Understanding Australian social housing pathways and outcomes

AHURI

Australian Housing
and Urban Research Institute

What this research is about

This research provides a new national evidence-base on pathways into, within, and out of social housing tenancies to assist understanding of entry and exit patterns, and housing and non-housing outcomes.

The findings in the report are based on the analysis of two powerful, longitudinal datasets; the Household Income Labour Dynamics in Australia (HILDA) survey, and Priority Investment Approach (PIA) datasets.

The context of this research

The provision of social housing in Australia is changing. It is increasingly targeted at people with high needs; lifetime tenure is no longer an expectation of providers or tenants, and very low-income households are increasingly likely to be housed in the private rental sector (with assistance).

Social housing is seen by governments as just one part of tenants' broader housing pathways (.e.g. as a safety net, stepping-stone, or springboard).

> *The success of the pathway should be judged not simply in terms of the pattern of housing occupancy, but in terms of the degree to which it meets the individual needs of the person housed.*

The key findings

'Successful' or 'unsuccessful' pathways

Much policy and research discussion implicitly characterises social housing pathways as either 'successful' or 'unsuccessful'. Successful social housing pathways are often assumed to involve both an exit from social housing and subsequent stability in either the private rental sector or home ownership. Correspondingly, unsuccessful social housing pathways are seen to involve either no exit from social housing, or an exit to another tenure, but a later return to social housing.

Because so little is known about the social housing pathways that Australians follow, or the outcomes of those pathways, these characterisations of 'successful' and 'unsuccessful' pathways are contestable, and thus need to be re-examined. The success of the pathway should be judged not simply in terms of the pattern of housing occupancy, but in terms of the degree to which it meets the individual needs of the person housed.

Four common social housing pathways (HILDA)

For those who lived in social housing at some point during the studied period (using HILDA data from 2000-01 to 2015–16), there were four common pathway typologies of social housing entry and exit:

- **Stable social housing:** individuals who stayed in social housing throughout.

- **Entered social housing:** individuals who moved into social housing from another tenure and stayed for the remainder of the study period.

- **Exited social housing:** individuals who exited social housing and remained out of the tenure (and did not re-enter).

- **Transitional:** individuals who had moved in and out of social housing at least twice.

Across the entire sample, the most common pathway was transitional. More than 43 per cent of individuals made two or more moves into or out of social housing during the 16 year analysis window. This was slightly higher than the proportion of individuals classified as having stable social housing (35%). Almost 15 per cent of people had a pattern of entry (followed by stability) to social housing, and a small proportion (6%) exited social housing.

Common Social Housing Pathway Typologies (HILDA)

Transitional   More than **43%**

Stable   **35%**

Entered   Almost **15%**

Exited   **6%**
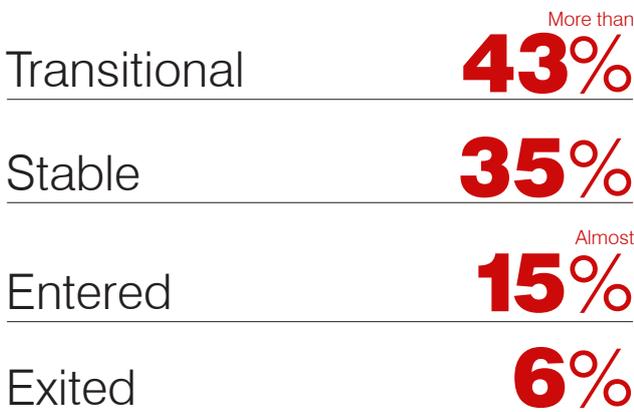
Gender

Women were more likely than men to enter social housing and to have stable social housing pathways. Men were more likely to have a transitional pattern of multiple entries and exits, or to exit.

Age

Entry and exit patterns also correlated with age. The majority of people aged 15–29 years had a transitional pattern of entry and exit. By comparison, people in the main working ages (30–64 years), and those aged 65–74 years had stable pathways. While a sizeable proportion of older (aged 75 years or more) people entered social housing during the 16 years (34%), many also experienced transitional trajectories, entering and exiting social housing.

Income

Across all pathways the income distribution is concentrated in the lower end of the distribution. People classified as having a stable social housing trajectory, and those who entered social housing, were especially concentrated within the lower income quintiles. People with transitional or exit pathways were similar in that they had a relatively even distribution across the income quintiles.

Health

People with stable social housing trajectories and those who entered social housing were almost twice as likely to have a disability or long-term health condition as people who exited or had a transitional pathway.

Household Structure

Household structure also appears related to entry and exit patterns. For the group classified as exiting social housing, more than three quarters lived in couple households (both with and without children), and only a comparatively small percentage lived alone or were lone parents (5% and 7% respectively). In comparison, people in the stable social housing group were most likely to be lone parents (26%).

Geography

There are substantial differences between Australian states and territories in the relative dominance of each pattern of entry and exit. Western Australia has a dominance of people with transitional pathways, Tasmania has a dominance of people who entered (and remained) in social housing, and New South Wales and South Australia appear to have a dominance of people in stable social housing.

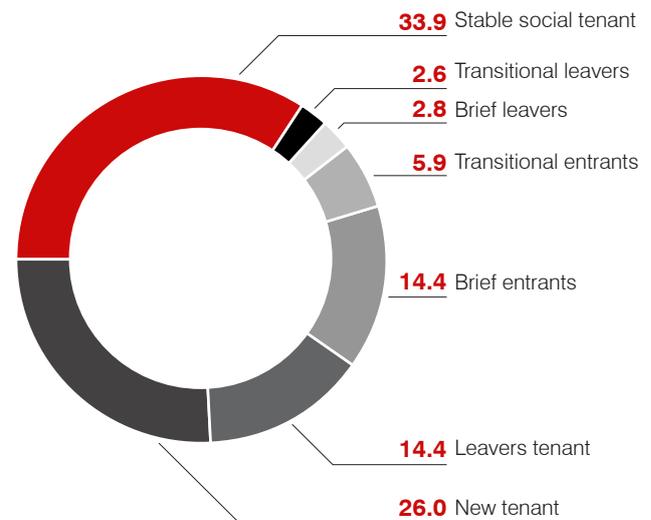**Comparison of entry/exit social housing pathway prevalence by state**
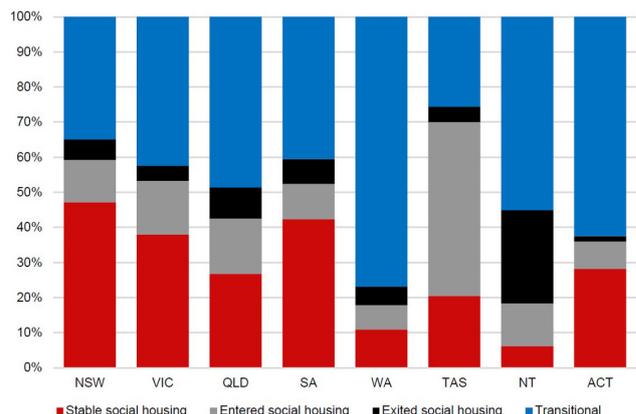
Seven entry and exit types (PIA)

Using the PIA dataset (i.e. measured interactions with Government of 10 million people over 15 years) revealed there are seven major entry and exit typologies for the people who spent some time in social housing:

- The **Stable social tenant** represented the most common pathway (33.9% of households who spent time in social housing over 15 years to 2015). This group was notable in having a higher average age than any other cohort (mean age 60 years). More than 60 per cent of people in this pathway were female. A relatively substantial (36%) were born overseas. Compared to the average of all pathways examined, a comparatively small proportion (6%) of the population were Indigenous, or refugees (less than 2%).

- The **Leavers tenant** (14.4%) was, on average, 10 years younger (mean age 50 years) than the stable social tenant group. Although a similar proportion were female (64%), and refugees (2%), the Indigenous and country of birth profiles of this cohort are distinct from the Stable social tenant. Indigenous people comprised more than 12 per cent of this cohort, double the proportion among Stable social tenants, but still less than the average for all pathway types. People born overseas (28%) were correspondingly underrepresented compared to average.

- The **New tenant** (26.0%) was younger, on average, than both Stable social tenants and Leavers (mean age 48 years). Compared to almost every pathway type, this cohort had the highest proportion of refugees (6%). An above average proportion of this cohort was Indigenous (15%), and almost one-third (32%) were born overseas.

- The **Brief leavers** (2.8%) had a mean age of 47 years, and a slight over representation (compared to average) of females (62%). A majority of this cohort was born in Australia (77%), and a relatively small proportion compared to average were refugees (2%), and Indigenous people were over-represented (almost 24%).

- The **Brief entrants** (14.4%) was, on average, the youngest, with a mean age of 40 years. It was also the most gender balanced cohort, with 48 per cent being male. More than one in five Brief entrants was Indigenous, slightly more than the proportion of people born overseas (19%). The proportion of refugees was slightly higher than average (4%).

- The two cohorts classified as Transitional—**Transitional leavers** (2.6%) and **Transitional entrants** (5.9%) —were noticeably similar. Both shared a much higher than average proportion of Indigenous (36% in both cohorts) people, a dominance of Australian born people (87% per cent in both cohorts), and a relative under-representation of refugees (1% of Transitional leavers, and less than 3% of Transitional entrants). Mean age was slightly higher within the Transitional leaver cohort (41 years compared to 38 years for Transitional entrants).

Social Housing Entry & Exit Typologies (%) [PIA]

- **33.9** Stable social tenant
- **2.6** Transitional leavers
- **2.8** Brief leavers
- **5.9** Transitional entrants
- **14.4** Brief entrants
- **14.4** Leavers tenant
- **26.0** New tenant

Welfare characteristics of cohorts

Stable social tenants are dominantly in receipt of aged pensions, followed by disability benefits. A relatively small proportion (20%) receive unemployment benefits. This pattern is different for New tenants, Leavers, and Brief leavers, who are considerably less likely to receive aged pensions, and more likely to receive unemployment and disability pensions.

A third pattern can be seen for Transitional entrants, Transitional leavers, and Brief entrants. This group dominantly receive unemployment benefits. The close alignment in profile of benefit receipt within three groups of pathway types suggests a strong and intertwined relationship between social housing and benefit receipt— both of which likely act together to generate successful or unsuccessful outcomes of social housing exits and pathways. Social housing offers housing affordability and security with less choice about location and housing quality. Receipt of income support offers slightly more flexibility around location (within the parameters of budgeting for a low household income) that may allow people to live closer to families and friends. In defining success, the optimal combination of social housing and benefit receipt is relative to the needs of individuals and families.

What this research means for policy makers

Looking at social housing pathways over time reinforces that it is overly simplistic to define social housing pathways as either 'successful' or 'unsuccessful'.

Success is highly context dependent. For example, an exit from social housing may be regarded as successful for someone who is active in the labour market and likely to sustain a private tenancy. An exit to private rental for an older person who requires more support may be regarded as an unsuccessful pathway. On the other hand, stability within the social rented sector may be a successful pathway outcome, but in some cases, it may reflect people's inability to move within a tight social housing sector.

This report suggests there is a gap in policy for the households who have the potential to exit the social rented sector on a positive (successful) pathway. These are the 5–10 per cent of households who appear to improve their employment prospects and incomes during their tenure. Yet, if there are no viable or secure follow-on tenure options for them, many in this group are destined to fail and return to the social rented sector as applicants and/or tenants. Such outcomes may reflect labour market insecurity (noting that many low-income workers have variable or fluctuating hours of employment), or the substantial gap between housing costs for those in social and those in private rental sectors.

Methodology

This research this study is based upon two powerful, longitudinal datasets; the Household Income Labour Dynamics in Australia (HILDA) survey, and Priority Investment Approach (PIA) datasets. The HILDA dataset collects information on the economic, wellbeing, labour market, and family life conditions of approximately 17,000 Australian households annually. The PIA administrative dataset contains quarterly information on the interactions of approximately 10 million Australians with Government services.

> **"** *This report suggests there is a gap in policy for the households who have the potential to exit the social rented sector on a positive (successful) pathway.* **"**

TO CITE THE AHURI RESEARCH, PLEASE REFER TO:

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Available from the AHURI website at **ahuri.edu.au/research/final-reports/326**