



Submission to

State Budget Consultative Process
2007-2008

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For further information about this submission please contact:

Rev. Dr. Chris Jones

Anglicare Tasmania
GPO Box 1620
HOBART TAS 7001

Phone: (03) 6231 9602
Fax: (03) 6231 9589
Email: c.jones@anglicare-tas.org.au

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1. Executive Summary and Recommendations

1.1 Executive Summary

Anglicare prioritises affordable housing as the outstanding social issue impacting on the clients of its services and calls on the State Government to make addressing this issue a priority of not just the 2007/2008 budget, but of its next term of office.

During 2006 Tasmania has continued to experience economic growth. However, 37% of Tasmanians still rely on Commonwealth Government pensions and benefits as their main source of income. This is significantly more than the national average of 26.6% (ABS 2005). While many Tasmanians are feeling the benefits of the economic growth experienced in this state, there are many others who are missing out. For those living on low incomes increased activity in the housing market has resulted in extreme difficulties in affording a home, and the rising cost of living means barriers to accessing the basic essentials of life including the ability to participate in the life of the community. This means that the impact of the reforms to the welfare system introduced in July of this year are potentially profound in Tasmania: ACOSS has estimated that 4,450 Tasmanians, mainly people with disabilities and sole parents with dependent children, would be worse off under the changes (ACOSS, 2005).

Anglicare welcomes a number of initiatives introduced by the State Labor Government in its last two terms to address issues of concern to low income Tasmanians. Funding increases to the budgets of Oral Health Services, Mental Health Services and Disability Services to increase capacity, and provide a range and sufficiency of services to people with acute needs have all been moves welcomed warmly by the Tasmanian community. Other, less well publicised initiatives such as the extension of the electricity concession to Health Care Card holders and increases to the Student Assistance Scheme to address the costs faced by low income students in the primary and secondary school systems have been targeted responses to critical areas of need. Similarly, the commitment to establish a Rental Deposit Authority will provide welcome protections to vulnerable tenants in the private rental market.

In this submission Anglicare has prioritised two key areas of need. The first of these is the desperate need for affordable housing being experienced in Tasmania. Anglicare calls on the Government to build on its previous developments such as the Affordable Housing Strategy and the Affordable Housing Organisation by making target injections of both capital and operational funds to ensure supply of public housing, to support low income earners to move into home ownership and to support tenants in the private rental market. There are persuasive arguments for continued Government investment in this area.

The second critical area of need identified by Anglicare in this submission is that of Tasmanians with disabilities. Recent Anglicare research has looked at the situation of ordinary Tasmanians who are living on the Disability Support Pension. The research revealed unacceptable levels of unmet need for essential services, difficulties in accessing services due to shortfalls in service provision, long waiting lists and a fragmented service system. This submission prioritises Anglicare's key recommendations for action.

With the funding for the Bridging the Gap initiatives due to finish in the next financial year, Anglicare will conduct research on the experiences of consumers of mental health services during the next 12 months. Any recommendations from this research will be included in our submission to the State Budget consultative process for 2008-2009.

1.2 Prioritisation of Recommendations

Affordable housing for all Tasmanians

1. That the State Government provide \$100 million over four years (\$25 million in 2007-2008) in funding to Housing Tasmania's capital investment program to facilitate the purchase and/or construction of an additional 500 properties to be owned or managed by Housing Tasmania by 2011.
2. That the State Government allocate \$250,000 to provide intensive tenancy support for Housing Tasmania tenants with rent arrears or complex needs.
3. That the State Government provide \$333,000 to employ 4 additional FTE housing support workers within accommodation case planning and support services (0.5 FTE in the north west, 1 FTE in the north and 2.5 FTE in the south).
4. That the State Government allocate \$375,000 to provide an emergency rental subsidy for people who are serving an 8 week non-payment penalty imposed by Centrelink.
5. That the State Government allocate \$800,000 additional funding to Housing Tasmania's Home Ownership Assistance Program (HOAP). This will restore funding for HOAP to 2005-2006 levels, and allow Housing Tasmania the flexibility to raise the maximum loan amount to \$150,000 and explore alternative strategies, such as a pilot program developing shared-equity models of home purchase for Housing Tasmania clients.
6. That the State Government allocate one-off funding of \$3.1 million to meet the construction costs of appropriate accommodation for people with disabilities currently on the waiting list for long-term supported housing.

Living with a disability

7. That the State Government provide an additional \$9.8 million per annum to meet the ongoing support needs of those removed from the waiting lists.
8. That the State Government ensure transparency in the allocation of monies to disability support services by itemising funding and "outputs" in State Budget papers as has previously been done for Children and Families and Housing Tasmania and by establishing a

communications strategy to inform stakeholders about what money is available and how it has been spent.

9. That the State Government commit to funding increases to Disability Services of 8% per annum from 2009 to improve the quality and quantity of services and meet the projected growth in demand and the needs of an ageing population. Within this funding increase the following should be prioritised:
 - i. development of a range of accessible and appropriate respite options with the goal of achieving a benchmark of four weeks annual leave and ten days sick leave for full time primary carers by 2020;
 - ii. increased access to domestic assistance and to personal support to promote independent living and social and community participation;
 - iii. increased funding to the Community Equipment Scheme to meet current demand and allow for an increased limit on expenditure for individual items;
 - iv. provision of a range of day options for people with disabilities which are appropriate to their needs in terms of age, type of disability and geographical area; and
 - v. increased range of long term supported accommodation options.

10. That the State Government immediately commit \$200,000 per annum to ensure the existence of a peak state-wide consumer organisation which is funded to represent the interests of consumers of disability services and covers the concerns of people with all types of disability.

2. Anglicare Tasmania's role and functions

Anglicare Tasmania would like to thank the Department of Treasury and Finance for the opportunity to provide comment on the development of State Budget priorities for 2007-08.

Anglicare Tasmania works for a social justice in Tasmania through the provision of prevention and early, crisis, transitional and long term intervention services. Anglicare is the largest state-wide community service organisation in Tasmania. It has offices in Hobart, Glenorchy, Moonah, Launceston, St Helens, Devonport and Burnie and provides a range of community services throughout Tasmania including emergency relief, accommodation, counselling, employment and mental health services, acquired injury support services, alcohol and other drug services, parenting support programmes and outreach services to rural areas.

In operation since 1983, Anglicare employs over 630 staff and has developed strong networks and relationships with peak bodies, ministerial advisory committees, local inter-agency networks, other community service agencies, Commonwealth and State governments and the broader community.

In 1995 Anglicare established a Social Action and Research Centre (SARC). SARC's role is to engage in social action, policy development, advocacy and public debate based on appropriate research. Its focus is Tasmanians living in poverty. SARC exists to support Anglicare's mission to achieve social justice and provide the opportunity for people who are experiencing disadvantage to raise their concerns in the public debate. SARC's work is informed by research and Anglicare's community service work. This submission draws on consultations conducted by SARC staff with key stakeholders in the research process, consultation with low income Tasmanians, qualitative research and the findings of the Tasmanian Community Survey – a survey of 3800 Tasmanians randomly selected from the electoral rolls. Post stratification weighting was conducted to allow statements to be made about the whole Tasmanian community. Findings from this research were published in 2005 and 2006.

3. Affordable housing for all Tasmanians

3.1 Tasmania Together

Goal 1 of Tasmania *Together* states, "Ensure all Tasmanians have a reasonable standard of living with regard to food, **shelter**, transport, justice, education, communication, health and community services." Two of the indicators associated with this goal address housing: 1.1.6, which looks at housing stress experienced by low income earners in the private rental market and 1.1.7, the Tasmanian house price to income ratio. These benchmarks were developed in response to community and Government recognition of the crisis in housing affordability and are awaiting approval by Parliament for formal inclusion.

Both benchmarks set targets but were not assessed in the 2006 Progress Report. However, the most recently available data indicates that housing affordability has worsened, with increasing numbers of low income earners living in housing stress.

| Indicator 1.1.6: Proportion of low income earners in housing stress | | |
|--|--|--|
| Proportion of low income earners in housing stress in November 2002 | Proportion of low income earners in housing stress in March 2005 | Tasmania <i>Together</i> target for 2010 |
| 20.6% | 24.4% | 15% |

Indicator 1.1.7 aims to maintain the house price to income ratio at 1:3.4, the measure for 2001-2002. Since then the ratio has fluctuated, but in 2004 was higher than the 2001-2002 measure, and the 2006 Progress Report predicts that it will rise significantly in the next reporting period owing to an increase in the median house price from \$143,517 in 2003 to \$206,875 in 2004.

| Indicator 1.1.7: House price to income ratio | | | |
|---|--|--|--|
| House price to income ratio in 2001-2002 | House price to income ratio in 2002-2003 | House price to income ratio in 2003-2004 | Tasmania <i>Together</i> target for 2010 |
| 1:3.4 | 1:4.2 | 1:3.8 | 1:3.4 |

It is clear that if Tasmania wants to meet the goals it has set for itself in relation to housing affordability, a radical shifting of priorities is required.

3.2 Background

The Tasmanian State Government's Affordable Housing Strategy was launched in December 2003 and hailed nationally as ground-breaking and responsible public policy. The recent housing boom has meant that Stage 1 of the Strategy was not able to have the impact originally thought possible. But it did have important successes, and without it, Tasmania's affordable housing crisis would be much worse. Regrettably, the Government has decided that it will not build on the successes of

Stage 1 and has discarded most of the Strategy's initiatives in favour of just one, the establishment of a Community Housing Trust, an Affordable Housing Organisation (AHO), now called Tasmanian Affordable Housing Ltd.

The AHO has been promoted as the Government's answer to the affordable housing crisis. Anglicare has argued that it is only a partial response to the affordable housing crisis as it will not provide enough houses to deal with the demand for affordable housing and the time frame for development will be slow. We have continued to stress the need for an ongoing commitment to a capital development program within Housing Tasmania.

The AHO was announced in September 2005, and the State Government promised that it would provide an additional 700 properties to Tasmania's community housing stock over the next four years. More than a year has been spent in setting up this organisation: the Premier acknowledged in his September 2006 'State of the State' address that the organisation is not yet operational (Lennon, 2006a) and it appears unlikely to be so before December 2006. It will be even longer before the first of the promised AHO houses are ready to be occupied.

Further housing pressure is likely to result from the proposed development of a pulp mill at Long Reach. Gunns Ltd's Draft Integrated Impact Statement (DIIS) estimated that 1,800 workers would need to be imported for the construction phase of the project (Gunns Ltd, 2006). Some of these workers will be housed in a purpose-built accommodation facility, but according to the DIIS, others are expected to take up half of the available private rental accommodation and all of the vacant tourist accommodation in the area. The mill is also predicted to increase house and land prices in the area by 15%. The accommodation pressure and price increase will come together to further compress the affordable housing market in the northern region, making it even more difficult for low income earners to find appropriate housing and squeezing the most vulnerable tenants out of the market. In its response to the DIIS, Anglicare has argued that Gunns Ltd has significantly underestimated the impact of the mill on both the housing system and on low income earners in northern Tasmania who need affordable housing, and that the risk management strategies proposed in the DIIS are inadequate (Anglicare, 2006).

Much of the funding for Tasmania's public housing system comes via the Commonwealth-State Housing Agreement (CSHA), which concludes in 2008. Under the current Federal Government, there has been a move away from providing direct grants for public housing to subsidising low income tenants in the private rental market through Commonwealth rent assistance payments. Between 1992-3 and 2001-2 Commonwealth expenditure on rent assistance increased in real terms by 27.9%, while expenditure on the CSHA fell markedly (McNamara et al, 2006). Yet rent assistance is not as effective as public housing in removing people from housing stress: of the 24,000 Tasmanians receiving rent assistance in March 2004, 36% remained in housing stress even after receiving it (FACSLA, 2004 cited in Blake, 2006). The State Government urgently needs to commence planning for the impact on low income earners in the event that the CSHA is not renewed.

Anglicare predicts that if housing affordability across the state is not substantially addressed in the 2007-2008 State Budget, the crisis will deepen dramatically. Factors including dwindling and deteriorating public housing stock, markedly reduced private rental opportunities, escalating and

unaffordable rents and growing numbers of Tasmanians with special and particular needs will come together to create a housing catastrophe. Focussing on developing community housing through the AHO while ignoring the other aspects of the housing system will not work: a whole-of-system response is required.

The State Government has a responsibility to Tasmanians to ensure that their basic human right to shelter is met. It must act now.

3.3 Recommendations

A sustainable social housing system

Recommendation: That the State Government provide \$100 million over four years (\$25 million in 2007-2008) in funding to Housing Tasmania's capital investment program to facilitate the purchase and/or construction of an additional 500 properties to be owned or managed by Housing Tasmania by 2011.

Lead Agency: Department of Health and Human Services (Housing Tasmania)

Rationale

Social housing is a term used to describe both public housing and community housing. Currently in Tasmania social housing is predominantly public housing; the community housing sector provides only 500 homes across the state, mainly through small housing cooperatives and associations.

For low income earners and other disadvantaged people, social housing offers an opportunity to live somewhere secure, stable and affordable. Social housing rents are set at levels that keep households out of housing stress, and provided they meet their tenancy obligations, tenants are assured the security of lifelong residence in social housing.

In a national survey of public housing tenants (AIHW 2006), 63% of tenants said that their quality of life had improved since entering public housing. Tenants said that the most important benefits of public housing were that they felt more settled, were better able to manage their money, could stay in a particular area, felt more able to cope and had better access to services.

However, the growing crisis has led to a significant shift in social housing policy as demand for social housing, which in Tasmania is mainly public housing, outstrips supply. Here, as in other places, the response has been to target public housing towards people most in need, such as people with mental illnesses, people with disabilities and sole parents. The State Government has estimated that it requires 10,000 houses in order to meet those needs, and has been selling off stock surplus to that requirement (Housing Tasmania, 2005; Blake, 2006). The Department of Health and

Human Services' 2004-2005 annual report states that, for example, 86.5% of public housing allocations in 2004-2005 were made to those assessed as being in the greatest need, for example, to people who are homeless, whose life or safety was at risk in their current housing or who were living in inappropriate or very unaffordable housing (DHHS, 2005). These targeting policies do effectively exclude many low income earners who need the affordability and security that public housing would offer.

There are currently 3000 people on Housing Tasmania's waiting list, and the average wait for a household considered Category 1 is 6 months. The Auditor-General's report into Tasmania's public housing system suggests that waiting lists would be longer but for the fact that many would-be applicants are discouraged by the length of waiting lists (Blake, 2006).

The Affordable Housing Crisis Coalition (AHCC), a coalition of community organisations providing accommodation services, trade unions and the Housing Industry Association, has argued that the Government must make the investment required to keep public housing at 6% of the total Tasmanian housing system. The AHCC has argued that this is an entirely reasonable, if not conservative, benchmark given the considerable pressure now on the public housing system. Based on information provided by the Housing Industry Association, the AHCC estimates that 1200 new homes are required by 2011 to meet the 6% benchmark. Anglicare was a founding member of the AHCC.

The AHCC welcomed the Government's initiative to create the Affordable Housing Organisation, and accepts the policy initiative which seeks to expand the role community housing plays in the provision of affordable housing in Tasmania. The Government has announced that it will provide an additional 700 homes over the period 2006 – 2010, a significant contribution towards the 1200 new homes required. However, even using this broader definition of social housing for the 6% benchmark, this goal leaves a shortfall of 500 homes to keep social housing at 6% of the housing system.

Anglicare would argue that the remaining 500 homes should be developed in the public housing system. It is important to stress that although the 1,200 home target is a five year one, immediate need is critical and urgent action is required.

The AHO will need to gather momentum to reach its 700 dwelling target. In his 2006 'State of the State' address (Lennon, 2006a), Premier Paul Lennon announced that the first round of Home Folio tenders would result in 185 new dwellings by April 2007. These would include 114 houses in the south, 33 in the north and 38 in the north-west. He also announced that bilateral agreements with STEPS and OneCare would deliver a further 58 dwellings and a housing complex for older Tasmanians that would include aged care beds, independent living units and facilities for people with mental illnesses and rehabilitation needs.

These announcements mean that a further 457 properties are required by 2010 for the AHO to meet its promised target of 700 homes in a four year period.

Increased support for public housing tenants

Recommendation: That the State Government allocate \$250,000 to provide intensive tenancy support for Housing Tasmania tenants with rent arrears or complex needs.

Lead agency: The Department of Health and Human Services (Housing Tasmania)

Rationale

In recent years, Anglicare has observed an increasing number of clients who are in severe housing stress and who would be eligible for the safety net of public housing, but whose public housing application is suspended because they owe money, such as unpaid rent, to Housing Tasmania. These clients are often extremely vulnerable and it is very difficult to find them adequate accommodation within the private rental market.

Housing Tasmania has the capacity to sign a three-way tenancy agreement with a tenant with rent arrears and another service provider. Under this agreement, the tenant could live in public housing as long as they agreed to receive regular tenancy support from a specialist community organisation to support them to repay their debt and address any issues affecting their capacity to pay rent. This system has recently been overlooked in favour of excluding such tenants from public housing, but Anglicare's experience was that this system was extremely effective in addressing tenants' problems while providing stable housing.

Anglicare also notes that overall levels of disadvantage in public housing are increasing. Current targeting policies have the effect of increasing the proportion of public tenants who experience particularly complex needs. Disadvantage is further entrenched when people are housed in areas where there are limited employment opportunities, low average incomes, high levels of social stigma, few services and limited transport. Much of Tasmania's ageing public housing stock is located in broad-acre housing estates where these problems are prevalent.

The proposed locations for the 185 Affordable Housing Organisation homes announced recently are in suburbs characterised by broad acre public housing and entrenched disadvantage, such as Bridgewater, Clarendon Vale, Gagebrook, Risdon Vale and Ravenswood (Lennon, 2006b). The level of disadvantage in these areas has been heightened by targeting policies. It will be critical that new developments in these areas are backed up by strengthened essential services and infrastructure and adequate tenancy support.

The need for intensive tenancy support within the public housing system has been raised before, and although work has been done to progress a policy framework for this within Housing Tasmania only very small amounts of support are being delivered.

Assessment of need is difficult given that the area is untested, but Anglicare estimates that three full time tenancy support worker positions across the state are required to address the issues facing public tenants.

Support for people in housing crisis

Recommendation: That the State Government provide \$333,000 to employ 4 additional FTE housing support workers within accommodation case planning and support services (0.5 FTE in the north west, 1 FTE in the north and 2.5 FTE in the south).

Lead agency: The Department of Health and Human Services (Housing Tasmania)

Rationale

Through the Supported Accommodation Assistance Program (SAAP), the State Government funds services to provide accommodation case planning and support. These services support people who are homeless or at risk of homelessness by providing assessment, support, information and referral, arranging emergency accommodation, brokering goods, support or accommodation as required, and developing a case plan to support the client to move on from crisis. Clients might be accommodated in a range of ways, such as in caravan parks, boarding houses, public housing, community tenancies or the private rental market.

The escalating housing crisis is placing case planning and support services under considerable pressure. Anecdotal evidence from Anglicare's ACCESS program in the north suggests that on a typical day the service is approached by up to 20 new clients experiencing homelessness or imminent homelessness.

The numbers of people approaching these services who are in public housing or living in crisis accommodation (such as cars, tents, caravans, pub tops, or community tenancies) and are therefore ineligible to use the Private Rental Tenancy Support Service, means that workers can provide only very limited transitional support to help them stabilise their housing situation. This means that those clients in crisis often fall back into homelessness very quickly.

An average full time worker (38 hours per week) is carrying a caseload of approximately 40 households. The 40 households are made up of singles, couples and families, requiring varying levels of support. On average this would include 6-8 high needs households, 7-10 medium needs households and 18-22 low needs households. Currently the level of support required for these clients is not sustainable and thus many clients are experiencing difficulties establishing and maintaining stable long term accommodation.

Services also report that there are particular pressures created by the large numbers of refugees approaching crisis services for support after their initial settlement funding expires. Anglicare has recently commenced a research project into the settlement experiences of refugees who have come to Tasmania in the past decade. Research indicates that safe, secure, permanent housing is critical for the settlement process. Yet preliminary findings from Anglicare's research indicate that housing is a major problem for refugees in Tasmania, with many research participants reporting being forced to move frequently because of problems with affordability, incidents of discrimination in the private rental market, and even homelessness, all of which undermine their

chances of a successful settlement. Refugee clients need more intensive support, including support to learn about tenancy rights and responsibilities, how the private rental market operates, and safety issues around electrical appliances, in addition to transport and interpretation support. This support is provided in a context in which there are significant literacy issues. There are major additional costs to services in hiring interpreters.

Anglicare estimates that an additional four full time equivalent (FTE) positions, spread across the state, would help to alleviate some of the pressure on accommodation case planning and support services.

An emergency rental subsidy

Recommendation: That the State Government allocate \$375,000 to provide an emergency rental subsidy for people who are serving an 8 week non-payment penalty imposed by Centrelink.

Lead agency: The Department of Health and Human Services (Housing Tasmania)

Rationale

Under the Australian Government's Welfare to Work changes, the removal of all income for eight weeks from Centrelink recipients because they cannot or do not do what Centrelink asks (breaching) will now also affect those lone parents and people with disabilities who would once have been on other benefits and protected from these fines and penalties.

Clients assessed as "exceptionally vulnerable" will be provided with access to a financial case management service which will authorise payment of essential bills, and presumably housing would be one of these. Other clients under the eight week penalty will not be eligible for these services and will be left with no income at all for two months. For example, homelessness will not be considered grounds for being assessed as exceptionally vulnerable.

People with tenancy agreements who lose all income for eight weeks will be unable to pay their rent or home loan and will be forced into homelessness, placing an additional burden on Tasmania's crisis housing system. Public housing tenants will not lose their homes, but under Housing Tasmania's current policy on clients with no income, will be left with a debt that they will have to pay off while presumably juggling other delayed debts they have accumulated in the eight weeks, such as heating and phone bills. Based on figures provided to Senate Estimates hearings¹, Anglicare estimates that up to 450 Tasmanians could be affected in this way.

¹ *Hansard*, 29 May 2006: The Department of Employment & Workplace Relations (DEWR) estimates that 18,000 people nationally will be subjected to an 8 week penalty, of which 4,000-5,000 will be eligible for financial case management. DEWR agrees that around 14,000 people will be given an 8 week penalty with no support, or about 0.25% of the national welfare-dependent population. An equivalent proportion in Tasmania would be 450 people. Median weekly rent in Tasmania is \$104 (ABS, 2006). Thus, \$104 x 8 weeks x 450 people = \$374,400.

Helping low income earners into home ownership

Recommendation: That the State Government allocate \$800,000 additional funding to Housing Tasmania's Home Ownership Assistance Program (HOAP). This will restore funding for HOAP to 2005-2006 levels, and allow Housing Tasmania the flexibility to raise the maximum loan amount to \$150,000 and explore alternative strategies, such as a pilot program developing shared-equity models of home purchase for Housing Tasmania clients.

Lead agency: Department of Health and Human Services (Housing Tasmania)

Rationale

In June 2001, the most affordable houses for purchase in Tasmania were to be found in Queenstown (average price \$18,500) and George Town (\$32,000) (REIT, 2006). By June 2006 the most affordable houses were in Rosebery (\$61,000) and Queenstown (\$76,000) (REIT, 2001). These figures illustrate not only the dramatic increase in house prices over the last five years, but also the difficulty in finding an affordable home to purchase outside a regional area with limited services and opportunities.

Home ownership was once the great Australian dream. Now it is out of reach for many Australians. Anglicare's Tasmanian Community Survey found that 60% of Tasmanian renters wanted to buy a house in the next five years, yet only 21% thought they would; 34% were unsure and 44% said that they would not be able to buy a house in the next five years (Madden and Law, 2005). Yet home ownership is also an important way to poverty-proof people, delivering them secure and stable housing and allowing them to connect with services and work opportunities in their local community.

Under Stage 1 of the Affordable Housing Strategy, a number of measures were developed to support low income earners into home ownership. These included ensuring that any properties removed from public housing stock were directed towards affordable housing outcomes, including purchase by low income earners, expansion of the Streets Ahead program to provide \$6,000 of deposit assistance to all successful applicants purchasing ex-public housing properties and extending the home loan limit provided under the Home Ownership Assistance Program (HOAP) from \$80,000 to \$100,000. It has since increased to \$120,000. A partnership with Wilson Homes is expected to deliver home ownership to up to 60 low income earners through the sale of affordable house and land packages.

The housing boom and resulting rocketing of house prices meant that this aspect of the strategy was less successful than hoped: while the Streets Ahead deposit assistance initiative exceeded its target for numbers assisted, the HOAP program did not, with only eight people taking out HOAP home loans compared to a December 2004 target of 30 (Housing Tasmania, 2005). The maximum loan available through HOAP is \$120,000, but REIT data on housing affordability shows that in June 2006, average home prices were only below \$120,000 in four suburbs, Rosebery, Queenstown, Waverley and Mayfield. Average house prices in Gagebrook and Clarendon Vale were \$125,000

and \$127,000 respectively, and homes in Bridgewater and Ravenswood were well over \$140,000. Anglicare believes there is a strong case for raising the maximum loan amount to \$150,000.

Therefore, Anglicare recommends that funding levels for HOAP be restored to 2005-06 levels and that efforts be made to improve the effectiveness of the HOAP program through increasing the maximum loan amount and also using the allocation to explore alternative models of delivery such as those flagged in the Affordable Housing Strategy. These included methods to allow low income earners in housing stress to access home ownership, development of structures for housing finance that protected people from interest rate volatility and shared-equity models of home ownership.

Housing for people with disabilities

Recommendation: That the State Government allocate one-off funding of \$3.1 million to meet the construction costs of appropriate accommodation for people with disabilities currently on the waiting list for long-term supported housing.

Lead agency: Department of Health and Human Services (Housing Tasmania)

Rationale

Anglicare's research (Hinton, 2006) has demonstrated the limited housing options currently available to people with disabilities and the acute housing need demonstrated by 26 people on the waiting list for long term supported accommodation as at June 2006. An appropriate mix and models of supported accommodation options to meet this shortfall would have to be determined. However costings do exist for group homes which can be used as a baseline.

An additional seven group homes, housing four individuals each, would be required to eradicate the current waiting list. The construction costs of group homes are approximately \$444,000 per home. This gives a total of \$3.1 million excluding land purchase.

Further information about the findings of Anglicare's research into the lives of people with disabilities in Tasmania is included in Section 4 of this submission.

4. Living with a Disability

4.1 Tasmania Together

The key themes emerging from Anglicare's research highlight the strong links between disability and social disadvantage. The first broad goal identified by *Tasmania Together* 'to ensure all Tasmanians have a reasonable standard of living with regard to food, shelter, transport, justice, education, communication, health and community services' is critical for this specific group because of the multiple disadvantages they experience due to low incomes and barriers to accessing services. The research has shown that Tasmania has not met its targets for people with disabilities. Many people with disabilities are severely disadvantaged and are managing on very small budgets which mean difficulties in providing adequate food, heating and health care as well as meeting basic needs for communication, mobility, continence and social and community participation.

Tasmania Together has been criticised for not adequately reflecting the priorities of people with disabilities. Anglicare welcomes the current work being undertaken to identify specific disability-related benchmarks to be presented for parliamentary approval in November.

4.2 Background: Anglicare Research

The recommendations outlined in this section are drawn from the findings of research conducted by Anglicare's Social Action and Research Centre (SARC) which documented the circumstances and experiences of the working age population (18-64 years) of Tasmanians with disabilities living on low incomes. The research was launched on 3 October 2006 with the publication of the report *My Life as a Budget Item: Disability, budget priorities and poverty in Tasmania* (Hinton, 2006).

Using qualitative methods the research documented the daily living experiences of 48 people with disabilities reliant on the Disability Support Pension (DSP) and 20 carers of people in receipt of the DSP. It explored the relationship between disability and poverty and how this affects access to the range of support services. It explored unmet need and gaps in services and collated the views of people with disabilities, carers and service providers as well as any relevant statistical, policy and research data about disability in Tasmania. The research sample aimed to encompass as broad a range of circumstances as possible to gain a strong insight into the commonalities and diversity of experiences among different groups of disabled people. The concern was not to document exceptional cases of hardship and difficulty but rather to describe the 'ordinary' experience of living on Disability Support Pension for the majority of recipients.

SARC has previously explored the issues facing people living with a severe mental illness and their carers (Cameron and Flanagan, 2004). This population was therefore excluded from the research which instead focused on people living with intellectual, physical, cognitive and sensory disability and acquired brain injury.

Altogether the research generated 38 recommendations about how to improve disability policy and services. The recommendations detailed here are those considered to have the highest priority in terms of improving the quality of disabled people's lives.

The research demonstrates that the circumstances and experiences of many people with disabilities in Tasmania fall well below what is acceptable and that too many lead impoverished and restricted lives. Although research participants did report positive experiences and incidences of excellent service from individual providers, support workers and health practitioners the gap between the opportunities available to disabled people and those available to non disabled people remains huge. The research found:

- a) **A strong correlation between poverty and disability in Tasmania** where living with a disability is often associated with serious financial disadvantage due to lower workforce participation rates, low incomes and higher living costs related to disability related expenses. Living with a severe disability and being reliant on the DSP typically means having very little disposable income once the basic costs of living have been covered and stark choices have to be made to ensure income stretches to meet basic needs. Many are living in hardship and cutting back on essentials like food, heating and health care as well as social and community participation.

The table below outlines a typical budget for someone with a severe disability living in the community and reliant solely on the DSP. It uses average rents in public housing, average expenditure on medication and assumes the receipt of Home and Community Care Program funded personal support hours capped at \$10 per week.

Fortnightly income and essential expenditure for person with severe disability

| | |
|----------------|-------------|
| Income | \$499 |
| Rent | \$200 |
| Fuel/food* | \$190 |
| Personal Care | \$20 |
| Medication | \$25 |
| Balance | \$64 |

* Calculated from ABS Household Expenditure Survey (HES) average expenditure by Tasmanian households in lowest income quintile on domestic fuel and power, food and non-alcoholic beverages.

It demonstrates the inability of the DSP to cover anything more than the very basic costs of living leaving recipients with little or no discretionary funds at all: a total of \$32 a week to spend on all other aspects of their life. Costs are likely to be higher for those surviving in the private rental market.

The Australian Bureau of Statistics Household Expenditure Survey data shows that Tasmanians in the lowest income quintiles on average spend \$200 a fortnight on the following essential goods and services: clothing, personal care products, health and transport. This level of expenditure is not affordable to people with the budget outlined above. Neither does it take into account any additional expenditure on continence needs, maintaining a telephone or

internet connection or any costs associated with having a social life and/or participating in the community.

b) Difficulties in accessing services due to shortfalls in service provision, long waiting lists and a fragmented service system where support is delivered through a complex maze of organisations and people have to approach a number of different agencies to have their basic needs met. The lack of information about how services work or what individuals are entitled to is very confusing for the service user and means that many are not able to access the services they need. The research identified:

- *inadequate personal care and support services* delivered through a range of different providers where success in accessing support is dependent on how a disability is acquired and skills in navigating the system rather than need. The outcome is often a minimal level of service rather than what is required to have any quality of life. There are particular difficulties in accessing adequate levels of domestic assistance and support to participate socially.
- *major shortfalls in subsidies for acquiring essential aids and equipment.* This is particularly true for mobility, communication and continence aids and can force people into the ignominy of fundraising to meet basic needs. The inadequacy of the assistance for purchasing or modifying accessible vehicles, for assistive home modifications and for updating computer equipment are particularly large gaps in the system. This is despite the fact that aids and equipment can reduce expenditure on health and social care in the longer term.
- *limited housing options* including insufficient assistance with home modifications impacting on the ability of people with disabilities to manage independently. At the extreme end of the spectrum are younger people with disabilities forced to reside in residential aged care because of a lack of other options
- *restricted recreational opportunities* including a limited range of day options, barriers to accessing mainstream recreational and leisure facilities and a lack of affordable transport. The result is that social isolation becomes the norm rather than the exception for people with disabilities
- *barriers to health care.* Although disabled people have higher mortality and morbidity rates than non-disabled people health services are not always responsive to their needs. There are long waiting lists for specialist health care, high transport costs, an absence of planned discharge from hospital and lack of awareness about disability issues among health service staff. The research also identified restricted access to preventative health programs, oral health and complementary therapies all of which can be vital to maintaining general health and well being.
- *difficulties in accessing employment, education and training* through direct discrimination in employment, a range of additional costs including transport and technical aids and a lack of personal support to enable participation.

c) The needs of carers. Home based care relies heavily on the availability of informal carers and particularly parents and spouses to take on a caring role. The research identified the high costs of caring where acquiring caring responsibilities is often accompanied by restricted employment opportunities, extra costs, low levels of financial assistance and a high risk of poverty, hardship and poor health. This can combine with a lack of financial and practical

support like respite services to act as a severe disincentive to taking on a caring role. Given the replacement value of informal care in the formal sector, assisting carers to care should be given the highest priority especially at a time when the number of carers is projected to fall while the working age population of people with disabilities is projected to rise. It is becoming imperative to counter the disincentives to care.

Anglicare welcomes recent Government initiatives for people with disabilities. These include the Disability Framework for Action and the establishment of the Disability Bureau as well as the introduction of individual support packages and the recognition of the additional costs of social participation with the proposed introduction of a Companion Card. Nevertheless people with disabilities and their carers continue to experience acute unmet needs, poverty and social exclusion.

These issues are particularly pertinent in Tasmania which, together with South Australia, has the highest numbers of people with disabilities as a proportion of the population in Australia. In 2003 there were approximately 111,700 people in Tasmania (23.5% of the population) living with a disability which has lasted or is likely to last for at least six months and which restricts everyday activities (ABS, 2004). There are currently more than 24,800 people aged 18-64 years reliant on the Disability Support Pension (Centrelink statistics, May 2006) and 22,100 adults of working age with a profound or severe core activity restriction which means they sometimes or always require assistance with daily activities in order to live a reasonable life style (ABS, 2004). Not all of this group will require or receive formal services but it is this group which is the main focus for service provision and support. The need for services is growing as more people survive injury and health conditions due to medical technology and as the population ages.

The situation will be exacerbated by the recent welfare-to-work reforms introduced in July 2006. They mean that new applicants for income support who have a disability and are able to work 15 or more hours a week will be placed on the lower rate of Newstart Allowance rather than the Disability Support Pension. They also mean that DSP recipients who move into employment, come off the DSP and then find the job does not work out will be placed back onto Newstart Allowance rather than the DSP. This will reduce the incomes of many Tasmanians with disabilities who are already reliant on a poverty level income and impact on the incentives for others to seek employment. This was certainly apparent in the research where the reforms were already affecting people's employment decisions. It has been estimated (ACOSS, 2005) that over 2,550 people with disabilities will be worse off in Tasmania and that Tasmania has a proportionately greater number of disabled people worse off than all other States and Territories apart from South Australia.

4.3 Recommendations

Meeting acute needs

Recommendation: That the State Government provide an additional \$9.8 million per annum to meet the ongoing support needs of those removed from the waiting lists.

Lead agency: Department of Health and Human Services (Disability Services)

Rationale

Anglicare finds it unacceptable that, due to budgetary constraints, so many people with disabilities are waiting for basic services to allow them to live in the community. This need is demonstrated by the long waiting lists for services. Significant funds are required to meet the outstanding acute needs which are not luxuries but essential survival services to enable people to remain in their own homes. At the time of the research in June 2006:

- **26 people were waiting for long term supported accommodation.** The appropriate mix and models of supported accommodation options to meet this shortfall needs to be determined but costings exist for group homes which can be used as a baseline. An additional seven group homes housing four individuals each would be required to eradicate the waiting list. The construction costs are detailed in the housing section of this submission. The ongoing operational costs of a group home run by a non-government organisation are approximately \$385,000 per annum. Seven new group homes will therefore require ongoing operational funding of \$2.6 million.
- **92 people were waiting for day options** at an average cost of \$15,000 per person per annum. To eradicate the waiting list would require \$1.4 million.
- **111 people were waiting for aids and equipment.** The Community Equipment Scheme estimates that \$800,000 is required to meet current client need at existing standards of service delivery.
- **262 people are waiting for individual support packages** (or ISPs) requiring 3,000 hours of support per week at a cost of \$32 per hour. To meet this need would cost \$5 million.

No waiting lists are maintained for people needing respite care. This makes it difficult to either determine the extent of unmet need or the cost of satisfying it. Nevertheless the lack of respite options has been identified as a big issue for carers and has a significant impact on their ability to sustain a caring role.

Improving the service system and planning for the future

Recommendation: That the State Government ensure transparency in the allocation of monies to disability support services by itemising funding and “outputs” in State Budget papers as has

previously been done for Children and Families and Housing Tasmania and by establishing a communications strategy to inform stakeholders about what money is available and how it has been spent.

Recommendation: That the State Government commit to funding increases to Disability Services of 8% per annum from 2009 to improve the quality and quantity of services and meet the projected growth in demand and the needs of an ageing population. Within this funding increase the following should be prioritised:

- development of a range of accessible and appropriate respite options with the goal of achieving a benchmark of four weeks annual leave and ten days sick leave for full time primary carers by 2020;
- increased access to domestic assistance and to personal support to promote independent living and social and community participation;
- increased funding to the Community Equipment Scheme to meet current demand and allow for an increased limit on expenditure for individual items;
- provision of a range of day options for people with disabilities which are appropriate to their needs in terms of age, type of disability and geographical area; and
- increased range of long term supported accommodation options.

Lead agency: Department of Health and Human Services (Disability Services)

Rationale

As well as eradicating acute need there is also a need to improve both quantity and quality in the service system and build in growth funds to meet increasing needs.

There are a wide range of support services available to assist people in living independently in the community including home-based personal care, aids and equipment and supported accommodation. But as the research has demonstrated there are serious gaps both in the levels of support available and the way in which services are delivered. These include the absence of information about what assistance exists, the skills and attitudes of service providers, the existence of co-payments which can represent large sums in small budgets and the lack of consistency in how and to whom services are delivered. Overall the right to independent living is compromised by State Government budget constraints and an inability to provide a comprehensive person-centred approach to service delivery. Anglicare's research identified a number of service priorities. These are:

- development of a range of accessible and appropriate respite options with the goal of achieving a benchmark of four weeks annual leave and ten days sick leave for full time primary carers by 2020;
- increased access to domestic assistance and to personal support to promote independent living and social and community participation;
- increased funding to the Community Equipment Scheme to allow for the raising of current limits on expenditure for individual items;
- provision of a range of day options for people with disabilities which are appropriate to their needs in terms of age, type of disability and geographical area; and

- increased range of long term supported accommodation options, including core and cluster models which can enable access to support whilst maintaining high levels of independence.

Anglicare would also like to see a more streamlined service system which addresses multiple entry points to community care for people with disabilities, uses a common assessment tool and incorporates a disability support information service which can provide a one stop shop about rights and entitlements to support and assistance across the spectrum of services.

Anglicare is concerned that without building in growth funds there will be a return to waiting lists without resolving some of the crises which exist in the system. The Social Policy Research Centre at the University of New South Wales estimated that the national demand for disability services grew at approximately 2.3% per annum between 1996 and 2000. ABS projections quoted by Disability Services in Tasmania (Disability Services, 2005) estimated that increased support requirements nationally will result in a growth in demand of 3% to 8% per annum. The likelihood of disability increases with age and Tasmania is projected to age more rapidly than other jurisdictions. Given the high proportion of the population with a disability and the age of the Tasmanian population Anglicare recommends that the 8% projection is adopted.

A lack of transparency in the allocation of funds to disability support services also means that it is difficult to calculate how the money is being spent and what additional funds are required to ensure that waiting lists for essential services are eradicated and growing needs met. Costings are also hampered by the absence of good quality data about future service needs.

Promoting civil participation

Recommendation: That the State Government immediately commit \$200,000 per annum to ensure the existence of a peak state-wide consumer organisation which is funded to represent the interests of consumers of disability services and covers the concerns of people with all types of disability.

Lead agency: Department of Health and Human Services (Disability Services)

Rationale

Anglicare believes that the needs of people with disabilities should be afforded a high political priority and all politicians need to have a greater awareness of the issues. This requires a strong consumer lobby or disability movement in Tasmania to advocate for a better deal and to make decision makers accountable. Tasmanians with Disabilities have performed this role but under funding over a number of years has affected their ability to undertake representations. People with disabilities and their families should be leading the way in promoting a cultural shift in attitudes to disabled people, in informing policy decisions about resources and in the governance of services. Currently they are too often seen as consumers rather than people who can contribute and opportunities to raise issues and concerns about the receipt of services are compromised by a fear of losing access to those services. The value of having disabled people and families

represented on the Disability Advisory Council is acknowledged but there should also be other options for ensuring their voices and experiences are heard and their expertise used by government.

At a minimum a peak disability consumer organisation should consist of a full time executive officer, full time administrative support, part-time policy officer and a resource centre. It should also have the ability to operate as an umbrella organisation for smaller disability organisations. It should aim to:

- promote the rights of all people with disabilities to be involved in national and state policy, planning and service decisions which affect their health and well being;
- promote a just and equitable distribution of resources to redress inequalities between people with disabilities and other population groups and ensure full participation;
- encourage the development of disability services which are effective in enhancing the capacity of people to participate as fully as possible in the community and are responsive to consumer needs and preferences; community-based and managed; respectful of human rights; culturally relevant; universally accessible; cost effective.

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