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Getting off the waiting list? Managing housing assistance provision in an era of intensifying social housing shortage

From the AHURI Inquiry: Inquiry into supporting pathways in a social housing system

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Executive summary

- Currently, most housing assistance in Australia is delivered in the form of help to secure or sustain private rental housing or specialist homelessness services, rather than a social housing tenancy.
- The growing emphasis on private rental assistance (PRA) has a dual rationale: (1) relieving pressure on waiting lists by diverting lower-need/priority applicants to the private rental sector, and (2) providing 'stopgap' housing to people while they wait for social housing.
- Rights-based considerations for the provision of PRA schemes are limited to processual matters (fair and consistent assessment of applications).
- Only 25 per cent of recent social housing applicants were satisfied with the process. These applicants commonly found application procedures to be complex and confusing, and information on the progress of applications to be frustratingly scant.
- Less than half of recent social housing applicants reported having received advice or help with their application. In contrast, most of those who were housed had received help with their application and thought they would not have been housed without it.
- A bond loan is the form of PRA most commonly received in Australia. However, more than half of bond loan recipients in our survey reported that they had been unable to sustain the tenancy secured as a result.
- There is little monitoring of PRA *outcomes*, with assistance providers tending to take a 'no news is good news' approach. Housing outcomes are difficult to guarantee when relying on market provision (particularly in current highly pressurised markets), even with government assistance.

- **Thirty per cent of recent social housing applicants were satisfied with the assistance they received while on the register, and 75 per cent of recent tenants were satisfied with the housing they received.**

- **Social housing remains the form of housing assistance to which most applicants aspire due to the relative stability, affordability and security it provides.**

This research investigates applicant and housing provider perspectives on the provision of alternative forms of housing assistance and their effectiveness. It is directed to the following overarching research question:

How can the housing assistance system improve on social housing applications and the waiting list as the primary mediators of access to housing for low-income Australians in need?

Key findings

Recent years have seen an increase in the efforts of state and territory governments to diversify their housing assistance activities towards 'products' aimed at helping applicants to secure (and sometimes to maintain) private tenancies. Over the year 2021–22, 70,158 households received some form of private rental assistance (PRA) from state/territory governments while, in the same year, less than half as many households (29,118) were allocated a new social housing tenancy (Australian Institute of Health and Welfare [AIHW] 2023). These efforts come at a time when Australia's social housing provision is drastically reduced. During the past 30 years, social housing lettings to new tenants have reduced by 44 per cent in pure numerical terms, but a drop of more than 61 per cent is evident when factoring in population growth – that is, 30.0 lettings per 10,000 population in 1991 versus 11.7 in 2020–21 (Pawson, Milligan et al. 2020). Yet, households registered as social housing tenants at the end of the 2021–22 financial year totalled some 175,000 – that is, six times the number of new tenants housed in that year (Productivity Commission 2022).

According to our stakeholder interviewees, developments of PRA are informed by a dual rationale of: (1) relieving pressure on waiting lists by diverting lower-need/priority applicants to the private rental sector through use of PRA and (2) providing 'stopgap' housing to addressing people's immediate shelter needs while they wait. Notable is the finding that, while staff managing housing assistance in at least one state explicitly and routinely speak of PRA measures as 'diversionary products', only 15 per cent of recent applicants agreed with the statement: 'The state/territory government officer discouraged me from registering for social housing.' It is true that the survey cohort included only those who had actually registered for social housing (rather than eligible households who might have been dissuaded from doing so). Nevertheless, this finding could be interpreted as supporting the contention that state/territory staff working in the field in fact continue to treat social housing registration as something of a 'right' for eligible applicants, even if – in parallel – they seek to encourage them to accept different forms of assistance.

Most PRA schemes require applicants to be eligible for social housing or on the social housing register. While there is a degree of integration in the application and assessment processes, social housing and PRA schemes are targeted to different cohorts within the housing assistance applicant population. Social housing is increasingly aimed at households with acute or 'complex' social and/or medical vulnerabilities, in addition to traditional considerations relating to financial hardship. PRAs, on the other hand, are targeted at applicants whose needs are assessed as less acute or complex and who are deemed to have greater capacity to sustain a private tenancy.

Asked for their views about the availability of housing assistance 'by right', housing authorities tended to highlight *processual* considerations, such as guarantees that all applications for assistance will be assessed in a fair and consistent manner. However, in our two case study jurisdictions, where PRA eligibility assessment is less integrated into social housing waitlist registration processes, the assessment occurs on an ad hoc basis. The findings from our survey also show that only 25 per cent of social housing applicants who recently joined a waitlist were satisfied with the process. Many complained about the complexity of the social housing application process, to the point that some had wanted to give up and not apply at all.

Some agency stakeholder interviewees identified the provision of advice and support relating to the application process as something applicants can expect to receive. Conversely, our survey findings show that only around a third of applicants who recently joined the waitlist had received such help. This was true of 60 per cent of recently housed tenants. Many recent social housing tenants believed that, due to the complex system, they would not have been successful in securing a tenancy without assistance from external advocacy groups and local members of parliament.

Many recent applicants felt that they were kept in the dark about the status of their applications and were poorly communicated with and assisted during the application process. Some suffered what they perceived as poor administration of their application as they believed their application was mishandled and sometimes was lost altogether by department staff. About 25 per cent of respondents dissatisfied with the process felt they had been treated poorly by housing and support services staff, and described their behaviour as 'discourteous', 'upsetting' and 'emotionally damaging'.

Many participants reported difficulties in making contact with state/territory staff managing access to social housing, sometimes resulting in being removed from the waitlist. Relevant here are statistics cited in Chapter 2 highlighting the large numbers of waiting list applications that are deleted due to absence of 'applicant reconfirmation of interest'. For example, 63 per cent of 9,365 register deletions in 2021–22 in South Australia (other than those resulting from a tenancy allocation) resulted from this. The comparable figures for Western Australia were 44 per cent of 3,487.

Given the uncertainty over when a social housing tenancy offer might be forthcoming, many registered applicants, not surprisingly, described their wait as a source of frustration and anxiety. At the same time, only a third of recently housed tenants (33%) reported having experienced a waiting period longer than expected at the outset. Nearly half (48%) said the waiting time was less than anticipated. These findings seem to indicate that successful applicants do not generally approach the process from a position of unwarranted optimism. It might also reflect the fact that the majority of new social housing lettings are provided to applicants on priority waiting lists. These applicants are fast-tracked by the triaging systems used to allocate social housing and, therefore, typically face far shorter average wait times than the overall applicant cohort (Pawson and Lilley 2022).

For those who recently joined the waitlist, a bond loan was the most common alternative form of assistance received by our survey participants. Twenty per cent accepted an offer of a bond loan while another 12 per cent declined the offer. Reasons behind the decision to reject a bond loan included inability to repay the loan, the stigma attached to loan holders by real estate agents and a low threshold set for the maximum rent. More than half of those who received PRA reported that they had been unable to sustain their tenancy.

The efficacy of PRA in resolving housing needs for social housing–eligible applicants has been eroded in the recent past due to sharply rising rents that mean there are fewer tenancies available that meet associated qualification criteria. PRA schemes were widely considered by research participants as ineffective due to the lack of affordable private rental housing available in their area. Among participants reliant on social security payments, such alternative housing assistance products were often perceived as useless. For many, such help was perceived as failing to fully acknowledge the severity of their housing needs.

Among the various housing assistance products, social housing remains a preferred type of housing assistance. While 75 per cent of recent tenants were satisfied (somewhat or very) with the social housing they received, only thirty per cent of recent applicants were satisfied (somewhat or very) with the assistance they received while on the register. Moreover, 88 per cent of recent applicants and 82 per cent of recent tenants in our survey agreed with the statement 'a social housing tenancy would be ideal for me'. Most research participants aspired to social housing due to the relative stability, affordability and security it provides, particularly in comparison to the private rental sector. Around half would have been open to being financially assisted to rent a suitable home in the private market; however, further research is needed to know why, and if, they would have been satisfied with the lower level of tenure security this option involves.

Indeed, housing outcomes are difficult to guarantee when relying on market provision, particularly in the current highly pressurised market, even with government assistance. It is difficult to see how a 'right to housing' could be upheld within the context of Australia's current social housing supply shortfalls and under-regulated and highly pressurised private rental sector. Tracking the long-term outcomes of PRA recipients is an important step to improving accountability in the system.

Policy development options

- Needs-assessment interviews may be integrated into the application process to better understand applicants' needs. This is not currently part of the application process in all jurisdictions.
- State and territory governments should review housing assistance application processes and system structures to ensure these are as clear and accessible as possible for the target population.
- Housing assistance applicants should have guaranteed access to personalised advice or assistance during the application process for the best possible chance of achieving an outcome appropriate to their needs and preferences.
- Housing authorities could commit to routinely creating a personal housing plan for each housing assistance applicant as a vehicle for guiding them towards appropriate options. This references a terminology and concept familiar in both the United Kingdom and Western Australia.
- Allocating sufficient staff will be necessary to create the opportunity for personalised advice for all qualifying housing assistance applicants. They should be trained in customer relations and respect for disadvantaged applicants who need to feel they are trusted, being heard and cared for by staff.
- Currently the onus is on applicants to update their details and needs/circumstances, and to respond to routine check-in letters (or risk getting removed from the list). Housing authorities need to stay in touch with social housing applicants for regular updates on their housing needs and circumstances, and on the status of their application.
- State and territory governments should consider establishing a statutory basis for PRA. Associated regulations would specify the forms of PRA available, and their terms, and the procedures to be followed by applicants seeking a review of decisions on their PRA entitlements.
- Housing providers should track the short- and medium-term outcomes of (at least a sample of) PRA recipients. This would be an important step to improving accountability in the system.
- A partnership can be established between the government and private housing providers to secure rental tenancy for low-income families who receive PRA products. Such partnership will assist creating benchmarks in the private rental market without which the outcome of PRA schemes cannot be measured effectively.
- As detailed in Chapter 2, there is a case for AIHW to update the statistical data requirements for state/territory governments to inform a fuller understanding of housing assistance demand, the allocation of assistance products and social housing waiting list management.

The study

The research is part of the AHURI *Inquiry into supporting pathways in a social housing system*. The Inquiry aims to identify opportunities for aligning assistance with service user housing aspirations, managing access for greater responsiveness, improving support within and out of social housing, and ensuring accountability for realistic outcomes. The key questions that this research answers are:

1. How are housing policy makers, housing assistance providers and other stakeholder agencies managing the shift from social housing to other forms of housing assistance?
2. How do applicants experience the housing assistance application process, the scope and outcomes of housing assistance options, and the wait for social housing?
3. What would be the implications of a rights-based approach to housing assistance entitlement?
4. How can accountability in access to housing assistance be improved systemically?

Primary fieldwork for the research, including online surveys and interviews with social housing tenants and applicants, as well as interviews with representatives from housing provider agencies, was conducted in New South Wales, Victoria, Tasmania, and the Australian Capital Territory. It was supplemented by a review of statistics on social housing allocations and other forms of housing-related government support. With respect to the analysis of waiting lists and housing assistance data, the research covers all Australian states and territories.

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