

15 May 2017

Independent Pricing and Regulatory Tribunal
Haymarket Post Shop
NSW 1240

Review of rent models for social and affordable housing

Carers NSW would like to thank IPART for the opportunity to comment on the draft report of the review of the rent models for social and affordable housing. Carers NSW welcomes this draft report and commends IPART for thoroughly considering initial feedback from stakeholders.

This submission refers to carers as individuals who provide informal care and support to a family member or friend who has a disability, mental illness, drug or alcohol dependency, chronic condition, terminal illness or who is frail aged. Carers NSW is the peak non-government organisation for carers in NSW and a member of the National Network of Carers Associations. Our vision is an Australia that values and supports all carers, and our goals are to work with carers to improve their health, wellbeing, resilience and financial security; and to have caring recognised as a shared responsibility of family, community, and government. Thank you for accepting our submission.

For further information regarding this submission, please contact Freya Saich, Policy and Development Officer, on [REDACTED]

Yours sincerely

[REDACTED]

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CEO
Carers NSW



**Carers NSW submission to the draft
report on social and affordable housing
models.**

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AN AUSTRALIA THAT VALUES AND SUPPORTS ALL CARERS

Introduction

According to the 2015 Survey of Disability, Ageing and Carers approximately 43,000 carers live in State managed housing in NSW.ⁱ This is equivalent to around 4 percent of all carers living in NSW, and does not include carers that may be living in community housing. Many people living in social housing have a disability, mental illness or chronic illness or are frail aged.ⁱⁱ Research indicates that there is also a large number of carers living in social housing, likely because of the relatively high rate of occupants with conditions requiring care and support. Furthermore, carers are more likely than non-carers to live in low income households and are more likely to be out of the workforce compared to their non-caring counterparts.¹ⁱⁱⁱ

Carers NSW is supportive of a social housing system that is sustainable, better matches tenants to suitable housing and facilitates transitions into the private rental market and employment. However, Carers NSW is concerned about the implications of proposed changes to how a tenant's assessable income is calculated, and the proposed exclusion of further investment in the affordable housing sector.

Income assessment and eligibility

Carers NSW is concerned about the implications of considering other allowances and supplements in calculating the gross weekly household income of social housing tenants. Carers receiving the Carer Payment are generally entitled to the Carer Allowance and the Carer Supplement. Carers in receipt of other pensions, or no income support, may also be eligible to receive the Carer Allowance and Carer Supplement.

These additional payments are provided to assist carers with the added costs of caring and are not considered assessable income under the *FACS Tenancy Charges and Account Management Policy Supplement*. In addition to low income, there is substantial evidence that carers have significant out-of-pocket expenses and are more likely to have higher expenses in relation to energy costs, transport and medication.^{iv} Carers have told us that they often use the Carer Allowance to purchase necessary items for the people they care for, including medications, continence aids and equipment.

'The allowance paid for half our nappies we needed for the fortnight. My son was in nappies for 11 yrs, so that was all it covered not meds or travel or therapy or anything else which we paid for because we had a child with special needs.'

'I've always treated it as a "medical allowance" for my daughter. Chemist, dr's, travel from Port Macquarie to Newcastle...to see her medical team & now also tube feed costs too... Doesn't go far enough though.'

A survey conducted by Carers Victoria of mental health carers also showed that the Carer Allowance was often used to pay for transport, medication, bills and fines incurred by the person with a mental illness.^v

¹ Low income households are defined as households within the lowest two quintiles of equivalised household income.

The various uses of the Carer Allowance cited above indicate that these extra payments may be critical in enabling carers to afford essential expenses related to the condition of the care recipient. We therefore believe that they should continue to be exempt from the assessable income to determine eligibility for social housing, as well as calculating the rent a tenant pays.

Research has also demonstrated that carers may cut costs in other areas such as meals or heating and often neglect their own health needs in order to afford the care costs of the person they care for.^{vi} Carers NSW believes that incorporating these payments into eligibility and rent assessment undermines the purpose of such payments.

Carers NSW is also not supportive of including the Pension Supplement as part of eligibility and assessable income. A person receiving the Carer Payment is generally entitled to the Pension Supplement, which is composed of the Pharmaceutical Allowance, Utilities Allowance, GST Supplement and the Telephone Allowance. Including the Pension Supplement as part of a tenant's gross assessable income similarly undermines the purpose of this payment.

Furthermore, assessing a person's eligibility based on the Carer Payment as well as other supplements and allowances (which, when combined, equates to the highest level of income support) could potentially push a carer beyond the income threshold and deem them ineligible for social housing, despite the fact that they may have a lower income when the costs of their caring role are considered. This could also act as a disincentive to carers accessing employment, as any further income would place them at greater risk of ineligibility, while not necessarily improving their quality of life.

Recommendation 1: Carers NSW recommends that the Carer Allowance, Carer Supplement and Pension Supplement should continue to be exempt from a tenant's gross assessable income to maintain the intended purpose of these payments.

Allocation and choice-based letting

Carers NSW is supportive of a greater focus on the allocation of social housing properties to better meet the needs of tenants through a system of a choice-based letting. Some carers require a physically accessible dwelling to accommodate the needs of the person they care for. If the carer lives with the person, location in relation to formal services and informal supports accessed by the person can also be particularly important, and if the carer lives apart, living nearby is likely to be a key requirement. Thus Carers NSW believes that better matching tenants to appropriate properties may reduce the stress and costs involved with inappropriate housing placement.

Carers NSW also believes that incorporating periodic assessments into social housing policies and procedures would present an opportunity to better identify hidden carers and connect them with appropriate services.

The NSW Department of Family and Community Services (FACS) recently funded Carers NSW to conduct a Hidden Carers Outreach Project to identify carers in social housing, which included the development of an e-Learning tool for housing staff on identifying hidden carers. Carers NSW believes that FACS housing staff should be encouraged to complete this training to better understand how to identify hidden carers and their support needs.

Recommendation 2: Carers NSW is supportive of ensuring that tenants are better matched to properties that meet their needs.

Transitions to and assistance within the private rental market

Approximately 26 percent of carers in NSW rent privately.^{vii} Research indicates that many carers in the private rental market are in ‘housing stress’, spending more than 30 percent of their already low income on housing costs.^{viii} Given that the majority of available financial assistance for private renters tends to focus on helping people establish, rather than maintain a tenancy, Carers NSW is supportive of time-limited private rental assistance subsidies being made available to a wider cohort.

However, Carers NSW believes that if receipt of such subsidies is dependent on employment or education obligations this may exclude carers with intensive caring roles or compromise a carer’s ability to continue to receive the Carer Payment. When receiving the Carer Payment, a person is restricted from working, studying, training or volunteering for more than 25 hours a week (including travel time). Thus any employment or education obligations should not compromise a carer’s ability to continue to receive this payment, and must consider their caring role and the potential need for replacement care for the person they care for.

Carers are more likely to be out of the workforce compared to their non-caring counterparts. Furthermore, many carers are out of the workforce for extended periods of time and as a result are known to experience significant difficulties re-entering the workforce. Carers NSW thus believes that offering tenants the ‘right to return’ without losing their place in social housing for up to two years would enhance a person’s sense of security when seeking to re-enter the workforce and seek alternate housing in the private rental market. Carers NSW is similarly supportive of the Start Work Bonus offering a 26 week rental contribution freeze if a person re-enters the workforce or starts work for the first time.

Recommendation 3: Carers NSW recommends that private rental subsidies be available to carers without compromising their ongoing ability to continue to receive the Carer Payment.

Affordable Housing

Carers NSW acknowledges that expanding eligibility and availability of assistance in the private rental market may reduce the demand upon affordable housing. However, we believe that there need to be continued efforts to enhance the availability of affordable housing. A whole spectrum of housing options is required to meet the diverse needs of the population. In

the context of an increasingly unaffordable private rental market, affordable housing could prevent people from falling into rental arrears and ultimately requiring social housing.

Recommendation 4: Carers NSW recommends that continued investments are made to the affordable housing sector to ensure a spectrum of housing assistance is available.

ⁱ Australian Bureau of Statistics (2016) *Disability, Ageing and Carers, Australia: Summary of findings, 2015*, Canberra.

ⁱⁱ FACS (2014), Social Housing in NSW: A discussion paper for input and comment, available online at: http://www.facs.nsw.gov.au/_data/assets/file/0009/303030/Social-Housing-in-NSW_Discussion-Paper.pdf, viewed 8 December 2016; AIHW (2014) *Housing assistance in Australia 2014*, Catalogue No. HOU 275, Canberra.

ⁱⁱⁱ Australian Bureau of Statistics (2016) *Disability, Ageing and Carers, Summary 2015*, Catalogue no. 4430.0, Canberra.

^{iv} Lee, Y. and Zurlo, K. (2014), 'Spousal Caregiving and Financial Strain Among Middle-Aged and Older Adults', *The International Journal of Aging and Human Development*, vol. 79, no. 4, pp. 302-321; Hill, T., Thomson, C. and Cass, B. (2012) *The costs of caring and the living standards of carers*, Social Policy Research Paper No. 43, Social Policy Research Centre, University of New South Wales; Edwards, B., Higgins, G., Gray, M., Zmijewski, N., Kingston, M. (2008), *The nature and impact of caring for family members with a disability in Australia*, Australian Institute of Family Studies, Canberra.

^v Carers Victoria (2013), *Invisible Care: Access to Carer Payment and Carer Allowance by Victorian carers of a person with a mental illness*, Carers Victoria.

^{vi} Hill, T., Thomson, C. and Cass, B. (2012) *The costs of caring and the living standards of carers*, Social Policy Research Paper No. 43, Social Policy Research Centre, University of New South Wales; Holland, K. O'Connell, B., Heslop, L. and Fennessy, H. (2010) 'An evaluation of a wellness guide for older carers living in the community', *Public Health Nursing*, vol. 27, issue 4, pp. 302-309; South East Sydney Local Health District (2014) *Carers Needs in the Chronic Disease Setting: Pilot Project Report*, SESLHD, Sydney; Stajduhar, K. (2003) 'Examining the perspectives of family members involved in the delivery of palliative care at home', *Journal of Palliative Care*, Spring 2003, vol. 19, issue 1, pp. 27-35.

^{vii} Australian Bureau of Statistics (2016) *Disability, Ageing and Carers, Summary 2015*, Catalogue no. 4430.0, Canberra.

^{viii} Beer, A. and Faulkner, D. (2009), *The housing careers of people with a disability and carers of people with a disability*, Australian Housing and Urban Research Institute, Southern Research Centre; *ibid.*