

Chapter 2

Social aspects of home ownership

2.1 Access to adequate housing has long been viewed as a basic human right¹ and is considered to be an integral factor in the enjoyment of other economic, social and cultural rights.² The UN Committee on Economic, Social and Cultural Rights has defined adequate housing as encompassing: legal security of tenure; availability of services, materials, facilities and infrastructure; habitability; accessibility; location (allowing access to employment, health services, schools etc); cultural adequacy; and affordability. Affordable housing is commonly viewed as 'essential to the maintenance of a cohesive and just society' and 'an issue that transcends political ideologies and goes to the heart of people's dreams and ambitions'.³

2.2 The vast majority of Australian households either own their home (34 per cent) or are paying it off (35 per cent). Renters comprise around 29 per cent of Australian households, with 22 per cent renting privately, 5 per cent in public housing and the remainder in other rental accommodation, such as caravan parks or employer-owned housing.⁴ It is estimated that around 100 000 Australians are homeless.⁵

The preference for home ownership

2.3 Despite recent declines in the proportion of Australians who own or are buying their home, home ownership continues to hold a special place in the Australian psyche. Home ownership rates have long been higher in Australia than in other affluent countries (Table 2.1). In surveys conducted in 1997 and 2000, 54 per cent of respondents indicated that buying their own home was an important goal for them to achieve within the next three years. Those with dual incomes or high incomes 'do not express any stronger preference for home ownership than low income households', suggesting that home ownership is a universal dream in Australia, regardless of economic circumstances.⁶

1 See article 25 of the Universal Declaration on Human Rights, and article 11 of the International Covenant on Economic, Social and Cultural Rights.

2 High Commissioner for Human Rights (1991).

3 Mr M Zaltron, Urban Development Institute of Australia, *Committee Hansard*, 14 April 2008, p. 2.

4 Australian Institute of Health and Welfare (2008a, p. 5).

5 Chamberlain and MacKenzie (2003), cited in Australian Institute of Health and Welfare (2007a). The rate of homelessness ranges from 1 in 253 people in the Australian Capital Territory to 1 in 35 people in the Northern Territory.

6 Winter and Stone (1998), cited in Dockery and Milsom (2005, p. 5).

2.4 The purchase of a home is the largest investment that most people will make. Australians frequently view a mortgage as 'good debt', as purchasing a home allows people to avoid paying 'dead rent', provides for a form of enforced saving and is seen as a prudent investment, which will appreciate over time.⁷

2.5 Given these strong public aspirations, it is unsurprising that home ownership has long enjoyed bipartisan political support. This is illustrated by the following extracts from two classic political speeches.

The material home represents the concrete expression of the habits of frugality and saving ... one of the best instincts in us is that which induces us to have one little piece of earth with a house and a garden which is ours; to which we can withdraw, in which we can be among friends, into which no stranger may come against our will.

Sir Robert Menzies, 'Forgotten People' speech, 1942

The land is the basic property of the Australian people. It is the people's land, and we will fight for the right of all Australian people to have access to it at fair prices.

Gough Whitlam, 'It's Time' speech, 1972

Benefits of home ownership

2.6 The appeal of home ownership is about more than just financial security. Home ownership provides people with a sense of physical and emotional security and safety. It is a personal space in which they can be themselves.⁸ The social commentator Hugh Mackay describes home ownership in Australia as 'the most culturally obvious and accessible symbol of personal power, achievement and control over the environment'. He adds that as 'people feel that they are losing control over so many aspects of their lives, so the need grows for the sense of control and authority which home-ownership brings'.⁹

7 Ipsos Mackay Report (2007).

8 Ipsos Mackay Report (2004).

9 H Mackay, cited in Banks (1989, p. 2).

Table 2.1: Housing tenure: international comparison

	Tenure type (% of total; recent)				Average dwelling size m ²	
	Owner-occupiers (1980)	Private renters	Social rental	Other	existing	new
Australia	69 (71)	22	5	2	132	186
Austria	57 (na)	17	23	3		
Belgium	74 (59)	16	7	3		
Canada	66 (62)	6	28	0	114	
Denmark	53 (na)	18	19	10		
France	56 (47)	21	17	6	88	103
Germany	43 (41)	51	6	0	87	102
Ireland	77 (na)	11	7	5		
Japan	60 (60)				90	94
Netherlands	53 (42)	12	35	0		
New Zealand	67 (73)	26	7	0	132	
Sweden	61 (58)				90	86
Switzerland	35 (33)	59	6	0		
United Kingdom	70 (58)	10	20	0	84	76
United States	69 (65)	29	3	0	157	200

Sources: BIS (2006, p. 40); Ellis and Andrews (2001, p. 9); Ellis (2006, p. 18); Lawson and Milligan (2007, p. 20).

2.7 Home ownership also provides a sense of social belonging and acceptance. As one witness from the Urban Development Institute of Australia stated:

Home ownership offers many distinct advantages for individuals and the wider community by enhancing our sense of place, our sense of self and our connections with the broader community. We believe homeownership provides tangible benefits, as well as many intangible benefits, beyond the simple provision of shelter. It can provide social stability, economic reliability and community assurance and can impact dramatically on an individual's aspirations for independence and security.¹⁰

2.8 The Productivity Commission concluded that:

Access to affordable and quality housing is central to community wellbeing. Apart from meeting the basic need for shelter, it provides a foundation for family and social stability, and contributes to improved health and educational

outcomes and a productive workforce. Thus it enhances both economic performance and 'social capital'.¹¹

2.9 While recognising that many of these social benefits are also provided by affordable, high quality rental housing, the Commission cited research that indicated that they tend to be larger for home owners. In particular, the report found that:

- owner occupiers are likely to have stronger incentives than renters for civic involvement;
- less frequent relocation, due to the security of tenure provided by ownership, minimises disruption of social networks and children's education; and
- home ownership enhances self esteem, in turn reducing the incidence of socially disruptive behaviour and promoting physical wellbeing.¹²

2.10 It should be noted that many of the social benefits of home ownership appear to be related to security of tenure as opposed to the actual act of owning a home. It might therefore be argued that rental leases with longer and more secure tenure, as are common in Europe (Table 2.1), may be an alternative way of generating some of the social benefits attributed to home ownership for those for whom this may not be an achievable or realistic option. Rental may be a more suitable option for very mobile workers, and labour market flexibility requires some mobile workers who can move to parts of the country where demand is strongest.¹³ The increase in casual and part-time work together with the move in a number of sectors to shorter term contracts also means that there is a growing section of the working community who lack the long-term financial security required for a mortgage. It could be argued that home ownership is sometimes *overstressed* in Australia, to the extent that renters may feel like they have 'failed' to achieve ownership.¹⁴

2.11 To the extent to which we seek to bestow the social benefits of security, well-being and connection to community that are associated with home ownership, we need to be mindful in developing and pursuing policies that aim to increase housing affordability that we do not forget the equity issues for those who cannot aspire to own their own home. We therefore need to ensure that housing affordability does not come at the expense of rental affordability, and that we take an integrated policy approach to meeting our communities' housing needs. This issue is addressed in more detail in Chapter 10.

11 Productivity Commission (2004, p. 3).

12 Productivity Commission (2004).

13 Home ownership would be more consistent with labour mobility if transaction costs on buying and selling homes, notably stamp duties, were lower. Stamp duties are discussed in Chapter 7.

14 As the Australian Association of Social Workers notes, 'home ownership is not inherently virtuous and does not make economic sense for everyone'; *Submission 54*, p. 6.

2.12 We also need to be mindful that to be truly affordable the cost of housing needs to take into account not only the cost of purchase, rental or mortgage repayments but also the cost of living in that particular housing—including the cost of transport to work and to access social services and community life, as well as the cost of utilities such as heating and cooling. These factors are discussed in more detail in chapters 5 and 11.

Changing aspirations

2.13 While the social benefits of home ownership were almost universally acknowledged by those providing evidence to the inquiry, a number lamented the fact that housing had in recent years become a 'speculative industry':

...our generation...see housing differently from our parents, not as something that you consume, pay off and is the right size for your household—the right number of bedrooms—but increasingly as an investment good. There is a whole industry out there selling books, magazines and television shows all about this wonderful thing called your investment.¹⁵

2.14 Some witnesses considered this to have contributed to rising house prices in Australia and the resultant housing stress. For example, Professor Troy argued that:

Those processes which are now embedded in the situation helped feed and create the philosophy that if you could only get into housing it would be a sure way to make a quid. That was fed on by the coincidental changes in the financing industry. It was fed on by the real estate industry. It was fed on by the newspapers that flogged houses—the money-making supplements to the *Sydney Morning Herald* are a classic illustration...So we ended up with a hoopla situation... you were led to the view that you bought this house, you stayed in it for a couple of years, you got a big capital gain and you moved on. And you could spiral that up. You were also led to the view that you could take funds out of the investment in your house and speculate in housing. This is a large part of the psychology of why the market went the way it did in the past five to six years and more.¹⁶

2.15 A number of witnesses and submissions also noted that housing standards and expectations in Australia have changed significantly over the past 10–15 years. This was considered by many to have contributed to the increasing price of 'starter homes' and affected the overall cost of housing.

The leading end of the housing market has created very high standards and expectations. This inevitably also affects the expectations and ultimately the price down to the lower or less affluent end of the market. Houses overall have got much bigger (floor area per person) than 20 years ago. We have rumpus and family rooms, multiple bathrooms (the most expensive room in the house on a cost per area basis), elaborate kitchens, studies, numerous

15 Mr M Myers, Queensland Community Housing Coalition, *Committee Hansard*, 14 April 2008, p. 51. Similar remarks were made, for example, by Mr J McInerney, Common Equity Housing Ltd, *Committee Hansard*, 23 April 2008, p. 11.

16 Professor P Troy, *Committee Hansard*, 1 April 2008, p. 111.

bedrooms, various quite expensive finishes. Many of these aspirations have filtered down into the more modest end of the market.¹⁷

2.16 The size of houses has been growing while the size of households has been declining. From 1994–95 to 2005–06 the average household size declined from 2.69 to 2.51 persons, while the average dwelling size increased from 2.88 to 3.06 bedrooms. More than three-quarters of Australian households occupied dwellings that had more bedrooms than needed to accommodate the occupants.¹⁸

2.17 How much this situation was a consequence of home buyers demanding bigger and better products, and how much it is was due to suppliers only providing a 'McMansion' style product, was unclear to the committee. The issue of supply of housing is discussed in Chapter 5 and the specific question of an inadequate diversity of housing types in new developments is the subject of Chapter 6.

Housing costs and poverty

2.18 A study by the National Centre for Social and Economic Modelling and The Smith Family looked at the impact of housing costs on poverty in Australia. Measures of poverty are frequently based on income alone, with the poverty line set at half the average family income of all Australians. On this basis the study found that in 2000 approximately 13 per cent of Australians lived in income poverty.¹⁹

2.19 Once housing costs were taken into account however, the picture of poverty changed. This is largely because home owners on low incomes (such as elderly people on a pension) or low income earners in public housing, had relatively low housing costs and, as such, were often better off than home purchasers or private renters who may have been earning a higher income but experienced much higher housing costs.

2.20 More Australian households (18 per cent) were considered to be in poverty after housing costs were taken into account than if income alone was considered (13 per cent). The types of families experiencing poverty also varied when housing costs were taken into consideration. After-housing poverty rates dropped for owner-occupiers, from 12 per cent to 8 per cent, while the poverty rate faced by home purchasers increased from 8 per cent to 18 per cent once housing costs were taken into account. Taking housing costs into consideration also had an impact on the risk of poverty across the life cycle, increasing the risk of being in poverty for those aged 25–44 years (who are generally starting a family and buying a home) from about 12 per cent to 18 per cent.²⁰

17 Australian Institute of Urban Studies Queensland Division, *Submission 9*, p. 1.

18 ABS study based on an internationally recognised measure of housing utilisation, the Canadian National Occupancy Standard. Australian Bureau of Statistics (2007a).

19 Harding, Lloyd and Greenwell (2001).

20 Harding, Lloyd and Greenwell (2001).

Impact of housing costs

2.21 Low income families devoting a large share of their income to housing often make sacrifices to meet their housing costs, such as going without food, or children missing out on school activities.²¹ Around a third of low income renters and about six per cent of low income home owners also reported having to approach a welfare, community or counselling agency for assistance. Similar proportions reported having to sell or pawn personal possessions. (This is discussed further in Chapter 3.)

2.22 These survey results are consistent with evidence provided by charitable organisations about the impact of housing costs on families. For example, commenting on the results of a survey of 1250 people presenting to the Salvation Army for emergency relief, Major Eldridge reported that:

...on top of the increasing utility costs across the country, people do not have enough money left for school expenses—that was one that is continually mentioned—food, clothing and other staples of life.²²

2.23 Social welfare agencies consistently reported an increase in the number of people accessing their services and a change in the type of people needing assistance. For example the Northern Rivers Social Development Council reported that:

The organisations such as neighbourhood centres across the region have reported that there has been a change in clientele or in the character of person that comes in to receive material assistance—that is, support to buy food and other items essential for living. They are reporting to us that they are finding firstly that they are getting pensioners starting to come in and ask for support...Also there are increasing numbers of families, particularly sole parents having to look after children, and people who are working. In the past, it tended to be people who were not in the workforce, people who were, I guess, your more traditional client of the welfare sector.²³

2.24 Similarly, the Manager of the Casey North Community Information and Support Service in Victoria, reported that:

...our agencies this year have assisted more than 220 families with school expenses, 75 per cent of which had never accessed our agencies before. Most of these families were experiencing housing stress.²⁴

2.25 She also noted the impact of financial stress on other aspects of peoples' lives, including family relationships and health:

A high number of clients have or are experiencing family relationship breakdown as a result of their financial stress. Further to this, at both agencies

21 Burke (2007).

22 Major D Eldridge, Salvation Army, *Committee Hansard*, 23 April 2008, p. 38.

23 Mr T Davies, *Committee Hansard*, 15 April 2008, p. 18.

24 Ms S Naden-Magee, *Proof Committee Hansard*, 24 April 2008, p. 12.

it is evident that an increasing number of clients dealing with issues of financial stress are also suffering mental health problems. In the last six months, statistics show that almost 20 per cent of clients presenting to that program had relationship issues, and more than 25 per cent had mental health issues, in particular depression and anxiety. It is also noted by both of our organisations that people experiencing financial pressure are often not able to address health issues due to lack of affordability. Poor diet due to lack of funds also leads to poor health...²⁵

2.26 In addition to these personal costs, the impact is also felt by the broader community in social and economic terms. There are a myriad of studies demonstrating links between socio-economic disadvantage and health outcomes. In addition, children living in poor families have been found to have higher injury rates, are likely to be hospitalised more frequently, are more likely to become obese and have worse dental health than other children.²⁶

Housing and specific populations

Older Australians

2.27 In 2005–06, 85 per cent of older Australians living in private dwellings either owned (just over 79 per cent) or were purchasing (just over 5 per cent) their home (Table 2.2). This pattern of home ownership is an important component of the Australian welfare system, as it allows many older Australians to live on relatively low incomes. In 1999, approximately 81 per cent of older Australian households had an income that fell within the bottom two quintiles of the income distribution (compared to 30 per cent of households with a reference person aged under 65 years). However, the high rates of home ownership mean that, on average, older households spend less of their income on housing costs. For example, in 2005–06, older households spent around 7 per cent of their gross income on housing costs compared to 14 per cent of gross income for all households.²⁷

25 Ms S Naden-Magee, *Proof Committee Hansard*, 24 April 2008, p. 13.

26 Al-Yaman, Bryant and Sargeant (2003).

27 Australian Institute of Health and Welfare (2008a, pp 47–49).

Table 2.2 Tenure type by household (%) 2005–06

	Owner without a mortgage	Owner with a mortgage	Private rental	Public rental	Other tenure type
All Australian Households	34	35	22	5	4
Households with reference person aged 65-74 years	75	8	7	6	4
Households with reference person aged 75 years & over	85	3	5	4	4

Source: Australian Institute of Health and Welfare (2008a).

2.28 The importance of home ownership in retirement is further demonstrated by examining housing expenditure for older households who are renting. In 2005–06, older households renting privately spent 36 per cent of their gross income on housing, which represented the highest proportion of income spent on housing costs for any age group or tenure type.²⁸ According to the Treasury:

It is also the case that renters appear to have lower incomes and lower retirement savings, which makes sense, and the consequence is that renters have a lot less to spend on other things.²⁹

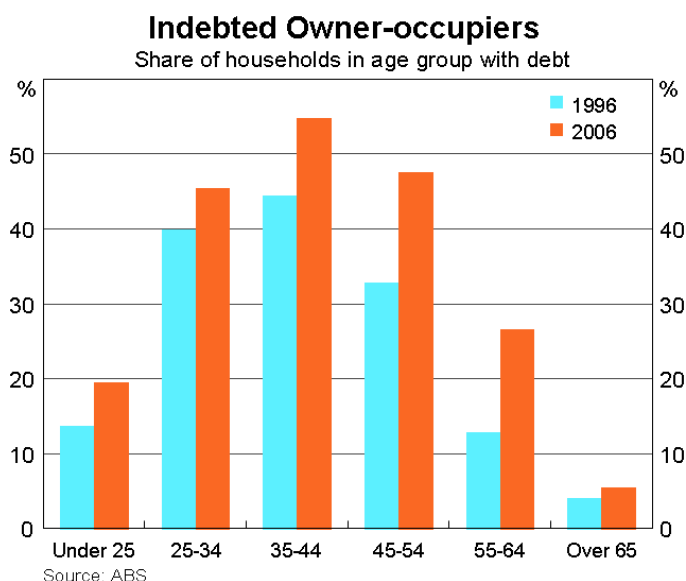
2.29 Given the extent to which private rental costs impact disproportionately on retirees who do not own their own home, there are grounds for the Commonwealth to consider revising the support it provides to this group to reflect better their circumstances (see recommendation 10.2).

2.30 Changes in the Australian housing system indicate that there may be very different housing profiles among future generations of older Australians, with larger proportions likely to enter retirement with a mortgage or renting privately. This is shown by the data from the Australian Bureau of Statistics (ABS) income and housing surveys conducted in 1995–96 and 2005–06 summarised in Chart 2.1.

28 Australian Institute of Health and Welfare (2008a, p. 49).

29 Mr P Gallagher, Treasury, *Committee Hansard*, 1 April 2008, p. 37.

Chart 2.1



Source: Battellino (2007).

2.31 Analysing these data further, Treasury reported that not only were more older Australians still owing debt, but this debt was larger:

the proportion amongst older Australians with a mortgage which was over \$50 000 in real terms went from 30 per cent to 61 per cent and the proportion with a mortgage over \$100 000 went from 12 per cent to 38 per cent. That is amongst the group with a mortgage. So that is a sizeable increase in the level of housing debt of older Australians and that is of interest to us in terms of retirement income policy...³⁰

2.32 Despite more Australians entering retirement with a mortgage, Treasury officials emphasised that in 2005–06, 75 per cent of 65–74 year olds still owned their own home.³¹ Mr Tanton from the National Centre for Social and Economic Modelling proffered one possible explanation for this, in that:

...once you get to the age of 65 and you hit retirement, if you still have a mortgage then you can use a lot of the superannuation that you get to pay off your mortgage. That does mean that you have a lot less in your superannuation egg to be able to live off into the future.³²

2.33 While to date there has only been a relatively small reduction in the number of retired Australians who own their own home, research by the Australian Housing and Urban Research Institute (AHURI) has projected that the number of people aged 65

30 Mr P Gallagher, Treasury, *Committee Hansard*, 1 April 2008, pp 36–37.

31 Mr P Gallagher, Treasury, *Committee Hansard*, 1 April 2008, p. 45.

32 Mr R Tanton, National Centre for Social and Economic Modelling, *Committee Hansard*, 1 April 2004, p. 86.

years and over living in low-income rental households will more than double from 195 000 in 2001 to 419 000 in 2026.³³ This has significant implications for both individuals and the broader community. As noted by Treasury officials:

...there are...significant public policy issues around those who have not done that [achieved home ownership] because of the importance of homeownership as something which underlies the adequacy of retirement income...³⁴

Housing and wellbeing

2.34 In addition to home ownership in retirement helping to maintain living standards, suitable housing is also an important contributor to the health and well-being of older Australians. As David Deans of the National Seniors Association puts it:

The home has special significance for older people. Home is a familiar place, in a familiar location where they know others and feel in control of their lives. Studies examining older peoples' preferences for housing have found that the majority wish to stay in their current home, or if they had to move, at least remain within their current suburb, in a familiar social environment. The health and well being of seniors is intrinsically linked to housing.³⁵

2.35 Home ownership enhances the ability of older Australians to remain living in the community with assistance, which has been shown 'to be important to people's capacity to maintain health and wellbeing'.³⁶ Community care is the centrepiece of aged care policy, with the Australian Government having invested significantly in community care approaches in recent years. The Australian Association of Social Workers has emphasised that approaches to ageing in the community are predicated, to some extent, upon home ownership:

The nexus between health and housing provision is well demonstrated in the area of aged care. Policies designed to reduce the costs of premature admission to residential aged care by providing services and case management for the frail aged or disabled person in their own home, are predicated upon the individual's having stable accommodation - preferably privately owned and capable of being modified as necessary.³⁷

2.36 Thus, as well as having implications for retirement and welfare policy, the growth in the number of older Australians who are reliant on the private rental market for housing also has implications for aged care policy. The Director of the AHURI Southern Research Centre, Dr Faulkner, emphasised that 'for many older people, the private rental market is not the appropriate place because the housing is not suitable to

33 Jones et al. (2007), cited in Australian Institute of Health and Welfare (2007b).

34 Mr P Gallagher, Treasury, *Committee Hansard*, 1 April 2008, p. 45.

35 Deans (2004).

36 Waters (2001) cited in Australian Institute of Health and Welfare (2008a, p. 47).

37 Australian Association of Social Workers, *Submission 54*, p. 9.

their changing needs as they age'.³⁸ Supporting people to remain in their own home and community often requires modifications to the home environment, which in turn requires security of tenure.³⁹ This security is not generally available to those in the private rental market.

2.37 Community housing associations provided evidence about their capacity to support 'ageing in place' by adapting existing housing, or by developing units of appropriate housing nearby to give older tenants the option of maintaining their neighbourhood connections as their mobility and support needs change. For older Australians who own their own houses there are a number of barriers to their ability to downsize or to access capital to modify existing housing to meet their mobility needs. These issues are discussed in chapters 6 and 10 (recommendation 10.14).

Aboriginal and Torres Strait Islander peoples

2.38 Home ownership among Indigenous households is around 36 per cent,⁴⁰ almost half that of non-Indigenous households.⁴¹ Around 19 per cent of Indigenous households rent privately; 20 per cent rent from a state or territory housing authority; and 9 per cent rent from an Indigenous or mainstream community housing organisation.⁴² Significant regional variations exist, however. For example the Committee heard evidence that only 0.4 per cent of Indigenous households are in the private rental market in the Northern Territory and:

Indigenous people are significantly locked out of the private rental market on income levels and the rent history criteria as well as because of discrimination. Landlords and agents are able to auction rentals and they will take the people who can pay the most and who physically look like the best tenants. Indigenous people obviously must have education, life skills and jobs to access that part of the housing rental market.⁴³

2.39 According to AHURI, there is a high level of housing stress amongst Indigenous Australians.⁴⁴ The Australian Council of Social Service also emphasised the level of housing disadvantage faced by Indigenous Australians:

38 Dr D Faulkner, Australian Housing and Urban Research Institute, *Proof Committee Hansard*, 28 April 2008, p. 46.

39 Deans (2004, p. 4).

40 Australian Bureau of Statistics, (2007b).

41 Australia's Indigenous population has a low level of home ownership by international standards. It is well below the 45 per cent in Canada, 48 per cent in New Zealand and 55 per cent in the US, despite overall home ownership rates comparable with these countries. Lawson and Milligan (2007, p. 21); Table 2.1.

42 Australian Institute of Health and Welfare (2008a, p. 44).

43 Ms T Vine Bromley, NT Shelter, *Proof Committee Hansard*, 28 April 2008, p. 18.

44 Australian Housing and Urban Research Institute, Southern Research Centre (2006).

...while low-income and disadvantaged Australians are at the most severe part of the housing affordability crisis, you then need to go to another level again in terms of severity to understand what is happening in Indigenous communities around the country.⁴⁵

2.40 Indigenous Australians also suffer from above-average levels of substandard housing, overcrowding and homelessness.⁴⁶ In 2001 nearly one-third of Indigenous dwellings were in need of major repairs.⁴⁷ On census night 2001, 8.5 per cent of homeless persons were Indigenous⁴⁸, despite Indigenous people constituting less than 1 per cent of the total population. The average size of Indigenous households (3.6 persons) is also greater than non-Indigenous households (2.7 persons)⁴⁹ and up to 15 per cent of rural Indigenous homes are considered to be overcrowded.⁵⁰

2.41 Overcrowding was raised as a particular problem by NT Shelter who noted that:

There are really high overcrowding rates in Indigenous communities, in particular, and mobility between urban and remote communities and vice versa is an issue.⁵¹

2.42 International studies have found that overcrowding increases the risk of infectious diseases, such as meningococcal disease and respiratory infections, and may impact on mental health.⁵²

Recommendation 2.1

2.43 **The committee recommends that, given the very high levels of housing stress, overcrowding and homelessness experienced by Indigenous Australians, all levels of government should give priority to addressing their high level of unmet need for public and community housing under all exiting programmes and the National Rental Affordability Scheme.**

People with disabilities

2.44 Around four million Australians had some form of disability in 2003⁵³ and, according to the 2006 census, just over four per cent of the Australian population, or

45 Mr A Johnson, Australian Council of Social Service, *Committee Hansard*, 2 April 2008, p. 76.

46 Australian Institute of Health and Welfare (2008a, p. 44).

47 ABS data cited in Edmund Rice Centre (2007).

48 Australian Institute of Health and Welfare, (2008a, p. 46).

49 Altman (2000).

50 Wilkinson (2005).

51 Ms T Vine Bromley, NT Shelter, *Proof Committee Hansard*, 28 April 2008, p. 17.

52 Waters (2001).

53 ABS data cited in Australian Institute of Health and Welfare (2008a, p. 49).

around 822 000 people, needed daily assistance with basic activities such as self-care, mobility or communication.⁵⁴ Seventeen per cent of people with disabilities (under age 65) reside in public housing; 13 per cent own their own home or have a mortgage; 16 per cent are private renters; 16 per cent are boarders; and 13 per cent live rent free.⁵⁵

2.45 According to research by the Australian Housing and Urban Research Institute Southern Research Centre:

...people living in households where one or more persons has a disability are poorer, have much lower incomes, are much more likely to be in the rental market and are much less likely to be homeowners. They have significantly greater levels of housing stress than the population overall...

We are talking about people on the disability support pension and the carers pension—very, very low incomes—who are struggling with high housing costs, often in excess of 60 per cent of their gross household income. That has a significant impact on their quality of life and their ability to gain access to a whole raft of services that should be supporting them with their disability.⁵⁶

2.46 As with older Australians, many people with disabilities will require housing adaptations to assist them to continue to live in the community. This is difficult without secure housing tenure. There was evidence presented to the committee by the community housing sector of the preparedness and capacity to both adapt housing and provide greater security of tenure (see recommendation 10.13).

People with mental health problems

2.47 It is estimated that one in five Australians will experience a significant disruption to their mental health and wellbeing at some time during their lives, with 3-5 per cent of the population experiencing serious, ongoing illness requiring treatment.⁵⁷

2.48 People with a psychiatric disability are at particularly high risk of experiencing housing problems and form a significant proportion of the homeless population.⁵⁸ Research conducted in Perth in 2000 found that around 49 per cent of the residents in Supported Accommodation Assistance Program services on the day of the survey were diagnosed with a mental illness. The same survey found that 46 per cent of inpatients in public mental health acute units could have been discharged if there had been suitable community alternatives.⁵⁹

54 Australian Bureau of Statistics (2007c).

55 Australian Institute of Health and Welfare (2008a, p. 50).

56 Professor A Beer, Australian Housing and Urban Research Institute, *Proof Committee Hansard*, 28 April 2008, p. 44.

57 Kadmos and Pendergast (2001, p. 5).

58 Research estimates of the proportion of homeless people who have a mental health problem range from 25 to 75 per cent. Kadmos and Pendergast (2001, p. 6).

59 Kadmos and Pendergast (2001, p. 7).

A study conducted by the AHURI into stable housing for people living with a mental illness found that 'stable housing improved health and well being, increased independence, enhanced social relationships and led to better mental health'.⁶⁰ Shelter WA argue that, in order to achieve and maintain housing tenure, people with a mental illness need to: feel secure and safe in their physical and social environment; have access and proximity to a range of services, including family, social and cultural networks; treatment and support services; and transport; and have secure tenure that is sufficiently flexible to allow them to move between independent housing and support options without loss of continuity of care or tenancy.⁶¹ The issue of the best way to provide stable and secure housing for people suffering from some form of mental illness requires further investigation.

2.49 The policy of de-institutionalisation has led to people with mental health issues taking up an increasing proportion of the public housing stock. This is discussed in chapter 10.

Conclusion

2.50 Access to appropriate, affordable, housing is a fundamental human right, which 'is essential for individual, family and community wellbeing'.⁶² While many Australians have done well out of the housing market there is a growing pool of people who cannot access affordable housing, appropriate or otherwise. Those most at risk are often also the most vulnerable in our society, such as Indigenous Australians and people living with a disability.

2.51 In developing policy options to promote access to affordable housing it is crucial that we give due consideration to those groups for whom owning a house may not be a viable option, and ensure that we take an integrated approach to delivering both affordable home ownership and affordable rental.

2.52 Given its importance in promoting and maintaining a functional, stable and just society, housing should not be considered just another commodity. Many of the social benefits we see flowing from home ownership – such as security, connection to community and control over one's lived environment – can also be conferred through more secure tenancy models. This issue is discussed in more detail in Chapter 10.

2.53 Governments at all levels have an important role to play in ensuring that all members of the community, regardless of means, can access appropriate and affordable housing. Community housing providers, who have made this aspect of social housing their central product, have also demonstrated that they can play a key role in providing a secure home to those otherwise socially excluded.

60 AHURI (2003).

61 Kadmos and Pendergast (2001, p. 7).

62 Australian Council of Social Service, *Submission 40*, p. 1.

