Submission into the Inquiry into the Adequacy and Future Directions of Public Housing

Family and Community Development Committee
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1. Introduction

1.1 About Carers Victoria

Carers Victoria is the state-wide peak organisation representing more than 700,000 family carers across Victoria – people caring for ageing parents, children with disabilities, and spouses with mental illness or chronic health issues.

Carers Victoria is a member of the National Network of Carers Associations and 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.

1.2 Some preliminary comments about this Inquiry

Carers Victoria welcomes this opportunity to participate in this important inquiry. Carers Victoria previously submitted and presented to the Inquiry into the Provision of Supported Accommodation for Victorians with a Disability or Mental Illness (Carers Victoria, 2008a). As this submission aims to demonstrate, access to suitable public housing is of crucial importance to many caring families with a person with a disability and/or mental illness.

Carers Victoria notes the Inquiry’s Terms of Reference and its clear focus on public housing. This submission will argue, though, that it is not possible to adequately consider the future of public housing policy or practice in isolation to other contextual factors and relevant policy areas. Indeed, many of the problems with public housing policy are a result of a lack of connection with other policy and service delivery areas. The options available to people with a disability and/or mental illness and their carers are affected by the broader economic, policy and political landscape they find themselves in. Particularly for these groups, it is the availability and affordability of both housing and appropriate support that impacts upon the possibility of living meaningfully in the community.

The Office of Housing is currently conducting its own review of the public housing waiting list and prioritization system. While it is always possible to make administrative improvements, many of the current difficulties with the system are merely symptomatic of a shortage of public housing and, consequently, its present role within the housing and welfare realms.

As a result, this submission will make explicit reference to other areas of housing, homeless, disability and mental health policies.

1.3 About this submission

Carers Victoria consulted with its members about their experiences of public housing. It has also encouraged carers to make individual submissions to the committee.

This submission has also been informed by consultations and focus groups with carers. Housing invariably emerges as a priority issue whenever carers are asked about their key concerns.
2. Carers and Public Housing

In Victoria there are over 990,000 people with disabilities of whom approximately 30% are considered to have a severe or profound limitation that inhibits their ability to care for themselves, communicate clearly or undertake normal cognitive or motor development tasks; and 690,000 unpaid family carers. These include 116,600 primary carers (Australian Bureau of Statistics 2004) who provide most of the support and assistance required for their parent, partner, child or friend with a disability or chronic illness.

There are several ways in which housing is of particular importance to carers. The lives of family carers are intrinsically linked with those people with a disability and/or mental illness they care for. In the vast majority of cases, family members naturally want the best for their family member and are concerned about the difficulties they face in accessing appropriate housing. Caring relationships involve interdependency. In this context, this means that family members are also affected in very direct ways by the housing options available to the person they care for. If a person with a disability and/or mental illness cannot access public housing, this can not only impact on their wellbeing, but that of the entire household.

There is, of course, a well documented national shortage of affordable housing. The National Housing Supply Council estimated that there was an overall gap (unmet need) of 85,000 dwellings in Australia in 2008. This situation is set to worsen: the Council estimates there will be a cumulative gap by 2028 of 431,000 dwellings (Housing Ministers’ Conference 2009). In the private rental market, the shortage of housing stock is particularly damaging for those on the lowest incomes. Not only is the number of dwellings that is affordable for those in the bottom quintile of income decreasing but, of the potentially available affordable stock there is, much of this is taken by people on higher incomes (Wulff et al 2009). Many people with a disability and/or a mental illness, and indeed their carers, find themselves in this lowest quintile of income because they are unemployed or on very low incomes.

People with a disability and/or a mental illness also face other barriers in accessing housing, whether this relates to home ownership, private rental, public or community housing. They often experience community discrimination. If home modification is needed, this can be difficult to achieve in a privately rented home or if the modifications are costly. It may only be possible to live independently with formal support, and this may not be available. People with disabilities also often face difficulties in accessing housing and support that is purposely designed for them. There has been little growth in Shared Supported Accommodation places despite continued increases in demand (Victorian Auditor General 2008).

Carers’ own decisions and options about housing are affected by these realities. A landmark report published last year by AHURI, “The housing careers of people with a disability and carers of people with a disability” (Beer and Faulkner 2009) starkly illustrated how carers tend to have a very strong preference for home ownership because this is perceived as providing security of tenure for the person they care for and autonomy for making home modifications if necessary. In this study, 65% of carers were outright owners of their home. At the same time, carers are also more likely to be unemployed or on low incomes than the general population because of the difficulties encountered in balancing paid work with caring responsibilities (Access Economics 2005). They also encounter additional costs associated with a family member having a disability (Saunders 2006). The AHURI report found that carers who own their own homes do so at the expense of holding other assets such as superannuation. Those purchasing homes are more likely to be in mortgage stress than other home owners. Several members of Carers
Victoria reported that they were forced to sell their family home because their caring responsibilities meant that they could no longer work and pay their mortgages.

It is plausible that this strong prioritization on home ownership by carers has masked the need for housing assistance for people with a disability and/or a mental illness. It is also unlikely that this dynamic can continue - for a number of reasons. Firstly, carers are increasingly unlikely to be able to afford to purchase their own homes because of increasing shortages of affordable housing. Younger carers aged 15-34 are currently less likely to own their own home (37%) than non carers of a similar age range (44%) (ABS 2008). This means that they will be less able to purchase housing for themselves or the person they care for. Secondly, the demographic ratio of carers relative to people needing care is set to reduce (AIHW 2007).

The proportion of people with a disability is increasing relative to the general population because of the baby boomer population “bulge”, the increased longevity of people with most types of disability and because of the ageing of the general population (AIHW 2000, AIHW 2007). Public housing, in spite of its problems, is often seen as the best available option by people with a disability and/or a mental illness wanting to live independently, provided there is also support available. Public housing is perceived to be affordable and secure in tenure. Carers often see public housing as a less than ideal option but one that is preferable to other options for themselves or the people they care for.

As the AHURI report concludes, it is clear that demand on public housing by both people with a disability and/or mental illness and their carers is set to increase.

3. Carers’ experiences of public housing

3.1 Accessing public housing

Carers report that it is extremely difficult for them or their family members with a disability and/or mental illness to gain access to public housing and have been on waiting lists for several years in many cases. Carers report that this places sometimes unmanageable stress on the whole family.

Although difficulties in access to public housing are not limited to those with a disability and/or mental illness, these groups can experience additional barriers. People with a physical disability needing housing that is modified in order for it to be accessible clearly have fewer options in terms of available housing stock because not all dwellings are physically accessible. In addition, many people with disabilities and/or mental illness are not prioritized for public housing and have their application lodged in the General Wait-Turn category.

Although a large proportion of public housing residents have a disability of some type, this is rarely the reason why they are prioritized housing. A current Office of Housing proposal to improve waiting list structures showed that only 9% of early housing applicants had qualified for Segment 2 of the waiting list (DHS, 2009). This is the segment that explicitly targets people needing disability modifications or are receiving formal support packages. The criteria for Segment 2 are narrow: for eligibility, a person must need urgent home modifications, and/ or receive formal support from a list of government funded programs and be living in “unsuitable” housing. These criteria exclude many people with a disability, particularly intellectual disability, and/ or mental illness. Notably, they do not include those people who have lived with their family for much of their lives but no longer wish to or are able to because of life transitions or changed circumstances. For example, the criteria do not apply to those who wish to live independently as they transition into adulthood, or if
their family can no longer provide informal support because of their own health problems, other demands or family breakdown, all of which are common to caring families. Notably, those people with a disability and/or mental illness who have been housed and supported by their parents for their entire lives are not eligible even though their parent(s) may be now very elderly. It is estimated that there will be 4008 ageing parent carers by 2013\(^1\). Although not all people in this situation consider public housing to be appropriate, many others do but are denied timely access.

The picture is of a crisis orientated system that does not prevent future problems or cater for planned transitions. The public housing sector is chronically underfunded; the number of public housing dwellings actually fell between 1995 and 2007 in the context of sharply rising house prices, population growth and increasing incidence of disability. (AIHW (2008), Productivity Commission (2008)). This scarcity means that it must be rationed. It is understandable, although unfortunate for many, that this rationing occurs on the basis of acute housing need, and this largely means homelessness, within a particular definition of the term.

### 3.2 Eligibility and application process issues

Although the reality of the shortage of public housing is acknowledged, there are improvements to be made in the ways that this scarce resource is delivered to ensure that potentially eligible people are not unintentionally screened out. Carers report that applying for housing is confusing and often lacks transparency.

As of June 2009, there were 1292 people registered on the Disability Support Register (DSR). This list, administered by Disability Services Branch (DSB) of the Department of Human Services (DHS), is for people needing supported accommodation urgently. Many people with a disability or their carers do not register because they do not consider themselves to be in crisis yet. There is a common and reasonable perception that registering on the DSR means making an application for public housing. Unfortunately, this is not the case – public housing is administered by the Office of Housing (OoH) using different definitions of disability and housing need. Unwittingly, people with a disability may not have applied for public housing because they are not aware of this or because they have the perception that this is “double dipping”.

The very low numbers of people with a disability and/or a mental illness eligible for prioritization through Segment 2 (Supported Housing) and Segment 3 (Special Housing Needs) may also have been in part due to unclear definitions and descriptors which have a large bearing on whether someone applies, and then whether the application is accepted. Examples include, “unsuitable housing” and whether this applies to people housed inappropriately in Supported Residential Services, “urgent medical” and “in receipt of formal support”. Carers Victoria understands that the Office of Housing is addressing these ambiguities through its review of public housing waiting list processes (DHS, 2009a).

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\(^1\) These indicative estimates are projected from the Survey of Disability, Ageing and Carers (2003) national data on estimated numbers of ageing parent carers who are over 65 and living with their disabled offspring. They have assumed an even distribution of parent ageing from the 2003 cohort of parent carers between 45 and 64, and divided this by 24% - Victoria’s share of the population.
3.3 Allocation problems
Carers report that their family member with a disability and/or mental illness has been offered a public housing place in a location far from themselves and the support they can offer, or from other friends and familiar services. Many people with a disability or mental illness do not drive or cannot afford to run a car, so it is also vital that housing is situated near to public transport. The person receiving the offer and their family is then placed in the difficult decision of accepting the offer and so relying exclusively on formal support and risking social isolation, or else refuse the offer for it not to be repeated. Many people with a disability or mental illness and their families would like to combine formal and informal care arrangements because they understand that this is a more sustainable and meaningful state of affairs for all concerned. Applicant choice is the key determinant of housing suitability and, in turn, success.

3.4 Quality of public housing
Again, this area is inseparable from the problems of lack of supply of public housing. Public housing has long ceased to fulfill its originally intended purpose of providing high quality affordable housing to people on low incomes. Unavoidable targeting of those “most in need” has meant that it has not been possible to achieve a broad mix of residents. During the last twenty years, deinstitutionalization of psychiatric asylums and the closing of institutions for people with disabilities have occurred with insufficient recognition that these groups would need housing and support, and that this would increase pressure on not just caring families, but also public housing.

Locations with high concentrations of public housing have resulted in the social exclusion of entire neighbourhoods, which has in turn resulted in areas with frequent incidences of antisocial behaviour (Jacobs and Arthurson, 2003). Public housing has become stigmatized, as have many of those living within it. People with a disability and/or mental illness, and often their families, are already vulnerable to discrimination and social isolation. Carers are acutely aware of these issues when viewing public housing as an option. There have been moves to ameliorate these problems; recently acquisitioned public housing is dispersed within the community and Neighbourhood Renewal Schemes are aimed at reducing systemic disadvantage for residents.

3.5 Access to sufficient support
It can be argued that many more people with a disability or mental illness could successfully live independently in public housing if adequate support was available. It is well documented that both housing and support are needed for people with a disability and/or mental illness to maintain their tenancies and flourish in the community. Failure to provide both frequently results in not only tenancy failure, but increased demand on other parts of the service system such as homeless and mental health services. Lack of coordination between the Office of Housing and Mental Health Branch or Disability Services Branch means that sometimes housing is available (or would be if support was), but support is lacking, or vice-versa. A recent systemic example of this occurred when, in last year’s budget, significant funding was allocated to support people with a significant psychiatric disability and other complex needs in the community, but no housing was specifically allocated for them. Similarly, the State Disability Plan 2002-12 aims to enable Victorians with a disability to pursue individual lifestyles and participate fully and equally in community life. Individual Support packages are available to assist people to do this, but receipt of a package does not give priority for housing unless other criteria are fulfilled.
The Office of Housing is aware of some of the co-ordination problems between housing and support and is expected to make progress in some of these areas.

3.6 Impacts of rent structures

In order to be eligible for public housing, it is necessary to be on a low income. Unlike the situation when someone is living in privately rented housing, residents of public housing are not eligible for Commonwealth Rent Assistance, but pay rent at a subsidized level, that is, 25% of their income. Although this rent pricing is clearly intended to make public housing affordable and to ensure that it is used by those who most need it, it can also have unintended consequences. Carers have reported that they and their families have left their public housing tenancies, despite the disruption, once they have gained employment because it was cheaper to rent privately and claim rent assistance than remain in public housing. This situation can be further compounded if a carer is in receipt of Carer Payment but then increases their income due to beginning employment. In this case, a carer may begin to pay tax on their income, become ineligible for carer payment and also be subject to an increase in rent. For some people, the resulting Effective Marginal Tax Rate (EMTR) produces a significant barrier to returning to work, trapping them in poverty (Carers Victoria, 2008b). It is understood that these matters will be examined in the Henry Review of Australia’s Taxation System.

4. Further comments about relevant systemic issues

4.1 Recent housing policy initiatives

Nation Building Program

In 2009, the Commonwealth Government allocated $6.4 billion nationally, $1.6 billion to Victoria, for social housing as part of its Nation Building Plan. For Victoria, this represents the upgrading of many existing public housing dwellings and 4500 new dwellings, and is the largest injection of funds into social housing for many years. Although this spending has been universally welcomed by housing and social welfare advocates, it is important to keep it in the broader perspective of long term sustainability. The national figure of 20,000 new dwellings represents the number of new public housing dwellings built every year during the 1980s. Australia’s population has increased much since then, and there are the previously mentioned economic, demographic and service system developments that have increased demand on public housing. However, it has been made clear by the Commonwealth to the states that this injection of funding is a one-off. This means that, according to the Housing Ministers Conference report (2009), using National Housing Supply data, “while recent initiatives will increase the supply of social housing up to 2013-14, stock will reduce over time to 2030 without continuing strong investment. The possible contraction in social housing supply is in the context of continuing demand for social housing from household growth amongst targeted client groups.” This is highly relevant to addressing the problems already mentioned in this submission, many of which cannot be tackled effectively without a greater supply of housing.

Nevertheless, last year’s new funding has the potential to benefit many people with a disability and/ or mental illness if new housing is matched with resources to provide support. However, disability, mental health and carer advocates have been disappointed by the state government’s apparent decision not to target these groups to any great
extent. To the knowledge of Carers Victoria, only 45 new dwellings have so far been specifically earmarked to people with a disability through the Nation Building Program.

**Community housing**

Not all of the Nation Building dollars are for public housing. A proportion of the funding will go to community housing, particularly that run by Housing Associations. Housing Associations are Non-Government Organisations which provide and manage housing. Many were founded to provide housing to particular groups, including people with a disability and/or mental illness, and have expertise in doing so. At both Commonwealth and state level, Housing Associations are seen as the major growth vehicle for social housing. Indeed, Housing Ministers agreed in May 2009 that up to 75% of housing stock constructed under Stage Two of the $5,238 billion Nation Building and Jobs Plan Social Housing Initiative be transferred to community housing providers by 30 July 2014. If the 75% target is achieved this will increase dwelling stock held by the community housing sector by a further 12,000 units to just over 90,000 or 20.5% of social and affordable housing stock (Housing Ministers Conference 2009).

It is a requirement in Victoria for Housing Associations to grow their stock in order to comply with their association status. This clearly makes sense in terms of sustaining numbers of social housing and attempting to have positive effects in influencing the broader market’s supply of affordable housing. There are concerns, though that this will have the unintended consequence of discouraging the supply of housing to people on the very lowest incomes such as those on statutory incomes, particularly those who require single accommodation. The primary way for Housing Associations to grow their stock is through collecting rents and, on the whole, people with a disability and/or mental health problem can usually only afford very low rents. Along with the possibility that these groups will also require more tenancy management support, this provides an incentive for Housing Associations to provide housing to those who are on “low incomes” rather than those “most in need”, because those on “low incomes”, (which includes those in lower paid professional jobs), can pay higher rents. Housing Associations are also under financial pressure to co-house residents, even if this is not the residents’ preference, because this means they will collect more rent. Apart from the lack of resident choice this entails, it also means that there is a disincentive to leave spare rooms vacant for formal carers and/or family members to visit.

This market failure occurs in the absence of policies that require Housing Associations to house people with a disability or mental illness. There are no targets set by government for housing these groups or accountability measures. Common waiting lists are being developed so that people can apply for public and community housing at the same time. Housing associations are already required by a Housing Registrar to take 50% of new residents from the public housing waiting list. They are, however, not required to take these residents from the priority list, those most in need, or those with a disability and/or a mental illness.

These developments are relevant to this inquiry because they have the potential to improve or reinforce some of the problems with public housing already mentioned. We have already shown that people in the lowest income quintile have less access to existing affordable housing in the rental market than other groups (Wulff 2009). If people with a disability and/or a mental illness who wish to live independently cannot be housed in community housing, then their only affordable and secure option is public housing. This will ensure that public housing remains only for those with the very highest needs, and a more diverse social mix will not be achieved. On the other hand, if ways can be found to
house some people from these groups in community housing, then this would not only provide choice, but could reduce pressure on public housing and allow for a more even mix of those on low incomes and those most in need. Government intervention is required at all levels to provide incentives and remove disincentives for housing people with a disability and/or a mental illness and develop robust targeting and accountability measures.

There are also more general concerns about the advocacy and communication strategies currently used to secure public funding for social housing. Increased investment must be sustained in the long term. The recent rationales for this are primarily based on narrow economic grounds; either to create jobs through building or to create houses for workers. While, both of these are valid, the first rationale is unlikely to apply in the long term, it only occurring in the context of a global economic crisis. The second rationale applies less to people with a disability or a mental illness, given that they may not be participating in the workforce. It is hoped, but by no means certain, that affordable housing policies will benefit these groups even though they are not necessarily the intended audience or target. It is of course, possible to argue more directly for housing and support for people with a disability and/or mental illness on economic grounds, but it appears that these arguments are failing to gain the political traction they need.

4.2 Homeless policy

The Commonwealth Government’s white paper on homelessness, “The Road Home” has been applauded for bringing attention and resources to this area (FaHCSIA, 2008). There is a commitment to addressing the causes of homelessness in addition to significantly reducing the numbers of street homeless Australians. Mental illness has been recognized as having an important causal relationship with homelessness, and that mental health treatment and support can play a part in preventing homelessness. The cost-benefits and whole of welfare system effects of linking housing, treatment and support for people with mental illness are relatively well recognized (Boston Consulting Group, 2006, Flatau et al., 2008). Action in this area will need to be achieved through effective collaboration between the Commonwealth and State Governments and, again, is likely to require increased investment in public housing and support for people with a mental illness.

It is also notable that other forms of disability are rarely mentioned in homeless literature, in spite of the fact that people with a disability are over-represented in the homeless population. In 2002-2003, 8050 people, or 26.4% of clients using the Supported Accommodation Assistance Program (SAAP) were in the ‘disability” client group. The Australian Institute of Health and Welfare also found that this client group received specialist services less often than the “non-disability” client group (AIHW 2005).

4.3 Victorian government inter and intra-departmental collaboration

The Victorian Government released its Mental Health Reform Strategy last year (DHS, 2009b). This recognizes the importance of secure, affordable housing linked with support services for people with mental illness. There is strong evidence that provision of housing and support can prevent relapse of mental illness and so reduce demand on scarce acute clinical resources. As mentioned previously, this awareness did not translate into public housing places for people with a mental illness, in spite of additional support dollars for them. Much of the need for accommodation is driven by the need to provide housing in order to discharge people with mental illness from intensive inpatient services once they no longer need them and then keep them well (downstream services). There is also a
parallel, but less well developed, case for providing housing and support for people with a mental illness before they need inpatient services (upstream services).

It has been mentioned previously in this submission how the aspirations of the State Disability Plan are not reflected in housing policy. The Commonwealth recently committed to funding a feasibility study into a National Disability Insurance Scheme. Any proposed scheme of this sort is likely to fund support services but not accommodation. This would make planning of housing for people with a disability even more of an imperative if public money is not to be wasted in supporting people with a disability when they do not have secure or suitable housing.

There is a need to improve the capacity of the different parts of government to collaborate in addressing the housing needs of people with a disability and/or mental illness. Carers Victoria’s Prebudget bid 2010-11, it recommends the development of a Disability and Mental Health Housing Strategy which would include a number of concrete actions to collect data, conduct joint planning and target setting and make formal long term commitments to providing housing and support to these groups (Carers Victoria 2009).

5. Recommendations

Recommendation 1
That Victorian and Commonwealth Governments continue to collaborate to sustain a significant increase in investment in public housing.

Recommendation 2
That all new social housing is designed and built to be physically accessible for people with disabilities.

Recommendation 3
That the Victorian Office of Housing clarify the key terms used in the eligibility criteria for public housing.

Recommendation 4
That people with a disability and/or a mental illness are allocated public housing that is located near to public transport, social, recreation, medical and support services and their carers.

Recommendation 5
That Segment 2 (Supported housing) of the Public Housing priority system is broadened to include more people with a disability and/or mental illness and allow for a more preventative approach to addressing housing need.

Recommendation 6
That the Disability Support Register and Public Housing waiting lists are combined or redesigned to be complimentary.

Recommendation 7
The development of a comprehensive disability and mental health housing strategy which improves access of people with a disability or mental illness to long term secure housing and quality supports. This should be founded on:

(a) Comprehensive data collection systems across the lifespan.
(b) Population based planning benchmarks.
(c) Affirmative action to address the needs of ageing parent carers and actively plan for transition to out of home care.

**Recommendation 8**
The development of joint, targeted and differentiated action plans for housing and support between the Office of Housing, Disability Services and the Mental Health and Drugs Divisions:

(a) Which synchronise the provision of interlinked Housing and Support for defined target groups through significant and continued financial investment; and
(b) The development of incentives and accountability mechanisms which ensure that Housing Associations are positioned to develop and sustain accommodation for people with disabilities or mental illness who are on very low incomes, particularly those needing single accommodation.

**References**


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