⁷
- Unsuitable because the landlord does not allow modifications or because paying for modifications is not a viable option when length of tenure is short or uncertain.
- Insufficiently stable for an individual or family experiencing the multiple impacts of disability.

4.3 Social housing – community housing and public housing

- Social housing is increasingly important for people with a disability and their families because of the market's failure to provide housing for people with a disability.
- At the same time, investment in social housing as a proportion of overall housing has been in steady decline for many years. This has resulted in the increased residualisation of public housing: long waiting lists, restricted eligibility, increased stigma and social problems, particularly when public housing is in congregate settings.

¹⁴ See Ilsley, B. (2013) *Invisible Care: Access to Carer Payment and Carer Allowance by Victorian Carers of a person with a mental illness*, Carers Victoria.

¹⁵ Australian Bureau of Statistics (2008), *A profile of carers in Australia*.

¹⁶ Wulff, M., Dharmalingam, A., Reynolds, M. and Yates, J. (2009) *Australia's private rental market: changes (2001-2006) in the supply of, and demand for, low rent dwellings*, AHURI.

¹⁷ VEOHRC (2012), *Locked Out: Discrimination in Victoria's private rental market*.

- One result of this residualisation is that eligibility for public housing does not include people with a disability currently receiving support in the family home. This large group is neither homeless nor necessarily receiving formal support (because their families are providing it) and so do not qualify for this form of housing assistance even if they would like to live independently.
- Community housing holds great promise for people with a disability to live independently but this is currently unrealised because of competing policy settings. The requirement that housing associations grow their stock with no effective requirement that they provide housing for people with a disability has meant that people with a disability struggle to benefit from community housing. Additional policy levers are required at both supply and demand ends.
- Continued reduction in public housing stock and a lack of access to community housing will mean that the social housing options for people with a disability are confined to public housing. This will further exacerbate public housing's well documented viability and social stigma problems, further accelerating its decline as a housing type.

4.4 Residualised accommodation and transinstitutionalisation

People with a disability and/or mental illness are over represented in boarding houses, caravan parks – and prisons. Many people with a disability and/or mental illness live in supported residential services (SRS). These services, particularly those at the pension level, cannot provide sufficient care and support for this population. People with a mental illness¹⁸ and/or disability¹⁹ are also massively over-represented in the homeless population. Families often provide financial assistance and/or crisis accommodation for their family member in these circumstances.

5. List of Recommendations

In addition to making changes to taxation transfer and housing assistance policy settings to increase the supply of affordable housing, Carers Victoria makes the following recommendations:

Home ownership

1. That careful consideration be given to the scaling up of mixed equity schemes. Planning and analysis (see Recommendation 3) is likely to show that there is a significant population of people with a disability (and their families) who have a small source of capital. This may be sufficient to exclude them from access to social housing but be insufficient to allow them to purchase a home, given that incomes of people with a disability are often low. There may be significant cost-benefits for the government in providing assistance in the form of equity to allow home purchase. Any government initiative in this area should form a part of a broader disability housing strategy that considers fairness of access to housing assistance between different cohorts of people with a disability.

¹⁸ MCHA Home Truths (2009): Mental Health, Housing and Homelessness in Australia.

¹⁹ Beer, A., Baker, E., Mallett, S., Batterham, D., Pate, A., Lester, L. (2011), Addressing homelessness amongst persons with a disability: Identifying and enacting best practice, Australian Government.

Social housing

Carers Victoria recommends that the Commonwealth Government:

2. Provides long-term, planned and increased investment in social housing.
3. Undertakes detailed population planning for current and projected affordable housing needs of people with a disability and their families. This should take into account of the interface between affordable housing and an NDIS, while also addressing the housing needs of those people with a disability who may not be eligible for the scheme.
4. Provides an additional 'high need housing payment' with which tenants with a disability can approach social housing providers, as proposed in the Henry Taxation Review 2010.

Recommendation 105: A high-need housing payment should be paid to social housing providers for their tenants who have high or special housing needs or who may face discrimination in the private market. This payment should be funded by the Australian government. The Commonwealth and the States should retain the option of providing capital for social housing construction.

5. Sets clear targets for Housing Associations to provide housing for people with a disability and/or mental illness.

Private rental

Carers Victoria recommends that the Commonwealth Government:

6. Introduces reforms to Commonwealth Rent Assistance such as those outlined in the Henry Taxation Review. Australia's Future Tax System (2010):

Recommendation 102: The maximum rate of Rent Assistance should be increased to assist renters to afford an adequate standard of dwelling. To ensure that Rent Assistance can be maintained at an adequate level over time, the rent maximum should be indexed by movements in national rents, which could be measured by an index of rents paid by income support recipients.

Recommendation 103: To better target an increase in the maximum rate, Rent Assistance should be part of the income support system, with eligibility based on rent paid and the income support means test, rather than on eligibility for another payment (for example, Family Assistance).

7. Continues its commitment to the funding of the National Rental Affordability Scheme (NRAS) while improving the scheme's targeting to those with a disability and/or mental illness with very low incomes.
8. Develops data collection mechanisms to collect information about access to NRAS, including data about how people with a disability access the scheme.

9. Introduces measures to improve access to NRAS for people with a disability. Additional incentives for landlords to provide rental housing to people with a disability may be necessary.
10. Consider making changes to influence and encourage longer private rental tenures. Lack of certainty of tenure for people with a disability is a key concern for many.

6. References

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