

Final Report

Entering rental housing

authored by

Terry Burke, Caroline Neske and Liss Ralston

for the

**Australian Housing
and Urban Research Institute**

Swinburne-Monash Research Centre

May 2004

AHURI Final Report No. 59

ISSN: 1834-7223

ISBN: 1 920941 26 6



ACKNOWLEDGEMENTS

This material was produced with funding from the Australian Government and the Australian States and Territories. AHURI Ltd gratefully acknowledges the financial and other support it has received from the Australian, State and Territory governments, without which this work would not have been possible.

DISCLAIMER

AHURI Ltd is an independent, non-political body which has supported this project as part of its programme of research into housing and urban development, which it hopes will be of value to policy-makers, researchers, industry and communities. The opinions in this publication reflect the views of the authors and do not necessarily reflect those of AHURI Ltd, its Board or its funding organisations. No responsibility is accepted by AHURI Ltd or its Board or its funders for the accuracy or omission of any statement, opinion, advice or information in this publication.

AHURI FINAL REPORT SERIES

AHURI Final Reports is a refereed series presenting the results of original research to a diverse readership of policy makers, researchers and practitioners.

TABLE OF CONTENTS

EXECUTIVE REPORT	I
Introduction.....	i
The Policy Context	i
Method	ii
Findings and Policy Implications	iii
1 INTRODUCTION	1
2 THE POLICY CONTEXT AND POLICY ISSUES	3
3 METHOD	7
4 KEY ISSUES FOR THE SOCIAL SECTOR.....	10
4.1 The Unmet Need for Social Housing.....	10
4.2 Finding out About Public Housing	12
4.3 Churning.....	12
4.4 The Public Housing Application Process.....	13
4.5 Arrears	14
4.6 Existing Debts	15
4.7 Rental Reform	16
4.8 Affordability and Housing Need.....	17
4.9 Public Housing and Home Ownership.....	18
5 PUBLIC RENTAL VERSUS PRIVATE RENTAL	19
5.1 Satisfaction with Current Dwelling and Location	21
5.2 Current Housing Problems	23
5.3 Why Public Housing?	24
6 ANALYSIS BY SUB-GROUPS	28
6.1 Indigenous Issues	28
6.2 Priority Applicants and General Waiting List Applicants.....	30
7 DOES PUBLIC HOUSING MAKE A DIFFERENCE?	31
8 CONCLUSION AND POLICY IMPLICATIONS.....	35
APPENDIX 1.....	37
APPENDIX 2.....	38
APPENDIX 3.....	39
APPENDIX 4.....	40
APPENDIX 5.....	41
APPENDIX 6.....	42
REFERENCES	43

LIST OF TABLES

Table A: Public housing versus private rental: the advantages for potential clients	ii
Table 1: Social housing systems in Australia, by State and Territory, 2001-02.....	3
Table 2: Applicants for public housing who are waiting to be housed	4
Table 3: RA rates with no dependent children	5
Table 4: RA rates with dependent children	5
Table 5: Public housing versus private rental: the advantages for potential clients	6
Table 6: Waiting list and non-waiting list sample size and response rate by State	7
Table 7: Waiting list and non-waiting list samples by gender and age	8
Table 8: Household type, waiting list and non-waiting list samples	9
Table 9: View of public housing from non-waiting list respondents	10
Table 10: Reasons for not applying for public housing.....	11
Table 11: Sources of information about public housing eligibility	12
Table 12: Why did you leave public (or community) housing the last time you were in it?	13
Table 13: Difficulties experienced with the public housing application process.....	14
Table 14: Willingness to pay for an increase in quality of location and dwelling, waiting list sample	16
Table 15: Housing affordability by State and Territory, waiting list and non-waiting list sample	17
Table 16: Purchasing capacity for home ownership aspirants	18
Table 17: Problems associated with current housing	23
Table 18: Main reasons for current application for public housing, waiting list sample .	26
Table 19: Housing and non-housing hardship measures, priority and general waiting lists.....	30
Table 20: Current dwelling by type of dwelling originally applied for	32
Table 21: How public housing has helped (current tenants).....	33
Table 22: Public housing and financial wellbeing	34
How satisfied are you with the features of your present accommodation?.....	37
How satisfied are you with your current location?	38

LIST OF FIGURES

Figure 1: The housing decision making process	20
Figure 2: Dissatisfaction with current accommodation (percentage)	21
Figure 3: Dissatisfaction with current location (percentage)	22
Figure 4: Public housing locational preferences of the waiting list sample (percentage)	24
Figure 5: Public housing dwelling preferences of the waiting list sample (percentage).	25
Figure 6: Advantages and disadvantages of public housing (percentage)	31

EXECUTIVE REPORT

Introduction

This is the Final Report of a study into entering assisted rental housing, whether that be public housing or private rental supported by rent assistance (RA). The study outlines the findings of two large client surveys: one of 2,326 applicants on a waiting list for public housing, and one of 2,493 RA recipients who are not on a waiting list for social housing. The former are mainly from the private rental sector but include a few in other living arrangements, e.g. boarding houses. The latter are entirely resident in the private rental sector. The study is in effect a consumer study in that its focus is on clients' perceptions of their experiences of living in private rental and their future housing expectations. Complementing both these surveys is a smaller post-occupancy survey to measure the views and experiences of those clients who have made the transition from the waiting list to actual public housing allocation.

This Final Report was preceded by a Positioning Paper that outlined the conceptual issues associated with waiting lists, including the political implications of their role as a process of rationing, and the issues in waiting list management, including:

- Wait times;
- Relationship with housing managed by other organisations;
- Segmentation of the waiting list, including issues of:
 - Size and type of accommodation;
 - Choice of area;
 - Sustainable communities and ghettos;
 - Changes in household circumstances;
 - Rehousing of previous tenants.

The Positioning Paper. <<http://www.ahuri.edu.au/general/document/index.cfm>>, also outlined a model for housing choice decision making, which provided a framework for the questionnaire design, as well as reviewing the limited literature on the topic.

The Policy Context

Australia has two major forms of housing assistance for low income and complex needs clients. The first is the supply side program of social housing provision, which in the Australian context largely means public housing. The second is the demand side program of RA which is provided by the Australian government. Both programs are targeted. As the public housing sector is relatively small by international standards (around 5 per cent of stock) and that eligibility is tightly targeted, there is a substantial waiting list of some 223,000 nationally. Given this pent-up need, most low income and poor households cannot live in public housing and thus live in the private rental sector, and receive RA. This is paid to private renters (not public tenants or home owners) who receive a social security benefit and are paying more than a certain amount for rent, lodging or fees for a caravan site or other accommodation that is the principal home.

For clients weighing up the relative attraction of each of the two rental sectors where assistance is available, there is a very different set of perceived advantages, as outlined in Table A. Part of the objective of the client surveys is to get some assessment of which of these qualities have greater importance, and which type of clients may value some factors more than others.

Table A: Public housing versus private rental: the advantages for potential clients

Public rental	Private rental
Affordability More affordable than private rental, even with RA, because of the income related subsidy.	Choice Greater choice of dwelling (size, quality, location). Clients can choose their own standards and make their own trade-offs between, say, price and quality, or price and location.
Location and need Public housing is provided where there is need (albeit in small numbers), whereas low cost private rental is only available in certain locations.	Flexibility Assistance is not tied to housing and is therefore flexible to changing circumstances, e.g. tenants are not trapped in declining areas.
Security Greater security of tenure – cannot be evicted at landlord's discretion.	Addresses lack of income RA directly confronts the main problem facing low income households, i.e. lack of income.
Non-discriminatory Better controls against discrimination by indigenous status, gender, household type, ethnicity or disability.	Non-bureaucratic management Frees tenants from controls of public landlordism.
Support Clients may be more easily able to get support to maintain tenancy.	Fewer entry hurdles Clients do not have to meet a whole range of eligibility criteria to gain housing.

While this study is about clients' perceptions and practice of entering social housing and private rental, it has a particular orientation towards understanding the decision to enter social housing and whether there is an unmet need for public housing in the private rental sector. Much of the analysis in this report is built around respondents' perceptions of constraints and choices in the search for an appropriate, affordable and secure dwelling.

Method

The main aim of the client surveys was to gain a sense of the issues and problems associated with entering assisted rental housing, both social and private, including clients' perceptions and practice of entering the rental sector. The specific research questions of the study were:

- Determining the degrees to which choice versus security and affordability are factors shaping housing assistance decision making;
- Determining differences between clients in demand for social housing and the factors shaping that difference;
- Determining how important the dwelling versus location is in affecting housing decision making;
- Determining the relevance of existing information and referral processes for social housing;
- Identifying the degree of churning within the system;
- Determining capacity for policy and management reforms, including those of RA and work incentives;
- Assessing renters' perceptions as to whether public housing makes a difference to clients' wellbeing.

The sampling frame for the waiting list households was generated from Department of Housing records in each State and Territory. A mail-out questionnaire was sent to 1,500 addresses selected randomly from waiting list records in each jurisdiction, enabling a total sample of 12,000. The same number of households renting in the private rental sector and receiving RA were also sampled (again by mail-out questionnaire) within each State and Territory, the sampling frame in this instance being generated from Centrelink records.

In addition to the two large surveys, a pilot survey of people who entered public housing in the last year was undertaken. The aim was to determine the effect of actual allocation decisions on clients' expectations and behaviours, as the degree to which expectations of public housing are realised may be heavily conditioned by such decision, i.e. what house or location they end up in, or neighbours they end up with. It was also designed to test whether public housing made a difference, that is, did they feel better off on a variety of criteria. A mail-out questionnaire was sent to 300 addresses randomly selected from Victorian Office of Housing records, with a total of 60 valid responses being returned.

Findings and Policy Implications

This was a rich and large data set, with findings which range from limited policy relevance to fundamental reform. The major findings and policy observations are:

1. Among RA recipients there is a clear division in terms of the attributes they value in life and in housing. Despite similar housing needs they divide into two groups: one appears to value security (and applies for public housing), and the other values choice (and prefers to remain in private rental because of that). The fact that there is a sizeable minority who do not appear to have affordability problems and yet apply for public housing (largely for security reasons) and that there is another group who, despite affordability problems, will not consider public housing suggests a need for new policy directions. There is little doubt that if there was greater security of tenure in private rental there would be less demand for public housing.

To improve housing outcomes for people with different fears, expectations and needs would seem to require ways of bringing greater choice to public housing and greater security to private rental. How this can be done is not easy.

2. The private rental sector as currently configured is not an alternative to public housing. Even with RA, substantial numbers would prefer public rental or, as a second choice, home ownership. Private rental is not a valued housing sector and, even among those who are there by choice, a substantial minority have concerns, many of which relate to the aforementioned issue of security. Providing housing assistance in the form of income benefits to low income earners is not sufficient for many households. In this context there is importance in sustaining – indeed, expanding – the social housing system.
3. Further legitimisation for expansion of public housing is provided by the post-occupancy survey that found compelling evidence (albeit from a small sample) that public housing improves a household's wellbeing, child rearing capacity and ability to participate in the community. The one qualification to perceived improvements in quality of life was in employment, and further investigation is necessary as to why this is seen to be the case.
4. One area in public housing where an element of choice could be worked into the system is in terms of rents. The finding that sizeable proportions would be willing to pay more for an element of choice over the quality and location of their dwelling is an important one. SHAs could pilot programs which provided a rent premium (to which the 25 per cent household income formula did not apply) for certain nominated properties.

5. Indigenous households appear to be not accessing RA to the degree that their income and housing situation would suggest. Why this is the case is not clear, and perhaps further work is needed on this topic. Their lower awareness rate of RA suggests the need for an information program targeted to indigenous households.
6. There is an awareness problem for public housing and community housing more generally. Almost half of the RA recipients were not aware that they may be eligible for public housing. In principle, an information program about public housing and community housing directed to RA recipients could be useful; but, in reality, unless they had some problem that warranted priority, it may be a pointless process of raising expectations, given the wait times for non-priority cases.
7. The carrying of debt into the public system is a potential source of arrears (and has already been so when in private rental). Most SHAs do not ask about debt at the time of eligibility or entry but, given the link to arrears, this information might be an important monitoring tool.
8. Utility costs are a major concern for low-income renters and a major cause of arrears. What can be done about this generally is unclear but, as it applies to SHAs, it raises the possibility of an audit of the type of heating appliances provided and whether they may lead to high utility costs.

1 INTRODUCTION

This Final Report reviews the issues and problems associated with entering assisted rental housing, both social and private, and outlines the findings of two client surveys: one of 2,326 applicants on a waiting list for public housing, and one of 2,493 rent assistance (RA) recipients who are not on a waiting list for social housing. The latter group are entirely resident in the private rental sector, while the former are mainly from that sector but include some few in other living arrangements, e.g. boarding houses. The study is in effect a consumer study in that its focus is on clients' perceptions of their experiences of living in private rental and their future housing expectations.

Parallel with this is another AHURI study (Burke and Hulse 2003) which examines the administrative and management issues in the allocation of social housing from the viewpoint of management and housing workers (effectively an organisational perspective). Many of the issues and problems that clients and housing agencies face are the same – meeting needs, achieving choice, minimising resource costs etc. – but they are typically viewed from different perspectives. The consumer and organisational studies should be seen in some respects as different approaches to the problem of rationing social housing.

Complementing both these surveys is a smaller post-occupancy survey to measure the views and experiences of those clients who have made the transition from the waiting list to actual public housing allocation.

This Final Report was preceded by a Positioning Paper that outlined the conceptual issues associated with waiting lists, including the political implications of their role as a process of rationing, and the issues in waiting list management, including:

- Wait times;
- Relationship with housing managed by other organisations;
- Segmentation of the waiting list, including issues of:
 - Size and type of accommodation;
 - Choice of area;
 - Sustainable communities and ghettos;
 - Changes in household circumstances;
 - Rehousing of previous tenants.

The Positioning Paper also outlined a model for housing choice decision making, which provided a framework for the questionnaire design, as well as reviewing the limited literature on the topic. It is available at <http://www.ahuri.edu.au/general/document/index.cfm>.

While we know a good deal about who is in social and private rental housing, we know little about the motivations, expectations and problems that encourage or constrain households to choose one or the other sector or what the unmet need for social housing is, i.e. to what degree do private renters value public housing and, if they are not on the waiting list, why they have not applied. Given that the perceived form and quality of housing assistance is likely to be one of the factors affecting demand for the two rental sectors, it is important to know something of these perceptions and the balance between the positive and negative qualities of the respective sectors.

The specific research issues of the current study were:

- Measuring the unmet need for social housing;
- Determining the relevance of existing information and referral processes for social housing;

- Identifying the degree of churning within the system;
- Determining the degrees to which choice versus security and affordability are factors shaping housing assistance decision making;
- Determining differences between clients in demand for social housing and the factors shaping that difference;
- Determining how important the dwelling versus location is in affecting housing decision making;
- Determining capacity for policy and management reforms, including those of RA and work incentives.

With large surveys, such as the ones used in this study, there is a problem on how to structure the writing-up of findings, and there will inevitably be major omissions. An all too common method is to write up a report question by question. This assumes that each question has equal importance in terms of findings. The approach in this report is to focus on the key policy or information issues for SHAs arising out of the study, analysis of the housing decision making processes of those on and not on the waiting list, and issues for key client groups. The report is divided into nine chapters:

- Chapter 1 presents an overview of the study and the specific research questions that inform the study;
- Chapter 2 broadly reviews the current policy context and policy issues associated with housing assistance in Australia;
- Chapter 3 details the methodology used in the study and the key demographic characteristics of the samples;
- Chapter 4 presents key issues for the social housing sector arising from the analysis of the survey data, including such issues as the unmet need for social housing, churning within the sector and the relevance of existing information and referral processes for social housing;
- Chapter 5 provides a comparison of preferences for the public and private rental sectors, incorporating a discussion of such issues as the degree to which choice versus security and affordability are factors shaping housing assistance decision making and the importance of dwelling versus location in such decision making;
- Chapter 6 provides an analysis of issues in terms of key client groups, which includes indigenous applicants and a comparison of priority applicants and general waiting list applicants;
- Chapter 7 presents the findings from the pilot survey of residents who have recently (within the previous year) moved into public housing;
- Chapter 8 identifies and discusses the policy implications arising from the study.

2 THE POLICY CONTEXT AND POLICY ISSUES

Australia has two major forms of housing assistance for low income and complex needs clients. The first is the supply side program of social housing provision, which in the Australian context largely means public housing. The second is the demand side program of RA which is provided by the Australian government and is available for private renters. Both programs are targeted.

The Australian public housing sector is relatively small (around 5 per cent of stock) with eligibility tightly targeted. Applications are confined to those receiving social security benefits, while for priority allocation a range of other criteria (e.g. homelessness, domestic violence) are necessary (Burke and Hulse 2003). Once accepted, applicants go onto a general waiting list or priority list and are allocated through a system that will vary subtly from one jurisdiction to another. They apply for a specified area with the knowledge that, once allocated a property, they will pay a rent of the order of 23 to 25 per cent of income.

Table 1 shows the absolute and relative size of the public housing waiting list in Australia. New South Wales has the largest in total size and the largest relative to total stock (75.2 per cent). But illustrating something of the problems in interpreting the meaning of waiting lists, South Australia – with the largest public housing system relative to all tenures of all the States – nevertheless has the third largest waiting list absolutely and relative to stock size. Table 1 also shows the proportion of ‘greatest need’ allocations for the years 1999-2000 and 2001-02, identifying the very different situations both between the States and the different years. In 1999-2000, South Australia, New South Wales and Victoria, with segmented priority waiting lists, had the highest proportion of ‘greatest need’ allocations, while Queensland and the Northern Territory had the lowest. In 2001-02, the proportion of ‘greatest need’ allocations had increased in each State, with the exception of New South Wales and South Australia, with a sizeable increase recorded in both Tasmania and the ACT.

Table 1: Social housing systems in Australia, by State and Territory, 2001-02

	NSW	Vic	Qld	SA	WA	Tas	ACT	NT	Aust
Public housing stock	127,754	64,656	50,157	49,134	32,551	12,656	11,154	6,062	354,124
Applicants on public housing waiting list	96,045	45,517	26,797	32,694	14,340	2,772	3,271	1,854	223,290
Waiting list as proportion of stock	75.2%	70.4%	53.4%	66.5%	44.1%	21.9%	29.3%	30.6%	63.1%
‘Greatest need’ allocations as proportion of all, 2001-02	31.4%	62.3%	4.9%	41.9%	19.1%	80.5%	84.5%	14.3%	35.9%
‘Greatest need’ allocations as proportion of all, 1999-2000	39.1%	38.9%	3.7%	44.9%	16.8%	22.8%	26.2%	10.1%	27.0%

Source: FaCS (2003)

Table 2 shows the waiting list for the last thirteen years and demonstrates that it was higher in 2002 than in 1990, despite greater targeting, some restrictions on eligibility in the mid- to late 1990s, and more effective measures to cull the list for applications which were no longer ‘live’. The waiting list peaked at 236,237 in 1996, the year in which changes to eligibility began to occur as a result of targeting requirements in the Commonwealth-State Housing Agreement. This had the effect of making more households ineligible but also may have encouraged others to leave the waiting list as,

with an emphasis on priority application wait turn, applicants in many States effectively had no chance of being allocated a property within a reasonable timeframe. It is notable that, after declining from their peak in 1996, waiting lists are increasing once more, and this in the face of strong economic growth and falling unemployment relative to the early 1990s. Given the growing shortage of low cost rental stock (Wulff, Yates and Burke 2001), any slowdown in economic activity and increased unemployment could see waiting lists increase sharply.

Table 2: Applicants for public housing who are waiting to be housed

Year at 30 June	Total number on State and Territory public housing waiting lists
1990	195,019
1991	202,349
1992	216,339
1993	232,208
1994	235,372
1995	234,667
1996	236,237
1997	221,409
1998	217,184
1999	213,930
2000	213,041
2001	221,313
2002	223,290

Source: FaCS (2003)

By virtue of the public housing sector's small size, most low income and poor households cannot live in public housing and thus live in the private rental sector, which accounts for around 23 per cent of Australian stock (ABS 2002). RA is paid to private renters (not public tenants or home owners) who receive a social security benefit and are paying more than a certain amount for rent, lodging or fees for a caravan site or other accommodation that is the principal home. In September 2003 the maximum RA payment was as per Tables 3 and 4. No RA was payable if the fortnightly rent was less than \$83.80 (no dependent children) or \$110.46 (with dependent children). Above this threshold it was paid at a rate of 75 cents for each dollar of rent paid per fortnight up to the maximum payment. There is no variation for different housing market circumstances, thus responses to questions on affordability in the survey may differ depending on the State or Territory and the nature of the housing markets therein.

Table 3: RA rates with no dependent children

Family situation	Maximum payment per fortnight	No payment if fortnightly rent is less than	Maximum payment if fortnightly rent is more than
Single, no dependent children	\$94.90	\$83.80	\$209.67
Single, sharer, no dependent children	\$62.93	\$83.80	\$167.71
Couple, no dependent children	\$89.20	\$136.60	\$255.53
One of a couple who are separated due to illness, no dependent children	\$94.40	\$83.80	\$209.67
One of a couple who are temporarily separated, no dependent children	\$89.20	\$83.80	\$202.73

Table 4: RA rates with dependent children

Family situation	Maximum payment per fortnight	No payment if fortnightly rent is less than	Maximum payment if fortnightly rent is more than
Single, 1 or 2 children	\$110.88	\$110.46	\$258.30
Single, 3 or more children	\$125.30	\$110.46	\$277.53
Couple, 1 or 2 children	\$110.88	\$163.52	\$311.36
Couple, 3 or more children	\$125.30	\$163.52	\$330.59

Source: <http://www.centrelink.gov.au/internet/internet.nsf/payments/rent_assistance.htm>

RA is not paid to anyone who:

- Pays rent to a State Housing Authority (SHA) (although in some situations sub-tenants may qualify);
- Resides in a Commonwealth funded nursing home or hostel;
- Is a single disability support pensioner under 21, without dependents, living with parents;
- Is under 25, single and living with parents; or
- Receives Austudy and has no dependent children.

Special rules apply to single sharers, people who pay board and lodging, and residents of retirement villages. Where both members of a couple without children receive a Centrelink payment, RA is shared. Where there is no formal written tenancy, rent certificates are required as verification (see <http://www.centrelink.gov.au/internet/internet.nsf/payments/rent_assistance.htm>).

For clients weighing up the relative attraction of each of the two rental sectors where assistance is available, there is a very different set of perceived advantages, as outlined in Table 5. This information has been compiled from a number of documents and reports that have canvassed the respective qualities of the two forms of assistance, including Industry Commission (1993), Maher et al. (1997), Ecumenical Housing (1997), Yates (1996, 1997), Hulse and Burke (2000) and Hulse (2003). Part of the objective of the client surveys is to get some assessment of which of these qualities have greater importance, and which type of clients may value some factors more than others.

Table 5: Public housing versus private rental: the advantages for potential clients

Public rental	Private rental
Affordability More affordable than private rental, even with RA, because of the income related subsidy.	Choice Greater choice of dwelling (size, quality, location). Clients can choose their own standards and make their own trade-offs between, say, price and quality, or price and location.
Location and need Public housing is provided where there is need (albeit in small numbers), whereas low cost private rental is only available in certain locations.	Flexibility Assistance is not tied to housing and is therefore flexible to changing circumstances, e.g. tenants are not trapped in declining areas.
Security Greater security of tenure – cannot be evicted at landlord's discretion.	Addresses lack of income RA directly confronts the main problem facing low income households, i.e. lack of income.
Non-discriminatory Better controls against discrimination by indigenous status, gender, household type, ethnicity or disability.	Non-bureaucratic management Frees tenants from controls of public landlordism.
Support Clients may be more easily able to get support to maintain tenancy.	Fewer entry hurdles Clients do not have to meet a whole range of eligibility criteria to gain housing.

While this study is about clients' perception and practice of entering social housing and private rental, it has a particular orientation towards understanding the decision to enter social housing and whether there is an unmet need for public housing in the private rental sector. In the Positioning Paper prepared for this study, a model of housing choice decision making was outlined, ranging from the initial pressure to move through to the choices and constraints that people confront in choosing a location, tenure and an actual dwelling. Much of the analysis in this report is thus built around respondents' perceptions of constraints and choices in the search for an appropriate, affordable and secure dwelling.

3 METHOD

The main aim of the client surveys was to gain a sense of the issues and problems associated with entering assisted rental housing, both social and private, including clients' perceptions and practice of entering the rental sector.

This section details the demographic characteristics for the two large samples used in the study: people on a waiting list for public housing (waiting list households) and people in rent assisted private rental not on such a waiting list (non-waiting list households). The methodology for the small pilot survey of recent tenants of a public housing dwelling is discussed in Chapter 7.

The sample of respondents for the waiting list households was generated from Department of Housing records in each State and Territory. A mail-out questionnaire was sent to 1,500 addresses selected randomly from waiting list records in each jurisdiction, enabling a total sample of 12,000. The same number of households renting in the private rental sector and receiving RA were also sampled (again by mail-out questionnaire) within each State and Territory, the sample in this instance being generated from Centrelink records. As some of these households may have been the same, the RA questionnaire had a skip question to avoid duplication. Nonetheless, the RA questionnaire did identify households that were on a waiting list and it was therefore necessary to look at the respondents to this questionnaire in two groups: those on a waiting list and those not on a waiting list. Wherever possible, the people who responded to the RA questionnaire that were on a waiting list have been included with the waiting list survey questionnaire. This was only possible where the questions were directly comparable between the two surveys. A notable point is that not all of the waiting list households were on RA (29.3 per cent of the sample were not on RA). This was not because they were unaware of it (95.8 per cent were aware of RA) but for other reasons which are unclear. Perhaps at the point of application for public housing their income was such as to make them eligible for such housing as well as RA but their circumstances have improved since then.

The number of valid responses received for both questionnaires are presented in Table 6.

Table 6: Waiting list and non-waiting list sample size and response rate by State

Sample	Vic	NSW*	Tas	ACT	NT	WA	SA	Qld	Total
Waiting list sample									
	358	303	333	170	202	367	270	323	2,326
Percentage of sample	15.4%	13.0%	14.3%	7.3%	8.7%	15.8%	11.6%	13.9%	100%
Response rate	26.2	17.3%	23.2%	11.5%	16.7%	26.6%	18.9%	22.9%	20.3%
Non-waiting list sample									
	310	275	333	337	239	346	321	332	2,493
Percentage of sample	12.4%	11.0%	13.4%	13.5%	9.6%	13.9%	12.9%	13.3%	100%
Response rate	21.1%	18.6%	22.7%	23.0%	16.1%	23.6%	22.0%	22.6%	21.2%

* An additional 600 waiting list questionnaires were sent out in New South Wales due to a high 'return to sender' rate in the first round, increasing the total number to 12,600

Table 6 shows an overall response rate of 20.3 per cent for the waiting list sample and 21.2 per cent for the non-waiting list sample. These sample sizes were obtained without any follow-up correspondence as current privacy legislation, and its interpretation by SHAs and the Swinburne University Ethics Committee, prevented this. Letters outlining the process of informed consent accompanied the questionnaire; if people did not reply,

it was assumed they had chosen not to provide consent and therefore could not be contacted by any follow-up processes. Follow-up processes may have added a further 5.0 per cent to each sample.

Within the waiting list sample, 65.3 per cent of respondents were on a general waiting list, 20.3 per cent on a priority waiting list, 1.0 per cent on a public housing transfer waiting list and 5.5 per cent on one of these lists as well as a community housing waiting list. The remainder were unsure as to which type of list they were on. 33.4 per cent of the sample had been on a waiting list for less than a year, 31.2 per cent for one to three years and 33.6 per cent for three years or more. Some of these figures varied by jurisdiction, particularly the balance between waiting list and priority applications, but overall the percentages were not greatly different across the jurisdictions. The figures also varied across the two samples and this is reflective of the objectives and opportunities offered by the two housing assistance programs.

Table 7 shows the gender and age distribution for both the waiting list and non-waiting list samples. The non-waiting list sample had a greater proportion of 15-24 year olds (25.0 per cent) than the waiting list sample (13.2 per cent) but considerably fewer 35-59 year olds (33.5 per cent opposed to 45.0 per cent). In total, respondents over 35 years of age accounted for 62.5 per cent of the waiting list sample and 51.8 per cent of the non-waiting list sample.

Table 7: Waiting list and non-waiting list samples by gender and age

Age	Waiting list sample (%)			Non-waiting list sample (%)		
	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
<i>15-24 years</i>	7.5%	16.3%	13.2%	18.9%	28.1%	25.0%
<i>25-34 years</i>	18.7%	27.5%	24.3%	15.5%	26.9%	23.0%
<i>35-59 years</i>	49.6%	42.5%	45.0%	37.4%	31.6%	33.5%
<i>60-74 years</i>	21.0%	12.0%	15.3%	22.4%	8.3%	13.0%
<i>75+ years</i>	3.2%	1.7%	2.2%	5.8%	5.1%	5.3%
<i>Total</i>	100%	100%	100%	100%	100%	100%

Both samples had a high rate of Australian born respondents (75.8 per cent waiting list, 78.4 per cent non-waiting list). This is probably an under-representation of non-Australian born residents. Within the waiting list sample, 17.7 per cent spoke a language other than English at home, a rate that dropped to 8.7 per cent in the non-waiting list sample. In terms of education level, the majority of the waiting list sample (51.4 per cent) had completed year 10 or less (34.6 per cent of the non-waiting list sample) and 14.6 per cent a TAFE or university course (19.3 per cent of the non-waiting list sample), indicating a generally higher level of education in the non-waiting list sample. 36.7 per cent of the waiting list sample were unemployed (compared to 28.1 per cent of the non-waiting list sample) and 24.4 per cent were employed in one form or another (compared to 32.9 per cent of the non-waiting list sample). In short, waiting list applicants on RA were less educated and less active in the workforce than non-waiting list applicants on RA.

The biggest variation between the samples was household type, which partly reflects the targeting of the two programs but is also a statement of program choice. Sole parents accounted for 31.0 per cent of the waiting list sample, which was significantly higher than the non-waiting list sample (18.2 per cent) but close to the proportion of sole parents in public housing, suggesting a disproportionate desire for allocation to public

housing by sole parents. The proportion of couples without children was greater in the non-waiting list sample (11.5 per cent) than the waiting list sample (9.2 per cent). Given that RA is accessible by young singles in a way which public housing is not, it is not surprising that the rate of unrelated group households was much higher in the non-waiting list sample, as shown in Table 8.

Table 8: Household type, waiting list and non-waiting list samples

Household type	AIHW waiting list (%)	Waiting list sample (%)	Non-waiting list sample (%)
Sole parent with children living with them	38.0%	31.0%	18.2%
Single person	36.0%	30.5%	28.2%
Couple with children	14.0%	13.5%	14.4%
Couple without children	10.0%	9.2%	11.5%
Group of unrelated people	2.0%	4.9%	17.0%
Extended family	-	1.2%	3.4%
Other	-	9.6%	7.3%
Total	100%	100%	100%

Of course, the big unknown with surveys is how representative the sample is of the target population. If we compare the waiting list sample data with SHA client data on household structure as collected by the AIHW, the sample is fairly similar, although with slightly lower percentages of sole parents and single persons. In terms of priority or greatest needs clients (waiting list sample), there is an understatement of priority (25 per cent survey, 35 per cent (*Housing Assistance Act 2001 Annual Report C4*) and therefore there is an overemphasis on straight waiting list applicants. Thus, while the sample is broadly reflective of the population in terms of key household structure and age distribution, there is a concern that, for both priority and waiting list respondents, those who respond may be more articulate, organised and interested than those who do not. And, as mentioned earlier, there is under-representation of those born overseas. It is important therefore to acknowledge these two sample limitations.

The analysis in the following sections reports national data which collates results from all jurisdictions. With a few exemptions, results for each of the jurisdictions were broadly similar, and thus national results largely apply to the individual States and Territories. However, in recognition of the richness of the data set and the fact that there is still much to be analysed, further reports will be produced.

4 KEY ISSUES FOR THE SOCIAL SECTOR

4.1 The Unmet Need for Social Housing

Waiting lists have historically been used as a measure of the need for public housing. As discussed in the Positioning Paper, they are problematic for a number of reasons, not the least being that people may be eligible but do not apply. However, this may be because they do not want to live in public housing under any circumstances.

While this study was about clients' perceptions and practices of entering rental housing, it also had a particular orientation towards understanding the decision to enter public housing and whether there was an unmet need for such housing. Factors such as an inability for potential clients to express a need for social housing because of the constraints of eligibility, lack of information or an assumption that there is no point because waiting lists are too long may all constrain application.

There is no one single way of measuring unmet need and thus a variety of questions were asked, beginning with the circumstances under which non-waiting list households might consider public housing.

Of the sample not on a waiting list renting in the private sector, 13.9 per cent indicated they would never consider applying for public housing and therefore ruled it out completely as an option. A large minority (31.5 per cent) also concurred with the view that public housing would be a last resort for them. 18.0 per cent agreed that public housing would solve a lot of problems for them and another 36.5 per cent would consider it if their current property became non-affordable (see Table 9). From this data we could probably say that nearly half (the 13.9 and 31.5 per cent) of RA recipients not on the waiting list have no real interest in public housing, while another half may have an interest if their circumstances changed. The 36.5 per cent who would consider it if affordability got worse is significant. If housing markets were to create rent increases above current levels (although there are no signs of this) or if people lost income, e.g. the effects of a recession, the potential for a blow-out in waiting lists is very real.

Table 9: View of public housing from non-waiting list respondents

View of public housing	Non-waiting list sample (%)
I would consider public housing if I couldn't afford the rent here anymore	36.5%
Public housing would be a last resort for me	31.5%
I think living in public housing would solve a lot of problems for me	18.0%
I would never consider applying for public housing – I don't need that sort of help	13.9%
Total	100%

Another reason why waiting lists may under-represent housing need is that some potential applicants may not even be aware of public housing or their eligibility; this is certainly true of a sizeable minority of RA recipients not on the waiting list. Of this group, a surprising 47.2 per cent were not aware that they were potentially eligible, with 42.8 per cent being aware and choosing not to apply, and 10 per cent knowing that they were ineligible. Of the 47.2 who were unaware, many may well be ineligible, but without knowing individual incomes and assets it is impossible to determine the actual number. It is likely that greater information would attract more on to the waiting list. Similar to the question regarding circumstances that would encourage a consideration of public housing, the awareness question does suggest that waiting lists underestimate housing need.

There was much greater lack of awareness of community housing, with 82.1 per cent of those on the public housing waiting list being unaware of any community managed housing for which they might be eligible. Of the small number who were aware, 56.7 per cent did not apply for any community housing at the same time as their application for public housing. The main reason for this was a stated preference for public housing (35.0 per cent) followed by a lack of information about the organisations or the community housing system (25.7 per cent). This is important in terms of any policy moves towards expansion of the community sector, perhaps by transfer of public stock. At this stage, the sector appears not to have achieved the levels of awareness or support to justify too rapid a growth. There remains considerable work to be done in raising the profile of, and perhaps confidence in, the community sector.

Of those RA recipients who were aware of public housing, 67 per cent did not apply for it when they last sought a new dwelling. As indicated in Table 9, a majority are simply not interested, but another factor is barriers to entry, whether administrative ones, such as eligibility, or actual perceptions of public housing. The survey thus attempted to ascertain the degree to which perception of constraints associated with public housing discouraged people from applying. When such a question was posed to the non-waiting list sample, the most frequently selected responses related to the difficulty in securing public housing (60.9 per cent), not being able to choose their own dwelling and location (34.1 per cent) and the stigma associated with this form of housing (28.2 per cent), as shown in Table 10. Thus waiting lists are a dual-rationing device. Firstly, they ration public housing to those who are eligible; but secondly, by virtue of their length, they deter many others who would be eligible from applying. If SHAs were to systematically attempt to reduce waiting lists dramatically it would likely be self-defeating, as perceptions of the list getting shorter would drag substantial numbers of deterred applicants on to it, therefore increasing it again.

Table 10: Reasons for not applying for public housing

Reasons for not applying for public housing	Non-waiting list sample (%)
Waiting times too long/too hard to get public housing	60.9%
Could not choose my own dwelling and location	34.1%
Public housing has a bad reputation	28.2%
Wasn't aware/didn't know how to apply	22.7%
Do not anticipate needing it (I won't be poor for that long)	18.3%
Thought I would be ineligible	17.4%
Poor quality housing	16.6%
Do not want my children to grow up in that environment	16.1%
Location of public housing limits work opportunities	4.9%
Did not want to deal with all the questions and forms	4.9%
Other	5.7%

The other major factor, and this is a reoccurring theme in a number of the questions, is the absence of choice of dwelling or location. The importance of choice as a factor shaping decision making was again highlighted when, in response to the question of what *would* encourage them to apply for public housing, non-waiting list respondents selected 'If I could choose my own dwelling and location' (57.8 per cent). Other factors

that would encourage application were 'If the application process was easier/shorter' and 'If there were shorter waiting times' (48.8 per cent in total).

Without a doubt, the lack of choice and the length of the application process were the most important considerations when choosing whether or not to apply for public housing. This was absolutely consistent throughout the data, regardless of waiting list status (dwelling and locational factors were also identified by the waiting list sample as the main disadvantages of living in public housing), indicating that the freedom of choice available in the private rental sector when it comes to the choice of dwelling and location is highly valued and is a key factor likely to encourage people to choose, and remain in, private rental.

In summary, it can be concluded that there is a sizeable minority of RA recipients who are not on the waiting list but who see the value of public housing but are constrained from applying due to the perceived disadvantages associated with the tenure, or who are unaware of their potential eligibility. Waiting lists clearly understate the need for public housing.

Finding: Confirming the view of observers over the years, the survey data highlights that waiting lists are a problematic measure of public housing need. Nevertheless, the evidence suggests that waiting lists understate the need for public housing. It is also of note that a sizeable minority of RA recipients are not aware that they may be eligible for public housing.

4.2 Finding out About Public Housing

In terms of the means by which waiting list applicants became aware of their eligibility for public housing, the majority (58.0 per cent) became aware through informal sources, such as having lived in public housing previously, as opposed to formal sources, such as information from a counselling agency or Housing Department (36.3 per cent), as shown in Table 11. The proportion of clients whose knowledge of public housing comes from residency as a child (13.3 per cent) suggests an issue of intergenerational public housing occupancy, although the degree to which this is a problem cannot be ascertained from this survey.

Table 11: Sources of information about public housing eligibility

Information source	Waiting list sample (%)
Lived in public housing as an adult	18.1%
Lived in public housing as a child	13.3%
Other friends or family lived in public housing	26.6%
Counselling agency or advice service told me	17.8%
Information from Housing Department	18.5%
Other	5.7%
Total	100%

Finding: Most people find out about public housing through informal processes and prior acquaintance with public housing, with self, friend or family the major source of information.

4.3 Churning

One of the perceived problems for the public housing sector is the issue of churning, that is, people circulating in and out of the system and in the process creating costs of vacant properties and administrative expenses. The survey suggests this is a very real problem. At the time of sampling, 36.1 per cent of those on the waiting list had

previously lived in public housing and 11.8 per cent had been in public or community housing immediately prior to their current address. When asked to provide the three main reasons as to why they left public housing the last time they were in it, the most frequently selected responses were 'Moved area or interstate' (45.0 per cent), 'Problems with neighbours' (20.0 per cent) and 'Got married or formed a new relationship' (17.1 per cent), as shown in Table 12.

Table 12: Why did you leave public (or community) housing the last time you were in it?

Reason for leaving	Waiting list sample (%)
Moved area or interstate	45.0%
Problems with neighbours	20.0%
Got married or formed a new relationship	17.1%
Did not like area but could not transfer	10.5%
Moved for employment	8.3%
Did not like dwelling and could not get a better one	7.7%
Fell behind with rent	3.0%
Evicted	2.6%
Too expensive	2.4%
Other	2.2%

Issues that signified a problem with public housing itself were considerably less frequently selected, such as 'Did not like area but could not transfer' (10.5 per cent) and 'Did not like dwelling and could not get a better one' (7.7 per cent). The data suggests therefore that people were more likely to exit due to a change in personal circumstances rather than any perceived problems with public housing management or stock. At one level, this is good news for SHAs. At another it is problematic, as there is little room for program interventions that affect churning, other than for the minority who left because of arrears, evictions or not liking the dwelling.

Reinforcing these findings are those of the post-occupancy survey (Section 7) where 36 per cent of those who had recently moved into public housing had previously lived in public housing. Again, the explanations for why they left public housing were factors over which SHAs could have little control, e.g. moving interstate (27.0 per cent), or others such as moving to look after older parents, health considerations and domestic violence.

Finding: Churning of households within the public system is quite high but mainly for reasons over which SHAs have little control.

4.4 The Public Housing Application Process

One of the potential problems in public housing management is the client's experience of the application process. Public housing is a rationed public good and this requires an administrative process to determine eligibility and how quickly a person should be allocated a property. From the client's perception, this can be a frustrating and bureaucratic process. The waiting list sample were therefore asked to indicate how satisfied they were overall with the application process. The majority (52.7 per cent) stated that they were satisfied with the process, with 18.0 per cent stating they were very satisfied. A minority (25.8 per cent) were dissatisfied (10.3 per cent very unsatisfied), with 21.5 per cent being neither satisfied nor dissatisfied. In order to probe this issue in greater depth, respondents were additionally asked to indicate whether they experienced particular difficulties with the application process and, if so, to what extent. Table 13 lists the responses for each variable.

Table 13: Difficulties experienced with the public housing application process

Problem	No problem	Minor problem	Major problem	N/A	Total
Wasn't told how long the waiting time would be	42.3%	22.3%	30.8%	4.6%	100%
Felt I had to misrepresent my situation to the housing authority	62.2%	14.9%	6.1%	16.9%	100%
Discrimination from housing workers	70.4%	11.0%	8.8%	9.7%	100%
Found it difficult to get to the offices of the housing authority	71.4%	17.9%	6.7%	4.1%	100%
Felt the information required was too personal	73.4%	17.7%	5.3%	3.6%	100%
Felt the forms were too difficult to fill in	73.5%	20.1%	4.2%	2.2%	100%

Table 13 shows a generally positive attitude to the application process from those on the waiting list. With the exception of waiting time information, most experienced 'no problem' with the various potential difficulties and, of those who did experience a problem, this was generally of a 'minor' nature, with the rate of 'major' problems in no instance accounting for more than 10.0 per cent of the sample. By contrast, 53.1 per cent say lack of information about waiting time was a problem. This issue was clearly an important one for many respondents who were motivated to make additional remarks on the survey, such as 'I have been waiting since 1989 and am sick of being told it's not my turn', 'I did expect that due to being on a "priority list" I would have been offered something within five years', and 'I was told the waiting list at the time I applied was six to seven years, now I'm told it is thirteen to fourteen years unless my case is a priority'. SHAs historically have been reluctant to tell clients waiting list times because it might frustrate them to know how long it could be, i.e. years, or alternatively it might create expectations that may not be met. This is particularly the case given that times can only be estimates.

Other problems that were noted by a number of the respondents (albeit a small minority) as additional comments included:

- Rude and unfriendly staff;
- Living arrangements/access needs not being considered;
- Inconsistent information from housing workers.

There are, however, more concerns with the application process for indigenous populations, and this is discussed separately in Section 6.1.

Finding: The public housing application process is clearly satisfactory to most applicants, with the exception of wait times, where most expressed concerns that they were not told of the length.

4.5 Arrears

One of the major management issues in public housing is that of arrears management, and one of the potential threats to loss of tenancy is the level of arrears. It is thus significant that a quarter of all households on the waiting list have been in arrears in the private sector in the previous year. The major causes were utility bills (59.6 per cent), food expenditure (43.1 per cent), debt payments (41.2 per cent) and health expenses (35.6 per cent). Some of these problems may be reduced by the extra income that a

rebated rent promises over private rental, but some are of a nature that is likely to create arrears problems within public housing.

The 870 households who had prior experience of public housing were asked their views on SHAs' attitudes to rent. Illustrating the 'damned if you do and damned if you don't' management problem within public housing, 68.5 per cent thought it was fair, 13.3 per cent thought SHAs were too soft and 18.2 per cent thought they were too hard. Given the balance of answers, this probably suggests that SHAs have broadly got arrears management right.

Finding: A sizeable minority of households will enter public housing with a history of arrears in the rental sector largely related to debt and utility costs.

4.6 Existing Debts

SHAs are very alert to past housing related arrears for new applicants, and in most cases will not allow entry unless an adequate repayment schedule can be negotiated. But the debt issue is bigger than previous housing debts and, unlike Housing New Zealand, Australian SHAs do not have any systematic processes to assess debt at the time of application or entry. As our results suggest, debt is likely to create hardship for tenants in the public system.

Of the respondents to the waiting list questionnaire, 57 per cent had some level of debt, ranging from less than \$500 (15.5 per cent) to more than \$5,000 (12.7 per cent). The median debt was \$1,700. An analysis of this sample showed:

- More females (60.0 per cent) were in debt than males (51.5 per cent);
- Most people aged between 25 and 34 years (66.6 per cent) and 35 and 59 years (59.2 per cent) were in debt, with the incidence of debt decreasing with age;
- People who spoke only English at home (59.4 per cent) were more likely to be in debt than those who spoke a language other than English (45.8 per cent);
- Non-indigenous respondents had a higher rate of debt (58.1 per cent) than the indigenous sample (40.8 per cent);
- Sole parents had a relatively high rate of debt (67.2 per cent), followed by couples with children (59.9 per cent) and lone couples (54.8 per cent). Single people had the lowest rate at 48.7 per cent;
- Adults with children living with them were significantly more likely to be in debt (65.4 per cent) than adults with no children living with them (47.7 per cent).

Indicative of the problem that tenants may be carrying into public housing is that fact that a much greater proportion of the debt sample had, in the past year, been behind in their rent in the private sector (33.4 per cent) compared to the no-debt sample (15.7 per cent).

The data from the waiting list sample indicated that respondents with a debt were experiencing current housing problems on a larger scale compared to the respondents without a debt. These included:

- Lower satisfaction rates with existing dwelling. 50.3 per cent of the no-debt sample were satisfied with the cost of their present accommodation, compared to 43.1 per cent of the debt sample;
- Higher concerns about current housing condition. 40.2 per cent of the no-debt sample stated they had 'no concerns', compared to 25.6 per cent of the debt sample. Of the debt sample, the most frequently selected concerns were 'Responsiveness of landlord to make repairs', 'Standard of facilities and conditions' and 'Outdoor area too small'. This may be because their lower disposable income meant that they were forced into a cheaper form of dwelling;

- Higher rates of mobility. 34.6 per cent of those with debts moved more than three times in the last three years, compared to only 25.4 per cent of those without debts.

In summary, the data suggests that the carrying over of debts into public housing is potentially a largely neglected problem for SHAs. Processes to identify debt levels at point of entry and perhaps offer assistance may help households to avoid debt related housing stress.

Finding: A substantial minority of waiting list applicants will enter the public system with a debt history, which could potentially threaten the sustainability of tenancies.

4.7 Rental Reform

Rent systems are a core element of social housing, and have undergone a history of reform since the inception of Australia-wide public housing in 1945. Recent years have thrown up some new debates and issues around public housing management which inevitably flow through to questions of current rent structures. While rent system reform is the subject of another AHURI study by McNelis and Burke (2004 forthcoming), this survey was the opportunity to ask waiting list applicants some questions around rent in anticipation that the answers could inform debate. The approach was to use stated preference (SP) questions, a survey methodology deriving from mathematical psychology (Luce and Tukey 1964) and then popularised by market researchers (Louviere and Timmermans 1990). This approach asks survey participants to answer a set of hypothetical alternatives in such a way as they might be forced to do in real life. This could involve ranking choices or placing a monetary value on alternatives as is sometimes done in cost benefit analysis. This survey thus attempted to elicit tenants' responsiveness to rent increases if this meant an improvement in location or quality.

The waiting list sample were asked to indicate, for four different features of a dwelling, whether they would be willing or unwilling to pay an increased rent to secure these qualities. Table 14 lists the responses for each feature.

Table 14: Willingness to pay for an increase in quality of location and dwelling, waiting list sample

Waiting list sample	Not willing to pay extra (%)	Willing to pay extra (%)	Total (%)
For a property of high quality and condition	15.2%	84.8%	100%
For a dwelling in a location that suits my needs	15.9%	84.1%	100%
For a dwelling that had a high level of security (safety)	16.9%	83.1%	100%
For a bigger dwelling than your entitlement	25.8%	74.2%	100%

The results show that a large proportion of waiting list applicants are willing to pay more for certain amenities. The data provides empirical validation for the anecdotal evidence of the social housing sector that people will turn down inferior amenity properties, despite need, and will wait (where possible) for a higher amenity one. Current 'one size fits all' rent setting practices within the sector do not allow for charging premiums for higher amenity properties or lower (rent clearing prices) for inferior amenity properties. The findings are consistent with other questions about choice. Here the data suggests tenants would be responsive to a system that offered choice of properties with different rents, so long as that rent premium ensures a better quality dwelling or location.

In the case of a property of high quality and condition, a dwelling in a suitable location and a high level of security (safety), around 84.0 per cent of the sample were willing to pay more rent each week to secure these factors. This willingness to pay fell for securing a dwelling that is bigger than their entitlement (74.2 per cent) but still remained at high levels. The actual dollar amount which respondents were willing to pay as a

premium was not large, unsurprising given their low incomes, but not insignificant. For those people who were willing to pay more, 60 per cent were willing to pay less than \$10 a week, but 40 per cent were willing to pay more than \$11 per week and 25 per cent more than \$20 a week.

Finding: A substantial majority of households are willing to pay a rent premium for a choice of better location or higher quality stock

4.8 Affordability and Housing Need

The survey asked respondents to provide information about their income, including RA, along with details of rent paid. The data enables a calculation of affordability outcomes taking into account RA. As Table 15 shows, for waiting list applicants, the key findings are that a substantial minority fall below the 25 per cent benchmark (26.3 per cent) and 30 per cent benchmark (39.2 per cent). Reflecting the fact that RA does not cater for housing market differences, it is New South Wales that is most problematic, with only 31.7 per cent below the 30 per cent benchmark and with 23.3 per cent in excess of 50 per cent of income being committed to rent, c.f. a national average of 16.0 per cent. The affordability position for non-waiting list applicants is marginally worse than for the waiting list sample, with only 24.2 per cent below the 25 per cent benchmark and 16.8 per cent above the 50 per cent ratio.

Table 15: Housing affordability by State and Territory, waiting list and non-waiting list sample

Rent assistance

State or Territory of usual residence									
	Vic	NSW	Tas	ACT	NT	WA	SA	Qld	Total
< 25%	22.1%	18.8%	30.6%	18.8%	24.6%	23.8%	26.6%	27.3%	24.2%
25 - 29%	12.3%	8.2%	16.3%	9.6%	9.5%	16.5%	16.7%	12.6%	13.0%
30 - 34%	11.5%	14.0%	12.7%	14.6%	14.5%	13.2%	12.7%	13.4%	13.3%
35 - 49%	37.9%	36.2%	32.9%	34.2%	26.8%	32.6%	30.2%	30.0%	32.7%
50 - 79%	16.2%	22.7%	7.5%	22.7%	24.6%	13.9%	13.9%	16.6%	16.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Waiting list

State or Territory of usual residence									
	Vic	NSW	Tas	ACT	NT	WA	SA	Qld	Total
< 25%	25.4%	20.0%	36.5%	24.4%	27.7%	23.8%	29.3%	23.6%	26.3%
25 - 29%	12.9%	11.7%	11.9%	12.6%	9.5%	12.9%	13.5%	16.7%	12.9%
30 - 34%	15.5%	10.4%	17.2%	10.2%	9.5%	12.9%	12.6%	16.3%	13.5%
35 - 49%	27.2%	34.6%	24.2%	33.9%	37.2%	34.4%	35.6%	27.2%	31.3%
50 - 79%	19.0%	23.3%	10.2%	18.9%	16.1%	16.0%	9.0%	16.3%	16.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The problem this data illustrates is that, for many waiting list households who receive RA, it is not easy on the surface to see why they have applied for public housing as it will not likely improve their affordability and in some cases would make them worse off. One explanation is provided in Section 5.3.2 where, in answer to the reason for choosing public housing, 22.6 per cent of households did not nominate affordability as a key factor while 56.8 per cent nominated security of tenure. If affordability is the major rationale for public housing, and if one argues that security of tenure is a want, not a fundamental need, then the numbers on the waiting list without an affordability problem suggest the waiting list overstates need.

4.9 Public Housing and Home Ownership

Historically, one of the important roles of public housing was to create the conditions which allowed people to save for home ownership (Kemeny 1981). In the last decade, as public housing has become more targeted with a focus on complex needs, this role has largely been neglected. Questions were asked about home ownership, nevertheless, with some surprising results. For those on the waiting list, 22.4 per cent expressed the view that their preference was for home ownership, compared to 11.2 per cent for private rental and 61.3 per cent for public housing. The relatively high proportion of potential owners could be an abstract hope but, of those who nominated this preference, 54 per cent said that their reason for wanting public housing was to save for a home. Moreover, of the waiting list sample who said they were only intending to stay in public housing for a short time, 63 per cent had an expectation of owning their own home. Whether this process was to be realised on immediately leaving public housing or at some later date was not clear, but it is further evidence that the idea is a real one. Even today there is a minority who see public housing as a stepping-stone towards ownership.

11.0 per cent of the waiting list sample had previously owned a home. Unfortunately, the data does not enable an exploration of why they fell out of ownership. It does suggest that there is a story about the pathway from ownership to public housing, and raises the question of whether some form of assistance, e.g. making RA a general housing allowance, may have enabled some of these households to hang on to ownership.

The question was asked, 'If RA could be used to assist you in paying off a mortgage, would you be interested?' Among those waiting list households who had responded that their preferred option was ownership (493 respondents), there was a 99 per cent interest. This suggests more than just an abstract interest, and that if the mechanism was available they would like to use it for ownership rather than go into public housing. Out of curiosity, the mean income (including RA) of the waiting list sample who preferred to purchase and who would like to use RA for such was extracted and, assuming 7 per cent interest and a loan to income formula of 25 per cent, the potential mortgage was calculated. The data suggests that, even with RA as a more general housing allowance, few of the low income aspirants to ownership could afford it, as the typical loan they could obtain would be between \$55,000 and \$95,000 (see Table 16). Any general housing allowance would be better targeted at existing owners of, say, five or so years standing, with the objective of keeping them in ownership.

Table 16: Purchasing capacity for home ownership aspirants

	Mean income	Mortgage	N
Single person	\$353	\$55,000	59
Lone couple	\$353	\$55,000	10
Couple with children	\$617	\$95,000	71
Sole parent with children living with them	\$439	\$68,000	177

Finding: A sizeable minority of waiting list respondents aspire to ownership, and many see public housing as a mechanism towards achieving this. However, even if RA became a general housing allowance, few of these households are currently in an income position to achieve their aim.

5 PUBLIC RENTAL VERSUS PRIVATE RENTAL

This section reviews those questions which draw out respondents' experience with the housing search process and their current housing situation. To organise the information required to understand household decision making around housing choices, the study adapted a model drawn from residential mobility literature and outlined in more detail in the Positioning Paper. Figure 1 illustrates the decision making process of a household contemplating a change of rental dwelling, identifying five stages. This study is largely concerned with Stages 1 and 2, because the others largely deal with the allocation process over which clients have little choice; this will be the subject matter of a parallel AHURI study by Burke and Hulse (2004 forthcoming).

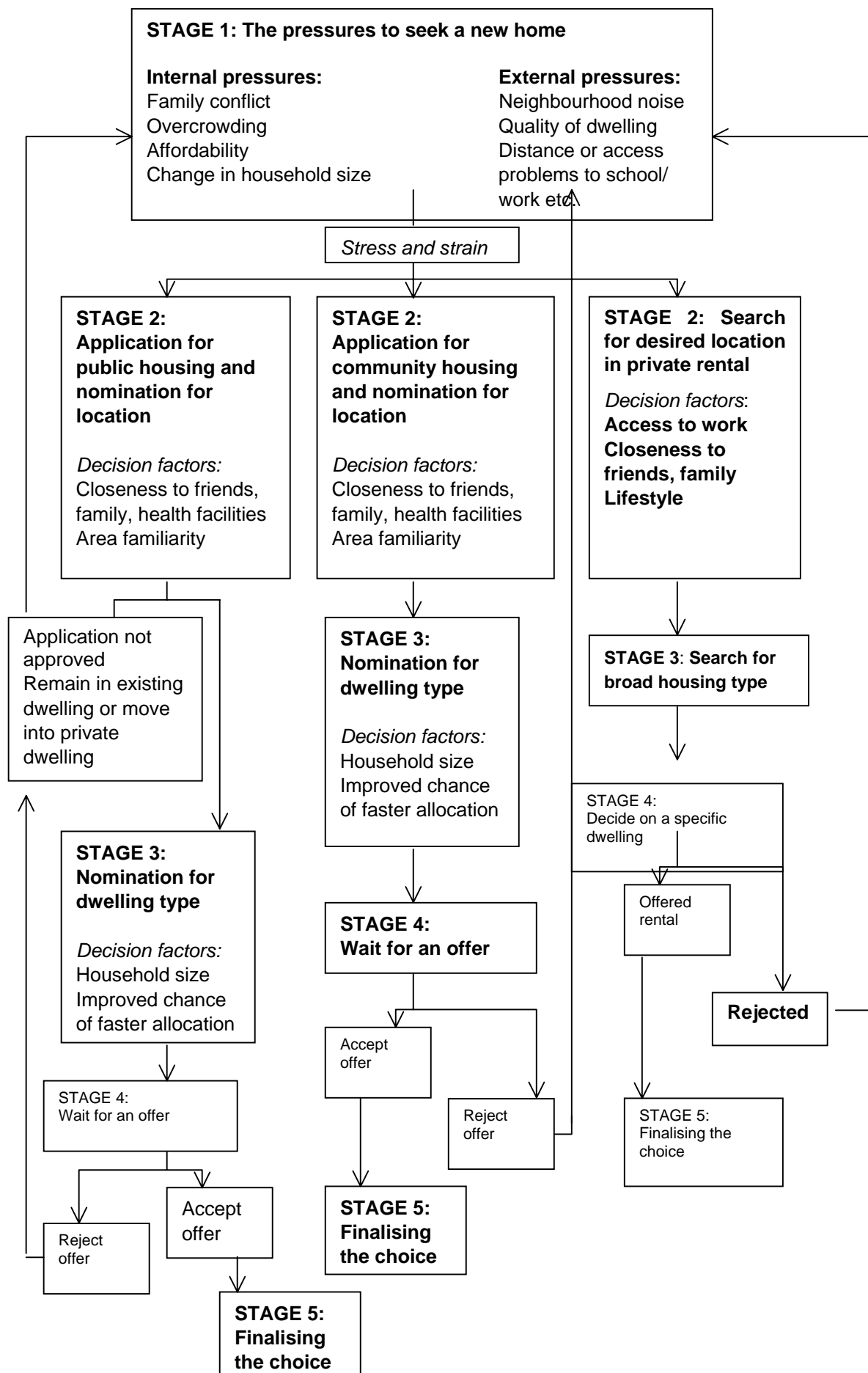
Typically, the decision to rent a new dwelling or move into independent living for the first time is triggered by perceived or real problems with existing housing arrangements (Stage 1). These could include:

- Pressures internal to the family or individual, e.g. family conflict;
- Current living situation, e.g. perception that the dwelling is too expensive, the quality is too poor, no sense of security of tenure, or lack of space;
- Pressures external to the family or individual, e.g. traffic noise, eviction, difficult neighbours, absence of employment prospects, or need for family support.

Given such factors, a family or individual will go through some form of weighing up the costs and benefits of remaining in their present home against moving to another. In some cases, these 'stress and strain' factors can be immediate and critical ones, e.g. eviction, escape from domestic violence, loss of employment or marital breakdown, and the decision making process cannot be a leisured one. Other households may make a more protracted decision, with some choosing to remain in their present dwelling.

This section will look at the factors identified by respondents that could explain their reasons for applying, or not applying, for public housing once the decision to move has been made (Stage 2). It will consider general questions regarding tenant satisfaction or dissatisfaction with their current dwelling, location and tenure, and more specific questions regarding the housing problems triggering dissatisfaction.

Figure 1: The housing decision making process



Low income/high housing needs groups in Australia potentially have three broad options for housing assistance: public housing, community housing and rent assisted private rental. The reasons for their choice are likely to be some combination of past experience, current knowledge (or lack thereof), housing availability, and assistance in decision making by information and referral agencies or support groups.

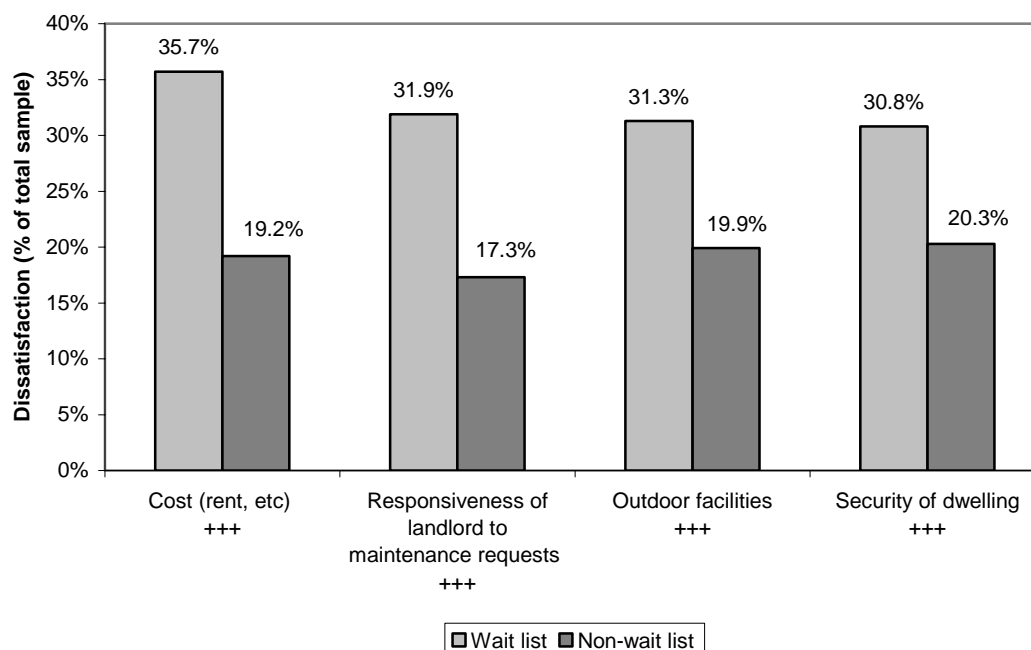
Of the 2,326 respondents on the public housing waiting list, 61.3 per cent stated that their preference was to rent public housing, 22.4 per cent to purchase a dwelling, 11.2 per cent to continue to rent privately and 5.1 per cent to rent community housing. This suggests that, while most see public housing as their first preference, a sizeable minority would prefer to be in another tenure. Perhaps surprisingly given the low income of these households, the dominant 'other tenure' is home purchase. It is difficult to know what to make of this. The low income has not stifled any ambitions for ownership, although this could hardly be a realistic view of their housing futures.

5.1 Satisfaction with Current Dwelling and Location

On all measures of dwelling and location satisfaction, the waiting list sample recorded lower levels than the non-waiting list sample. Although, overall, most respondents expressed contentment with their current living arrangements in both samples, differences included satisfaction with the location of their home (68.8 per cent waiting list, 87.7 per cent non-waiting list), satisfaction with their current dwelling (52.1 per cent waiting list, 81.5 per cent non-waiting list), and satisfaction with the landlord's responsiveness to maintenance requests (56.5 per cent waiting list, 68.5 per cent non-waiting list). All relationships between waiting list status and satisfaction with current living arrangements were significant at $>.001$ level. These differences could suggest some of the reasons why some RA recipients apply for public housing and others do not.

Both samples were asked to rate their satisfaction level with different aspects of their present accommodation. Without exception, those on the waiting list reported being more dissatisfied with each factor. Figure 2 shows the four variables that recorded the highest levels of dissatisfaction from those on the waiting list for public housing (see Appendix 1 for a list of all variables).

Figure 2: Dissatisfaction with current accommodation (percentage)



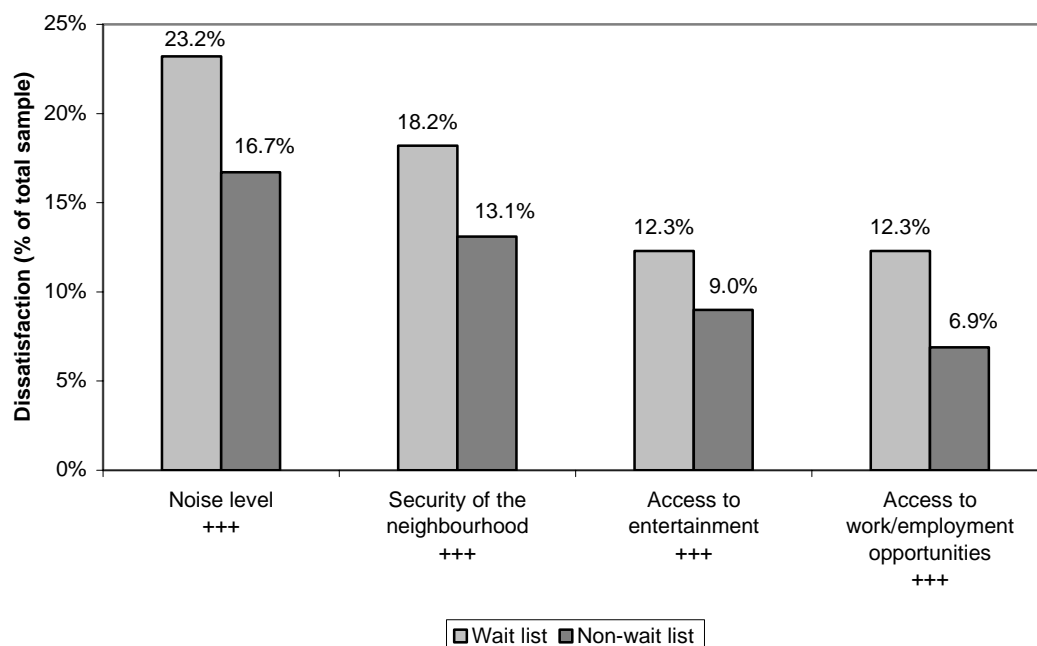
+++ Relationship between waiting list and non-waiting list statistically significant at $>.001$ level

As Figure 2 shows, those on a waiting list were significantly more dissatisfied with the cost of their present accommodation, the responsiveness of the landlord to maintenance requests, the adequacy of outdoor facilities and the security of their dwelling. Alternatively, kitchen facilities recorded the highest level of satisfaction amongst waiting list clients (61.9 per cent), followed by bathroom facilities (61.1 per cent) and adequacy of space for playing outdoors (59.6 per cent). For the non-waiting list sample, security of the dwelling (20.3 per cent), outdoor facilities (19.9 per cent) and rental costs (19.2 per cent) recorded the highest levels of dissatisfaction.

When asked a similar question regarding their current location, once again those on a waiting list responded with higher levels of dissatisfaction. The greatest sources of dissatisfaction were noise level (23.2 per cent), security of the neighbourhood (18.2 per cent), access to entertainment (12.3 per cent) and access to work/employment opportunities (12.3 per cent), as shown in Figure 3 (see Appendix 2 for results from all variables). Within the non-waiting list sample, noise level (16.7 per cent), security of the neighbourhood (13.1 per cent) and access to public transport (9.1 per cent) recorded the highest levels of dissatisfaction.

In terms of location, the waiting list sample expressed the greatest satisfaction with access to shops (83.6 per cent), public transport (77.1 per cent) and schools (74.7 per cent). The non-waiting list sample expressed high satisfaction with access to shops (90.7 per cent), schools (86.6 per cent) and parks (84.4 per cent).

Figure 3: Dissatisfaction with current location (percentage)



++ Relationship between waiting list and non-waiting list statistically significant at >.01 level

The puzzle in these responses to some extent is not the level of dissatisfaction, but the level of satisfaction. Even among those on the waiting list there are still a majority of respondents saying they are satisfied with their dwelling and location. It would appear that housing condition is not a prime factor in encouraging many low income private renters to choose public housing.

Finding: Low income private renters exhibit surprisingly high levels of satisfaction with their dwelling and location, although those on the waiting list have a lower rating than those on RA and those not on a waiting list.

5.2 Current Housing Problems

Another measure used to determine the possible motivations for rental choice was to ask tenants about aspects of their current housing situation that were a problem for them. Responses for both the waiting list and non-waiting list samples are shown in Table 17.

The most frequently selected response for the non-waiting list group was 'No concerns about my housing' (44.5 per cent), again displaying a relatively high level of satisfaction with current living arrangements. This was the third most frequently selected response for the waiting list group (32.4 per cent), preceded by 'Inadequate heating/cooling' (34.6 per cent) and 'Difficulty in meeting rental payments' (33.1 per cent). In terms of degree of difference, the two most important ones were difficulty in meeting rental payments and the landlord's willingness to make repairs, with applicants on the waiting list being much more affected by these concerns. On the surface, the surprising result is that concerns about heating and cooling are more important than difficulty in meeting rental payments. However, given that utility costs are the main cause of arrears (see Section 4.5), such concerns become less puzzling.

Table 17: Problems associated with current housing

Current housing problems	Waiting list sample (%)	Non-waiting list sample (%)
No concerns about my housing	32.4%	44.5%
Inadequate heating/cooling	34.6%	27.0%
Difficulty in meeting rental payments	33.1%	23.0%
Landlord won't/reluctant to make repairs	24.8%	13.6%
No outdoor area or too small	18.1%	16.2%
Sub-standard facilities and conditions	15.7%	6.7%
Conflict with neighbours	9.8%	6.9%
Household conflict	9.1%	7.0%
Harassment by landlord/estate agent	6.1%	3.1%
Other	6.6%	3.8%

The fact that almost one-third of the waiting list sample expressed no concerns with their present accommodation is particularly interesting in terms of their current application for public housing – what is their motivation? The other side to this issue is the proportion of the non-waiting list sample who do have concerns with their current accommodation but have not applied for public housing – why they have not done so? As indicated in Section 4, the reasons appear to relate to trade-offs between security of tenure (important to those on the waiting list) and choice (important to those who are not).

Findings. The housing issues causing respondents the most concern are the adequacy of heating and cooling and difficulty in meeting rental payments. The importance of heating and cooling, combined with utility costs being the most important cause of arrears, suggests that this is a neglected policy issue for low income households.

5.3 Why Public Housing?

In the previous section we considered the potential motivations for private renters to either apply for public housing or to remain in private rental, examining their levels of satisfaction and dissatisfaction with their current living arrangements. In this section we will look at the two samples in terms of what respondents see as the advantage of each form of tenure.

5.3.1 Dwelling and Locational Preferences

Making the decision to move invariably requires a trade-off between competing needs for a preferred dwelling type and location. In Australia, the choice provided to prospective tenants for public housing is severely limited, which – as earlier sections discussed – shapes attitudes to public housing. At the time of application they may state a preferred dwelling type and location. Private rental, on the other hand, provides greater choice for tenants in terms of where they would like to live and what attributes they require in a dwelling, but invariably these preferences are limited by budget constraints. It is therefore important to gain a sense of those attributes of a dwelling that tenants are willing to trade for the achievement of other desired objectives.

The waiting list sample were asked to rate the level of importance of various features that can play a part in the choice of location and dwelling when applying for public housing. What arose from this data was that location in relation to services such as medical facilities and public transport was rated as more important than the dwelling type itself (i.e. whether they would get housing quicker in a particular area or if they could get a house or a flat in the area), as shown in Figure 4 (see Appendix 3 for a list of all variables).

Figure 4: Public housing locational preferences of the waiting list sample (percentage)

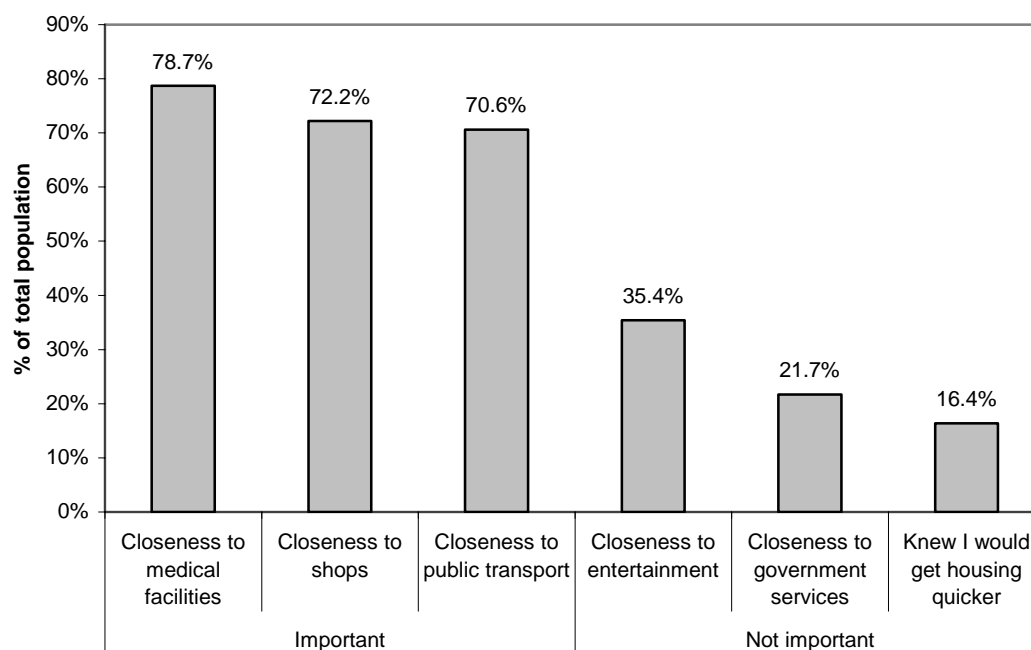
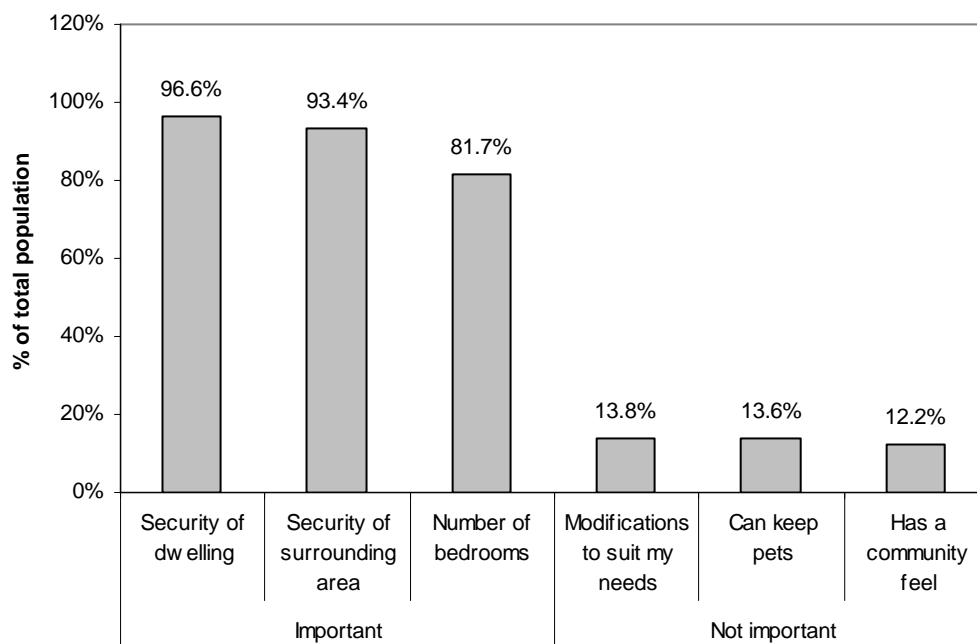


Figure 4 provides a clear indication of the factors that respondents were willing to trade in order to achieve more desirable housing outcomes. For example, closeness to entertainment (35.4 per cent) was clearly willing to be sacrificed for other more important objectives, such as closeness to medical facilities (78.7 per cent) and shops (72.2 per cent). The data also suggested that housing wait length times were not, in relation to other factors, an overly important concern when choosing a location (43.8 per cent responded it was important that they knew they would get housed faster).

Concerning dwelling type, 61.6 per cent of respondents believed it was important in their choice of location if they could get a house, although this dropped to 35.0 per cent for a flat. This suggests that, although housing availability is an issue, the location of a dwelling in terms of access to essential services is a greater determinant in decision making. This would fit with the anecdotal evidence from housing workers that people will decline an offer rather than accept a dwelling which is locationally inappropriate.

In terms of dwelling features, security of the dwelling and of the surrounding area were rated as important by an overwhelming majority of the waiting list sample, as shown in Figure 5. The data suggested that prospective tenants were willing to trade features such as the ability to keep pets and the 'community feel' of the dwelling to achieve this security (see Appendix 4 for a list of all variables).

Figure 5: Public housing dwelling preferences of the waiting list sample (percentage)



Finding: Applicants value access to key services (medical and shops) above other factors in location decisions, while for the dwellings it is security (safety) that is clearly most important.

5.3.2 Issues that Affect Choice of Rental Type

When the waiting list sample were asked to take all factors into account and rate how satisfied they were with their accommodation, 52.1 per cent were either very satisfied or satisfied, 25.5 were dissatisfied or very dissatisfied and 22.4 per cent were ambivalent. This raises the question of why, if people are satisfied with their private rental dwelling, do they still apply for public housing.

It perhaps comes as no surprise that affordability and security of tenure are the key factors (see Table 18). By contrast, when the non-waiting list sample were asked why they chose to rent privately, the most frequently selected reasons were 'Could choose location' (65.6 per cent) and 'Could choose type of dwelling' (47.1 per cent) (see Appendix 5 for all responses). The implication of this data was that people viewed public housing as a more affordable and secure option, but not necessarily a 'better' option in terms of factors such as the quality of stock. The two rental sectors essentially have completely different qualities which draw clients to them. The public policy challenge is how to bring the respective qualities of each to the other, that is, how do we improve security of tenure and affordability in private rental, and how do we improve choice in public housing.

Table 18: Main reasons for current application for public housing, waiting list sample

Main reason for applying for public housing	Waiting list sample (%)
More affordable	77.4%
Better security of tenure	56.8%
Cheaper rent *	51.8%
No bond required ^	22.9%
Able to keep pets ^	22.4%
Better value for money ^	21.9%
Difficult to get private rental with young children	13.6%
Fewer problems with landlords	13.2%
Have lived in public housing before	11.4%
Housing Departments easier to deal with than estate agents	11.2%
Private rental is poor quality for money *	9.6%
Better quality	8.9%
Size of my family/household ^	7.6%
Less discrimination	7.5%
Landlord is more responsive to maintenance requests *	6.1%
Had someone or an agency who helped me apply for public housing ^	5.7%

^ Variables were included in the public housing questionnaire only

* Variables were included in the RA questionnaire only

As Table 18 indicates, security of tenure was seen as highly important when choosing to apply for public housing, although not quite as important as affordability. When respondents were explicitly asked to rate how important security of tenure was, an overwhelming 95.5 per cent replied that it was either very important (77.3 per cent) or important (18.2 per cent). Only 1.1 per cent stated that security of tenure was not important. As another way of getting some measure of the importance of non-monetary factors, the question was asked 'If the rent was the same in public housing as in the private sector, would you prefer public housing?' 58.0 per cent of the waiting list sample responded in the affirmative, indicating a value for public housing that transcends its affordability advantage. Perhaps one reason why people value security is the insecurity of the labour market. Just over half (53.6 per cent) of the waiting list sample had not been in full-time employment for five years or more.

To further assess the importance of security of tenure, a question was asked as to whether having a secure tenure was more important than having a low paid job. This was the case for 18.3 per cent of the waiting list sample responding to the RA survey and who were 'work ready' or working i.e. excluding retired or disabled. Another 36.6 per cent agreed that both were equally important. Only 6.6 per cent saw low paid work as more important than security of tenure. The equivalent figures for the non-waiting list

population were 11.6 per cent of the 'work ready' agreeing security of tenure was more important than low paid work, 38.0 per cent saying both were equally important, while 12.0 per cent said work was more important. The differences suggest, like all other data, that waiting list households place a greater premium on security to the extent that a minority would forgo a low paid job for it. This does not detract from the 57.0 per cent of the sample who clearly stated that, if they were working at the time they were notified that a public housing dwelling was available, they would not give up work in order to accept the offer. However, 31.9 per cent of the sample were either unsure or undecided what they would do in this situation.

Looking at the control group of RA recipients not on the waiting list provides useful information on the differences between the two groups. Asked why they chose to rent privately, 65.6 per cent said it was because of choice of location, 47.1 per cent said choice of dwelling, and then responses dropped away sharply; the only two in excess of 20 per cent response were having lived in private rental previously (27.1 per cent) and better quality (21.4 per cent)

Finding: Why some people choose public housing and others in essentially the same income position do not is partly a function of housing and location quality in the private rental sector (a push factor) and partly a pull one, i.e. the affordability and security of tenure that public housing offers for some households, compared to the choice of private rental for others. RA recipients break down into those who value security and therefore opt for public housing, and those who value choice and therefore opt for private rental.

5.3.3 The Push Factor

Looking at people's previous moves can provide an indicator of the cause of household movement and why they choose certain options. Reasons for moving range from the personal (e.g. relationship breakdown) to housing circumstances (e.g. search for a better dwelling, housing costs) to external (e.g. lease not renewed). The reasons for the last move for the waiting list sample were diverse, but the four major ones were relationship breakdown (27.0 per cent), cost (26.2 per cent), standard of accommodation (23.3 per cent) and wanting a better house or flat (20.5 per cent). The equivalent factors for the RA non-waiting list sample were seeking better location (29.3 per cent), property sold or required by landlord (18.4 per cent), standard of accommodation (17.0 per cent) and moving from incompatible people (18.3 per cent). The big differences are that cost and relationship breakdown are much less important to non-waiting list households than to waiting list households.

Finding: The drivers of the search for a new dwelling are different for those on the waiting list to those who are not, with rental cost being particularly important to waiting list respondents, hence the application for public housing.

6 ANALYSIS BY SUB-GROUPS

The data outlined in the previous sections was also analysed by specific client groups, given that different groups have different housing needs and experiences. However, when this analysis was compiled for various demographic sub-sets, the differences between the groups were, more often than not, minimal, with one important exception, the indigenous sample, and consequently this is the data that will be discussed at this point.

6.1 Indigenous Issues

Of the total waiting list sample, 8.1 per cent of respondents (197) indicated they were of Aboriginal or Torres Strait Islander origin. In this section, we will compare this sub-group with the remainder of the sample and look at the differences that exist between the two populations, particularly in terms of their views of public housing, their current living conditions and their awareness of housing assistance alternatives.

One noticeable difference between the two groups was the way in which public housing was viewed, with the data suggesting there was a much higher value placed on it within the indigenous sample. For example, the indigenous sample were considerably more likely to prefer public housing even if the rent was the same as the private rental sector (68.8 per cent, compared to 56.9 per cent of the non-indigenous sample). This relationship between indigenous status and preference for public housing could in part be explained by the difference in the image of public housing between the two populations. When respondents were asked to rate the image of public housing amongst the people they knew, 51.4 per cent of the indigenous sample responded it was 'generally good' (compared to 42.5 per cent of the non-indigenous sample), with a relatively small proportion (10.4 per cent) responding the image was 'poor' (compared to 21.3 per cent the non-indigenous sample). This would suggest that public housing was seen as a more satisfactory, or accepted, form of housing assistance within the indigenous community.

The main reasons offered by the two samples to explain their current application for public housing were also illuminating. Although both groups most frequently selected 'More affordable' and 'Better security of tenure', the indigenous sample more often selected 'Better quality' (19.8 per cent, c.f. 8.3 per cent of the non-indigenous sample) and 'Less discrimination' (18.1 per cent, c.f. 6.6 per cent). Whereas these two reasons were respectively the fourth and fifth most frequently selected reasons within the indigenous sample, they were located among the bottom three reasons for the non-indigenous sample. Such differences naturally raise the issue of the current living conditions of the two samples, and whether the indigenous sample were experiencing more severe private housing quality and discrimination problems and therefore were much more positive towards public housing.

In response to questions asking respondents how satisfied they were with both their current dwelling and location, the indigenous sample expressed greater dissatisfaction with location (23.9 per cent, c.f. 16.7 per cent) but much the same level of dissatisfaction with the actual accommodation (50 per cent, c.f. 49.7 per cent). It should be noted that dissatisfaction was more with the dwelling than the location.

Furthermore, the indigenous sample expressed less satisfaction with all features of their present accommodation with one exception, that is, its cost. In particular, they were considerably less satisfied with its level of privacy and general condition when compared to the non-indigenous sample. In terms of satisfaction levels with their current location, again the indigenous sample were more dissatisfied with each factor (including access to shops, childcare and work/employment opportunities), with the exception of the security of the neighbourhood. There was also a higher level of dissatisfaction about the condition of the dwelling and the need for repairs, with the indigenous sample indicating a greater need for urgent repairs both inside (17.7 per cent, c.f. 9.1 per cent

of non-indigenous) and outside (13.8 per cent, c.f. 7.1 per cent of non-indigenous) their dwelling.

With reference to the awareness of housing assistance alternatives, particularly RA, the data suggested a lower awareness amongst the indigenous sample (89.1 per cent) compared to the non-indigenous sample (96.4 per cent), and also showed that a significantly smaller proportion of the indigenous sample actually received RA (48.1 per cent) compared to the non-indigenous sample (72.7 per cent). Whether this discrepancy was a consequence of a lower awareness of RA or a consequence of cultural factors (e.g. higher mobility rates amongst the indigenous sample that necessitate regular reapplying) was not clear from the data and would warrant further research.

The data also indicated potential barriers to accessing the public housing system itself for the indigenous sample. When asked how they became aware they could be eligible for public housing, 48.6 per cent responded that they had lived in public housing either as a child or adult, with only 23.7 per cent indicating awareness through a counselling agency or advice service or information from the Housing Department. Within the non-indigenous sample, on the other hand, 37.3 per cent indicated an awareness of eligibility from such formal sources. Furthermore, the indigenous sample were more likely to have experienced difficulties with the application process itself – the forms were too difficult to fill in (34.9 per cent, c.f. 23.9 per cent of non-indigenous) or they had to misrepresent their situation to the housing authority (34.1 per cent, c.f. 24.3 per cent).

Finally, a higher incidence of churning within the social rental sector was apparent among the indigenous sample:

- 2.2 per cent of the indigenous sample were on a public housing transfer waiting list (c.f. 0.9 per cent for the non-indigenous sample);
- 49.2 per cent of the indigenous sample had previously lived in public housing (c.f. 35.0 per cent non-indigenous);
- 15.2 per cent of the indigenous sample at their last address rented public housing and 8.6 per cent community housing (c.f. 7.3 per cent and 1.9 per cent respectively of the non-indigenous sample);
- Of those who intended to stay in public housing for less than two years (14.4 per cent indigenous and 5.9 per cent non-indigenous), 20.8 of the indigenous sample intend to move to public housing in another region or State after that time (c.f. 5.7 per cent non-indigenous sample), while 25.0 per cent intend to rent in the community sector (c.f. 1.9 per cent non-indigenous).

The higher incidence of churning within the indigenous sample could be explained by various factors. Higher mobility rates related to cultural factors could be among them, as could housing market factors such as the standard of accommodation in the private rental sector. Further factors could be attributed to sample characteristics, such as the indigenous sample being on average seven years younger than the non-indigenous sample ($t(2,265) = 6.17, p < .001$). While each of these features may have exerted an influence on the churning incidence among the indigenous sample individually, they could also have acted in combination. The contribution of each factor to churning within this community needs to be explored in a more systematic way by future research.

Finding: Indigenous households have quite sharp differences to other households. They value public housing more highly, have higher rates of churning, had more trouble with the application process, had lower awareness of RA and much lower take-up rates.

6.2 Priority Applicants and General Waiting List Applicants

In comparing general waiting list clients (65.3 per cent of the total waiting list sample) with priority waiting list clients (20.3 per cent of the total sample) (community housing, transfers and 'don't know' accounted for the remainder), we were particularly interested in determining to what degree priority clients were experiencing more severe housing and housing related problems that could warrant their priority status. The differences between the two samples were not as pronounced as may have been expected, and few variables actually came up as significantly different. To assess this, a combination of hardship measures compiled from various questions were created, categorised into non-housing and housing measures.

Table 19: Housing and non-housing hardship measures, priority and general waiting lists

Hardship measure	General waiting list	Priority waiting list
<i>Non-housing measures</i>		
Fair to poor health (N = 1,884)	30.3%	57.8%
Median income:		
Sole parent (N = 562)	\$420	\$360
Single (N = 514)	\$260	\$257
Lone couple (N = 146)	\$334	\$250
Children sometimes go without (N = 502)	45.2%	57.1%
Need to seek assistance from welfare (N = 693)	26.3%	52.1%
In debt more than \$2,000 (N = 1,898)	25.5%	21.2%
More than three moves in past three years (N = 1,892)	31.8%	33.0%
<i>Housing measures</i>		
Dissatisfaction with costs (N = 1,834)	36.9%	33.9%
Dissatisfaction with general condition of property (N = 1,843)	24.6%	23.9%
Dissatisfaction with management (N = 1,658)	23.9%	22.9%
Dissatisfaction with responsiveness to maintenance (N = 1,685)	33.8%	29.5%
Inadequate space for sleeping (N = 1,810)	17.6%	23.9%
No concern about housing (N = 1,450)	31.7%	33.4%
Rent arrears in past year (N = 1,892)	26.4%	25.5%
Inadequate room for children to play (N = 1,466)	27.8%	38.6%
Dissatisfaction with location (N = 1,921)	16.6%	18.6%

The table reveals that it is the non-housing situation of applicants that determines their priority or general waiting list status. On the key housing hardship measures, priority applicants are marginally better off than the general waiting list applicants. However, they are considerably less healthy, have much lower income for the same household type, suffer greater financial hardship despite less debt, and experience higher rates of mobility. The data confirms the anecdotal view that, as priority applicants become a larger component of new allocations, SHAs are facing potentially greater tenancy management problems, with applicants bringing into public housing a set of problems or attributes that may affect the sustainability of a tenancy.

7 DOES PUBLIC HOUSING MAKE A DIFFERENCE?

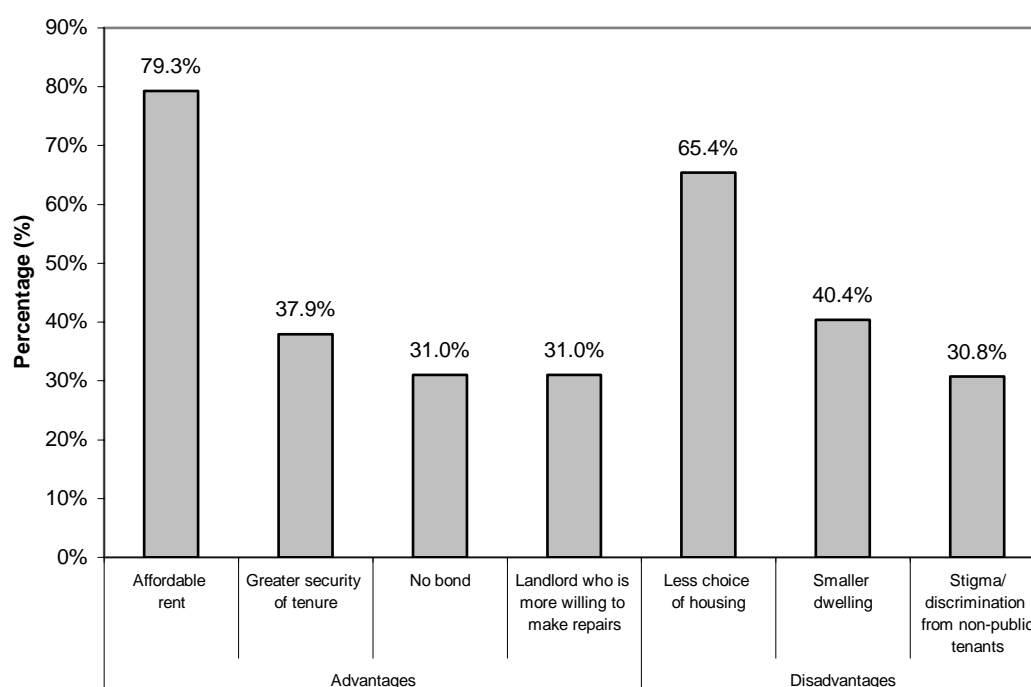
In addition to the two large surveys, a pilot survey of people who entered public housing in the last year was undertaken. The aim was to determine the effect of actual allocation decisions on clients' expectations and behaviours, as the degree to which expectations of public housing are realised may be heavily conditioned by such decision, i.e. what house or location they end up in, or neighbours they end up with. It was also designed to test whether public housing made a difference, that is, did they feel better off on a variety of criteria.

A mail-out questionnaire was sent to 300 addresses randomly selected from Victorian Office of Housing records. The objective here was more to test the potential usefulness of post-occupancy surveys, and therefore this sample will be looked at in isolation from the previous two samples discussed.

A total of 60 valid responses were returned, with a broad mix of age groups and household types, although 65.0 per cent of respondents were female. There was a high rate of Australian born residents (71.7 per cent), with a correspondingly low rate of people speaking a language other than English at home (23.3 per cent). Sole person households accounted for 44.1 per cent of the sample, single parent households 35.6 per cent, couples with children 10.2 per cent, and couples without children also 10.2 per cent. The smallish numbers must be kept in mind when interpreting results.

The sample were asked to indicate the main advantages and disadvantages of public housing, with the most frequently nominated factors illustrated in Figure 6 (see Appendix 6 for a list of all variables).

Figure 6: Advantages and disadvantages of public housing (percentage)



The advantages and disadvantages identified were very similar to those identified by the waiting list sample in terms of what the latter sample *thought* would be the pros and cons of living in public housing. The main advantages identified included affordable rent, greater security of tenure, no bond and a landlord who is willing to make repairs. In terms of disadvantages, the three most frequently selected were less choice of housing, smaller dwelling size and the stigma/discrimination from non-public tenants.

When allocated their current home, 81.7 per cent of the sample thought its condition was either 'good' or 'OK', with 35 per cent seeing it as 'very good'. Only 18.3 per cent thought it was 'poor'. Similarly, despite the relative absence of locational choice, 63.8 per cent of the sample were satisfied with the location of their home (39.7 per cent very satisfied), and 19.0 per cent were dissatisfied (6.9 per cent very dissatisfied). In relation to the overall condition of the home, again over two-thirds of the sample (70.0 per cent) were satisfied and 16.7 per cent dissatisfied.

Table 20 looks at the matching issue, that is, the degree to which the housing allocated matched what had been applied for. Considering the constraints on SHAs in getting a match, i.e. increasingly diverse client base versus relatively homogenous stock, the fact that the 'yes' statement was so high comes as something of a surprise. That flats and units have the lowest 'yes' statement (but still 75 per cent) is probably a reflection of the shortage of smaller stock, e.g. one and two bedroom apartments that are appropriate for a number of client groups. With reference to the area in which they were currently living, 74.6 per cent of the total sample said it was the area they had originally applied for and 20.3 per cent that it was not the area originally applied for.

Table 20: Current dwelling by type of dwelling originally applied for

Current dwelling	Was this the type of dwelling for which you originally applied?			
	Yes	No	N/A	Total
Detached house with own backyard	87.0%	13.0%	0.0%	100%
Semi-detached house, terrace house or townhouse	100%	0.0%	0.0%	100%
Flat, unit, apartment less than five storeys (including walk-up)	75.9%	17.2%	6.9%	100%
Flat of five or more storeys	100%	0.0%	0.0%	100%

In principle, most households in public housing should be financially better off because of the rebate in general being a deeper subsidy than RA. This should mean a greater sense of financial wellbeing and security. A set of questions were asked to explicitly test this hypothesis, including 'Has living in public housing improved your quality of life?' The answers were compelling, with 69.5 per cent saying that it had improved their quality of life and 39 per cent saying it had done so a lot'. Only 8.5 per cent stated that their quality of life had diminished.

In response to specific questions regarding different aspects of their living conditions that public housing had either helped or not helped with, the general consensus was that public housing had indeed helped with almost all factors, and in particular with feeling more settled, the ability to manage money better and to be able to stay in an area of choice. 'To improve my job prospects' and 'To access better childcare services' were two factors that recorded a higher proportion of people stating that public housing had not helped in these instances, albeit by a very small margin.

Table 21: How public housing has helped (current tenants)

	Living in public housing has helped	Living in public housing hasn't helped	Living in public housing hasn't helped yet, but it might in the future	Total
To feel more settled	76.8%	8.9%	14.3%	100%
To manage my money better	58.2%	18.2%	23.6%	100%
To have more money for necessities	45.3%	26.4%	28.3%	100%
To be able to stay in the area of my choice	58.0%	24.0%	18.0%	100%
To be part of a local community	43.5%	19.6%	37.0%	100%
To feel more confident	56.8%	25.0%	18.2%	100%
To make my children feel more settled	62.1%	24.1%	13.8%	100%
To enjoy better health	50.0%	20.5%	29.5%	100%
To access support services	55.0%	15.0%	30.0%	100%
To improve my job prospects	19.2%	30.8%	50.0%	100%
To start/continue education and/or training	40.0%	24.0%	36.0%	100%
To access better childcare services	30.4%	34.8%	34.8%	100%

The most important finding here is that, on every criterion except two, respondents stated that public housing has helped much more than not. The major factors are feeling more settled (76.8 per cent), children feeling more settled (62.1 per cent), managing money better (58.2 per cent), being able to stay in an area of choice (58.0 per cent) and being more confident (56.8 per cent). There is one important qualification which relates to improving job prospects. Only 19.2 per cent said public housing had helped and 30.8 per cent said it had not helped. However, 50.0 per cent said that, whilst it hasn't helped yet, it might do so in the future.

Respondents were also presented with a series of statements about perceptions of their wellbeing, particularly financial wellbeing. The same questions were asked of people on the waiting list and on RA but not on the waiting list, and these are effectively a control group, although the sample sizes are very different. Those surveyed in public housing were only in the Victorian system; given the targeting of this jurisdiction, they were more likely to be priority applicants and people with more complex needs, and perhaps could be expected to be doing it hard even in public housing. Table 22 shows that, for all five measures, those in public housing feel better off than those on the waiting list, and for four of the five of the RA non-waiting list sample. The odd one out was 'I am sometimes unable to heat/cool my home' where agreement by RA non-waiting list respondents was significantly lower than the other two categories. One suspects, and this would be consistent with other findings, that this is because they are in a higher quality dwelling and therefore have lower utility bills. In short, the data suggests that public housing residence does make a difference. However, we should not be too sanguine, as the proportions in public housing still experiencing major problems of financial wellbeing are high.

Table 22: Public housing and financial wellbeing

	In public housing	On waiting list	RA non-waiting list
I pay all my bills on time	69.5%	64.8%	60.4%
I worry constantly about my financial situation	58.2%	75.2%	67.5%
I am sometimes unable to heat/cool my home because of a shortage of money	40.0%	48.2%	32.6%
I am better off financially than I was a year ago	38.2%	24.4%	25.3%
I don't have to seek assistance from welfare or community agencies	25.9%	33.1%	28.3%

Finally, the overall value of public housing for those currently living in the sector was decisively indicated when 88.1 per cent of the sample stated they would prefer to continue to rent public housing (8.5 per cent expressed a preference to purchase a dwelling and 3.4 per cent to rent privately) and, in terms of long-term residence, 82.1 per cent of the sample expected to continue living in public housing for five years or more.

Findings. All the threads of evidence clearly indicate that public housing does make a difference. Newly allocated tenants had high levels of satisfaction with their location and home, and little desire to leave, and reported improvement in their financial wellbeing.

8 CONCLUSION AND POLICY IMPLICATIONS

Based on two large data sets (one of applicants on a waiting list for public housing, and one of RA recipients who are not on a waiting list for social housing), this study looked at the issues around low income renters' housing choices. These included the problems of finding appropriate and affordable housing in the private rental sector, and the decision making processes which prompted some low income renters to place themselves on a social housing waiting list.

The specific findings yield some very interesting policy implications, but overall the study suggests problems in seeing low income renter households as homogeneous in their experience of housing problems. On a set of objective standards, a large percentage are experiencing problems of affordability and appropriateness. However, their own perceptions of their lived experiences do not suggest the same degree of problems. Many appear unaware of their problems or evolve lifestyles that make their situation tolerable. On the other hand, there is a sizeable proportion who do perceive that they have housing problems, and many of these apply for social housing.

Given the diversity of viewpoints and experiences among households which on the surface have very similar housing issues, the obvious direction for further research is to try and get some statistical measure of the factors that may explain these differences among seemingly similar populations. The size of the samples provides the potential for such research, and the study team will explore this issue further.

In the interim, there are important policy implications to be worked through. The major observations are:

1. Among RA recipients there is a clear division in terms of the attributes they value in life and in housing. Despite similar housing needs they divide into two groups: one appears to value security (and applies for public housing), and the other values choice (and prefers to remain in private rental because of that). The fact that there is a sizeable minority who do not appear to have affordability problems and yet apply for public housing (largely for security reasons) and that there is another group who, despite affordability problems, will not consider public housing suggests a need for new policy directions. There is little doubt that if there was greater security of tenure in private rental there would be less demand for public housing.

To improve housing outcomes for people with different fears, expectations and needs would seem to require ways of bringing greater choice to public housing and greater security to private rental. How this can be done is not easy. Choice in public housing will be addressed (although it may not have the answers) in another AHURI report by Burke and Hulse (2004 forthcoming), but the question of security in private rental remains problematic.

2. The private rental sector as currently configured is not an alternative to public housing. Even with RA, substantial numbers would prefer public rental or, as a second choice, home ownership. Private rental is not a valued housing sector and, even among those who are there by choice, a substantial minority have concerns, many of which relate to the aforementioned issue of security. Providing housing assistance in the form of income benefits to low income earners is not sufficient for many households. In this context there is importance in sustaining – indeed, expanding – the social housing system.
3. Further legitimisation for expansion of public housing is provided by the post-occupancy survey that found compelling evidence (albeit from a small sample) that public housing improves a household's wellbeing, child rearing capacity and ability to participate in the community. The one qualification to perceived improvements in quality of life was in employment, and further investigation is necessary as to why this is seen to be the case.

4. One area in public housing where an element of choice could be worked into the system is in terms of rents. The finding that sizeable proportions would be willing to pay more for an element of choice over the quality and location of their dwelling is an important one. SHAs could pilot programs which provided a rent premium (to which the 25 per cent household income formula did not apply) for certain nominated properties.
5. Indigenous households appear to be not accessing RA to the degree that their income and housing situation would suggest. Why this is the case is not clear, and perhaps further work is needed on this topic. Their lower awareness rate of RA suggests the need for an information program targeted to indigenous households.
6. There is an awareness problem for public housing and community housing more generally. Almost half of the RA recipients were not aware that they may be eligible for public housing. In principle, an information program about public and community housing directed to RA recipients could be useful; but, in reality, unless they had some problem that warranted priority, it may be a pointless process of raising expectations, given the wait times for non-priority cases.
7. The carrying of debt into the public system is a potential source of arrears (and has already been so when in private rental). Most SHAs do not ask about debt at the time of eligibility or entry but, given the link to arrears, this information might be an important monitoring tool.
8. Utility costs are a major concern for low income renters and a major cause of arrears. What can be done about this generally is unclear but, as it applies to SHAs, it raises the possibility of an audit of the type of heating appliances provided and whether they may lead to high costs.

APPENDIX 1

How satisfied are you with the features of your present accommodation?

	Percentage of waiting list sample					Percentage of non-waiting list sample				
	Satisfied	Neither satisfied or dissatisfied	Dissatisfied	Not relevant	Total	Satisfied	Neither satisfied or dissatisfied	Dissatisfied	Not relevant	Total
Kitchen facilities +++	61.9% (60.8%)	14.2% (13.9%)	23.9% (23.4%)	1.9%	100.0%	76.7% (75.7%)	10.5% (10.4%)	12.8% (12.6%)	1.3%	100.0%
Bathroom facilities +++	61.1% (59.9%)	13.6% (13.3%)	25.4% (24.9%)	1.8%	100.0%	76.0% (75.5%)	10.8% (10.7%)	13.2% (13.1%)	0.7%	100.0%
Adequacy of space for playing outdoors +++	59.6% (55.3%)	14.1% (13.1%)	26.3% (24.4%)	7.2%	100.0%	70.0% (56.5%)	12.2% (9.8%)	17.8% (14.4%)	19.3%	100.0%
General condition of property +++	59.3% (58.1%)	16.4% (16.1%)	24.3% (23.8%)	2.0%	100.0%	74.7% (74.2%)	13.2% (13.1%)	12.1% (12.0%)	0.7%	100.0%
Management by estate agency or landlord +++	59.1% (53.4%)	18.4% (16.6%)	22.5% (20.3%)	9.7%	100.0%	71.2% (66.8%)	14.6% (13.7%)	14.2% (13.3%)	6.2%	100.0%
Secure parking +++	57.1% (50.6%)	16.4% (14.5%)	26.5% (23.5%)	11.5%	100.0%	67.4% (61.6%)	15.0% (13.7%)	17.5% (16.0%)	8.7%	100.0%
Level of privacy +++	56.5% (55.5%)	13.2% (13.0%)	30.3% (29.9%)	1.6%	100.0%	76.4% (76.0%)	9.8% (9.7%)	13.9% (13.8%)	0.5%	100.0%
Security of dwelling (e.g. from intruders, theft etc.) +++	54.1% (52.9%)	15.1% (14.8%)	30.8% (30.2%)	2.0%	100.0%	66.2% (65.8%)	13.5% (13.4%)	20.3% (20.2%)	0.7%	100.0%
Outdoor facilities (e.g. garage, sheds, etc.) +++	51.5% (45.1%)	17.2% (15.0%)	31.3% (27.4%)	12.5%	100.0%	65.7% (56.3%)	14.4% (12.4%)	19.9% (17.0%)	14.3%	100.0%
Responsiveness of landlord to maintenance requests +++	50.0% (45.7%)	18.1% (16.5%)	31.9% (29.1%)	8.8%	100.0%	68.5% (64.9%)	14.1% (13.4%)	17.3% (16.4%)	5.2%	100.0%
Cost (rent etc.) +++	46.4% (45.1%)	17.9% (17.4%)	35.7% (34.7%)	2.8%	100.0%	62.2% (61.8%)	18.6% (18.5%)	19.2% (19.1%)	0.7%	100.0%

+++ Relationship between waiting list and non-waiting list statistically significant at >.001 level

Significance testing excluded those who selected 'not relevant to my living situation' as indicated by percentages in bold (percentages in parentheses include 'not relevant' in row total)

APPENDIX 2

How satisfied are you with your current location?

	Percentage of waiting list sample					Percentage of non-waiting list sample				
	Satisfied	Neither satisfied or dissatisfied	Dissatisfied	Not relevant	Total	Satisfied	Neither satisfied or dissatisfied	Dissatisfied	Not relevant	Total
Access to shops +++	83.6% (82.2%)	7.7% (7.6%)	8.7% (8.5%)	1.6%	100.0%	90.7% (90.1%)	5.1% (5.1%)	4.2% (4.2%)	0.6%	100.0%
Access to public transport ++	77.1% (71.9%)	11.6% (10.9%)	11.3% (10.5%)	6.7%	100.0%	81.8% (76.3%)	9.0% (8.4%)	9.1% (8.5%)	6.8%	100.0%
Access to schools +++	74.7% (48.3%)	14.3% (9.2%)	11.0% (7.1%)	35.4%	100.0%	86.6% (47.6%)	10.0% (5.5%)	3.4% (1.9%)	45.0%	100.0%
Access to parks/public gardens/ recreational facilities +++	73.1% (65.1%)	17.3% (15.4%)	9.6% (8.6%)	10.9%	100.0%	84.4% (77.5%)	10.9% (10.0%)	4.7% (4.3%)	8.1%	100.0%
Natural surroundings ++	72.1% (70.4%)	18.7% (18.3%)	9.2% (9.0%)	2.3%	100.0%	83.4% (82.0%)	12.1% (11.9%)	4.6% (4.5%)	1.6%	100.0%
General amenity of area +++	67.9% (65.9%)	22.4% (21.7%)	9.8% (9.5%)	2.8%	100.0%	80.4% (79.1%)	15.4% (15.1%)	4.3% (4.2%)	1.5%	100.0%
Access to work/employment opportunities +++	67.3% (50.6%)	20.4% (15.3%)	12.3% (9.2%)	24.8%	100.0%	79.9% (62.4%)	13.2% (10.3%)	6.9% (5.4%)	22.0%	100.0%
Access to child care +++	65.1% (32.7%)	23.6% (11.9%)	11.3% (5.7%)	49.6%	100.0%	75.4% (29.3%)	17.8% (6.9%)	6.8% (2.6%)	61.2%	100.0%
Security of the neighbourhood +++	62.1% (60.6%)	19.7% (19.2%)	18.2% (17.8%)	2.3%	100.0%	68.8% (68.0%)	18.2% (17.9%)	13.1% (12.9%)	1.2%	100.0%
Noise level +++	58.4% (57.1%)	18.3% (17.9%)	23.2% (22.7%)	2.2%	100.0%	67.8% (67.2%)	15.5% (15.3%)	16.7% (16.5%)	1.0%	100.0%
Access to entertainment +++	57.3% (49.7%)	30.4% (26.3%)	12.3% (10.6%)	13.4%	100.0%	74.0% (69.2%)	17.1% (16.0%)	9.0% (8.4%)	6.4%	100.0%

+++ Relationship between waiting list and non-waiting list statistically significant at >.001 level

++ Relationship between waiting list and non-waiting list statistically significant at >.01 level

Significance testing excluded those who selected 'not relevant to my living situation' as indicated by percentages in bold (percentages in parentheses include 'Not relevant' in row total)

APPENDIX 3

When applying for public housing, there are a number of factors affecting your choice of area in which to live. For each factor below, could you indicate how important each one is to you by ranking on the scale.

Waiting list sample	Very important	Important	Neither important nor not important	Not very important	Not at all important	Not relevant to my living situation	Total
Closeness to medical facilities	45.3%	33.4%	13.3%	5.5%	1.5%	0.9%	100.0%
Closeness to public transport	42.1%	28.5%	13.5%	8.5%	3.5%	3.8%	100.0%
Closeness to shops	36.0%	36.2%	17.2%	7.1%	1.8%	1.7%	100.0%
Could get a house	36.0%	25.6%	15.2%	5.3%	3.6%	14.2%	100.0%
Closeness to support from family/friends	33.2%	30.6%	17.0%	8.5%	4.2%	6.5%	100.0%
Closeness to child care/school	31.2%	17.6%	8.9%	5.4%	4.9%	32.1%	100.0%
Already living in the area	28.7%	25.3%	20.2%	9.7%	5.5%	10.6%	100.0%
Closeness to work/work opportunities	26.1%	28.4%	14.7%	6.4%	4.1%	20.2%	100.0%
Knew I would get housing quicker	22.2%	21.6%	25.2%	9.2%	7.2%	14.6%	100.0%
Could get a flat	17.9%	17.1%	19.3%	8.2%	8.6%	28.9%	100.0%
Closeness to government services	13.3%	25.8%	29.3%	15.1%	6.6%	9.9%	100.0%
Closeness to entertainment	10.2%	15.2%	29.3%	22.2%	13.2%	9.9%	100.0%

APPENDIX 4

Just like any other form of housing, it might not be possible to get all the features we want from public housing. From the list below, could you please indicate how important each one is to you by ranking on the scale.

Waiting list sample	Very important	Important	Neither important nor not important	Not very important	Not at all important	Not relevant to my living situation	Total
Security of dwelling (from intruders, theft, etc.)	74.7%	21.9%	2.0%	0.6%	0.3%	0.6%	100.0%
Security of surrounding area/ neighbourhood	61.9%	31.5%	4.5%	1.1%	0.4%	0.7%	100.0%
Number of bedrooms ^	45.0%	36.7%	11.2%	3.7%	1.6%	1.8%	100.0%
Size of dwelling ^	37.3%	42.1%	13.5%	4.4%	1.3%	1.3%	100.0%
Has floor coverings	35.8%	33.6%	19.0%	6.2%	3.1%	2.3%	100.0%
Adequacy of space for outside activities	34.5%	39.0%	14.3%	5.5%	2.7%	3.9%	100.0%
Is quiet (away from main road)	34.1%	35.0%	20.2%	6.5%	2.7%	1.5%	100.0%
Has window coverings/blinds ^	33.2%	32.2%	22.4%	6.5%	3.1%	2.5%	100.0%
Has off-street parking	32.4%	31.6%	18.3%	6.3%	3.5%	7.9%	100.0%
Can keep pets	30.0%	25.4%	20.5%	7.4%	6.2%	10.5%	100.0%
Easy access (lift or stairs) ^	27.6%	23.1%	25.9%	7.3%	4.6%	11.5%	100.0%
Modifications to suit my needs ^	22.5%	21.0%	26.7%	8.4%	5.4%	16.0%	100.0%
Has a community feel	20.0%	39.5%	25.6%	7.8%	4.4%	2.6%	100.0%

^ Variables included in waiting list questionnaire only

APPENDIX 5

Why did you choose to rent privately?

	Waiting list sample	Non-waiting list sample
This is temporary accommodation while I am waiting for public housing	53.9%	1.4%
Could choose location	46.8%	65.6%
Could choose type of dwelling	33.9%	47.1%
Have rented privately before	26.7%	27.1%
Had someone help me find private rental	14.3%	14.1%
Could not live with my parents/family anymore	13.1%	7.7%
Private housing is better quality	8.1%	21.4%
Not eligible for public housing	6.0%	7.7%
Could not get into public housing due to previous record (for example, an outstanding debt)	5.0%	1.7%
Wanted to live with friends	4.3%	12.6%
Did not want the stigma that goes with living in public housing	3.3%	9.0%
No choice	3.3%	0.8%
Waiting lists too long	2.6%	1.1%
Private rental is better value for money	1.9%	6.7%
Other	11.5%	11.3%

Note: Question was included in rent assistance questionnaire only

APPENDIX 6

What do you think are the main advantages and disadvantages of living in public housing? (Recent tenant sample)

Advantages	Recent tenant sample (%)	Disadvantages	Recent tenant sample (%)
Affordable rent	79.3%	Less choice of housing	65.4%
Greater security of tenure	37.9%	Smaller dwelling	40.4%
A landlord who is more willing to make repairs	31.0%	Stigma/discrimination from non-public tenants	30.8%
No bond	31.0%	Less privacy	17.3%
No harassment by landlord/estate agent	24.1%	Less security of dwelling	15.4%
Closer to shops/entertainment	15.5%	Less security of surrounding area	15.4%
Ability to save for home ownership	15.5%	Utility costs too high (water, heating, etc.)	13.5%
Better standard of household facilities	12.1%	A landlord who is less willing to make repairs	11.5%
Greater privacy	10.3%	Inability to save for home ownership	11.5%
Larger dwelling	8.6%	More conflict with neighbours	9.6%
Utility costs cheaper (water, heating, etc.)	3.4%	Further from job opportunities	7.7%
Better security of dwelling	3.4%	Harassment by landlord	3.8%
Better security of surrounding area	3.4%	Further from shops/entertainment	3.8%
Closer to job opportunities	1.7%	Worse standard of household facilities	1.9%
Less conflict with neighbours	1.7%	Other	7.7%
Other	5.2%		

REFERENCES

- ABS 2002, Census of Population and Housing, Australian Bureau of Statistics, Canberra
- Burke, T. and Hulse, K. 2003, *Allocating Social Housing*, AHURI, Melbourne, <<http://www.ahuri.edu.au/general/document/index.cfm>>
- 2004 forthcoming, *Allocating Social Housing*, AHURI, Melbourne
- Ecumenical Housing 1997, *National Housing Policy Reform and Social Justice*, Ecumenical Housing, Melbourne
- FaCS 2003, *Housing Assistance Act 1996: Annual Report 2000-2001*, Department of Family and Community Services, Canberra
- Hulse, K., 2003, 'Housing allowances and private renting in liberal welfare regimes', *Housing Theory and Society*, vol. 20, no. 1, pp. 28-42
- Hulse, K. and Burke, T. 2000, Social exclusion and the private rental sector: The experiences of three market liberal countries, paper presented to European Network for Housing Research conference, Gävle, Sweden, 26-30 June
- Industry Commission 1993, *Public Housing*, Australian Government Publishing Service, Canberra
- Kemeny, J. 1981, *The Myth of Home Ownership*, Routledge, London
- Louviere, J. and Timmermans, H. 1990, 'Stated preference and choice models applied to recreation research: A review', *Leisure Sciences*, vol. 12, no. 1, pp. 9-32
- Luce, R. and Tukey, J. 1964, 'Simultaneous conjoint measurement: A new type of fundamental measurement', *Journal of Mathematical Psychology*, vol. 1, pp. 1-27
- Maher, C. et al. 1997, *Australia's Private Rental Housing Market: Policies and Processes*, AHURI, <http://www.ahuri.edu.au/pubs/work_paps/workpap9.html>
- McNelis, S. and Burke, T. 2004 forthcoming, *Rental Systems in Australia and Overseas*, Positioning Paper, AHURI, Melbourne
- Wulff, M. Yates, J. and Burke T. 2001, *Low Rent Housing in Australia 1986-1996: How Has It Changed, Who Does It Work for and Who Does It Fail?*, Australian Housing Research Fund, Canberra, <[http://www.facs.gov.au/internet/facsinternet.nsf/vIA/lowrentreport/\\$file/LowRentHousing.pdf](http://www.facs.gov.au/internet/facsinternet.nsf/vIA/lowrentreport/$file/LowRentHousing.pdf)>
- Yates, J. 1996, 'Towards a reassessment of the private rental market', *Housing Studies*, vol. 11, no. 1, pp. 35-50
- 1997, 'Changing directions in Australian housing policies: The end of muddling through?', *Housing Studies*, vol. 12, no. 2, pp. 265-77

AHURI Research Centres

Sydney Research Centre
UNSW-UWS Research Centre
RMIT Research Centre
Swinburne-Monash Research Centre
Queensland Research Centre
Western Australia Research Centre
Southern Research Centre
ANU Research Centre

Affiliates

Northern Territory University
National Community Housing Forum



Australian Housing and Urban Research Institute
Level 1 114 Flinders Street, Melbourne Victoria 3000
Phone +61 3 9660 2300 Fax +61 3 9663 5488
Email information@ahuri.edu.au Web www.ahuri.edu.au