Rethinking Housing Assistance: Targeted & tailored delivery?

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Research team

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- [Housing assistance need and provision in Australia: a household-based policy analysis, AHURI Final Report No. 262](#)
Why rethink housing assistance?

1. Housing assistance in its current form is no longer adequate to meet affordability pressures
2. Anomalies in assistance provision based on tenure rather than need
3. Housing assistance is linked to the broader income support system, potentially masking extent of need
4. Better targeting may provide policy opportunity to improve current housing assistance provision
Part one
Do all households who *need* housing assistance receive it?
How can we rethink housing assistance for better household and societal outcomes?

- A ‘tenure neutral’ approach: potential HA need across all tenures
- Three affordability-based indicators of housing assistance need:
  - Housing affordability (30/40 rule)
  - Residual income (low & modest Budget Standards)
  - Hardship measures
- Key populations identified
- Life stage needs and household resources examined
Four key income groups in potential need of assistance

| Group 1 | Low to moderate income, in receipt of IS  
Household member/s receives any government pension/benefit and their household income falls below 50 per cent of the income distribution. |
|---------|------------------------------------------------------------------------------------------|
| Group 2 | Moderate to high income, in receipt of IS  
Household member/s receives any government pension/benefit and their household income is above 50 per cent of the income distribution. |
| Group 3 | Low to moderate income, no IS received  
Household member/s do not receive any income support and their household income falls below 50 per cent of the income distribution. |
| Group 4 | Moderate to high income, no IS received  
Household member/s do not receive any income support and their household income is above 50 per cent of the income distribution. |
Do all households in ‘objective’ need receive support? Low Budget Standard measure

(HILDA Wave 13, weighted)
Do all households in ‘objective’ need receive support? Modest Budget Standard measure

(HILDA Wave 13, weighted)
Do all households in ‘subjective’ need receive support? **Hardship measures**

- Pawned or sold something
- Asked for help from welfare
- Asked for financial help from friends
- Went without meals
- Was not able to heat home
- Couldn’t pay the mortgage/rent
- Couldn’t pay utilities

(HILDA Wave 13, weighted)
Part two
Can governments partner with households in new ways, where resources allow this?
### Median Household Bank Balances, Across Income Groups & Tenure

(HILDA Wave 13, weighted)

<table>
<thead>
<tr>
<th>Category</th>
<th>IG1 Savings</th>
<th>IG2 Savings</th>
<th>IG3 Savings</th>
<th>IG4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners without a mortgage</td>
<td>16000</td>
<td>23700</td>
<td>24000</td>
<td>38333</td>
</tr>
<tr>
<td>Owners with a mortgage</td>
<td>2000</td>
<td>5248</td>
<td>2500</td>
<td>8535</td>
</tr>
<tr>
<td>Private renters</td>
<td>500</td>
<td>1700</td>
<td>1600</td>
<td>5595</td>
</tr>
<tr>
<td>Social renters</td>
<td>360</td>
<td>2100</td>
<td>525</td>
<td>4023</td>
</tr>
</tbody>
</table>

**Median Household Bank Account $**

0 5000 10000 15000 20000 25000 30000 35000 40000 45000
Housing wealth – owners & purchasers

Median amount of equity held in property

<table>
<thead>
<tr>
<th></th>
<th>IG1</th>
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<th>IG4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners without a mortgage</td>
<td>365000</td>
<td>450000</td>
<td>580000</td>
<td>698000</td>
</tr>
<tr>
<td>Owners with a mortgage</td>
<td>230000</td>
<td>280000</td>
<td>300000</td>
<td>300000</td>
</tr>
</tbody>
</table>

*(HILDA Wave 13, weighted)*
Part three: findings

1. Need for housing assistance extends beyond current recipients and housing tenures
2. There are ‘low’ and ‘high’ needs population groups
3. Housing needs are, to some degree, life stage dependent, indicating a targeted and tailored assistance approach might be effective
4. Some households in need have resources that might form part of an early intervention/prevention partnership
Implications: *Time for change*

- Targeting *does not* mean ‘narrowing’, it can mean smartening and widening.

- Tailoring can support differentiated support needs and outcomes at key life stages.

- Governments can partner in *new ways* with resourced households *and* support those with complex needs.
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