The changing role of allocations systems in social housing

authored by

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EXECUTIVE SUMMARY

Allocations systems lie at the core of social housing. They determine who is eligible for housing, the order of providing assistance, and the matching of households with specific properties. In so doing, they affect the circumstances and wellbeing of individual households and the composition and capacity of local communities. Allocations systems also affect all aspects of housing providers' operations, including tenancy management, asset planning and management, rent revenue and, ultimately, financial viability.

Despite the importance of social housing allocations systems to households, communities and social housing agencies, to date the main mechanism in Australia for considering allocations has been irregular, practice-based reviews carried out by state and territory housing authorities, community housing agencies and some peak bodies. There has been no national and sector-wide research.

This is the Final Report of a project that fills a significant research gap in undertaking a review of allocations policies and practices in the Australian social housing sector, comprising public housing, community housing and an emerging affordable housing sector. It reports on research that identifies the drivers for change and explores some reforms being undertaken both in Australia and overseas.

Policy context

Allocations systems have evolved and changed over the years as social housing agencies have developed and redeveloped their roles. While there are some clear differences, the momentum from the mid-1990s, particularly in public housing, has been for tighter targeting through more restrictive eligibility criteria and implementing systems that rank households by the complexity and urgency of their 'housing need', giving priority to highest needs households when allocating properties. This has been a management and political response to a number of factors, including: increasing waiting lists and greater diversity of need; a decline in real funding and a static social housing stock; a reduction in the number of units available for allocations; the need to provide exit points for people in various forms of emergency, temporary and transitional housing; and governments' requirements for accountability in terms of who is being housed for the social housing dollar.

Targeting, however, raises a number of questions for the social housing sector. What are the implications in terms of limiting choice and flexibility for individual households? Does it put undue pressure on some local communities where there is a concentration of social housing? Does targeting of public housing, in particular, to households with the most urgent and complex needs blur traditional distinctions between the public and community sectors, meaning that they are both assisting similar groups of households? Does the emergence of an affordable housing sector indicate acceptance of a multi-provider system in which coordination of access is likely to be an issue?

The policy issues raised above about choice, sustainable communities and increased diversity in social housing provision are the policy context for this project (Chapter 2).

Research aims and objectives

The broad aim of the research project was to provide knowledge about, and promote greater understanding of, the drivers of change to allocations systems and potential reforms to enable more choice and flexibility for households, contribute to viable and sustainable communities and promote efficiencies in housing management.

The specific objectives were to:

- Provide a summary of the current state of allocations policy in both the community and public housing sectors in Australia;

- Consider the directions of allocations policy in the Australian states and territories and, where relevant, other countries, and identify new approaches in response to issues such as client choice and community sustainability;

- Identify degrees of discretion and choice, both formal and informal, in the current system and the potential for, and problems in, allowing greater discretion and choice;

- Develop a framework for assisting social housing providers and governments in undertaking future reviews of allocations systems (Chapter 2).

Research design and methods

This was an exploratory study in view of the lack of any previous national, sector-wide research. Consequently, the research design involved use of multiple methods to build up an account of allocations systems in Australian social housing. These methods were both quantitative and qualitative, and the findings were compared and cross-checked against each other, consistent with the principles of triangulation. This approach recognised both deficiencies in available data and the likelihood of differing perspectives, given the complex and multi-layered nature of allocations, the inherent tensions of any form of administrative rationing system, and the dynamics of administrative systems dependent on social interactions for their implementation.

Research methods included a documentary review of past social housing allocations policies and practices in Australia and a review of the literature. The research undertook a detailed analysis of available secondary data and scoped current policies and practices. This was supplemented by small-scale surveys of housing practitioners in the public and community sectors, together with a policy workshop and interviews with key program managers which covered both formal and particularly informal allocations. The research also included a primarily web-based examination of overseas reforms (Chapter 3).

Current state of social housing allocations in Australia

The policies and practices of eight state and territory housing authorities determine access to nine in ten social housing dwellings in Australia. Allocations systems in public housing are under significant pressure. Whilst waiting lists reached a peak nationally in the late 1990s and have since declined slightly, the annual rate of allocations to 'new' households dropped markedly from more than 50,000 15 years ago to just 33,365 in 2002–03. The current annual rate is equivalent to only 16 per cent of households on the waiting lists for public housing in June 2003. These are overall figures and there are significant differences between states and territories and between local areas.

A large number of small community housing providers currently determine access to one in ten social housing dwellings, although this is the only part of the sector that is growing. Whilst there are some very broad national standards for community housing, including allocations, each provider has its own allocations systems which vary considerably. The reduced number of annual allocations in public housing has implications for the community housing sector, particularly for those providing short- and medium-term accommodation which require exit points into either public housing or affordable private housing.

Social housing allocations nationally are increasingly targeted to households in greatest need. For the public housing sector, this means that the 5 per cent of applicants on waiting lists in these circumstances translate into 38 per cent of all allocations, whereas in the community housing sector 59 per cent of applicants are in greatest need, translating into 85 per cent of allocations. There are, however, significant differences between jurisdictions in terms of public housing, with Tasmania, the ACT and Victoria having the most targeted systems, and Queensland the least targeted (Chapter 4).

There has been a good deal of convergence in eligibility criteria since the mid-1990s across jurisdictions, particularly in the public sector, although there are still some differences. Four jurisdictions (NSW, ACT, SA and Victoria) use segmented waiting lists, although the number and definition of segments varies; three (Queensland, WA and the NT) operate an administrative priority system in conjunction with a date order waiting list; whilst one (Tasmania) uses a priority points system. In the community sector there is a great deal of variation in eligibility criteria, with housing workers indicating a greater emphasis on assessing disability and medical condition, willingness to participate in the running of the housing agency, and connections with the local area.

Overall, public and community housing practitioners think that the allocations system in their agency works well, with general satisfaction about documentation and training and with the integrity of the system. They perceived only minor issues around discrimination, mainly in respect of households with a record of anti-social behaviour, people with mental illness, young people aged under 18 and Indigenous Australians, and with inappropriate allocations (Chapter 5).

Views of practitioners

There is general support by practitioners for the principles of targeting to households with greatest need in both the public and community sectors, although workers and managers also raised concerns about this approach, particularly in relation to other low income households in housing need 'missing out' and the impact on local communities.

It appears that public housing workers see their allocations system as operating under greater stress than the community housing system, as they try to balance competing priorities within a declining supply of vacancies and a 'one size fits all' model. Most saw the need for some changes in allocations, such as more time to interview and assess applicants, more local rules, and quotas on the number of priority allocations.

Half of the community sector workers believe there is no need to make changes to their allocations system. Where changes were suggested, these related to more time to interview applicants to assess their needs, more attention to reallocations (transfers) and more transparent rules. It should be noted that, unlike public housing, much of the community sector already effectively has local allocations policies.

Some tensions and contradictions were apparent in terms of attitudes towards potential reforms. For example, public housing workers would like to change allocations systems to reduce the emphasis on priority access but also agree that households in greatest need should receive first allocation of a dwelling, as did most community housing workers. Workers in both sectors also believed strongly in the importance of horizontal equity, that all applicants should be treated equally, irrespective of background (Chapter 5).

Potential reforms

People working within social housing in Australia generally accepted the existing paradigm of allocations systems in which access is tightly controlled by administrative criteria and processes. There was only a limited awareness by workers, and more awareness by program managers and others, of changes taking place in other countries that involve reconceptualising allocations and significant reforms. In the UK, for example, there has been such a fundamental change in thinking that it has been described as a 'paradigm shift' from bureaucratic allocations systems to lettings services.

Firstly, there have been quite significant changes overseas to enable more coordinated access in multi-provider systems. 'Common housing registers' are being heavily promoted in Scotland and to a lesser extent in England and Wales. In Canada's Ontario province, centralised waiting lists for social housing providers are compulsory. These reforms aim at having one point of registration for people seeking social housing and a common database from which households can be drawn when providers allocate properties. They aim at making access easier and less time-consuming for households and more streamlined for providers. They

require partnership arrangements between different social housing providers operating within a locality (Chapter 6).

Secondly, there have been significant reforms in Europe, particularly in the Netherlands and the UK, to improve choice for households wishing to access social housing, particularly through advertising of vacant properties. Recent evaluations of these reforms have been positive. Households appreciate the greater choice, information and control, and the ability to make trade-offs between type and quality of housing, location and waiting time. They also see them as generally more open and transparent than previous bureaucratic allocations systems. Housing providers regard the schemes as being successful in focusing administrative effort only on those who want a property and often reducing vacancy times and vacancy rentals. The main reservation was whether they disadvantage those who are already the most disadvantaged, who may not be able to negotiate these systems. Both the Netherlands and UK evaluations were unable to conclude whether these systems improved neighbourhood stability and sustainability (Chapter 7).

Thirdly, a further trend overseas has been the introduction of more diversity into allocations to respond to local housing markets and conditions. Local allocations policies have a number of objectives including sustainable tenancies, 'balanced' communities, letting housing in low demand areas, improving tenant satisfaction and excluding potentially disruptive tenants. They are popular with many housing providers but have not been systematically evaluated (Chapter 7).

The types of reforms introduced overseas pose many issues for current allocations systems in Australia, such as:

- How can coordination of access for households be improved in a more explicit multi-provider system whilst maintaining the strengths and expertise of individual housing providers and different sub-sectors?

- How can the apparent tensions between targeting and choice for households be resolved?

- Can allocations systems respond to the diverse circumstances of local communities without compromising other objectives such as equity?

Framework for reviewing allocations systems

This Final Report is imbued with policy debate and ideas for change throughout all its chapters, unlike many other AHURI reports that outline research findings and then develop policy implications. This is because the document is written to assist social housing providers to work through some of the issues around allocations and to consider reforms which are consistent with the requirements of their own agencies or jurisdictions. Allocations are unique to particular environments and agencies, which means that specific recommendations would be inappropriate. It is more important to reflect on learning and provide a framework for decision making (Chapter 8).

1 INTRODUCTION

Allocations lie at the core of any social housing system. Social housing agencies must determine which groups they wish to assist, decide who can access housing – and in what order – and match individual households with properties. These are often difficult decisions at both policy and practice levels. Allocations policy requires a social housing agency to consider its role relative to other housing providers and other types of housing provision, and to identify means of determining priority between groups and between households when there is insufficient housing available to meet demand. Allocations practice determines which household gets which property and, in so doing, affects the circumstances and wellbeing of individual households, the composition and capacity of local communities, and the overall management of social housing assets.

Despite the importance of allocations systems to households, communities and social housing agencies, the main mechanism for considering allocations has been irregular, practice-based reviews carried out by state and territory housing authorities and community housing agencies. There has been no national research into allocations systems in Australia. This is the Final Report of a project that fills a significant research gap in examining current allocations policy and practice in Australia in both the public and community housing sectors and in identifying and exploring the drivers for change. It also reviews ideas from Australia and overseas that can be considered in making changes to current systems.

1.1 Policy context

Allocations systems have evolved and changed over the years as social housing agencies have developed and redeveloped their roles. While allocations systems across Australian jurisdictions and across the sub-sectors of social housing have their differences, there has been policy convergence since the mid-1990s towards greater targeting to those in the greatest 'housing need'. The 2003 Commonwealth-State Housing Agreement (CSHA) confirms that government funding for social housing is 'to provide appropriate, affordable and secure housing assistance for *those who most need it*, for the duration of their need' (Commonwealth of Australia 2003: Schedule 1 Recital D, authors' emphasis).

Increased targeting has been a response to a number of factors, including: increasing waiting lists and greater diversity of need in the context of declining real funding and a static social housing stock; the need to provide exit points for people in various forms of emergency, temporary and transitional housing; and governments' requirements for accountability in terms of who is being housed for the social housing dollar. Targeting has, however, raised a number of issues for households, local communities and social housing agencies.

One of the issues around targeting is the extent to which it limits choice for individual households. For example, in a number of jurisdictions, the scope for choice by applicants has been limited to very broad geographic areas or specific stock types, and some agencies have also reduced the number of offers of accommodation made. Paradoxically, this has occurred during a period when there has been increased

interest, particularly in Europe, in ways of improving household choice in allocations. This interest was generated to a large degree by choice-based allocations introduced in Delft in the Netherlands a decade ago and, more recently, by choice-based lettings pilot projects in the UK. What scope is there for improving choice in allocations systems in social housing in Australia?

Targeting of social housing has clear spatial implications, unlike targeting in some other areas, such as income support payments. In particular, targeting social housing to people on very low incomes, and sometimes with a range of social and health needs, impacts on the localities in which social housing is concentrated for historical reasons. Social housing agencies face a dilemma: they wish to target housing to those in the highest need but also have to deal with the consequences on particular areas. Thus, they have been implementing urban or community renewal projects in some areas which have a concentration of older social housing and are particularly affected by increased targeting. Concerns have been raised at a local level about who is being allocated housing and the role of allocations in hindering or assisting the development of sustainable communities. In some cases, this has led to more localised allocations systems tailored to urban/community renewal projects and, more generally, to contributing to sustainable communities.

An increased emphasis on targeting in public housing also raises questions about the respective roles of public and community housing since many, although not all, community housing agencies were established to assist households who are most disadvantaged. Do both sectors now aim to house the same types of households? Is there a difference in the 'package' of housing services offered? What role is there for social housing agencies in offering housing to those in less urgent need but who are unable to access private housing, households designated as 'waiting list' applicants, 'segment four' or similar terms? Is there a need to widen access to attract a broader range of applicants, particularly where there are dangers of concentration of certain types of households or where there is under-utilisation of stock?

States and territories are moving towards greater diversity in social housing provision through initiatives such as Affordable Housing Associations in Victoria and the Brisbane Housing Company in Queensland. What are the implications for households applying for accommodation? Does diversity of provision entail complexity for applicants and agencies alike? Would initiatives such as common housing registers improve access for households and reduce administrative overheads and duplication for providers?

The issues raised above about choice, sustainable communities and coordination of access in a more diverse social housing system provide the policy context for this project.

1.2 Project objectives

The broad aim of the research project was to provide knowledge about, and promote greater understanding of, the drivers of change to allocations systems and how to reform the systems in ways that enable greater choice and flexibility for clients and social housing agencies and that contribute to viable and sustainable communities.

The research on which this Final Report is based examined key issues in the allocation of social housing from the viewpoint of social housing managers and workers – essentially an organisational perspective (see Chapter 3 for details of methodology). It complements another AHURI project that examined some of the same issues, such as assessment of needs and improving choice, but from the clients' perspective (Burke, Neske and Ralston 2004). The Final Report also builds on a Positioning Paper which developed a conceptual framework for considering social housing allocations and reviewed relevant literature (Burke and Hulse 2003).

The project objectives were to:

- Provide a summary of the current state of allocations policy in both the community and public housing sectors in Australia;

- Consider the directions of allocations policy in the Australian states and territories and, where relevant, other countries, and identify new approaches in response to issues such as client choice and community sustainability;

- Identify degrees of discretion and choice, both formal and informal, in the current system and the potential for, and problems in, allowing greater discretion and choice;

- Develop a framework for assisting social housing providers and governments in undertaking future reviews of allocations systems.

1.3 Structure of the Final Report

The Report provides a framework for considering allocations (Chapter 2) to enable policy makers and others to conceptualise allocations systems and their linkages with other aspects of social housing operations. It provides a national overview of social housing allocations across state/territory jurisdictions and across the public and community housing sectors. This overview identifies key features of the Australian social housing system that have shaped current allocations systems, examines pressures on these systems and the responses of social housing providers, and discusses emerging concerns about current allocations systems (Chapter 4). It explores variations in allocations practices across the states/territories and between sectors and outlines the perspectives of housing workers in the public and community housing sectors on current systems and potential reforms to allocations systems (Chapter 5).

This is followed by a review of initiatives being considered, tested or implemented in Australia and overseas to reform social housing allocations systems. In particular, there is a detailed exposition and discussion of means of coordinating access to social housing in a multi-provider system (Chapter 6), and improving choice for households and enabling greater diversity in allocations systems to respond to local conditions (Chapter 7).

Allocations are unique to particular environments and agencies, which means that specific recommendations would be inappropriate. The Report summarises the key issues facing social housing providers and provides a framework to enable reflection on learning and to facilitate decision-making about changes to allocations systems (Chapter 8).

2 SOCIAL HOUSING ALLOCATIONS: A CONCEPTUAL FRAMEWORK

Allocations systems determine access by households to social housing based primarily on administrative criteria and processes, unlike access to private housing which is determined by a number of factors including individual household choice and constraint in the face of market prices. In this chapter we develop a conceptual framework to enable a detailed understanding of social housing allocations systems.

2.1 Dual models of access to housing

Discussion about means of access to housing in Australia falls within two different paradigms (Hulse 2003). One concerns private housing (whether owned or rented) and assumes that access is determined primarily by household decision making in response to market prices. The other concerns social housing and assumes that access is determined not by ability to pay market prices but by some other criterion such as 'housing need'. Indeed, many social housing agencies use *inability* to afford market prices as a major criterion in making decisions about access. This distinction has been so pervasive that access to social housing has been considered, if at all, as a part of 'housing studies' or social/public policy, whilst consideration of access to private housing has largely been within the domain of economics.

These assumptions about dual models oversimplify consideration of access to housing. In private housing markets, households are indeed faced with strong price signals which help shape who can access what type, size and quality of housing and in which area. Home purchasers or private renters have only limited capacity to negotiate on price, except in times of dramatic economic downturns, but can make trade-offs that reflect their inability to influence price. A prospective buyer or private renter may compare a newer, larger house in an outer suburb with an older, smaller house in a more conveniently located area. They will choose a 'package' of housing benefits most suited to their need within the constraints of their price range. However, whilst access to private housing can be seen in terms of highly individualised dynamics around price and household choice, housing markets also operate within an institutional context (Kemeny 1995: 6-11). For example, whilst rent levels are important in determining who can access private rental housing, other factors such as the requirements of residential tenancies legislation and the attitudes of landlords and agents are also important. In the latter case, attitudes may be codified in administrative criteria such as designation of a particular property as being 'not suitable for children' or may influence decision making about individual properties at an informal level. Thus, administrative criteria and processes do play a part in determining access to private housing, although their significance is often understated.

Allocations systems in social housing appear to be wholly based on administrative criteria and processes. They ration access to housing where demand for assistance typically exceeds the supply of housing available and, in this environment, housing workers rather than households determine what accommodation is offered to households. However, households can try to make their own trade-offs within the constraints of these administrative systems. They may decide, for example, that it is

not worth registering for housing, as shown in recent research which found that almost one-third of households in receipt of rent assistance and renting privately were interested in public housing but had not registered on waiting lists, mainly because of the size of the waiting list (Burke, Neske and Ralston 2004: 17). They may state their preferences for housing in areas where there is a higher chance of getting more desirable housing or exercise negative choice by refusing offers of accommodation. Whilst the possibilities are limited, elements of household choice can exist within administrative rationing systems.

Table 2.1 illustrates these dual models of access as applied to rental housing.

Table 2.1: Dual models of access to rental housing

	Private rental (market access)	**Public housing (bureaucratic access)**
General		
Underlying assumption	Aggregate demand and supply for housing self-adjusting and in long run equilibrium	Demand for public housing exceeds supply – need for rationing
Primary factor in determining access	Ability to pay market prices	'Housing need' including inability to pay market prices
Specific factors		
Choice of provider	Many providers in competition with each other	One dominant provider (public housing authority)
Information	Onus on households to access information on options generally and specific properties available	Onus on public housing authority to supply information about its services and how to access them
Application	Households can list with multiple landlords/real estate agents and apply for individual properties	Households make a general application for housing with the provider
Eligibility/assessment	Verification of income, assets and credit rating and check on prior tenancy history	Verification of income, assets and other factors and check on prior tenancy history
Household choice	Households trade off price (rent level) with the type, size, quality and location of housing they want. Capacity to do this depends on income and household circumstances	Households trade off anticipated waiting time with the type, size, quality and location of housing but not its price. Capacity to do so depends on household circumstances and urgency of 'housing need'
Order of access to housing	Assessed individually for each property	Ranking of all applicants according to 'housing need', based on established criteria
Matching households and properties	Household decides which properties it wishes to bid for – many bids possible	Detailed criteria determine type/size of housing to be offered – very limited offers and refusals
Consideration of neighbourhood impact	Limited	Variable with some local discretion

The research examined the extent to which social housing allocations systems follow this model of administrative rationing and the advantages and limitations of this type of approach. This was complemented by an exploration of initiatives to combine elements of both models, to inform policy debate about potential reforms to social housing allocations in Australia.

2.2 Allocations as administrative rationing

For the purpose of this project, an allocations system in social housing is defined as a multi-layered process in which policy and practice decisions are made about the access of households, both new applicants and existing tenants, to social housing based primarily on *administrative* criteria and processes.

At the broadest level, there are three layers to such a system. Firstly, an allocations system operationalises a key dimension of a social housing agency's *strategic planning process*. Is the agency's role to provide an exit point for various types of emergency or transitional assistance or does it operate in parallel with these, meeting a different set of needs? Does it focus on those who cannot be housed elsewhere in the private or non-profit sectors or is it one of a number of agencies that aims at housing a particular group? Answers to these types of questions are critical in formulating strategic directions and objectives which provide the framework for an allocations system.

Secondly, the agency undertakes *primary rationing* as a means of implementing its strategic objectives. To do so, it must define which groups of households are eligible for its housing and which are ineligible. Criteria could include income, assets, residency requirements, support needs or lack of support needs, willingness to participate in management, or previous tenancy histories. Once the parameters for potentially eligible households have been set, the agency must develop criteria and implement processes to determine which individuals or groups of households will be housed, and the order in which social housing assistance is made available, if there are more applications than stock, which is usually the case.

Finally, the agency engages in *secondary rationing* in which specific decisions are made about matching individual households with individual properties. These decisions are based on administrative criteria which cover, for example, the type and size of accommodation that can be offered, access to a particular area or type of accommodation, and the degree of choice available to households in accepting or rejecting offers. Secondary rationing is also about the management of existing tenants who wish to move into other accommodation managed by a social housing agency, the criteria that cover transfers, and the importance given to transfers relative to new allocations.

This conceptualisation of allocations as multi-layered is illustrated in Table 2.2 which also indicates within each layer the stages and components which make up core elements of an allocations system.

Table 2.2: Social housing allocations as a multi-layered process

Layer	Stage	Components
Strategic planning	Purpose and objectives of agency	Clarify target groups for assistance, e.g. older people, young people, families
		Establish framework for allocations that will enable agency's purpose to be pursued
	Role of agency's housing allocations	Clarify purpose of housing, e.g. crisis, transitional, supported, longer-term
		Clarify relationship with other providers, e.g. common waiting lists, referral protocols
		Establish how allocations framework links with other dimensions of social housing management, e.g. rent setting, tenancy and property management
Primary rationing	Eligibility criteria	Develop criteria for inclusion, e.g. income, household type
		Develop criteria for exclusion, e.g. assets, non-residency, prior debts, prior anti-social behaviour
	System for ranking applications to determine order and type of assistance	Develop criteria for ranking applications, e.g. urgency of need, lack of other options, support needs
		Develop process for assessment, e.g. role of computerised assessment, discretion
	Waiting list management	Establish parameters of household choice in terms of nominating area and size, type and quality of accommodation
		Establish how waiting list is managed in terms of multiple choices and other factors
		Establish criteria for dealing with changes in circumstances
Secondary rationing	Matching guidelines	Determine matching criteria in terms of size and type of accommodation and location
		Establish situations in which different criteria may apply, e.g. areas of high or low demand, community renewal areas
	Matching process	Determine respective roles of households and housing agency

In addition to being multi-layered, social housing allocations include both formal and informal criteria and processes, discussed below.

2.3 Formal rationing

Formal allocation refers to rationing criteria and processes, as outlined in written documents such as acts of parliament (including those that give state and territory housing agencies their charter to operate) and statutory regulations. They are also found in intergovernmental agreements such as the CSHA which sets out the broad parameters to be used in determining who gets rental housing (Commonwealth of Australia 2003: Recital D). Policies may be provided either as a set of determinations by a commission or board or, increasingly, as a consolidated policy document. Social

housing agencies normally also have procedural manuals, or at least a series of operational instructions, for workers involved in implementing policies. Acts, policy documents, procedural manuals and the like provide the skeleton of an allocations system.

Up until the 1980s, often only the eligibility criteria for getting onto a waiting list were made publicly available, whilst waiting list management and matching people with properties were based on established practice. Where this seemed inadequate or was challenged, many social housing agencies relied on decisions by their commissions or boards reacting to specific problems without any overall framework. Policies and procedures for waiting list management and matching were often not made publicly available even where they did exist. Increasing waiting lists, more customer and community awareness of the right to information, and complexity resulting from a greater variety of stock and applicants have since prompted most state and territory housing authorities to review their allocations policies and procedures, and to produce transparent and detailed written documents on the process, sometimes with community involvement. The community sector, which is smaller and more fragmented, has not had the long history of allocations and the same requirements for documentation and transparency to date. There remains considerable variability in the degree to which allocations systems are documented, although peak bodies are working towards best practice, and quality assurance processes are in place across the jurisdictions to increase the standard and consistency in the sector.

Dissemination of information on the formal rationing process makes the system more open and accountable, and increases the prospect of households in like situations being treated in a similar way. One corollary of increased targeting has been more detailed and prescriptive procedures for allocations. Improved technology has also meant that aspects of the process, particularly assessment, can be automated, as with the introduction of the Social Allocation System in New Zealand in 2001 (Housing New Zealand Corporation 2002). Despite these tools, it is impossible to draw up the rules to cover every individual household's needs, as circumstances vary enormously. This has been seen as a reason for the exercise of informal allocations or rationing.

2.4 Informal rationing

Informal rationing refers to detailed decision making by housing workers in interpreting policies or guidelines, usually called 'discretion'. The application of policies and procedures on allocations involves a myriad of social interactions between housing workers, between workers and a variety of agencies and, importantly, between workers and applicants. These interactions involve many opportunities for discretion.

As a number of studies have pointed out (Rex and Moore 1967; Henderson and Karn 1984, 1987; Blandy and Parsons 2001), real or potential discretion can give housing managers and workers considerable 'gatekeeper' powers. Gatekeepers are individuals whose decisions control or at least influence access to scarce resources, particularly by the way in which they interpret rules and procedures (Pahl 1975).

Housing workers are thus key gatekeepers for social housing tenants, as in a system of bureaucratic allocation they can affect access at a number of levels, such as determining eligibility, ranking and changes in status on waiting lists, as well as allocation and reallocation to individual properties. Greater or lesser discretion can operate in all these areas; the less transparent the system, the greater the potential gatekeeper power.

Informal rationing has two sides. Well used, it can result in more sensitive allocations; badly used, it can create accusations of discrimination and bias. Informal rationing occurs, for example, in priority systems that allow for discretion in interpretation, with such systems being widely used in public housing and particularly prevalent in community housing. It can lead to sensitive and appropriate allocations at one extreme, and to abuse and mismanagement at the other, as research on the British system found (Henderson and Karn 1984; Clapham and Kintrea 1984). It is affected by the personal views of staff and by unresolved conflicts of objectives of the housing agency – for example, between meeting the greatest housing need, pressures for efficient property management, and community pressures to maintain viable neighbourhoods.

Despite improvements in performance over the last decade, it is informal rationing that leads to accusations of secrecy and bias, whether in the public or community sectors. It may mean that those in like circumstances are not treated in an equitable manner or that housing is not provided to those in the greatest need. Informal rationing is hard to monitor and it is often difficult to assess whether stated policies are being implemented and whether individual households are getting a fair deal. For these reasons, housing agencies have only recently attempted to undertake audits of allocations and reviews of the effectiveness of their allocations policies and practices. It should, however, be affirmed that informal rationing per se is not a bad management practice; experienced housing workers with knowledge of both the stock and the tenant can often allocate in such a way as to create a more sustainable tenancy than if there had been rigid adherence to formal procedures.

2.5 Linkages between allocations and other aspects of social housing operations

Finally, in developing a conceptual framework for considering current allocations systems in social housing and potential reforms, it is important to consider the linkages between allocations and other aspects of social housing operations. The brief discussion below illustrates two of these: the interconnections between allocations and rent setting and between allocations and tenancy and property management.

The Industry Commission (1993) in its inquiry into public housing explored the possibility of some form of differential rents whereby social housing tenants could be required to pay a price premium in increased rent for certain locations or larger dwellings. This proposal was controversial but, if adopted, would have enabled households to make some trade-offs, albeit within limits, between the price they were willing to pay and the housing they could access in terms of size and/or location. A household might decide that it was worth paying a bit more in rent to live in a well

located area to limit their travel costs and other expenses. In other words, social housing allocations systems could, although they do not currently, include price signals to enable households to make some of their own trade-offs. More recently, research involving a large sample of households on the public housing waiting list indicates that they are willing to pay higher rent for certain amenities, particularly high quality and condition of the property, a property in an appropriate location, and a dwelling with a high level of security (Burke, Neske and Ralston 2004: 16, Table 14). A current AHURI project is considering further issues around rent setting in social housing (McNelis 2004).

A change to pricing policy would impact on allocations processes in social housing and would require reforms consistent with pricing policy. Conversely, allocations have major implications for rent setting and financial viability. Thus allocations reform should not be seen as an isolated administrative change but one which is interconnected to other core tasks of social housing management.

Allocations systems also play a key role in efficient property and tenancy management, enabling an applicant to be matched with an available property. The outcomes are in part measured by property management indicators, such as the length of time a dwelling is vacant between tenants or rent loss attributable to a vacant property. A heightened awareness of such indicators over the last decade may affect decision making about allocations. For example, an agency may decide to restrict reallocations (or transfers), giving weight to the possible impact on property management efficiency indicators rather than client outcomes such as accommodating change in family size or status or facilitating employment opportunities. In addition, allocations systems impact on tenancy management. If tenants are not satisfied with accommodation offered, this may affect ongoing tenancy, and client dissatisfaction may be manifested in rental arrears, anti-social behaviour and requests for reallocation.

Table 2.3 gives some examples of the connectivity of allocations to the social housing management system, although the list of implications is not exhaustive.

Table 2.3: System-wide implications of social housing allocations

Layer	Stage	Potential systemic implications
Strategic Planning what is the role of the agency?	Specific purposes and objectives	Affects wider community perception of the role of the social housing system (is it residualised welfare housing or for lower income households?)
		Affects relationship to other sectors and agencies (are they complementary, competitive or unconnected?)
		In interaction with subsidy system (CSHA funding and rents), affects financial viability of agency and sector as a whole
Primary Rationing who is in the system and who is out, and in what order are they assisted?	Sets eligibility criteria and system for ranking applications on waiting list	Sends signals to potential applicants to apply or not apply, affecting waiting lists and potentially affecting unmet need
		Has implications for stock numbers, type and size required by the agency
		Affects rent revenue in an income related rent system
		Has implications for client service office skill levels and administrative processes required for ranking applicants
Secondary Rationing who gets what property and where?	Matches people to dwellings	Has impact on stock utilisation
		Affects levels of support required to maintain tenancy
		Affects tenants' employment, educational and health opportunities
		May increase the likelihood of anti-social behaviour
		May impact on stock turnover and hence maintenance costs and vacancy rents

In reviewing allocations and considering potential reforms, it is important to consider likely impacts on other aspects of social housing operations.

2.6 Summary

Allocations to social housing are under pressure in an environment in which demand for assistance greatly exceeds supply. In reflecting on allocations systems and possibilities for reform, we need to move beyond current dualism in thinking about access to housing in Australia. Discussion of access to private housing is normally couched in terms of household choice and preferences in the light of market prices, typically ignoring institutional factors. In contrast, discussion of access to social

housing assumes a model of rationing based on administrative criteria and processes, without reflecting on the actual and potential role of household preferences and trade-offs. Conceptually this dualism is flawed, and in the rest of the report we consider broader approaches to social housing allocations, including both formal and informal rationing, as well as mechanisms for making household choice and preferences more informed and explicit.

3 RESEARCH APPROACH AND METHOD

3.1 Overview

There has been no national overview of allocations policy and practice in social housing in Australia. Until recently, information about allocations systems has been collected and maintained separately by state and territory public housing authorities and community housing providers. The Australian, state and territory governments together with the Australian Bureau of Statistics and the Australian Institute of Health and Welfare are currently working to develop better and more standardised data on housing assistance programs consequent to the National Housing Data Agreement (Australian Institute of Health and Welfare 2000). This work focuses particularly on the performance of housing assistance programs.

Current reporting does not facilitate reflection about allocations in the social housing sector overall, as there is separate reporting in the public and community housing sectors. Historical data are also limited and analysis of trends is difficult because of changes in data reported upon and data definitions over time. Moreover, such longitudinal data as exist largely relate to the public housing sector. Attempts to provide good data for the community sector are much more recent and still subject to a number of problems. For all these reasons, this AHURI project can be regarded as an exploratory one that pieces together an account of the state of allocations in Australia and raises many issues.

As indicated in the previous chapter, allocations systems involve three layers and multiple stages, and both formal and informal processes within these. Conceptualising allocations in this way poses challenges for research and requires multiple methods, both quantitative and qualitative. We decided to adopt the principles of triangulation research which entails 'the conscious employment of multiple data sources and methods to cross-check and validate findings' (Begley 1996: 122). A triangulation approach recognises that there are often differing views and perspectives and has been used, for this reason, particularly in research into health services. The approach entails using a variety of research methods that can be cross-checked against each other but accepts that there are multiple and overlapping realities such that a coherent and consistent account may not be possible.

Triangulation appeared to be the best approach for a study of social housing allocations, in which we had identified from the outset differing views and perspectives. This is not surprising, given the complex and multi-layered nature of allocations, the inherent tensions of any form of administrative rationing system, and the dynamics of administrative systems dependent on social interactions for their implementation, as discussed in Chapter 2.

3.2 Specific research methods

A number of research methods were used:

3.2.1. Historical review

A brief overview was obtained of past social housing allocations practices in Australia and the reasons for change, using internal documents and reports from state and territory housing authorities and, where possible, from community housing agencies. This review examined how allocations systems developed in each jurisdiction and each sector in response to changes in the role of social housing over time. Much of this material was reported upon in the Positioning Paper for this project (Burke and Hulse 2003).

3.2.2. Secondary data analysis

The research analysed available secondary data on allocations[1] to piece together a national overview of allocations in the social housing sector including trends over time and differences between jurisdictions and sectors. Nationally, the two major secondary data sources on social housing allocations are annual reports of the Housing Assistance Act (FACS various years) produced by the federal government that report on the operation of the CSHA, and reports prepared on an annual basis by the Productivity Commission for the Steering Committee for the Review of Government Service Provision (SCRGSP). Following the 1999 National Housing Data Agreement,[2] both sources have relied heavily on data coordinated by the Australian Institute of Health and Welfare.[3] In neither case do data extend back beyond the 1990s to give a long-term perspective (with rare exceptions), and increasingly data are used to report on provider performance in a format that often does not inform consideration of strategic issues about allocations. Even within the constraints of performance data, there have been changing definitions of 'performance' such that it is difficult to compare data even from the mid-1990s with the present.

These qualifications are in addition to acknowledged problems of different jurisdictions collecting data in different ways in a federal system so, despite the best efforts of the Australian Institute of Health and Welfare to clean and quality assure the data, we cannot be certain we are comparing exactly the same thing. For the community sector there were virtually no national data on allocations until very recently and, even now, such data are at a developmental stage.

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[1] The researchers applied to the Australian Institute of Health and Welfare for access to the source data but were advised that access required permission from all Australian governments, a process that was estimated to take up to six months. This was not practical in terms of the research and instead the researchers used publicly available secondary data.

[2] The National Housing Data Agreement was a subsidiary agreement to the 1999 CSHA between the federal and state/territory governments, the Australian Bureau of Statistics and the Australian Institute of Health and Welfare.

[3] The two relevant data sets coordinated by the Australian Institute of Health and Welfare are the CSHA Public Rental Housing Data Collection and the CSHA Community Housing Data Collection.

3.2.3. Literature review

The project reviewed emerging literature on allocations, particularly that of Canada, the Netherlands, the UK and the USA, paying attention to discretion, choice, mutual obligation, community sustainability and the use of multiple allocations practices within the one agency. This review documented how other countries are changing their allocations systems in response to some of the same issues and problems facing Australian social housing agencies.

3.2.4. Investigation of alternative practice models overseas

In addition to the literature review, there was also a detailed investigation of alternative models for aspects of allocations that are being developed, or have been implemented, overseas, such as common housing registers, common waiting lists, choice-based letting systems and local allocations policies. Much of this information was obtained via the Internet but, where possible, details of practice models were checked with the responsible organisation.

3.2.5. Scoping of current policies and practices in Australia

This involved an examination of each layer and stage of the allocations system for all public housing agencies and for a sample of community housing agencies. Scoping was based on interrogation of documented policies and practices, supplemented by information from policy makers and practitioners where necessary. The purpose was to identify similarities and differences in allocations systems and to explore the reasons for these in terms of their stated rationale and their varied, and sometimes competing, objectives.

3.2.6. Survey of housing workers in public and community housing

We wanted to obtain information and views from housing workers within the public and community housing systems about current allocations practices and perceptions about how these work in practice. Two survey instruments were developed for the two different groups, only varying in relation to the different types of housing service systems they operate.

Surveys for workers in public housing were distributed by email through state and territory housing contact officers and through the Swinburne Institute for Social Research to students enrolled in its Graduate Certificate of Housing Management and Policy. The response was very disappointing with only 81 usable responses. It is not clear why responses were so poor, particularly from NSW, SA and the ACT.

Peak community housing organisations in each state or territory were initially contacted, as identified by the National Community Housing Federation.[4] Each was asked to provide advice about the best way to distribute a survey to member or constituent organisations, taking into account their interpretation of the relevant privacy acts. Three methods ended up being used:

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[4] The researchers were unable to make contact with peak organisations in Tasmania or the ACT and these were excluded from the surveys.

- Direct mail of letters and questionnaires to community housing organisations, through a distribution list provided by each peak organisation;

- Provision of letters and questionnaires to peak organisations which themselves undertook the mail-out;

- An email with an online link to the survey provided to the peak organisation and forwarded to their member organisations.

These methods generated 203 usable responses from community housing workers, which was a reasonable result. Table 3.1 indicates that these responses represented the range of community housing models in Australia, other than the Indigenous community housing sector.

Table 3.1: Survey responses from community housing workers, by type of community housing organisation

Type of community housing organisation	Number of responses from workers	% of responses
Housing cooperative	72	36%
Housing association	24	12%
Transitional or medium-term community housing agency	38	19%
Crisis community housing agency	24	12%
Long-term community housing agency	38	19%
Aged or Abbeyfield housing organisation	7	3%
Total	**203**	**100**

Note: May not add up to 100 per cent due to rounding.

Over the two samples, the location of respondents varied, as indicated in Table 3.2. Given the low responses in some sectors and some states/territories, the findings are not reported on a jurisdiction basis.

Table 3.2: State/territory of respondents to surveys of public and community housing workers

State/territory	Community housing		Public housing	
	n	%	N	%
Victoria	62	31%	11	14%
NSW	21	10%	1	1%
ACT	2	1%	7	9%
Queensland	87	43%	15	19%
NT	0	0%	2	3%
WA	4	0%	12	15%
SA	6	3%	5	6%
Tasmania	0	0%	16	20%
Not stated	21	10%	12	15%
Total	**203**	**100**	**81**	**100**

Note: May not add up to 100 per cent due to rounding

There was no sample frame of housing workers to draw a random sample, owing to privacy and other reasons. The samples of both public and community housing workers are non-random purposive samples, which is considered appropriate for this type of exploratory research. On a positive note, this approach enabled us to ascertain the views and perspectives of almost 300 experienced practitioners from all parts of Australia, particularly in the community housing sector.

3.2.7. Policy workshop and interviews with program managers

It was originally intended to run two policy workshops with a cross-section of managers and practitioners in social housing, one in Victoria and one in Queensland. A workshop was run in Queensland in April 2003 and drew out in more detail what practitioners and middle level managers perceived as the advantages and limitations of current allocations policy and practices and the potential for reform. It was apparent, however, that many of the issues raised were very specific to Queensland. In view of this, we decided not to hold a second policy workshop in Victoria but to interview middle managers in various states/territories on a one-to-one basis, using a semi-structured questionnaire, to enable consistency of areas covered and facilitate analysis of findings. These interviews were conducted in late 2003.

3.2.8. Survey of social housing clients and potential clients

Whilst this study primarily focuses on providers' perspectives of allocations, in parallel with this project we were carrying out other research into 'Entering Social Housing' from the perspective of applicants and potential applicants. Given the timing, we were able to include some questions in surveys of applicants and potential applicants that provide a complementary client focus on allocations. Details of these surveys have been outlined elsewhere (Burke, Neske and Ralston 2004). The surveys elicited 4,700 responses, a response rate of 21 per cent, which is considered satisfactory for this type of mail survey.

3.2.9. Ethnographic methods

Finally, the project included participant observation by the two authors over a long period of their involvement with social housing. One researcher (Hulse) has had extensive experience as a senior manager in two state social housing agencies, including as the author of several internal reviews on allocations systems. She is also on the board of a community housing organisation. The other researcher (Burke) has run a number of professional development workshops for client service officers in the Victorian Office of Housing, designed to identify their experiences with the allocations process and particularly the problems with informal rationing. Both have taught almost a thousand workers in public and community housing around Australia and New Zealand who have been enrolled in Swinburne's housing courses over the last ten years, including annual tutorials on allocations systems in each jurisdiction.

3.3 Reflection on research approach

Given the lack of any previous national overview, the difficulties with data and that much of the knowledge about allocations is held by practitioners rather than policy makers or academics, we had to build up a picture of social housing allocations in Australia and possibilities from overseas from the ground up, using a variety of

methods. Some turned out to be more productive than others. For example, responses to the survey of public housing workers were disappointing, but the detailed investigation of alternative practice models overseas proved much more productive than anticipated. Overall, use of multiple methods and triangulation has contributed to the development of an account that should inform policy discussion and ideas for reform of allocations in Australia, which was our purpose.

4 SOCIAL HOUSING ALLOCATIONS:
A STRATEGIC PERSPECTIVE

This chapter examines the current state of allocations in social housing in Australia from a strategic perspective, that is by considering trends and issues in allocations for the social housing sector overall. It outlines the broader context within which the allocations systems operate, the changing nature of these systems and pressures for further change, and implications for future design of allocations systems. The research findings discussed in this chapter are based on analysis of secondary data sources, the policy workshop, interviews with program managers and a review of available literature..

It is important to reiterate some of the difficulties in developing a strategic overview of social housing allocations in Australia in terms of the availability, validity and reliability of data, highlighted in Chapter 3. It is particularly difficult to obtain longitudinal data that enable an assessment of trends over time. State and territory housing authorities have kept their own historical data on allocations in annual reports, but these data are very limited and subject to frequent changes in definitions and availability. They are also affected by irregular changes in eligibility and waiting list management practices.

Notwithstanding these qualifications, some important and useful observations about social housing allocations can be made on the basis of available secondary data.

4.1 Characteristics of the social housing sector in Australia

The social housing sector in Australia is small relative to other tenures, posing challenges for those developing and implementing allocations policies and practices. Its size is estimated at approximately 390,000 dwellings.[5] Social housing comprises just under 6 per cent of all dwellings, a percentage similar to New Zealand and Canada, greater than the USA, but considerably less than some European countries such as France, Germany, the Netherlands or the Nordic countries (Burke and Hulse 2003: 3, Table 1).

The Australian social housing sector, however, differs from those of Europe and North America in ways that substantially affect allocations.

4.1.1. Dominance of public sector providers

Most social housing – nine in ten dwellings – is public housing, owned and managed by state and territory housing authorities. Only one in ten dwellings is either community housing or housing specifically designated for Aboriginal rental housing, with different management (and sometimes ownership and financing) arrangements, as shown in Table 4.1. The composition of social housing portfolios varies slightly between states/territories with slightly higher percentages of community housing in

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[5] Calculated at 389,942 dwellings in 2002–03 from SCRGSP 2004b: Table 16A.1 (public housing: 348,012), Table 16A.15 (community housing: 29,367); and Table 16A.27 (state owned and managed Indigenous housing: 12,563).

Victoria, NSW and Queensland, and higher percentages of Aboriginal rental housing in those states with larger Aboriginal populations.

Table 4.1: Social housing in Australia by sub-sector, June 2002

Social housing by type	NSW %	Vic %	Qld %	WA %	SA %	Tas %	Australia %
Public housing	91	88	88	88	90	96	90
Community housing	7	10	7	6	6	2	7
Aboriginal rental	3	2	5	7	3	2	3
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from FACS (2003: Table A7).
Notes:

1. The ACT and NT have been excluded, as the source table does not provide sufficient data to enable calculations of the relative size of sub-sectors in those jurisdictions.

2. The figures do not include crisis accommodation (3,258 units across Australia). Figures for the community housing sector in Victoria do, however, include transitional housing units.

3. May not add up to 100 per cent due to rounding.

The historic dominance of public housing means that the policies and practices of eight large state/territory housing authorities determine, to a large degree, access to social housing. In many other countries this is not the case, with community housing constituting a significant part of the social housing sector. To take two examples: in Canada, one-third of social housing is public housing, and two-thirds various types of community housing, including not-for-profit providers and cooperatives (Wolfe 1998: 123); in England, where the public (council) housing sector was predominant, housing association stock (community housing) in 2002 comprised more than one-third of all social housing (Housing Corporation 2003: 4). Diversity of provision has led to pressures in these countries for better coordination in information and advice to households about their housing options, in accessing pathways into social housing, and in waiting list management and matching of households with properties.

4.1.2. Predominance of 'one size fits all' allocations systems

Allocations systems in public housing in Australia have typically applied across state/territory jurisdictions, with limited variation in response to local housing markets and other local conditions. This means that the same system has to work in areas of very high demand for social housing and those where demand is low. Many other countries provide social housing at a local level, often involving local governments, enabling variation and innovation in allocations policies and practices in response to these local factors, but within the confines of national guidelines. For example, in the USA, local public housing agencies determine allocations policies within national guidelines that are a condition of federal funding (Orlebeke 2000); in England, local authorities and housing associations have their own allocations policies within the context of national legislation and guidelines (Stirling and Smith 2003).

4.1.3. Small and fragmented community housing sector

The community housing sector in Australia has taken a somewhat different path from that in Europe and Canada. It emerged relatively recently (since the 1970s), largely to fill gaps in public housing provision which had focused on lower income families and

subsequently older people. The community sector targeted more complex clients: singles and sole parents (particularly victims of domestic violence), the Indigenous community, and those needing short-term and transitional accommodation. Community housing providers developed from the ground up in response to perceived local needs and tended to be small and covering quite small geographic areas. Growth in the sector depended to a large extent on government funding or head-leasing public housing dwellings, and few community housing providers owned the properties they managed. In effect, many had a tenancy management role rather than the full range of functions associated with social housing provision.

In 2002–03, official statistics record 1,229 providers and 29,367 dwellings in the community housing sector (SCRGSP 2004b, Table 16A.15), an average of 24 units per provider. This relatively large number of small providers has led to the emergence of idiosyncratic and diverse allocations systems, including 'individual merit', priority points, segmented waiting lists, contact at the time of available vacancy, and date order waiting lists. One of the biggest variations from public housing for a sub-set of the sector was an eligibility requirement that households agree to participate in management of the housing or to the principles of participation more generally. For much of their history, community sector allocations were not very transparent and not subject to external review, although greater professionalisation and greater engagement by their own peak organisations and government has seen considerable improvement in recent years.

4.1.4. Changes to the social housing sector

The size and composition of the social housing sector in Australia is changing slowly. There has been a gradual but steady decrease in public housing stock, which between 1996 and 2003 represented an estimated decrease of 24,122 units (6.5 per cent), although there was some variation between jurisdictions, as seen in Table 4.2. All jurisdictions have, however, experienced a decline in stock over the three years 2001–03, for which more reliable data are available.

Table 4.2: Public housing stock numbers, 1996–2003

June	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996	135,744	62,224	47,618	33,132	58,236	14,813	12,171	8,196	372,134
1997	133,714	62,014	49,306	32,839	56,695	14,913	11,945	7,914	369,340
1998	124,516	63,860	49,753	33,335	55,319	14,775	12,209	8,023	361,790
1999	125,083	67,423	50,273	32,926	54,041	13,590	11,791	7,320	362,447
2000	127,513	65,996	50,662	32,697	53,485	13,405	11,758	7,451	362,967
2001	128,215	65,310	50,666	32,645	51,760	13,178	11,510	6,038	359,322
2002	127,754	64,656	50,157	32,551	49,134	12,656	11,154	6,062	354,124
2003	125,216	64,849	49,579	31,720	47,772	12,004	11,043	5,829	348,012

Source: SCRGSP 2004b and previous years, Tables 16A.1.

Notes: There are various qualifications to the data (see source tables for details). The main one is that data reported after the 1999 CSHA, i.e. from June 2000, are more accurate than data prior to that date owing to the efforts of housing providers coordinated by the Australian Institute of Health and Welfare on the National Housing Data Agreement for public housing. Comparison of data from before and after that date should be regarded as indicative only.

In contrast, there has been a gradual increase in the other types of social housing: community housing and specific Aboriginal rental housing units. Unfortunately no accurate longitudinal data are available but it appears that an increase in community housing and Aboriginal rental housing 2001–03 has stemmed but not overturned a decline in the sector overall due to the decrease in number of public housing units, as shown in Table 4.3.

Table 4.3: Changes in number of social housing dwellings by sub-sector, 2001–03

Sub-sector	Total dwellings June 2001	Total dwellings June 2002	Total dwellings June 2003	Change in no. of dwellings June 2001 to 2003	% change in dwellings June 2001 to 2003
Public housing	359,322	354,124	348,012	-11,310	-3
Community housing	28,036	27,178	29,367	1,331	5
Aboriginal rental housing	12,343	12,579	12,563	220	2
Total social housing sector	**399,701**	**393,881**	**389,942**	**-9,759**	**-2**

Source: SCRGSP (2004b: Tables 16A.1, 16A.15 and 16A.27).
Notes:

1. Data on community housing dwellings in WA for June 2001 was not available in the source tables; the number was estimated to be the number of dwellings reported for June 2002.

2. Although these are the most accurate figures available, notes to the source tables indicate a number of qualifications.

In summary, the context for social housing allocations in Australia is that the sector is relatively small and has been dominated by a few large public housing providers. Over time, there has been both a gradual decline in the sector overall and a slow increase in the number of dwellings managed by other types of providers, with a large number of small community housing providers. This combination of a small but increasingly diverse sector poses challenges in terms of which households are able to access social housing and the equity and efficiency of pathways into social housing.

4.2 National overview of social housing allocations systems

Allocations within the public housing sector, the sector for which data are available, have been declining. The number of new applicants accommodated annually across Australia has decreased by 37 per cent over the last 15 years. In 2002–03, 33,365 new households were accommodated, almost 20,000 fewer than in 1989–90 when 53,100 new households were housed.[6] Whilst there have been differences between jurisdictions, as shown in Figure 4.1, the overall downward trend is evident.

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[6] Calculated from FACS Housing Assistance Act 1996, Annual Report 2001–02 (Table A3); SCRGSP (2004b: Table 16A.1).

**Figure 4.1: Number of new applicants accommodated in public housing, 1989–90 –
2002–03, by state/territory**
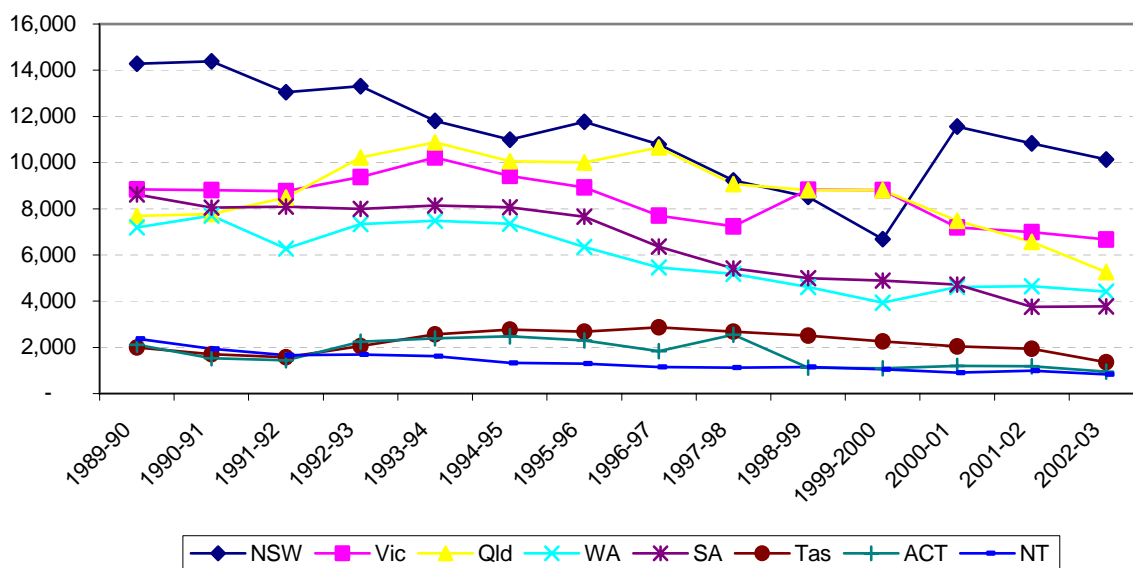
Source: FACS (2003: Table A3), SCRGSP (2004b: Table 16A1).
Notes:

1. These are the most comprehensive data available, although the Australian Institute of Health and
   Welfare, which compiles this data, cautions about comparing data from 1996–97 onwards with data
   from before that date.

2. The reason for the reported decrease in allocations in NSW in 1999–2000 is unclear. SCRGSP
   (2001b: Table 16A.1) reports on both 'new households assisted' and 'households allocated housing'.
   In all jurisdictions except NSW these are the same figure. In the case of NSW, the former is reported
   at 10,600 and the latter at 6,680. There are no notes to the source to explain this difference.

This situation is not because of lower numbers requiring public housing.
Nationally, the numbers on the waiting lists increased by 42,218 or 22 per cent
between June 1990 and June 1996 when 237,237 households were reported as
being on public housing waiting lists. From 1997 onwards, waiting lists nationally
have declined, with a 15,234 or 7 per cent decrease between June 2002 and June
2003.[7] There is some variation across jurisdictions, with continued growth in
Queensland versus the reduction in other states, as illustrated in Figure 4.2.
Implications of the Queensland model of allocations in public housing are discussed
later in this chapter. Overall what these data show is that, despite major efforts to
'clean' the waiting list and changes to eligibility criteria (particularly after 1997), in
most states and territories, the waiting list for public housing is longer than in 1990.

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[7] See notes to Figure 4.1 for source data for calculations.

Figure 4.2: Public housing applicants outstanding by state and territory, June 1990 to June 2003

The fall in new allocations in the face of sustained overall numbers of new applications is a function of the declining stock and lower turnover rates within the public housing sector. Declining stock was discussed in the previous section and lower turnover rates may reflect a move to more active programs of sustaining tenancies, including provision of support for more complex clients, as well as changes to external housing markets leaving low income households with fewer options. The supply of lower rent private housing is declining overall (Yates and Wulff 2000; Yates, Wulff and Reynolds 2004) and almost disappearing in inner areas of major capital cities, while access to home ownership for low income tenants has become much more difficult because of the house price boom since the mid-1990s (Productivity Commission 2004).

There is little evidence of this context changing. These trends also have implications for the community housing sector, particularly where providing short- and medium-term accommodation. Its ability to function in this 'transitional' capacity is only as good as the exit points and, if these are closing off to greater or lesser degrees in both the public and private sectors, its role becomes problematic.

In addition to 'new households' assisted, there is also considerable movement within the public housing sector. In 2002–03, 12,451 households relocated from one dwelling to another in addition to 33,365 new applicants housed, a total of 45,816 allocations to all households (new and transfer). In other words, more than a quarter of all households allocated public housing (27 per cent) in 2002–03 moved within the sector. Across Australia, over the last four years for which data are available, households moving within the sector have remained relatively constant, in contrast to allocations to new applicants that have declined, as shown in Figure 4.3.

Figure 4.3: New households assisted, households moving from other public housing dwellings and all households assisted into public housing, 1999–2000 – 2002–03, Australia
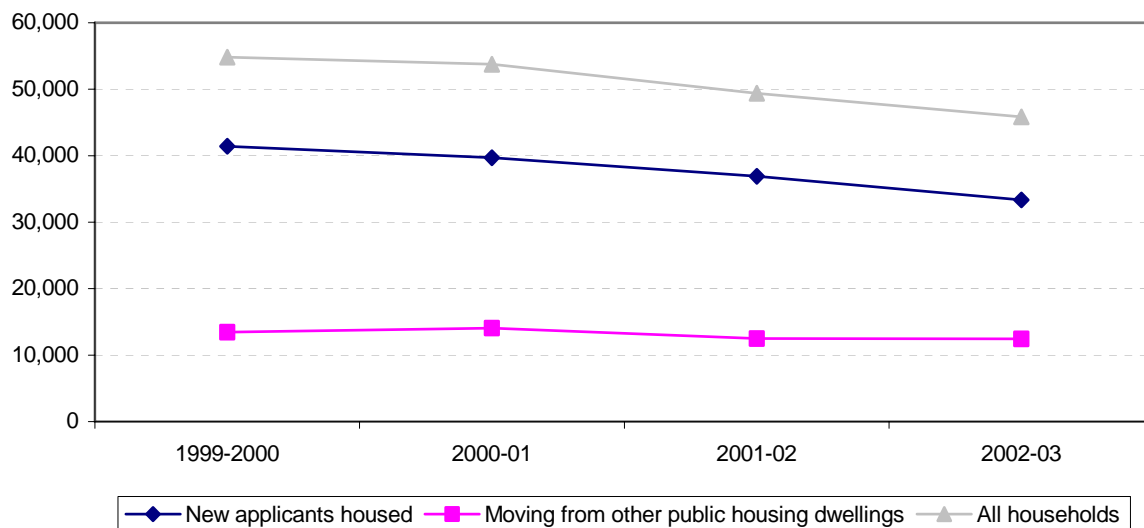
Source: SCRGSP (2004b and previous years Table 16A.1).

Allocations have been declining at a greater rate than waiting lists since 1996 for Australia as a whole, such that the percentage of allocations to applications outstanding decreased from 1996 to 2003, as shown in Figure 4.4. The percentage of allocations to public housing dwellings has also decreased in this period, due to the rate of decrease in allocations exceeding the rate of decrease in public housing dwellings.

Figure 4.4: New households allocated public housing relative to dwellings and applications outstanding at end of June, 1996–2003, Australia
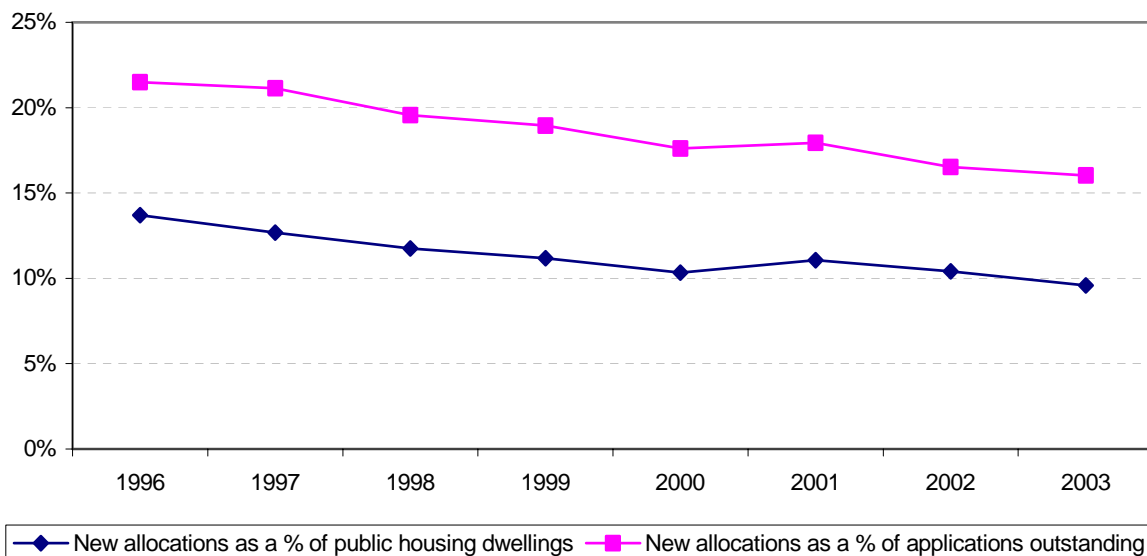
Source: Calculated from FACS (2003: Tables A3, A4) and SCRGSP 2004b and various years, Table 16A.1).

Whilst this is the national picture, each state and territory housing authority faces a different challenge, as illustrated in Table 4.4. NSW continues to face the greatest pressure, with the capacity to make allocations of social housing to only 12 per cent of its waiting list in 2002–03. Other jurisdictions facing pressure according to this measure are, in order, SA, Queensland and Victoria. In contrast, annual allocations in Tasmania, the NT and WA housed 49, 43 and 33 per cent respectively of the waiting lists.

Table 4.4: Allocations in public housing relative to stock and waiting lists, 2002–03

Jurisdiction	Public housing dwellings June 2003	No. of households on waiting list June 2003	No. of new households allocated housing 2002–03	Applicants as % of public housing dwellings 2003	Allocations as % of waiting list 2002–03
NSW	125,216	84,954	10,129	68	12
Vic	64,849	39,739	6,670	61	17
Qld	49,579	32,316	5,251	65	16
WA	31,720	13,356	4,411	42	33
SA	47,772	29,557	3,776	62	13
Tas	12,004	2,740	1,355	23	49
ACT	11,043	3,471	946	31	27
NT	5,829	1,923	827	33	43
Australia	**348,012**	**208,056**	**33,365**	**60**	**16**

Source: Calculated from SCRGSP (2004b: Table 16A.1).

In terms of public housing, national data sets provide aggregate data that disguise some of the key allocations issues confronting various jurisdictions. The research examined available data on applications/allocations in Victoria for the period 1997–98 to 2002–03 as a case study of intra-state issues facing public housing authorities. While virtually all regions are under pressure in terms of the size of the waiting lists to allocations to new households, the degree of pressure varies sharply. The non-metropolitan Gippsland and Grampians regions have waiting lists not much greater than the rate of allocations, as illustrated in Figure 4.5. By contrast, the four Melbourne metropolitan regions (Eastern, Southern, Northern and Western) have lists between four and eight times the rate of allocations, indicating long waiting times for all but those applicants given priority status in segments one and two.[8]

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[8] Since 1998 Victoria has had a segmented waiting list system with four segments.

Figure 4.5: Ratio of waiting list numbers at June 2003 to allocations 2002–03, Victorian regions

Given the greater geographic size of some other states/territories and even greater variation within them in terms of housing markets and economic performance, it is doubtful whether the variation across regions in Victoria is unique. Across Australia there are both areas of high demand, and also areas such as the Latrobe Valley (Victoria), Whyalla and Elizabeth (SA) and Blacktown (NSW) where stock can be hard to clear, by virtue of both stock condition and less intense need.

A further factor at a state/territory level is the changing nature of demand for social housing, as measured by the type of households registering on the waiting list. Again using the example of Victoria, there was a significant change between 1997–98 and 2002–03, as shown in Figure 4.6. Applications from smaller household types increased, particularly from singles, while for families, and in particular couples with children, demand is declining.

In terms of public housing management, the immediate need is to house those on the waiting list. In the case of Victoria, these are increasingly single persons who in June 2003 accounted for 38 per cent of applicants. This raises further issues in terms of matching applicants with stock available, since only a quarter of public housing stock in Victoria are one bedroom dwellings appropriate for people living alone (Office of Housing 2004c).

Figure 4.6: Waiting list applications by household type, percentage change 1997–98 – 2002–03, Victoria
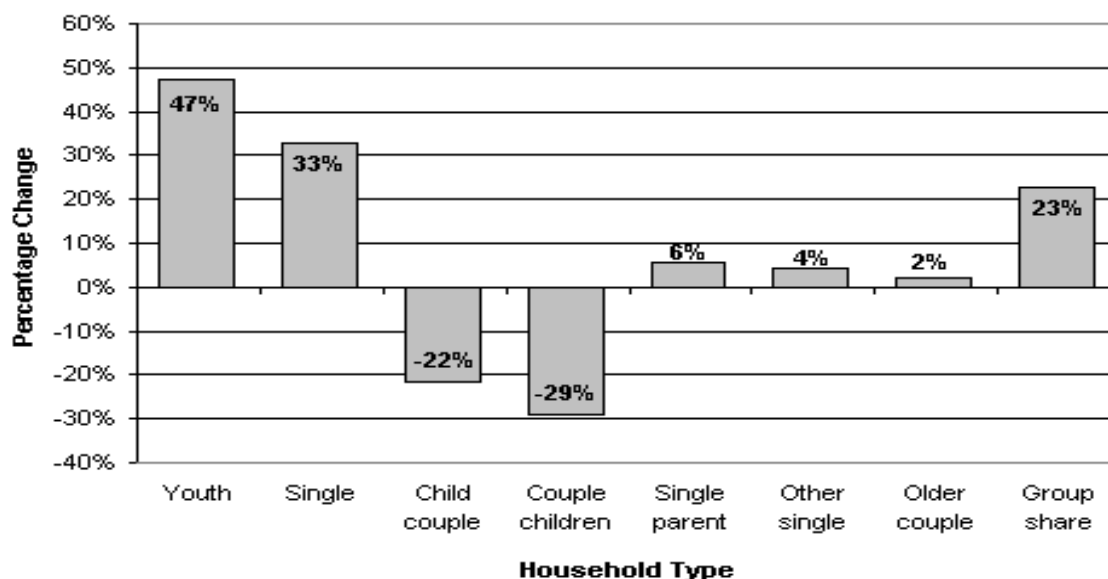
Source: Office of Housing (Victoria) Annual Reports 1997–98 and 2002–03.

The Victorian example also raises some longer-term strategic issues around waiting lists and allocations. Do lists reflect broader social changes in terms of those expressing a demand for public housing, or do households pick up signals about targeting and not bother registering because they see little chance of being housed? Examining allocations policies and practices highlights a fundamental dilemma: does expressed demand for public housing drive allocations policies, or do allocations policies drive demand?

In summary, at an aggregate level in Australia, annual allocations to public housing, the majority of social housing, have declined over the past 15 years, whilst applications on the waiting list have proved more volatile, reflecting both changes in demand and housing authority practices. Drilling down further, there are also quite significant variations in applications and allocations between states/territories and, using Victoria as an example, within a single jurisdiction. Data are not available at this stage for a similar analysis of the community housing sector.

4.3 Strategic role of allocations

As outlined in Chapter 2, allocations systems can play a number of strategic roles for social housing providers, although in Australia historically there has tended to be a 'one size fits all' approach to applications/allocations in the public sector. The community sector has had much more variation in how allocations are viewed strategically, although usually with an emphasis on high needs households.

Available data on waiting lists and allocations indicate some interesting variations between the public and community sectors and between jurisdictions, as shown in Tables 4.5 and 4.6. For Australia as a whole, 38 per cent of allocations in the public sector and 85 per cent of allocations to new households in the community sector

were to households in greatest need[9] in 2002–03. Within the public sector, Tasmania, the ACT and Victoria have the most targeted allocations, and Queensland the least. The community sector in all jurisdictions[10] allocates its housing in a very targeted way to households in greatest need.

Table 4.5: Allocations to households in greatest need as a percentage of all allocations of public housing to new households, by state and territory

% greatest need allocations	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2000–01	42	49	5	16	49	82	66	16	36
2001–02	31	62	5	19	42	81	84	14	36
2002–03	30	67	9	23	42	87	87	20	38

Source: SCRGSP (2004b: Table 16A.9).

Table 4.6: Allocations to households in greatest need as a percentage of all allocations of community housing to new households, by state and territory

% greatest need allocations	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2000–01	82	82	78	n.a.	66	54	96	n.a.	81
2001–02	79	84	85	94	70	29	74	n.a.	85
2002–03	82	87	86	82	74	83	24	n.a.	85

Source: SCRGSP (2004b: Table 16A.21).
Notes:

1. Data for different states/territories collected using survey data, administrative data or both. Refer to notes on source table.

2. Data for the NT are not available, and data for Australia thus exclude the NT.

These apparent strategic differences in allocations between sectors and between jurisdictions can be viewed in the context of waiting list information over the same period. For Australia overall, 5 per cent of applicants on public housing waiting lists and 59 per cent of applicants on community housing waiting lists were in the greatest need category in June 2002.[11] Whilst there are qualifications to the data, particularly the community housing data, Tables 4.7 and 4.8 indicate quite significant differences between the state/territories in terms of composition of waiting lists. For example, in NSW, 2 per cent of households on the public housing waiting list in 2002–03 were in greatest need (and 30 per cent of allocations), compared with 55 per cent on community waiting lists (82 per cent of allocations).

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[9] The greatest need national standard includes applicants in one or more of the following circumstances: homeless, life or safety is at risk in their current housing, health condition made worse by their housing, housing inappropriate to their needs, or very high rental housing costs (see FACS 2003: Notes to Table C4, 148-9).

[10] The exception is the ACT although the change in figures of percentage of allocations to greatest needs applicants between 2001–02 and 2002–03 (Table 4.9) raises questions about the data.

[11] Calculated from FACS (2003: Tables C4 and D4).

Table 4.7: Applicants with greatest need as a percentage of all applicants on waiting lists for public housing, 2000–01 – 2002–03

% greatest need applicants	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2000–01	2	7	1	1	5	55	8	2	4
2001–02	2	9	1	2	3	54	42	2	5
2002–03	2	12	1	5	3	57	44	3	5

Source: Calculated from SCRGSP (2004b: Table 16A.1).

Table 4.8: Applicants with greatest need as a percentage of all applicants on waiting lists
for community housing, 2000–01 – 2002–03

% greatest need applicants	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2000-01	55	n.a.	58	n.a.	46	26	74	n.a.	n.a.
2001-02	58	n.a.	64	63	49	37	79	n.a.	n.a.
2002-03	55	n.a.	66	46	55	69	19	n.a.	n.a.

Source: Calculated from (SCRGSP 2004b: Table 16A.15).

The data on applications and allocations, taken together, indicate quite significant differences between the states/territories in terms of the respective roles of the public and community housing sectors, reflecting the history of their applications/allocations systems. For example, in Tasmania the public housing system ranks all applicants using a priority points system which gives priority to those in greatest need and other high needs groups; until recently, other low income households were able to access private housing as rents and house prices were very affordable compared to other jurisdictions. As the public sector has taken on the role of housing greatest need households, the community sector in Tasmania is very small. In contrast, the Queensland public housing system is not targeted towards households in greatest need, with only 1 per cent of applicants and 9 per cent of allocations falling into this category in 2002–03. Thus the community sector has a different and complementary role to that of public housing, with 66 per cent of households on waiting lists and 86 per cent of allocations being in greatest need. We examine the implications of these differences in the strategic role of allocation between sectors and jurisdictions in the next section.

In summary, at a national level, social housing allocations are increasingly targeted on households in greatest need. For the public housing sector, this means that the 5 per cent of applicants in these circumstances translate into 38 per cent of all allocations (2002–03) whereas in the community housing sector 59 per cent of applicants are in greatest need, translating into 85 per cent of allocations (2001–02). There are, however, significant differences between jurisdictions in terms of public housing, with Tasmania, the ACT and Victoria having the most targeted allocations systems, and Queensland the least targeted.

4.4 Emerging issues for social housing allocation reform

Allocations systems in social housing are dynamic in the sense that they are constantly evolving in response to changes in the external environment and in the organisational requirements of housing agencies. In the 1990s, we saw some of the most fundamental reforms to allocations systems of state/territory housing authorities since the inception of the public system in the 1940s, although there were variations between jurisdictions in the degree and form of change. The broad thrust of the 1990s was, as previously discussed, towards greater targeting to those in the greatest need. Since then there have been further pressures for change and, in some cases, providers have initiated or are considering further changes to applications/allocations systems. What are the major potential drivers of further reform?

4.4.1. Household choice and provider discretion

Although there are differences between jurisdictions, there has been a trend towards reducing the number of offers of accommodation and making offers within a broad zone or region rather than a specific local area, confirmed during the policy workshop and in interviews with policy managers. These changes have been driven by a declining rate of allocations (documented previously in this chapter) and increased expressed demand from high needs clients. Providers, particularly in the public sector, have made these changes to enable households in greatest need to be housed more quickly and to clear waiting lists, as well as to clear vacant properties, particularly in less popular locations.

One implication has been to decrease choice for households requiring social housing, including but not restricted to those whose circumstances fall into the greatest need category. There is little evidence as to what this means for households and how reduced choice affects settlement into social housing and the sustainability of tenancies. What is clear, however, is that this reduction in choice flies in the face of overseas experience where initiatives to improve choice have been the most strategic change to allocations in recent years, as will be seen in Chapter 7.

A second implication has been that allocations policies have become more detailed and prescriptive in response to a more acute rationing 'problem', with allocations decisions subjected to increased scrutiny. This means that there is increasing emphasis on formal allocations rather than provider discretion (informal rationing) in the face of individual household circumstances. There is little evidence on whether a focus on formal allocations will improve equity in allocations and lead to better outcomes or whether reducing the scope for discretion by housing workers will result in allocations that are less appropriate for individual households, with implications for the sustainability of tenancies.

4.4.2. Affordability

When the highly targeted system of allocations in public housing was introduced in most jurisdictions in the mid-1990s, the Australian housing market was just coming out of a period or falling real house prices and stable rents. For a variety of reasons discussed by the National Housing Summit held in June 2004 and in a range of related reports (Affordable Housing National Research Consortium 2001; Productivity

Commission 2004; Housing Industry Association 2003; Yates, Wulff and Reynolds 2004), the last five years have seen a massive house price boom which has greatly extended the range of households experiencing an affordability problem and raised political and policy awareness of housing affordability. This has put on the agenda the need for new models of affordable housing aimed at wider income groups than the targeted social housing system and, in particular, at what might be called the 'sandwich group', those households currently ineligible for, or unlikely to be offered, public or community housing because of targeting but unable to access appropriate or affordable private rental or ownership (Burke 2003).

There are a few models of affordable housing in Australia, documented in a recent AHURI report (Milligan et al. 2004), which aim to provide assistance both to those eligible for public and community housing and to the 'sandwich group' with incomes above this level. As soon as any agency (whether new or existing) goes down this path, it has to refine its existing allocations system, or evolve a new one. This is likely to mean widening income eligibility criteria but could also mean a change to asset eligibility criteria. A mixed system, that is, one of social housing clients and affordable housing clients, will involve deciding how to prioritise and segment the allocation categories to create the specific mix of clients required.

Looking further ahead at the possibility of affordable housing models that include a home ownership component, for example, if a quarter of stock was designated as homes for purchase, there would be a need to establish both an ownership and a rental waiting list and to attach different eligibility conditions to them – for example, asset criteria. Such a model may also require specific agreement at the point of application, for example, about sharing of any capital gain between the purchaser and the managing housing association.

4.4.3. Financial viability for housing providers

As a number of AHURI reports have illustrated (e.g. Milligan et al. 2004; Hall and Berry 2004), targeting of social housing to those on the lowest incomes, in conjunction with a real decline in funding through the CSHA, has dramatically weakened the financial viability of social housing providers. This has particularly affected public housing authorities which, unlike many community providers, cannot capture the federal government's rent assistance payments in their rent setting formulae. However, even where capture of rent assistance is possible, providers targeting allocations to single people in receipt of very low incomes such as Youth Allowance or the single rate of Newstart face problems in generating sufficient rent revenue to cover operating costs. In other words, a change to allocations policy (targeting), which was adopted as a rationing strategy to target resources to those most in need in view of overwhelming demand over supply, has had important flow-on effects that threaten the financial viability of the social housing system.

For community providers and an emerging new group of affordable housing providers, there will be pressure to segment waiting lists and allocations not just by levels of assessed need, as in public housing, but in a way that enables financial viability. For example, a provider might have to set quotas for single persons on Youth Allowance or Newstart, because of the low rent levels charged to this group. The dilemma that they face is that it is precisely this group that is expressing the

greatest demand for social housing. Providers might set a quota of allocations for slightly higher income households in the 'sandwich group', both to meet a need and to generate additional revenue. The type and number of the quotas would be a tool for generating a mix of allocations that in aggregate meet the objectives of addressing housing need and maintaining financial viability.

Allocations are inextricably linked to rent setting, and reforms to allocations might be generated through changes to the ways in which rents are set. The current model of income related rents in public housing (the 'rebate system') does not enable rent revenue to cover costs (Hall and Berry 2004). Some organisations, such as the Brisbane Housing Company, have severed the nexus between rent and incomes by charging a discounted market rent (74.9 per cent of market rent) with no rebate. The actual administration of this is somewhat flexible, such that the model would not have general transferability (Milligan et al. 2004). However, as a principle of rent setting for objectives of financial viability and for certain clients it has relevance. It would not be far-fetched to see a future in which community and affordable housing providers (and even public housing authorities) progressively set aside a proportion of the stock (or a percentage of their allocations) for tenants willing to pay a discounted market rent, with flow-on effects for their allocations policies and practices.

Another approach to rent setting which also has implications for financial viability, as well as the achievement of other housing objectives such as horizontal equity, is one used in Sweden where a 'premium rent' is applied to certain properties by virtue of location, amenity, housing quality, fittings and other factors. In the Australian context this would mean that, for certain social housing properties, tenants would pay a rent based on income up to some value such as $150 per week property rent, but would pay in full the portion of rent above that level with no rebate.[12] A forthcoming AHURI report will explore different rent setting models, all of which have implications for allocations (McNelis 2004).

The point of raising these possible models is to highlight that allocations and rent setting are interdependent. For example, if a social housing provider moved to a model where some of the stock was let at a premium rent or a discounted market rent, then the allocations system would have to reflect that. This may mean having a different segment for those households wishing to apply for such stock, with different income eligibility and perhaps other eligibility requirements, such as low paid but steady employment. In widening the income mix, the provider would need to manage the risk of households applying for such stock but having a reduced capacity to pay if they lost their job and moved to lower Centrelink payments. Conversely, having a segment for rents set on one of these bases could help reduce some of the work disincentive effects when tenants moved off Centrelink payments and into paid work (Hulse et al. 2003; Hulse and Randolph 2004).

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[12] This idea is not entirely new. It has something of the principles in rent setting proposed by the Industry Commission (1993) in its report on public housing.

4.4.4. Integrating delivery models

The community housing and public housing sectors in Australia have very different historical trajectories. The community sector, as we have seen earlier in this chapter, has been small and fragmented. Often its growth was triggered by a problem that the public sector did not address, or was generated by a different funding stream such as the Supported Accommodation Assistance and Crisis Accommodation Programs (known as SAAP and CAP respectively). The result was a number of housing delivery models operating for high needs households on low incomes, without a great deal of integration between them. The growing scale of the affordability problem and the awareness that existing models may not be financially viable or able to capture new opportunities, such as public/private partnerships, have created a climate where new delivery models are almost an inevitability. If so, it raises questions about how these are to relate to existing housing delivery models.

The public sector reform agenda of the last decade and a half placed a greater emphasis on integration of services and this raises issues about the role of allocations in any integration, as shown in the two examples below of Victoria and Queensland.

Example: Service integration in Victoria

Prior to 1997, the public housing system allocated households from the waiting list to dwellings according to date order of application, with some provision for priority access. In the community sector, an Emergency Housing/Housing Information Services Program (EH/HISP) funded stand-alone service providers who provided generalist housing information services to low income households (generally private tenants) and managed emergency accommodation (up to six weeks), principally for families who were considered not to require professional support to re-establish housing after their crisis. These services tended to operate in isolation from SAAP services. There were no mechanisms to assess client support needs and refer them to the most appropriate option.

In 1998, the allocations system was restructured to focus on segment one of the waiting list, that is, households who are homeless or facing homelessness. At the same time, a transitional housing program was implemented to provide immediate assistance to households in housing need pending access to more permanent options, including public housing.[13] Fifteen community based groups were appointed as transitional housing managers following a competitive tender process, replacing 200 services that had operated previously. The concurrent restructuring of the public housing waiting list to a segmented system was intended to ensure that the main client group of the transitional program had a clear and accessible exit point into public housing.

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[13] The objective of the transitional housing program was to provide housing and housing assistance to households in crisis as a result of homelessness or impending homelessness, with a view to assisting them to maintain appropriate, secure and sustainable housing (Zakharov et al. 2004: 30-1).

Example: Separate service delivery models in Queensland

The Queensland Housing Department established a Community Rent Scheme (CRS) in 1991 to assist low income people with immediate and severe housing need to access short- to medium-term housing. The department funded various community agencies to head-lease private rental properties for this role. The department maintained a date order waiting list for most of its public housing, with a small priority system grafted onto it.

In many respects, the CRS works very well and has provided substantial housing assistance to many households over the years[14]. Since its inception, however, declining affordability of the private rental market has reduced the ability of services to assist households to exit into the private market. Exit into public housing is also difficult within the time frame of short- to medium-term housing as the Housing Department has retained its date order plus priority allocations system. For CRS providers, this means that a bottleneck occurs in which households are unable to exit housing, thus not freeing up places to assist others with immediate and severe housing need.

These two examples illustrate different approaches to service planning and integration and are not intended to imply that one system performs better than another. The reality is that, with a small stock and reducing turnover, even an integrated system cannot handle the requirements for all households wishing to move into public housing. For example, one transitional housing agency in suburban Melbourne found that only 13 per cent of their exiting clients were moving to public housing, owing to low turnover rates.[15]

Integration of service models can also bring its own problems. Configuring public housing allocations to enable exit points for people from crisis or transitional housing may create other problems associated with concentration of households with the highest needs, such as the potential to undermine social sustainability of neighbourhoods, streets or buildings.

The issue of integration of delivery models also goes beyond housing assistance. One of the other problems reported by the housing practitioners in the survey was that some state/ territory support agencies, such as mental health services, operate within different regional or spatial boundaries and may interpret these quite strictly. This means that some clients are in danger of 'falling through the cracks' when transferring between agencies.

4.4.5. Local and regional differences in housing markets

The Australian economy has restructured over the last 15 years with the distribution of income and wealth becoming increasingly unequal (Tiffen and Gittins 2004). This has in turn affected the performance of housing markets that have become increasingly differentiated across Australia. For example, a recent study indicated that over large swathes of rural Victoria almost all private rental stock is affordable,

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[14] Zakharov et al. 2004: 3.

[15] Personal communication to research team from Area Office Manager, Victorian Office of Housing.

although not necessarily available, whilst in large parts of Melbourne almost no private rental stock is affordable, although it may be available to those on higher incomes who can afford it (Office of Housing 2004d). In these very different housing markets, public and community providers are going to be under very different demand pressures, and in some areas such as certain country towns there will be stock that is essentially unlettable. Victoria is not alone in this situation, and the market variations are likely to be even greater in some of the geographically larger states.

This raises questions, particularly for public housing authorities, about to what degree a 'one size fits all' model of allocations is really applicable and whether there should be local allocations policies to respond to the variation between local areas. This might mean developing eligibility criteria on a more local basis or allocating in a different way, such as through choice-based lettings, as discussed in Chapter 7.

4.4.6. Community sustainability

A further aspect of different housing market performance concerns the ageing of the public stock and the high concentration of public tenants in certain estates, particularly in areas which have become economically and socially disadvantaged through broader economic changes. In a number of cases these areas have also been associated with above average levels of crime and poor performance on a variety of health, labour market and educational indicators (Bridge et al. 2003). There has also been an increasing recognition among public housing authorities that resolution of these problems cannot be achieved by physical upgrade and design solutions, as in the past, but requires more people-based solutions both during physical renewal and subsequently.

A highly targeted allocations system with a priority on households or individuals with the most complex needs and which allocates to the first available person or household on the priority waiting list may create problems for a building, street or neighbourhood, tipping it over the edge in terms of social sustainability. Alternatively, in a context of estate or community renewal, such allocations may prevent a shaping of the social mix of tenants to maximise the chances of the program's long-term success.

For these reasons, public housing authorities have experimented, to a small degree, with local allocations policies particularly as part of renewal projects, although there has been little documentation or evaluation of these initiatives.[16] In developing such policies, the intention is to assist in enabling sustainable tenancies and neighbourhoods, but this change to allocations poses another dilemma, that of balancing individual household needs with those of people living in and around public housing. To what degree should allocations give priority to households or individuals deemed to 'best fit' the local community over those who have the greatest needs?

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[16] There have always been some situations in which local lettings have applied, such as: where local councils have been involved in nominating older people for specific older persons' accommodation, where there has been a perceived problem such as 'too many' children or teenagers, and where community providers have taken into account ties to the local area.

At a more practical level, local allocations policies present some specific issues. Do they apply to a particular estate and, if so, what are the implications for allocations in the surrounding suburb or town? If they entail establishing quotas for particular household types (such as single persons or sole parents), does this breach other requirements such as equal opportunity provisions? Do they apply to people wishing to transfer from or into the area, as well as new households?

4.4.7. Non-shelter outcomes

There has been increasing recognition of the links between the outcomes of aspects of housing such as location, quality and amenity, appropriateness to stage of life and affordability, and other outcomes such as employment, health and education. Bridge et al. (2003) have reviewed the literature on non-shelter outcomes of housing, while Hulse et al. (2003) and Hulse and Randolph (2004) have looked at the effects of housing and housing assistance on work disincentives. None of these studies examines allocation in the social housing system. There is the potential to manage allocations to assist tenants with better non-shelter outcomes.

In terms of both allocations to new properties and transfers, most social housing providers already give recognition to health factors such as proximity to health care and hospitals, but give rather less recognition to access to employment or education. Some public housing stock is located in areas that now have weak labour markets and high rates of unemployment and in which there may be few educational opportunities. Some existing tenants may wish to relocate from these areas via transfers to improve their prospects. It would be possible to give priority in transferring to households that could demonstrate they had a job or educational offer. This would need to be balanced against creating higher turnover and additional instability for neighbourhoods that might already be disadvantaged.

It would also be possible to link social housing allocations more specifically to non-shelter outcomes. For example, young singles or sole parents who have no physical or psychiatric reason why they should not work or study could be allocated a property on condition that they participate in some form of employment program or educational activity. This could be linked with a short-term lease (for example, three to five years) to provide housing stability for the time it may take to build employment or educational independence. Loddon Mallee Housing Services, using Social Housing Innovations Program (SHIP)[17] funding, has a small pilot program based around five units to house seven youths who are completing full-time educational studies. Housing agencies do not have the resources to provide such programs, so such an initiative would require support and assistance from other agencies. This type of program would require a change to allocations eligibility so that applicants would clearly know what the expectations were when allocated a property.

This may be particularly relevant to young people who have been brought up in social housing, particularly public housing estates. A recent survey of applicants on public housing waiting lists indicated that 36 per cent had previously lived in public housing (Burke, Neske and Ralston 2004). Some were victims of the churning

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[17] See Bisset (2001) for the basis of the Social Housing Innovations Program.

process of movement out and back in again when other housing options failed. Others are young people who grew up in public housing and, as soon as they are eligible, apply for it without attempting to access other options. Discussions with housing workers suggest this is a relatively common process, with adult children simply remaining with their parents in public housing until allocated a property. Allocation of housing in these circumstances may deal with immediate housing issues but be a disincentive for further education or employment. Whether the latter is the case we simply do not know, as evidence-based research (rather than the views of housing workers) is not there to confirm it one way or the other. It raises questions about the role of allocations in facilitating intergenerational dependence on social housing.

4.5 Summary: Key issues in social housing allocations

Allocations systems in Australian social housing, particularly in public housing, are under pressure because there are fewer dwellings available for households on waiting lists. The number of households waiting for social housing is greater than 15 years ago but has varied over the years because of a variety of factors. These include demographic and social changes, households' ability to find accommodation in private markets, management practices in relation to waiting lists, and household decisions about whether to register on waiting lists in the face of signals about the likelihood of success. Pressure on allocations systems, particularly in the public sector, varies significantly between and within jurisdictions.

The overview of allocations raises a number of strategic issues for social housing providers and the social housing system overall, which are the focus of the rest of this Final Report:

- Clarifying the respective roles of the public and community housing sectors, including integration of delivery models;

- Improving access to social housing in the context of moving to a multi-provider sector;

- Balancing rationing of scarce resources to those most in need with enabling households to make choices and trade-offs about their own housing; and

- Designing allocations policies that are sensitive to differences in local housing markets and conditions, whilst maintaining principles of equity and access.

Issues raised in this chapter about financial viability and non-shelter outcomes are the subject of other AHURI projects[18] and are not considered further in this Report.

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[18] AHURI has a Collaborative Research Venture (CRV1) that is examining in detail the non-shelter outcomes of various types of housing assistance.

5 ALLOCATIONS SYSTEMS IN AUSTRALIA: CURRENT POLICIES AND PRACTICES AND HOUSING WORKERS' VIEWS

This chapter provides an overview of current social housing allocations systems in Australia and the views of housing workers who implement those systems. The analysis is based on a review of social housing agency documents and reports, the policy workshop, interviews with program managers, and the surveys of housing workers in the public and community sectors, as well as the survey of applicants on public housing waiting lists. The chapter reviews current allocations systems using the framework developed in Chapter 2 (Table 2.2), that is, allocations as a multi-layered process involving strategic planning, primary rationing and secondary rationing.

5.1 Strategic planning

The starting point for the design and implementation of an allocations system is a social housing agency's strategic planning process, whether this is an explicitly recognised process or not. Strategic planning clarifies the agency's aims and objectives, within legislative and other requirements. An allocations system is a primary – arguably *the* primary – means of achieving the agency's aims and objectives; it determines who is eligible for assistance, how priority in access is determined where demand exceeds supply, and 'who gets what' housing (including dwelling type, size, quality and location).

The review of housing agency policies and practices indicated a good deal of convergence since the mid-1990s across jurisdictions about the aims and objectives of allocations systems, particularly in the public sector. There has been a general move towards targeting to households in greatest need. This has largely been a response to having less accommodation available to offer, owing to a variety of reasons including reduced tenancy turnover, few additional social housing units as a consequence of reduction in real funding levels under the CSHA, and use of capital funds to reconfigure and upgrade existing property portfolios. It has also been a response to the changing nature of demand as a result of factors such as non-institutionalisation of people with mental health and other issues, and the decline in private sector accommodation for people with specific needs, such as boarding houses.

As discussed in Chapter 4, public housing agencies differ in the extent to which they have adopted targeting, with the least targeted system being in Queensland which, despite a major review and the commissioning of a priority housing policy (Irwin 2001), remains essentially a waiting list system with a smallish priority system grafted on. Eligibility guidelines, however, have been modified to reflect more of a needs objective. There was no income test in Queensland and SA until the late 1990s. WA and the NT also essentially grafted a priority system onto a date order system, but with more emphasis on the priority component.

It is important to note that targeting to those with the most urgent and complex needs has not always been the major aim of the public housing system. Indeed, for decades most households in this category were excluded, as one of the eligibility criteria was a demonstrated capacity for independent living. The aim up until the late 1970s and early 1980s was largely to house low income working families, and the asset management strategies of the times reflected this, with the greatest share of the stock constructed being three bedroom dwellings (Jones 1972; Howe 1988; Upcher et al. 1997: 47-51).

By the late 1990s, the aim of targeting to those in greatest need had become locked in for almost all jurisdictions, as a result of a series of reviews of allocations systems and in response to the new public sector management focus on concentrating on core business (e.g. Mant 1992; Hilmer 1993; Industry Commission 1993). In terms of strategic objectives, the role of allocations in meeting the needs of existing tenants appeared to be almost completely neglected. The objectives of allocations systems were defined by the needs of those waiting to get into, not those already in, social housing. In some respects, it was almost as if existing tenants were a barrier to the achievement of the aims of new targeted systems, leading to various policy ideas for encouraging them to exit social housing, for example, through pricing policy (Industry Commission 1993).

The research found that housing workers in the public housing system had 'bought into' this ethos of allocations systems being primarily a means of managing demand from households on the waiting list. Only 12 per cent of the public sector housing workers surveyed for this project agreed that existing tenants should have priority in allocation over new applicants, compared to 43 per cent of community sector workers. This suggested a different understanding of the respective systems' strategic objectives, perhaps because workers in smaller agencies have more to do with existing tenants and thus have a better awareness of their needs relative to those on waiting lists. Balancing the respective needs of existing tenants and new applicants has become one of the tensions of allocations systems, particularly where workers see their respective lifestyles and attributes as being at odds, causing tenant conflicts that workers have to try to resolve.

At a strategic level, a focus on new applicants and greatest needs, essentially a client or human services focus, has meant a de-emphasis of the role of allocations in delivering outcomes in terms of urban (re)development, economic development and regional development, which had been part of the earlier aims and objectives of public housing (Hayward 1996). The research found little appreciation that allocations systems could have roles beyond the current client focus. This poses potential issues in view of an increasing emphasis on 'whole of government' approaches to difficult social and economic questions. There is a strong argument for a broader strategic direction for social housing allocations, but agencies face immediate problems in responding to households who register for their accommodation. It is hard to escape the conclusion that the Australian social housing system is too small to cope with the conflicting and increasing demands upon it.

In the community housing sector there has always been a strategic focus on targeting, as the rationale for most agencies was to meet the need of some specific client group that historically had been bypassed by the public system or for whom the public system was inappropriate. Moreover the sector, given its more diffuse roles, such as emergency, short-term, medium-term as well as long-term housing, has had to evolve strategic directions consistent with these roles. The type of accommodation both reflects and helps shape strategic planning around allocations. For example, agencies whose predominant stock is boarding houses face different allocation and management issues than those that provide scattered, detached housing. Increasingly, many are also support providers, and this too shapes the direction of their allocations systems.

Many community housing agencies, particularly those providing crisis and medium-term accommodation, have difficulty in creating a strategic framework independent of the public housing and funding systems. For example, an agency wishing to focus on high need clients (as more and more such clients present) may find it difficult to do so as their funding, which is often provided by a state or territory housing authority, may be insufficient for a more intensive support role (as may be staff skill levels). Alternatively, a medium-term provider may find itself as a de facto provider of long-term accommodation through lack of exit points for clients, which may contradict its strategic framework and possibly its funding agreement. The interviews and surveys of housing workers, together with a review of community housing allocation reports, would in many cases suggest a strategic direction not necessarily consistent with capacity to deliver. This is perhaps not surprising, given that community housing providers are often small players in the social housing system in which the large public housing authorities set the operating context in terms of both allocations policies and funding.

One of the strategic issues for the community housing sector raised in the research is lack of awareness of its existence among households requiring housing assistance. The survey of applicants on waiting lists for public housing found that only 18 per cent were aware of community housing as a possible alternative and, of these, fewer than half had actually applied for some type of community housing.[19] This further highlights the problems around integrated planning of allocations in social housing across sectors, discussed in Chapter 4, and raises issues of how to provide households with better and more coordinated information about, and access pathways into, various types of social housing, as discussed further in Chapters 6 and 7.

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[19] This refers to a question with 2,249 responses.

5.2 Primary rationing

5.2.1. Eligibility criteria

The first major decision in primary rationing is generally to establish eligibility criteria consistent with the agency's strategic objectives, that is, to determine who can access assistance and who cannot. The eligibility criteria for public housing agencies in Australia and New Zealand as of July 2004 are detailed in Appendix 1. The eligibility criteria of community housing agencies differ and cannot be summarised in the same way.

Up until the mid-1990s, the eligibility criteria for access to public housing were more generous than currently, reflecting its broader role at the time. As indicated above, some states such as Queensland, SA and Tasmania had no income limits. All public housing agencies now have, as their fundamental eligibility criterion, a maximum gross weekly income that a household can earn in order to be eligible for assistance. These income levels are sensitive to various degrees to household size (all jurisdictions), the aged (Victoria), disability status (NSW, Victoria and WA) and location (WA). As at July 2004, the limits range from $332 (Victoria) to $585 (SA) for single people, and from $500 (NSW) to $868 (ACT) for couples.

The basis used by state/territory housing authorities for setting and reviewing income eligibility criteria appears to be twofold. Some (e.g. Victoria) have set them with respect to Centrelink criteria for rental assistance in the private sector. Others use a formula for each household type related to a percentage of (male) average weekly earnings. In SA, for example, a single adult income limit is 65 per cent of average weekly earnings (see Appendix 1 for details).

In terms of asset limits, all jurisdictions require that applicants do not own property, but again there are variations. Some refer to ownership of residential property, which in principle allows ownership of commercial premises or land, whereas others refer to residential real estate. Queensland and Tasmania include caravans, mobile homes and large boats in assessment of assets. Most jurisdictions (except NSW and Queensland) have a cash asset limit, ranging from a $30,000 general household limit in Victoria to $320,500 for a household headed by a couple in SA. There is also a range of practices in relation to cash asset assessment. Tasmania and WA vary this by age, allowing a higher limit for households over 55 and 60 respectively.

Each jurisdiction also has a minimum age limit for assistance. Generally applicants must be at least 18 years old in NSW, Victoria, Queensland and the NT, and 16 years old in Tasmania and the ACT. In WA the minimum age for registration is 17 years, although young people may not be housed until they reach 18 years. SA has no minimum age limit, but applicants must be in receipt of an independent income. Some discretion may occur near the lower end of age limits where there is an independent income, an ability to manage a tenancy and/or the applicant is pregnant or has one or more children.

Other criteria taken into account in relation to eligibility for public housing include considerations about previous tenancies (e.g. breaches in relation to damage or anti-social behaviour) and repayment of outstanding debts.

In the community sector it is impossible to categorise eligibility criteria, not only because the data do not exist, but because there is so much variation. The survey of community agency workers did highlight some of the major variations from the public sector, most notably the emphasis on disability and medical conditions reported by 72 per cent of respondents as the second most important factor in determining eligibility for their agency, after assessment of income. Thirty-nine per cent of community housing workers said that they worked in an agency where connection to the local area was an eligibility criterion; in contrast, 16 per cent of public housing workers mentioned this, mainly as an informal criterion. Just under half (44 per cent) of community housing workers said that willingness to participate in the running of the agency was an eligibility criterion. Ten per cent said that their agencies did not have an income limit; 20 per cent said that their agencies did not have an asset limit because their role, for example, as a disability support agency, meant that the disability was the problem to be addressed, rather than the income or asset status of applicants.

5.2.2. Systems for ranking applications

After application of eligibility criteria, as outlined above, both public and community sector agencies almost invariably have more applicants than they are able to offer accommodation to at any point in time. This means creating a rationing system that can prioritise applicants by some criteria.

In the larger states in the early 1990s, needs-based or priority allocations accounted for between 1 per cent (Queensland) and 15 per cent (NSW) of all allocations, and decisions about priority status were rarely made by housing workers. In almost all jurisdictions, decisions were made by some form of panel or committee, representing a cross-section of the community (Industry Commission 1993: 240). In 2004, the dominant criterion in ranking applications in almost all jurisdictions is 'housing need', defined in different ways in different jurisdictions. Assessment of need has become institutionalised as part of the daily tasks of housing workers, with review panels available as a quality assurance 'back-up', rather than as the primary decision makers.

There are three main ways in which public housing authorities in Australia (and New Zealand) rank applications according to housing need, as detailed in Appendix 2:

- Categorisation into distinctive segments of need (*segmented waiting lists*);

- Allocation of points to different types of need to determine relative priority of individual applications (*priority points systems*);

- Priority system defined by administrative guidelines and criteria (with no segments or points) grafted onto a system based on date of application (*date order plus priority*).

NSW, ACT, SA and Victoria have opted for a segmented system. Tasmania has a priority points system. Queensland, WA and the NT operate an administrative priority system in conjunction with a date order waiting list.

Segmented waiting list systems

Jurisdictions introduce segmented waiting lists to enable explicit targeting and to exercise control over allocations. The waiting list is divided into clear segments each with their own criteria of eligibility. The major segments are the long-term homeless, those with disability and high support needs, those unable to access private rental, and those on a low income. Of the four jurisdictions with a segmented waiting list system, the number and definition of segments varies, as shown in Table 5.1.

Table 5.1: States and territories operating segmented waiting lists

State	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
NSW	Emergency temporary accommodation	Priority	Elderly 80+ (55+ for Indigenous)	Priority transfers	Other eligible applicants
ACT	Urgent housing need	Private rental market not accessible as a long-term option	Normal wait turn	Transfers	
SA	Urgent need (homeless, or at risk)	High/complex housing need	Affordability related need	Transfers	Low demand areas
Vic	Long-term homeless	Disability, frail aged, severe medical/ significant support needs	Unsuitable housing and cannot access the private rental market	Low income	

Of the segmented waiting list systems, the Victorian one appears the most targeted in that homelessness is virtually the sole factor for allocation to segment one, whereas other jurisdictions include a wider set of 'at risk' factors in their first segment. The households that traditionally (until the 1990s) made up the 'wait turn' system are in segment four in Victoria, whereas in the other jurisdictions they tend to be encompassed in segment three. The greater emphasis on targeting in Victoria and in Tasmania is reflected in the allocations statistics documented in Chapter 4.

There are other interesting variations across jurisdictions, such as the emphasis on older age groups in NSW, illustrated in Table 5.1. SA has a segment five made up of applicants who are ineligible for any of the other four segments but are made the offer of being placed on a waiting list in very low demand areas where there is vacant stock, such as Port Augusta and Whyalla. This is effectively a segment for local allocations policies for these areas, and a move away from a 'one size fits all' model in response to different supply and demand profiles for public housing.

The research indicated a number of issues associated with segmented waiting list systems:

- *Specificity of segment definitions.* There are differing views as to how tightly each segment should be defined. On the one hand, they have to be general enough to encompass the variety of needs to be considered and the discretion required for particular circumstances. On the other hand, there are problems if they are too general in confusing both workers and applicants and in the scope for worker bias as a consequence of discretion (informal rationing);

- *Clarification of the use of segments.* Questions were raised about the degree of fixity of the segments. A segmented waiting list could be one where *all* households get into social housing via segment one, where *many* households get in this way, or where *some* households gain access through this segment. Defining a segment per se does not necessarily define the order in which allocations will be made from it. For example, a system could be designed with quotas on any one segment to generate a mix of allocations, or in such a way that only those from segment one are housed if numbers are sufficient to meet all vacancies without having to look to other segments. In some cases there was a lack of clarity about how households were to be drawn from segments in a practical sense, leaving scope for informal rationing. It would appear that clear guidance and/or more training is required for workers in the role and purpose of segments. For example, is segment one intended to be one component of access to social housing or the dominant means of access? If the latter, what role do the other segments play?

- *Information for applicants.* Segmentation of waiting lists poses problems for applicants who want to know where they are on the list so that they can make decisions and trade-offs. If movement up each segment is dependent on what happens in the others, and unless there is some quota system, applicants will not be able to have the information they require. Those in lower segments, particularly on waiting lists for high demand areas, will not progress towards an allocation of housing as new households moving into higher segments effectively displace them. Almost two-thirds (63 per cent) of the public housing workers responding to the survey stated that applicants were not informed of their position on the waiting list. Almost all who made additional comments said that applicants should not be informed about their position because of the difficulty of providing this information, particularly in high demand areas, changes in demand between segments, and a concern that this would raise expectations that could not be met, leading to confusion, distress and tension between workers and applicants. Applicants see this issue differently. The greatest source of complaint expressed in the survey of households on the waiting list for public housing was not being given information on the length of the waiting list and expected waiting times (raised by 50 per cent of Indigenous applicants and 56 per cent of non-Indigenous applicants).

Public housing workers' views suggest different interpretations of the administration of the system, although it is difficult to establish if this is because of the guidelines and/or local or individual discretion. Some said that they invariably take an application from the top of segment one; others said they chose from segment one on a 'turn basis', that is, every second allocation. Others said that selection of an applicant was modified by the attributes of the specific property available for allocation. Nevertheless, 75 per cent agreed that a household in greatest need should receive first allocation of a dwelling. However, illustrating the tensions inherent in managing a segmented waiting list system, 44 per cent said that quotas should be in place to control the number of allocations, particularly from segment one. The majority of public housing workers (82 per cent) also said that there were problems in allocating many households from the top segments of waiting lists, with 62 per cent seeing these problems as major or very major. The message from public housing workers appears to be that the system should be targeted, but not too targeted.

Priority points systems

One way around some of the discretionary issues inherent in a segmented system is to create a priority points system. This attempts to quantify housing need on an individual household basis and to order waiting lists according to points scored. Each application is assessed, and points allocated within the range available for each type of need. Priority points systems are widely used, for example, in Canada, and up until recently, where there has been a move to choice-based systems by many housing agencies, in the UK. It is also the method used in Tasmania.

Priority points systems are based on the assumption that it is possible to quantify and rank housing need on an individual basis, and that those with the highest need should always be housed first. Need can be reassessed at intervals during the waiting period, and points applied to applications can be reassessed. Points are allocated for the various needs, typically similar to those used in segments one to three of segmented waiting lists (illustrated in Table 5.1), as well as time lived in the area and time on the waiting list. Applications with the most points go to the top of the list and the rest are ordered according to points received. As new applications come in, the order of the list is constantly changing. Households with low points may wait for very long periods or never be housed.

There are considerable benefits of priority points systems. In particular, they enable all applicants to have their needs assessed at the time of application, as compared to the segmented waiting list or date order plus priority access systems where only some have their needs assessed on application, for example, segments one and two, but most do not. A priority points system also in principle ensures greater equity of treatment, and consistency and need can be reassessed at any time, so there is flexibility to changing circumstances. Priority points systems appear to be more 'objective' and applicants may be told of the points allocated to their application. However, there are significant resource implications as all applications have to be assessed, which usually involves interviewing at the time of application. It is interesting to note that the Tasmanian public housing agency which operates a points systems has a waiting list of less than 3,000 compared to NSW, for example, which has a waiting list of 85,000.

Date order plus priority access systems

These systems combine traditional systems in which applicants are housed on the basis of waiting time (earliest date of application) with a priority access scheme to enable households with urgent or special needs to be housed more quickly. Jurisdictions with these systems have developed assessment guidelines to enable identification of households requiring quicker access to housing. The most common reasons for approving priority access are homelessness (including as a result of natural disasters), domestic violence, medical conditions and disability. In effect, there are two waiting lists: a quicker one and a slower one. Applicants approved for priority may also be given less choice in housing offered.

Date order systems with embedded priority access schemes can provide a means of responding to urgent and desperate need while maintaining the simplicity, certainty and low cost of the date order system. This type of system means that all eligible applicants who apply for housing will eventually be housed, enabling more certainty about outcomes for applicants.

Some of the policy and administrative problems in designing and implementing a priority access scheme, identified by workers and managers, are difficulties in developing guidelines and accurate assessment tools that enable identification of those in the most acute need and differences in practice resulting from the exercise in discretion in applying guidelines. One of the difficulties for workers is acquiring an understanding of the policy intent of priority access schemes. Priority access may be a small-scale supplementary system restricted to a low percentage of allocations, a parallel system operating alongside allocations based on 'date order', or the dominant system for accessing housing supplemented by limited allocations to applicants on the 'date order' waiting list.

Other issues raised by workers and managers were the workload and pressures involved in assessing applications for priority access, the need for documentation supporting urgency of need, confusion about the weight to be given to previous tenancy history in assessing need and resistance to priority allocations made to households from outside the area or town.

Some community agencies lobby for their clients – such as people living in emergency housing and women's refuges – to be given automatic priority access within such systems. However, housing workers are often sensitive to the needs of applicants who have been in like situations but who have made informal arrangements with family or friends. They feel aggrieved that those with an advocate may get priority over those who relied on 'self-help'.

Other systems

While some of the comments on segmented or points systems apply to community housing agencies that share a similar targeted system, such as some housing associations, for many the concepts are not relevant as they operate with quite different allocations systems. Some have no waiting list at all and take clients on the basis of households in need who present when they have a vacancy, as in many crisis or emergency accommodation agencies where the nature of clients' needs are such that waiting lists and waiting times are irrelevant. Many clients may not be

contactable even within days of requesting assistance and, by the time they get to the top of a list, their need may have changed or they may have moved on.

5.2.3. Waiting list management

For an applicant, contact with an allocations system typically begins when they fill out an application form for a public or community housing agency. Most public and community housing respondents in the worker surveys said that the forms used by their agencies were very adequate or adequate in relation to the necessity of information sought, the amount of information, the type of information and the relevance of information. Typically the positive response rate was around 75 to 80 per cent for public sector respondents and 90 per cent for the community sector. The main exception was when asked about 'ability to add additional information to the form' and 'level of comprehension by applicants' where, irrespective of the sector, the ratings were lower. Some common suggestions for improvement were:

- Make the form less complicated and easier to read;

- Capture more information about applicants whose needs cannot be met or who are ineligible (turn-away rates and unmet need);

- For the community sector, indicate the work involved in any tenant participation, e.g. keeping a cooperative group going;

- Combine the standard form with a priority application form (where these were different);

- Ask more, and more specific, questions about preferences, in terms of location.

These responses can be compared with those from the survey of households on the waiting list for public housing which showed that 24 per cent believed that application forms were a problem to fill in (either minor of major), with higher percentages in some groups, notably Indigenous Australians (35 per cent) and those applying for priority or segment one status (34 per cent).

There is some tension between housing agencies (and their workers) and applicants around the degree and level of information required for good decision making. One of the messages from workers is the need for more information, yet when we asked applicants on public housing waiting lists about the applications, 23 per cent replied that the information already asked was too personal (with 28 per cent of priority applicants and 26 per cent of Indigenous households having this view). However, as Table 5.2 illustrates, these comments should be qualified by the fact that only 5 per cent of waiting list applicants saw this as a major problem.

Table 5.2: Perceptions of households on public housing waiting lists about difficulties experienced with the application process

Problem	No problem		Minor problem		Major problem		N/A		Total	
	n	%	n	%	n	%	n	%	n	%
Wasn't told how long the waiting time would be	912	42%	481	22%	663	31%	100	5%	2,156	100%
Felt I had to misrepresent my situation to the housing authority	1,306	62%	312	15%	128	6%	354	17%	2,100	100%
Felt the information required was too personal	1,565	73%	377	18%	113	5%	76	4%	2,131	100%
Felt the forms were too difficult to fill in	1,610	74%	440	20%	91	4%	49	2%	2,190	100%

Source: Survey of households on public housing waiting lists.
Note: May not add up to 100 per cent due to rounding.

We also asked applicants on public housing waiting lists whether they faced a problem in having to misrepresent their situation to workers at the point of application in order to be considered for assistance. Twenty-one per cent saw this as a problem (6 per cent as a major problem), but the variation between client groups was interesting, with 34 per cent of Indigenous respondents saying this was a problem (consistent with the other questions above), and also 34 per cent of couples with children.

Fifty-seven per cent of Indigenous and 52 per cent of non-Indigenous applicants on the waiting list were satisfied with the application process. The most satisfied were those aged 75 years and over (67 per cent) and childless couples (62 per cent). Satisfaction levels were lowest for sole parents (45 per cent), suggesting that aspects of the process may be more problematical for households with children, although further research would be required to understand this in a more qualitative sense.

One area where there appears to be a big improvement over the past is in waiting list reviews. A list can contain many applicants whose application may be invalid or whose circumstances might warrant moving up the list or to a different segment. This can only be ascertained by a regular review of the list that historically occurred only irregularly, particularly in public housing agencies. The evidence suggests marked improvement, with only a few housing practitioner respondents (less than 1 per cent) claiming there were no review processes. Twenty per cent of public housing respondents and 7 per cent of community housing respondents stated they had annual reviews, and the rest had periodic reviews which appear to encompass a range of times, but typically more frequently than annually.

5.2.4. Overall assessment of primary rationing

Overall, housing workers think that the allocations system in their agency works quite well or very well, although there is a sharp difference between the two sectors, as shown in Table 5.3. Almost half of community housing respondents responding to the survey thought that their systems worked very well (47 per cent), compared with 23 per cent of public housing workers. Conversely, 10 per cent of community workers saw problems with current systems, but 29 per cent of public housing respondents expressed concerns.

Table 5.3: Views of public and community housing workers on how well the allocations systems in their agency works overall

	Public housing		Community housing	
	n	%	n	%
Very well	16	23%	87	47%
Quite well	34	49%	78	42%
Has a few/major problems	20	29%	19	10%
Total	70	100%	184	100%

Note: May not add up to 100 per cent due to rounding.

Delving behind these responses, public housing respondents illustrated frustration with a system where there was not enough capacity to house both priority applicants and applicants on the date order waiting list, or segment three and four applicants who do not get a 'fair chance' of housing.

Table 5.4: Public and community housing workers' perceptions about aspects of current allocations systems

Aspect of allocations system	Public housing		Community housing	
	n	%	n	%
Priority system puts too much pressure on housing agency	47 *(n=70)*	67%	18 *(n=165)*	11%
Frustration at incapacity to house priority applicants	53 *(n=70)*	76%	73 *(n=165)*	44%
Fellow staff too inexperienced or inappropriate for allocations role	21 *(n=70)*	30%	25 *(n=165)*	15%
Discrimination in allocations	14 *(n=70)*	20%	12 *(n=165)*	7%
Lack of a local allocations policy causes problems	25 *(n=61)*	41%	Not applicable	

It appears that public sector workers see their allocations system as operating under greater stress than community housing workers, as they try to balance competing priorities within a declining supply of vacancies and a 'one size fits all' model of allocations.

5.3 Secondary rationing

Secondary rationing is the process of matching households to specific areas and type and size of dwellings. In this section we examine the processes that determine matching criteria in terms of 'who gets what' social housing as it becomes available.

5.3.1. Designation of areas for making offers of housing

One of the important ways in which housing agencies, particularly public housing authorities, set the boundaries for matching is by defining the boundaries of areas in which people are placed on the waiting list. Up until the early 1990s, public housing applicants had considerable choice in registering their preference for particular locations and dwelling types. In principle, they could select only one suburb and, within that suburb, a specific street. Since the early 1990s, choice has been increasingly restricted as a corollary of targeting; there is an implicit assumption that if a household is in urgent need they cannot be so particular about the type and location of housing they will accept.

In most jurisdictions, applicants must now state their preference within a generic or 'broad-banded' area and are required to consider offers within it, unless they can demonstrate that they need to live in a specific location, owing to medical or other valid reasons. The size of areas for which an applicant can state a preference varies. In some jurisdictions, they can be as large as 20 or more suburbs (metropolitan areas) or encompass a number of country towns. In others, the area can be as concentrated as several adjacent suburbs. These decisions may have affected the number of households registering for public housing as some are very specific about the area where want to live (or continue to live). According to public housing workers and program managers interviewed, broadening of areas of preference may also have had unintended effects, such as apparent switches in demand as people avoid broad-banded areas seen to have inferior housing, such as high rise flats or run-down estates. Households have instead nominated their preference for areas where there is a high probability of being allocated a 'good' dwelling. As discussed in Chapter 2, this indicates that households make trade-offs even within allocations systems that are seen as purely administrative.

Interviews with program managers also suggested that if an allowable area of preference is too large, this might cause practical problems. This applies particularly in country areas where applicants may only have experience of, and any relationship to, a single town but are asked to nominate, and accept accommodation in, a broad area including towns they know nothing about. This problem was also raised in a Victorian review of the state's segmented waiting list (Community Reference Group 2002). Broad-banding areas, together with limiting the number of offers an applicant can refuse without penalty, discussed below, can be seen as a test of 'degree of need' but has spin-offs for housing agencies in reducing vacancy periods as it is easier to fill vacant properties, particularly those which are 'hard to let', when households have less choice. Most community housing agencies operate in very specific locations and do not have the same problems.

5.3.2. Matching households and properties

Secondary rationing matches an individual applicant with a specific property in a particular location. All public housing workers responding to the survey agreed that their agencies provided guidance for this via a formalised procedures manual for allocations. In the community sector, whilst most workers surveyed said that their agencies had such a manual, 18 per cent said that there was no such manual. This finding is consistent with the observations of some community sector workers in the ethnographic part of the research.

Perhaps a factor in the stresses and problems experienced by public sector workers was greater individual responsibility in the allocations process in that sector compared to community housing. Almost all (93 per cent) indicated that individual staff determined the specific matching of a household with a property (although this could be a manager), with only 12 per cent indicating that a review committee made these decisions. In contrast, only 27 per cent of community workers said that individual staff made a matching decision and 33 per cent said a manager, with 54 per cent indicating that a committee or panel was involved.[20] This suggests two things: that decisions about matching in the community sector put less burden on individual workers, and that the sector is better placed to devote more resources to this task, perhaps because of a much lower rate of allocations.

Moreover, the reporting requirements of the public sector appeared to be greater, with 79 per cent of respondents saying that they provided a list of allocations or a written report to management, compared with 50 per cent of community housing respondents. Most reports were provided to head office in the case of public housing, and to a committee in the case of community housing.

Looking at how offers of a dwelling are made to applicants on the waiting list, the findings suggest a much more 'hands on' approach in the community sector. Only 43 per cent of public housing respondents said that offers were discussed with applicants prior to, or at the same time as, notification of an offer by mail, compared to 76 per cent of community housing respondents who said that this was the case in their agency. Even more saliently, 91 per cent of community housing respondents indicated that they accompanied the applicant to look at the offered dwelling, either when requested or as a matter of course. Only 31 per cent of public housing respondents indicated that this occurred, and then largely only if the household requested it. This may be why almost half of public housing workers responding to the survey (46 per cent) felt that allocations were sometimes inappropriate, compared to 17 per cent in the community sector.

When presented with specific examples of types of misallocations, community housing workers were much more confident that these had never occurred in their agency than public housing workers, as shown in Table 5.5.

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[20] Multiple responses were permissible for this question. In answer to the question on who makes decisions about allocation (of households to properties), the responses for public and community housing workers respectively were: individual staff dealing with the application (93 and 27 per cent); management/manager (41 and 33 per cent); and review committee (12 and 54 per cent).

Table 5.5: Degree to which inappropriate allocation situations have never occurred, according to public and community housing workers

	Public housing		Community housing	
	n	**%**	**n**	**%**
Large dwelling allocated to single person	34 *(n=70)*	49%	132 *(n=181)*	73%
Someone with less need gets allocation over someone with greater need	9 *(n=69)*	13%	82 *(n=177)*	46%
Small dwelling allocated to large family	24 *(n=70)*	34%	105 *(n=179)*	59%
Dwelling does not meet need for special requirements	7 *(n=70)*	10%	90 *(n=179)*	50%

There could be many explanations for these differences, including the longer history of the public sector and a greater legacy of inappropriate stock, together with greater demand pressures in the public sector than in the community sector.

5.3.3. Offers and refusals

One of the dimensions of choice (or lack thereof) in a social housing system is that of refusals. State and territory housing authorities usually have clear criteria about refusals and allow, depending on jurisdiction and applicant type, between one and three offers of accommodation. The community sector is much more relaxed about this, with 41 per cent of respondents saying they worked in agencies with no limit on the number of offers.[21] These differences could be an issue if there was a move towards more integration of the two sectors. More than half of the community housing workers responding to the survey (56 per cent) said that in their agencies there was no limit to the number of offers an applicant can turn down. Given the high need basis of much of the community sector and pressures on places, this seems something of an anomaly, although it may well be based on practical experience about factors helping towards a sustainable tenancy in the longer term.

Where households refused their 'last' offer, most public housing respondents (80 per cent) indicated that they would lose their place on the waiting list or their priority status if the reason for refusal was 'invalid', compared to 24 per cent of community housing respondents who said that this would happen. When asked what happens to applicants in these circumstances, public sector workers said they would go to the bottom of the list (51 per cent), be removed from the list (26 per cent) or go further down the list (21 per cent). In contrast, community sector workers said that where action was taken, which was less common as noted above, this would involve going to the bottom of the list (40 per cent), being removed from the list (26 per cent) or moving further down the list (16 per cent). In Tasmania, which has a priority points system, households receive ten penalty points for refusal.

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[21] 47 per cent of community housing workers also said that their agency has no formal basis for determining 'valid' refusals, a term commonly used in the public sector.

5.3.4. Discrimination

Public policy literature has a long history of pointing out the tensions between the 'urban managers' who set the rules and procedure, and the 'gatekeepers' who interpret these (Pahl 1975). One of the areas in housing management where there can be departure from the policy guidelines (indeed, the legal obligations) of housing agencies is in discrimination at the point of matching. For a variety of reasons, housing workers may discriminate against applicants even though this is counter to policy. These may include the desire to avoid clients who are seen to be difficult (thereby increasing workload), personal resentments against people who may end up better housed than workers themselves, cultural differences, exercise of power, and lack of professionalism (recognising that many housing workers, unlike human service workers in most other areas, may not have received any formal training in ethics and good client practice).

When asked about the degree of discrimination that takes place in allocations, 64 per cent of public housing respondents and 67 per cent of community housing respondents indicated they were aware of minor or isolated problems. There were no reported major breaches. Table 5.6 indicates that discrimination was most likely to occur against households with a record of anti-social behaviour, whether in the public (85 per cent of respondents) or community sector (73 per cent). Other groups seen as the subject of discrimination were people with mental illness, people under 18 and Indigenous Australians. The percentages and ranking are remarkably similar for both sectors.

Table 5.6: Public and community housing workers' perceptions of client groups affected by discrimination

Client group	Public housing		Community housing	
	n	%	n	%
Indigenous Australians	12	30%	23	24%
Large families	5	13%	21	22%
Clients with anti-social behaviour	34	85%	71	73%
Sole parents	1	3%	9	9%
Mentally ill	15	38%	31	32%
Physically disabled	2	5%	10	10%
Homeless people/families	4	10%	17	18%
People under 18	14	35%	28	29%
Victims of substance abuse	10	25%	36	37%
AIDS sufferers	0	0%	15	16%
Old people	0	0%	8	8%
Sample size	*n=81*		n=204	

Note: Multiple response answer.

Perhaps surprisingly, housing applicants' perception of discrimination *by* workers is lower than workers' awareness of discrimination *against* applicants. The survey of the applicants on the waiting list for public housing found that 21 per cent believed there was discrimination. The figures for different types of applicants were very similar (between 20 and 24 per cent), with the exception of those aged 75 plus, only 12 per cent of whom had perceived discrimination. There are two major explanations of the two different levels of perceived discrimination. The first is that discrimination is a subtle process and clients may not be aware of it because they may be unaware of their entitlements, and the second is that the survey of waiting list applicants was about their experiences of the application process (primary rationing), whereas the most likely time for discrimination is at the secondary rationing stage when decisions are made about allocating a specific dwelling to a household.

5.4 Workers' views on reforms to social housing allocations

One of the objectives of the surveys of workers was to evaluate attitudes to potential reforms to allocations systems. The findings reported in this section are qualified by the fact that, in some cases, workers would be unfamiliar with some changes we were asking them about (or, at least, how they might be implemented). There may also be a resistance to change in a sector which has experienced almost incessant change in recent years, that is, a feeling of 'reform weariness' might have shaped some responses. There is also the problem of getting responses from people who have known only one paradigm; for all the changes to the system in Australia, it is still predominantly a bureaucratically administered waiting list system designed around principles of equity, transparency and efficient housing management, rather than principles such as household choice. For this reason we did not ask specific questions about a choice-based housing model that is the subject matter of Chapter 7.

Two types of question were used to get views about reform and change: what changes housing workers would *like to see* to allocations systems, and the degree of agreement with statements of principle or philosophy as to what an allocations system *should achieve*. The difference between the public and community housing sectors is quite dramatic, suggesting the different roles and experiences have produced very different views.

5.4.1. Workers' ideas about reforms to allocations systems

A major finding was that almost half of community sector workers believe there is no need to make changes to their allocations system, compared to only 11 per cent of public housing workers. Other workers in both sectors nominated a range of changes that they would like to see, as outlined in Table 5.7.

Table 5.7: Public and community housing workers' views on preferred changes to the allocations system

Change	Public housing		Community housing	
	n	%	n	%
No change	7	11%	82	50%
More discretion for workers	15	23%	10	6%
Less discretion for workers	2	3%	1	1%
Allow more local rules	30	47%	9	6%
Allow for local connections as a factor	9	14%	13	8%
Greater emphasis on priority	2	3%	13	8%
Waiting list rather than priority allocations	11	17%	13	8%
Place quotas on the number of priority allocations	28	44%	8	5%
More transparent rules for allocations	9	14%	16	10%
More senior staff involved in allocations	13	20%	4	2%
More time to interview applicants to fully assess needs	32	50%	46	28%
More attention to reallocation	5	8%	27	16%
Less attention to reallocation	7	11%	12	7%
Reduce emphasis on priority allocations	20	31%	1	1%
Sample size	*n=81*		*n=203*	

Note: Multiple response answer.

The changes suggested by the highest percentages of public housing workers were: more time to interview applicants to fully assess needs (50 per cent), more local rules (47 per cent), and placing quotas on the number of priority allocations (44 per cent). Significantly lower percentages of community housing workers suggested changes, the main ones being more time to interview applicants to fully assess needs (28 per cent), more attention to reallocation (transfers) (16 per cent) and more transparent rules (10 per cent).

The differences in response appear to reflect differences in how workers view the objectives of each sector. For example, 44 per cent of public housing workers wanted quotas on the number of priority allocations, but this was not a concern for community housing workers where targeting to greatest need is often part of their rationale. The differences could also be due to the greater intensity of priority demand in the public sector, which creates more pressure on workers, at the time of application and also later with neighbourhood disputes. Other changes proposed by public housing workers are a desire for greater discretion and more senior staff involved in allocations, raised by 23 and 20 per cent respectively.

These findings suggest there are marked differences between support for reforms in the two sectors, some of which may be explained by their different roles and structure – for example, much of the community sector already uses local allocations. Changes suggested by public housing workers appear to reflect the strains on that system, as perceived by workers within it.

5.4.2. Workers' responses to other ideas about reforms to allocations

We asked workers in both sectors to indicate their degree of support for certain key principles of an allocations system. The results, in Table 5.8, illustrate the tensions and contradictions in allocations systems from workers' perspectives. We have just seen that public housing workers would like to reduce the emphasis on priority access, yet 75 per cent of these agreed that households in greatest need should receive first allocation of a dwelling, as did 71 per cent of community housing workers. Workers in both sectors also believed strongly in the importance of equity, that all applicants should be treated equally, irrespective of background.

There are some clear differences between sectors. 32 per cent of community housing workers agreed that applicants willing to participate in tenant management activities should receive priority, compared to only 4 per cent of public housing workers. Similarly, 43 per cent of community housing workers agreed that long-term residents should have priority over newcomers, with only 12 per cent of public housing workers being in agreement.

Table 5.8: Agreement with statements concerning the allocations system, public and community housing workers

I agree that…	Public sector		Community sector	
	n	**%**	**n**	**%**
Long-term residents should have priority over newcomers	8 *(n=68)*	12%	77 *(n=180)*	43%
In the interests of fairness, all applicants should be treated equally (irrespective of background)	55 *(n=69)*	80%	141 *(n=179)*	79%
Applicants willing to commit to an employment or education program should be given priority	11 *(n=68)*	16%	28 *(n=175)*	16%
To assist workers – a simple allocations system, with minimum variations for locality, property type or attributes of tenant	15 *(n=69)*	22%	73 *(n=173)*	42%
Applicants with a history of poor behaviour should be allocated lower quality housing	2 *(n=69)*	3%	23 *(n=176)*	13%
Choosing from the top of the list is the fairest system	45 *(n=69)*	65%	61 *(n=179)*	34%
In neighbourhood renewal areas, applicants who will be less problematic tenants should be given priority	17 *(n=69)*	25%	48 *(n=171)*	26%
Those with the greatest demonstrated need should receive first allocation of dwelling	52 *(n=69)*	75%	125 *(n=177)*	71%
In areas of public-private partnerships, there should be a different type of allocations policy	15 *(n=69)*	22%	44 *(n=172)*	26%
Applicants willing to participate in tenant management activities should receive priority	3 *(n=69)*	4%	56 *(n=177)*	32%
The allocations system should be as simple as possible, meaning a 'one size fits all cases' is best	9 *(n=69)*	13%	32 *(n=175)*	18%

We also asked a couple of specific questions in the surveys about reforms that have been implemented overseas and where workers might be in a position to have an opinion. The first of these was that a waiting list could be closed off on occasions because of excessive demand. This is done in the UK and very commonly in the US for both public housing and housing choice vouchers.[22] Participants at the policy workshop in Brisbane agreed that this could be an appropriate response for certain locations, such as the Sunshine Coast, where it is impossible to meet local needs, let alone those of the growing number of households moving to the area. Closing the waiting list becomes a signalling device that may deter some potential applicants from moving to that area.

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[22] Housing choice vouchers are the primary means of assisting low income households with rental housing in the US. These entitle the holder to pay a rent based on income, but in private rather than public housing (Hulse 2002).

When housing workers were asked in the surveys if waiting lists should be closed for a period of time if they are too long, most respondents in both the community and public housing sectors disagreed or were not sure. Twenty-five per cent of public housing workers supported this idea, while community sector support was higher at 36 per cent.

Respondents were also asked specifically about whether integration of public and community housing waiting lists would improve allocations systems. Only 22 per cent of community housing workers and 19 per cent of public housing workers supported such a move. The reason for this could be lack of knowledge of what an integrated system could be like (as Chapter 6 illustrates, they can take many forms), fear of the unknown or weariness with reform. It would appear that any move to integrate sectors – for example, introducing common housing registers – would require considerable education and consultation.

5.5 Summary

Housing agencies differ in the strategic objectives of their allocations systems and in how clearly these are enunciated. In general, there has been agreement around an administrative allocations model based on greater targeting and less choice for households with limited consideration of wider objectives such as community development or economic development. The primary driver of this model is applicants on waiting lists with greatest needs; there is relatively little consideration of the needs of current clients, even though a quarter of all allocations in the public sector, for example, go to households currently accommodated there.

Although there is general support in both the public and community sectors for the principles of targeting to households with greatest need, workers and managers in the allocations systems raised significant concerns about this approach, particularly in terms of other low income households in housing need missing out and the impact on communities. There were also concerns, particularly in the public sector, that more information and time was needed to assess need, including spending time interviewing applicants. Respondents were satisfied overall with the documentation and training provided in their allocations systems and with their integrity. They perceived only minor issues around discrimination or inappropriate allocations. Workers suggested a number of improvements, with public housing workers, in particular, wanting more local rules rather than general criteria applied whatever the housing situation in a locality.

In the main, assessments of the current system and suggested changes fell within the existing paradigm: that is, systems in which access to housing is tightly controlled by administrative criteria and processes. There was only a limited awareness by workers, and more awareness by program managers and others, of significant changes taking place overseas that involve reconceptualising allocations within a different paradigm. We look at some of these initiatives in the following two chapters to add to the debate about possible reforms to social housing allocations in Australia.

6 IMPROVING ACCESS TO SOCIAL HOUSING IN A MULTI-PROVIDER SYSTEM

Australia is moving slowly towards a more explicit multi-provider social housing system comprising a range of public, community and affordable housing providers (Chapter 4). This chapter considers the advantages and potential problems, in view of this change, of each individual provider continuing to develop and operate its own allocations system. The chapter examines overseas initiatives being trialled or implemented to improve coordination of access to social housing in multi-provider systems, in order to stimulate and inform policy debates in Australia about possible reforms to allocations systems. It then examines the ways in which social housing providers in Australia are considering adapting their allocations systems to coordinate access. The chapter is based on a review of the literature, the policy workshop and interviews with program managers, and policy and practice documents provided by housing agency workers or obtained via the Internet.

6.1 The challenges of a diverse, multi-provider system

Current applications/allocations systems in Australia are based on a model in which, as we saw in Chapter 4, state and territory housing authorities were the dominant providers of social housing, complemented by a fragmented community sector comprising many very small-scale providers. A consequence of this is that each provider has its own system for receiving and assessing applications, managing waiting lists and allocating accommodation.

There are clear advantages to social housing providers of managing their own applications/ allocations systems. Agencies can provide information about their services, have direct contact with potential applicants, provide support and referral if necessary, apply eligibility and assessment criteria in a way that is appropriate to their service objectives, maintain contact with households waiting for accommodation, and control allocations to enable the best match of households with properties.

The social housing sector in Australia is changing, however, in ways that will inevitably impact on applications/allocations systems. The changes outlined below are prompting emerging questions about the equity and effectiveness of the current model in which each housing provider maintains separate systems for access to social housing.

Firstly, we already have a multi-provider system with more than 1,200 providers of community housing (2002–03)[23] (SCRGSP 2004b: Table 16A.15), and whilst they currently provide only 7 per cent of the social housing stock, this percentage is slowly increasing, as outlined in Chapter 4. It is likely to increase further because of targeted growth funding of a small number of key community housing providers (as in Victoria and WA), transfers of public housing stock and tenure diversification initiatives (as in NSW), and growth of 'affordable housing' providers (in most states/territories). This

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[23] There are reported to be 1,229 community housing providers in Australia, including transitional housing managers in Victoria and providers funded under the CRS in Queensland (see notes to SCRGSP 2004b: Table 16A.15 for further details).

means that there will be a number of significantly larger community housing providers than in the past. In marketing jargon, they will be bigger businesses with a larger share of the market.

Secondly, most state and territory housing authorities have, to various degrees, implemented allocations systems aimed at housing those with the most urgent needs and various types of special needs, previously the key client group of many community housing agencies, as discussed in Chapters 4 and 5. This change in focus means that households in these circumstances can potentially access a number of housing providers.

From the perspective of households requiring social housing, these changes raise a number of potential difficulties in:

- Getting an overview of the range of options available, so that, for example, public housing applicants are also aware of community housing options;

- Obtaining comparable information about the types and location of available social housing, provider types and management models;

- Finding out about different eligibility requirements, criteria for selection, potential waiting times, and rules about allocating households to particular types and sizes of housing, in order to make an informed choice about applying for social housing and expressing preferences;

- Filling out multiple application forms;

- Experiencing the inconvenience and intrusion of assessment by different providers, including providing the same information and documentation on a number of occasions;

- Keeping in contact with multiple providers to ensure the currency of their application on waiting lists and to notify of change of circumstances;

- Potentially being offered housing at different times by different providers;

- Facing difficulties in transferring between providers.

From the perspective of providers and the social housing system overall, there are also a number of potential limitations when each has its own applications/allocations system:

- Duplication of effort in receiving and assessing applications from the same household;

- Waiting lists may not be accurate because they are inflated by households who are registered on multiple lists;

- Offers of accommodation may be made to households who have already accepted, or wish to accept, housing with another provider, contributing to increased vacancy periods;

- It is difficult to have an accurate assessment of the demand for social housing, and its sub-sectors, owing to duplication of waiting lists;

- There are no clear protocols for dealing with requests to transfer between providers.

The rest of the chapter reports on some overseas initiatives to improve coordination of access to social housing in multi-provider systems, and current policy directions in Australia. In particular, it focuses on the development of systems to enable households to register for social housing through a single application process, known as 'common housing registers' in the UK and 'centralised waiting lists' in Ontario (Canada).

6.2 Common housing registers in the UK

In the UK, public housing agencies (local authorities) were the dominant providers of social housing for many decades. They registered and assessed applications, managed waiting lists and allocated households to properties based on their system of ranking applications. Any providers outside of that system, such as charitable 'alms houses', managed their own applications. From the late 1970s, there was a slow growth of other types of providers, gathering pace in the 1980s and increasing rapidly since then. This was fuelled initially by changes to the regime of financing social housing, together with associated legislative and regulatory changes, and by very significant large-scale voluntary stock transfers from local authorities to housing associations, particularly from 1997 onwards[24] (Malpass and Mullins 2002).

As a result, social housing in the UK is now very much a multi-provider system across both public and community sectors. In England alone, 1,925 housing associations were registered as social landlords,[25] employing more than 94,000 full-time equivalent staff in 2003. They ranged from very large national providers (with the largest, North British, owning more than 39,000 dwellings), to 143 housing associations that own five dwellings or less each (Housing Corporation 2003). In total, housing associations own some 1.62 million dwellings. Although some local authorities have transferred all their stock to housing associations, many continue to provide council (public) housing, managing about 2.46 million dwellings (2003)[26] (National Statistics 2003: Table 1.1). The relative shares of community (housing association) and public (local authority) housing sectors in 2003 were thus 40 and 60 per cent respectively.[27]

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[24] By 31 March 2003, 134 local authorities had transferred 670,935 dwellings to newly registered housing associations (Housing Corporation 2003).

[25] The Housing Corporation both funds and regulates 'registered social landlords' in England, i.e. housing associations who go through the registration process.

[26] The number of dwellings managed by local authorities has decreased by 33 per cent from 3.67 million in 1994 (National Statistics (UK) 2003: Table 1.1).

[27] Figures vary slightly according to source. This ratio is calculated from Office of the Deputy Prime Minister (2004: Table 104, Dwelling Stock by Tenure, England: Historical Series), <http://www.odpm.gov.uk/stellent/groups/odpm_housing/documents/page/odpm_house_604017.xls>.

This multi-provider system offers households within a local area a choice of different models of provision and different providers, but also poses challenges. In a worst case scenario, if each provider managed their own housing independently, households would have to find out about five, ten or possibly 20 providers in a locality, work out whether they are eligible for their housing, and make separate applications to each one. Similarly, social housing providers would have to manage multiple listing by applicants, with inherent inefficiencies in terms of assessment, ranking and offering vacant properties.

Acknowledging these issues, local authorities and housing associations in the UK have developed and implemented *common housing registers* beginning on a small scale in the early 1990s. A frequently used definition in England has been that of local authorities and housing associations working together to 'receive housing applications and register housing need, using common administrative processes', typically using computerised databases (Mullins and Niner 1996: 24). The Scottish Executive (2001a) has a more specific definition:

> A group of landlords devising a single application form by which anyone seeking housing in their area can register their need, and specify their housing preferences. Participating landlords then prioritise and select applicants from the single pool of applicants according to their own allocations policy.

Both of these definitions see common housing registers as addressing the 'front end' of the applications/allocations system. The key elements are a single application form and single point of registration, together with an emphasis on applicants being able to state their preferences for one or more providers. In other words, the aim is to provide simplicity and some choice for applicants, together with administrative efficiency for providers. Providers maintain their waiting lists and do their own matching of households and properties according to their own allocations policies and processes. The Scottish Executive, in particular, has stated explicitly that it does not support the development of common allocations policies as part of the framework, although it should be recognised that there are pre-existing arrangements for 'nomination' of applicants by local authorities to housing association vacancies in Scotland as in other parts of the UK.

There has been a rapid increase in common housing registers since the early 1990s, particularly in England where in 1995 there were 19 (Scottish Executive 2002a: 28), but by 2000 the number had increased to 100 (Pawson and Mullins 2003: 14). Each has been developed on a voluntary basis, typically as a partnership between a local authority and participating housing associations.

Example: York Housing List

Participants
The York Housing List takes applications for housing operated by the City of York (about 9,000 units) and eight member housing associations within the York Housing List area. Six of the associations provide 200 or fewer units, one provides 350, whilst the largest (the Joseph Rowntree Housing Trust) provides 2,000 units but also maintains a separate list. Not all housing associations providing accommodation in the area are members of the York Housing List.

Provision of coordinated information
York Housing List publishes a pamphlet, both online and in hard copy, which gives information about the participating providers, including their contact details. It also gives detailed information on approximately 12,000 units of social housing provided by participating members in York by area and accommodation type and size, together with information on the number of homes let in the previous year (also by type and size) and on new housing projects expected to come on stream during the following year. This is designed to enable prospective applicants to be aware of the options available to them and to be able to state realistic preferences based on information about provider type and stock availability and turnover.

Common application form and registration process
A common housing application form is available through participating providers and various local agencies and online. Applicants, including transfer applicants, are asked to nominate which providers they wish to consider their application. They can also nominate the areas in which they want to live, being encouraged to select more areas to improve their chance of being offered housing.

Waiting list management and allocation
Information about applicants on the York Housing List is only available to the providers they nominate, and these undertake all contact with applicants for their accommodation. Individual providers make their own assessment of eligibility, rank applications and do their own allocations. For example, the City of York operates a priority points system according to housing need, whilst others employ different systems.

Source: City of York, York Housing List, <http://www.york.gov.uk/housing/list.html>, City of York allocation guidelines <http://www.york.gov.uk/housing/allocations.pdf>, York Housing List application form <http://www.york.gov.uk/housing/housinglistapp.pdf>, York Housing List pamphlet on 'Choosing an Area' <http://www.york.gov.uk/housing/choosingarea.pdf>.

Common housing registers in the UK differ significantly in scope and complexity. The example of the York Housing List illustrates a simple model of how they work in practice. Others go further and are more complicated. In these cases, the agency (or agencies) operating the register is also responsible for assessing applications according to commonly agreed criteria so that appropriate waiting lists can be developed. A minority of registers incorporate common allocations policies (Pawson and Mullins 2003: 14-15), although this is controversial, as discussed later in this chapter.

It is useful to consider the policy and institutional environment in which common housing registers have developed in the UK. In England, the Housing Act 1996 required all local authorities to establish and maintain a housing register, with a common housing register seen as an 'appropriate mechanism' although this was not compulsory and was subject to negotiation (Pawson and Mullins 2003: 11). The requirement to maintain a housing register was removed in 2002, but most local authorities still operate them. The development of common housing registers thus depended on negotiation between social housing providers at a local level, and in this sense was 'ground up', although it was strongly supported by organisations such as the National Housing Federation (the peak body for housing associations), the Chartered Institute of Housing (professional association for housing workers) and the Housing Corporation (funder/regulator) as being good practice. There was no additional funding or national program for their introduction.

In contrast, the Scottish Executive obtained legislative authority in 2001 to require local authorities to submit plans for common housing registers[28] although it is hoped that, with encouragement, they will do this on a voluntary basis (Stirling and Smith 2003: 148). There is a national framework for community housing registers in Scotland, with some funding for pilot projects[29] and support for implementation of registers, including support with information technology[30] through guidance, training and advice, newsletters, fact sheets and a website.[31] The Scottish Executive has just announced that £3 million will be made available in 2004–06 for local authorities developing common housing registers in partnership with housing associations, and has produced an excellent guide for practitioners (Scottish Executive 2004).

6.3 Centralised waiting list in Ontario (Canada)

The social housing system in Canada has also undergone substantial changes over the last 15 years. The main driver of these changes has been, as in many other areas of Canadian public policy, renegotiation of the responsibilities of different levels of government. Since the early 1990s, responsibility for funding and administering social housing programs has been progressively devolved from the federal government to provincial governments, the equivalent of Australian states (Hulse 2002). The social housing sector was already a multi-provider sector prior to these changes, and comprises about one-third public housing and two-thirds not-for-profit and cooperative (community) housing (Wolfe 1998: 123). Here we look at reforms in the province of Ontario, which has the largest social housing portfolio in Canada, including a strong and diverse not-for-profit and cooperative sector.[32]

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[28] Housing (Scotland) Act 2001, Section 8.

[29] The Scottish Executive received £0.67 million from the UK government's 'Modernising Government Fund' to promote common housing registers, and has leveraged in other funding to total £2 million. This was initially used on six pilot projects in a mixture of local authority areas (Aberdeen City, City of Edinburgh, Renfrewshire, Scottish Borders, Stirling and Fife) (Scottish Executive 2001c), but the number of local pilots has subsequently increased.

[30] Part of this support is a National Common Housing Register Coordinator and an ICT Facilitator.

[31] <http://www.scotland.gov.uk/housing/chr>.

[32] A senior manager of the Toronto Community Housing Corporation has checked the information in Section 6.3.

After agreement for the devolution of social housing in 1999, the provincial government further devolved responsibility for program funding and administration, incorporating more than 200,000 social housing units, to 47 municipal service managers.[33] As part of this process, the province required that local service managers (municipalities) establish and administer a *centralised waiting list* of households applying for subsidised social housing. Service managers can provide this service themselves, enable a housing provider to do it for them, or give the task to a separately incorporated coordinated access system. Whatever they choose, the service manager is ultimately accountable for access to subsidised social housing, called 'Rent Geared to Income' (RGI) assistance (MMAH 2003: 1.1).

Centralised lists are for both new and transfer applicants seeking RGI accommodation in a municipality. They do not have to include households applying for units at market rents or for special needs units that have been modified for people with disabilities or are managed by supportive housing providers who provide a package of accommodation and support (MMAH 2003: 6.1).

The Ontario government sets out detailed guidelines to local service managers in administering programs to provide RGI assistance. These encompass:

- Provision of information to prospective applicants about public, not-for-profit and cooperative options;

- A common application form;

- Single assessment of eligibility for RGI assistance and size/type of unit for which an applicant is eligible prior to registration on the common waiting list;

- Ranking of applications according to rules made under provincial legislation, that is, by date of application with provision for assignment of priority status, e.g. special priority[34] or local priority;

- Households indicating their preference for a particular housing project, provider or geographic area(s);

- Rules based on occupancy standards about matching household type/size with accommodation type/size (MMAH 2003).

The centralised waiting list must generate 'subsidiary' waiting lists that indicate details of households who have indicated a preference for specific projects[35] administered by a social housing provider. Households are offered housing by the relevant provider and cease to be eligible for assistance if they refuse three 'suitable' offers.

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[33] Designated Service Managers under the Social Housing Reform Act 2000 are municipalities and District Social Services Administration Boards, who are responsible for units let at income related rents (RGI units).

[34] 'Special priority' refers to situations where member(s) of a household have been abused by someone they have been living with.

[35] Most social housing in Ontario is in projects – for example, apartment style projects.

We now look at an example of how this works in Toronto, Canada's largest city. Responsibility for funding and administering social housing programs was transferred from the province of Ontario to the City of Toronto in May 2002.[36] The city's Social Housing Unit sets local guidelines within provincial legislation. There are more than 95,000 social housing units in Toronto, with the largest provider (also the largest landlord in Canada) being Toronto Community Housing[37] in which the city is sole shareholder. There are also a variety of not-for-profit providers, housing cooperatives and others, of varying sizes.

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[36] See <http://www.toronto.ca/housing/index.htm>.

[37] Toronto Community Housing Corporation was formed in January 2002, as part of the devolution process, and combined the property assets of the former Metro Toronto Housing Corporation and the former Toronto Housing Company.

Example: Centralised waiting list, Toronto

General

Under the provincial Social Housing Reform Act 2000, the city was required to implement a centralised waiting list system by November 2003. Initially this was done internally by Toronto Community Housing Corporation, but in July 2003 it commissioned Housing Connections,[38] a stand-alone subsidiary, to provide coordinated access to all social housing in Toronto.

Housing Connections manages a waiting list of over 70,000 applications for access to social housing properties in over 600 locations. It operates at arm's length from the city, with Toronto Community Housing being one of its 18 clients.

Registration

Households can get information either directly from a housing provider or from one of 19 access centres run by Housing Connections. Housing Connections is implementing a new call management system so that people can access information and change their preferences by phone. Applicants can get application forms from one of these organisations or download the common application form from the Internet.

Assessment

Housing Connections receives and acknowledges completed applications and adds eligible applications to the centralised waiting list. Applicants nominate either an area they wish to live in or a specific project/building or housing provider. Housing Connections also reviews applications for 'special priority' status for people who are or have been victims of abuse within their household. Other applicants with urgent need are referred to emergency shelters.

Waiting list management

Housing Connections places applicants on subsidiary waiting lists according to their preferences and disseminates these lists regularly to housing providers. Apart from those with 'special priority' status, applications are ranked by date of registration. Providers must offer housing to transfer applicants before new applicants.

Offers of accommodation

Housing providers make offers of accommodation from the subsidiary waiting list and conduct all associated client contact, including any additional checks. If the applicant refuses three 'reasonable' offers, their name is removed from the list and they have to reapply.

Source: Housing Connections, *How to Apply for RGI Housing*, <http://www.housingconnections.ca/ Applicants/applicant_main.asp>; Housing Connections, Applications Brochure, <http://www.housing connections.ca/pdf/TSHC_Applicants_Brochure.pdf>; Housing Connections, Housing Application Form, <http://www.housingconnections.ca/pdf/application_form.pdf>.

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[38] Housing Connections was set up in June 1998 as a centralised body to make it easier for applicants to find out about social housing in Toronto and how to gain access to it.

Thus, in the case of Ontario, there are clear provincial guidelines about the scope and function of centralised waiting lists as part of the devolution of responsibility for social housing programs to local municipalities. Although the City of Toronto had a long involvement in social housing, many other local governments in the province which did not share this involvement have been required to establish and administer a centralised housing list for applicants applying for subsidised social housing. This has posed many challenges, and there are a number of local variations within the provincial guidelines.

6.4 Issues arising from common housing registers/waiting lists

There is no single model for common housing registers; indeed, overseas examples suggest that they vary considerably. It is useful to think of them in modular form with at least two core modules: a common application form, and receipt and registration of applications on a common database.[39] Beyond this, a number of optional modules are possible, as shown in Table 6.1. Thus, in the examples given above, the York Housing Register has the two core modules plus the provision of consolidated information (option), whilst the Toronto example comprises the two core modules plus the options of consolidated information, contact with households, common eligibility assessment and common criteria for ranking applications.

Table 6.1: Modular components of common housing registers

Modules	Common housing register with core components only	Common housing register with core components plus all options
Information on social housing options	Individual providers provide information on their own housing	Consolidated information on availability of social housing in the locality
Application (new and transfer)	*One application form*	
Registration	*Receipt and registration of applications on shared database*	
Contact with households	Individual provider	Common housing register manager
Eligibility assessment	Individual provider	Common housing register manager
Ranking applications	Individual provider	Common housing register manager
Matching applicants to vacancies	Individual provider	Common housing register manager draws up short list for individual providers to consider

Source: adapted from Scottish Executive (2004: 68)
Note: The common housing register manager can be one provider acting on behalf of all participants, the shared responsibility of a number of providers, or this function could be contracted out to a third party.

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[39] The Scottish Executive (2004: 10) in recent guidance for those developing common housing registers suggests that there is a third core module, a shared resource for providing information and advice.

A critical element in success appears to be the nature of the partnership between participants and the context in which negotiations for a common housing register are conducted. These include whether participation is voluntary or mandatory and whether participants are able to evolve their own model to suit local conditions. There are also many practical issues that must be negotiated, such as sharing of costs in developing and managing a common housing register, the extent to which providers are able to manage the technological and other changes associated with implementation, and issues of privacy and confidentiality. According to the Scottish Executive (2004: 35):

> Successful CHRs – in development and implementation – are based on effective partnerships. The key output of a good partnership is efficient joint working and good decision making. This must be underpinned by trust, willingness to work differently, and ability to compromise and achieve consensus.

Part of the negotiations for a community housing register is agreement on the management arrangements. The examples discussed in this chapter indicate that this role can be undertaken by a (local) government provider, a community provider, or a partnership arrangement between providers, or contracted out to an arm's length body, as in the case of Housing Connections in Toronto. In England, for example, about half of local authorities transferring stock to housing associations have also contracted out their responsibility for maintaining a housing register to a third party, usually a housing association to which they had transferred some or all of their stock (Pawson and Mullins 2003: 1). This raises the possibility in an Australian context of a third party being contracted to provide a coordinated 'front end' of the applications/allocations process, thus freeing up the resources of housing providers, whether in the public or community sector, to concentrate on managing their waiting lists, matching households and properties, and tenancy and property management.

The evidence from overseas suggests that it is more difficult to achieve successful partnership arrangements where the providers have unequal negotiating power or where the development of a common housing register becomes a de facto mechanism for resolving other issues, such as public housing agencies wanting to 'nominate' households from their waiting list to fill an agreed percentage of vacancies of a community housing provider.

On a more positive note, when effective partnerships are achieved, there is some evidence, particularly from the UK, that there can be spillover benefits from joint working arrangements. For example, some of the partnerships between providers forged around common housing registers have led to models for housing-related support services for vulnerable people that have received support from the national government's Supporting People Programme[40] (Robson Rhodes 2004).

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[40] The Supporting People Programme was launched in 2003 with an annual allocation for 2004–05 of £1.8 billion. It funds local authorities to fund support schemes to provide housing support services for vulnerable people. In this context, 'vulnerable people' refers to older people, those with learning difficulties and mental health issues, and homeless people (<http://www.spkweb.org.uk/>).

In the overseas examples cited, common housing registers generally cover both public and community housing providers *within a defined local area*, but not all providers in that area participate, for a number of reasons, such as small providers with too low a vacancy rate to justify expending effort in this way and specialist providers with separate referral protocols. The defined area is typically a local government area but, as in the case of Toronto, these can be much larger than their equivalents in Australia. In the Australian context, this would be possible since, whilst public housing authorities have applications/allocations systems across their jurisdiction, they already have de facto waiting lists broken down by area and type/size of accommodation. In establishing waiting lists for defined local areas as part of development of common housing registers, it would be important to understand the application patterns for social housing. For example, it would be important to understand the extent to which new and transfer applicants apply in areas where they currently live or apply elsewhere.

The emphasis on defined local area can cause problems in the UK for housing associations that operate at a regional or even national level, covering several or many local government areas (Scottish Executive 2002a). Ideas for addressing this have included greater consistency between common housing registers and consideration of cross-boundary or 'regional' registers where this is warranted (Scottish Executive 2002b).

It is important to note that there has been little systematic evaluation of common housing registers to date. Whilst they appear to provide more coordinated access for households and efficiencies for providers, these benefits have yet to be demonstrated through an evaluation process. There are also a number of concerns that have relevance to Australia. Firstly, in England there has been a fear that common housing registers could exclude specific groups from access to social housing.[41] This is not a problem where providers maintain separate registers, and households excluded by one provider could be accepted by other(s) with different eligibility criteria. The danger appears greatest where all providers agree on a common set of eligibility criteria. The worst case scenario is that exclusion from all forms of social housing could mirror coordinated black-listing in the private rental sector.

A survey for the national government in the UK found that local authorities had used their discretionary powers to disqualify from the register people who had a 'record' of anti-social behaviour, rent arrears or aggression towards staff, those living outside the area, those who were considered to have contributed to their own housing need, and cases of alleged fraud, although the actual numbers excluded appeared to be generally very low (Pawson and Kintrea 2002: Table 2, 653-4). The Homelessness Act 2002 removed discretion to disqualify categories of people from registration and also the requirement on local authorities to maintain a register at all, although most still do so (Stirling and Smith 2003). Local authorities cannot exclude groups of people but can still decide that individuals are not acceptable as tenants because of 'serious unacceptable behaviour' (ODPM 2002b: Section 2.2).

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[41] Particularly since the Housing Act 1996, whilst it required local authorities to have housing registers, also gave them the discretion to determine that some groups of people did not quality for registration.

Secondly, there has been a concern in the UK that common housing registers will necessarily lead to pressure for common eligibility criteria and common ranking criteria, thus threatening the ability and independence of housing associations to have their own policies and to provide a service in accordance with their philosophy and objectives. For example, some housing associations in England have agreed to common allocations criteria through 'falling into line' with local authority policies (Pawson and Mullins 2003: 14-15). Whether this is a problem would appear to depend on whether there are already protocols in place for local authority nomination of applicants for housing association vacancies, or whether these are negotiated as part of the development of a common housing register.

Thirdly, an ongoing concern has been about enabling access to social housing for the most vulnerable households. There is a fear that common applications forms may reflect 'lowest common denominator' questions in a desire to be as simple and accessible as possible and may not enable those in greatest need, or with special needs, to be identified. One safeguard in the UK is the statutory obligation of local authorities to provide assistance to homeless people in certain categories, although there is no such safeguard in Australia. A related concern is that common housing register managers do not provide advice about housing options other than social housing, such as assistance with private rental accommodation, support options for homeless people, and housing advice and referral services.

Finally, there is a concern that, without other changes, common housing registers in themselves may be a rather limited reform. The applications/allocations process may be simpler and more seamless for households but may still seem to be, from an applicant's perspective, a 'secretive' bureaucratic process in which they are offered little effective choice or control over their housing. For this reason, common housing registers, particularly in the UK, are often implemented in conjunction with other measures to improve household choice and provide more flexibility in allocations, as outlined in Chapter 7.

6.5 Policy development on coordinated access to social housing in Australia

The policy working group and interviews with program managers indicated that there is an awareness that each provider having its own applications/allocations system is causing emerging problems for households and the social housing sector – problems such as fragmented access to social housing, and potential costs of the current model in terms of administrative duplication, inefficiencies in reletting vacant properties, and difficulty in strategic planning for agencies and the sector overall.

These issues are being addressed in various ways in Australia. WA and Victoria are planning more coordination of applications/allocations in the public and community housing sectors as part of broader plans to achieve sector growth through funding and regulating a small number of larger community housing organisations. SA and NSW are investigating options for developing coordinated access within the community housing sector. In Queensland, as seen in Chapter 4, the community housing sector operates quite separately from public housing and coordinated access

has not been a priority to date, whilst in Tasmania there are moves to develop a more diverse social housing sector.

The WA Department of Housing and Works' Community Housing Strategic Plan (2003) places emphasis on developing strategies for improving equity in access between the public and community housing sectors. This will entail a housing options information system available online through the Internet, a common applications system within the community housing sector, and a system for identifying households on multiple lists across both sectors so that they can be removed from waiting lists when housed by one provider. These proposals are part of a planned reconfiguration of the community housing sector to focus government capital funding on a small number of 'key providers' and introduce 'allocation rights' whereby public housing applicants can access community housing projects that are fully funded by government (Department of Housing and Works 2003: 11).

The Victorian Office of Housing is moving in a similar direction. It plans to introduce a central point for informing households about available social housing options, and a common housing register. These are part of a broader plan to target capital growth funding to a small number of 'affordable housing associations'. In order to receive accreditation and capital funding, these must participate in the development and implementation of a central register for housing applicants, although it is unclear at this stage whether the register will include all public housing applicants as well. Housing associations will have their own allocations policies, subject to compliance with government requirements, which will include agreeing to take some applicants from the common register as well as targeting some allocations to those in greatest need. The extent of these requirements is subject to ongoing consultation (Office of Housing 2004a: 20, 2004b: 9-10).

The NSW Department of Housing has proposed on more than one occasion a social housing register encompassing both the public and community housing sectors (Nada Spasojevic and Associates 2000; Department of Housing 2001: 3). The community housing sector proposed an alternative model of a common register for that sector only, involving a common application form and some access by providers to data on a common database (NSW Federation of Housing Associations 2000). The alternative proposal reflects a concern about potential loss of autonomy if there were a common register, and a strong view that an appropriate model should be based on common registration of applications only, not on a common assessment or allocations policy or process (NSW Federation of Housing Associations 2002). Work on developing a common housing register appears to have stalled.

The South Australian Community Housing Authority is looking at possibilities for a computerised central applicant register for the community housing sector in that state. To date, this has involved an investigation of the characteristics of community housing waiting lists (SACHA 2003a), compilation of a paper on 'Application Practices and Processes' which outlines current issues (SACHA 2003b), and a workshop to consider how to progress such a register (SACHA 2004). Current suggestions are for a system in which households make one application to the community housing sector, detailing their housing need and preferences. Information would be entered onto a secure computer system, enabling sorting of applications

into lists based on type of housing and area preference. Community housing providers would be able to access only the information of applicants who have stated a preference for their accommodation. Individual providers would continue to assess potential applicants and continue to use their own allocations policies and processes (SACHA 2004).

The Tasmanian government has developed an 'Affordable Housing Strategy' that foreshadows a move towards a more diverse social housing system including a stronger community housing sector, which may involve some transfer of public housing stock (Government of Tasmania 2003). Housing Tasmania is conducting research into possible changes to applications/allocations processes, including common housing registers, in order to implement the Strategy.

6.6 Summary

Australia is moving slowly towards a multi-provider system of social housing in which traditional distinctions between the roles of public and community housing providers are breaking down. Some states, territories and peak community housing organisations have started to consider the challenges these changes present in terms of improving access to social housing in Australian jurisdictions. This chapter has documented a number of initiatives already introduced overseas to coordinate access in other multi-provider systems, particularly through common housing registers and common waiting lists. In considering these initiatives, it is essential that they are placed in the context of the size and composition of their respective social housing systems and the legislative and regulatory environments in which they operate.

The overseas examples outlined in this chapter raise issues for consideration in an Australian context about: the nature of partnerships between social housing providers; appropriate geographic areas for waiting lists; and means of negotiating the roles and responsibilities in applications/allocations of public housing agencies and larger community housing providers as new funding and regulatory regimes are implemented. At a practical level, the examples also raise a myriad of questions about the financial skills, people skills and information technology required to implement initiatives to improve access to social housing.

7 IMPROVING CHOICE FOR HOUSEHOLDS AND FLEXIBILITY FOR PROVIDERS

One of the consequences of increased targeting of social housing in Australia, particularly in 'one size fits all' allocations systems in public housing, has been reduced choice for households and reduced flexibility for housing providers to consider the impact of allocations on local communities. This chapter identifies issues raised by targeted allocations systems. It examines some overseas initiatives to improve choice for households and flexibility for providers,[42] in order to inform discussion and debate about potential changes in Australia. The chapter concludes by reviewing policy directions in Australia on these two issues.

7.1 Issues around needs-based social housing allocations

The prevailing ethos in Australian social housing, particularly public housing, is to gear allocations systems to households with urgent or complex needs. State and territory housing authorities and some community housing providers have spent considerable time and resources in developing detailed policies and practices to implement needs-based allocations systems, as discussed in Chapters 4 and 5.

Whilst many policy makers continue to support such systems as a reasonable response to a difficult operating environment, the policy workshop, interviews with program managers, the surveys of housing practitioners and some of the more ethnographic methods suggested some 'ground up' questioning on a number of counts.

Firstly, we saw in Chapter 5 that public housing workers are concerned about low income households missing out completely, or having to wait for extended periods of time, whilst allocations are made to households with priority status. These concerns were echoed by some of the program managers interviewed for the project and in the policy workshop. There appear to be a number of issues. Does targeting respond mainly to the expressed demand from single people and does it disadvantage households with children, including larger and extended families? Do the assessment tools available enable accurate identification of households who should be housed quickly compared to other eligible households? What happens to people in lower segments of the waiting list on low incomes who cannot afford private housing? For example, does non-allocation contribute to overcrowding, increased levels of debt, family break-ups or severe financial hardship?

Secondly, concerns were expressed about the outcomes of needs-based targeting on those who do get priority in allocation. Do housing workers have the skills and expertise to assess and assist households with urgent and complex needs? Is appropriate accommodation available to allocate to households in greatest need? Is there an undue focus on one option, allocation of long-term social housing, in situations where other options could be considered?

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[42] This chapter refers to 'flexibility' in allocations rather than 'discretion'. The former refers to explicit means of changing allocations policies to be more sensitive to local conditions whilst the latter refers to decision-making by housing practitioners in individual cases.

Thirdly, issues were raised about the outcomes of targeting on nearby residents (of blocks of flats, estates or neighbourhoods). Does targeting contribute to neighbourhoods being economically and socially disadvantaged? Does it contribute to high tenancy turnover, neighbourhood disputes and stigmatising of social housing areas? What are the impacts of using statewide criteria to allocate properties in areas that differ substantially in terms of local housing and employment markets and the demand for, and supply of, social housing?

Finally, interviews with program managers and the policy workshop indicated an awareness that increased targeting has generally resulted in less, rather than more, choice. In some cases, allocations systems were still regarded as quite 'generous' in enabling applicants to state their zone of preference and accommodation type. Providing more choice for households was seen as very difficult and even a 'luxury', owing to pressure of demand.

Whilst there has been some questioning in Australia of the implications for households and local communities of tightly targeted allocations systems, overseas there has been greater consideration of ways to improve household choice and make allocations systems more sensitive to the circumstances of local communities. The rest of the chapter considers three overseas initiatives: advertising vacant social housing properties in the Netherlands, 'choice based lettings' schemes in England and Wales, and local allocations policies in the UK.

7.2 Advertising vacant properties: The Delft model

An alternative model of letting social housing was developed in Delft (in the Netherlands)[43] in 1990, in which vacant properties within a local government area were advertised in a free magazine and households applied directly for properties in which they were interested, by sending a coupon to the social housing provider (typically a housing association).

In these respects, the scheme mirrored access to properties in the private rental market. Where there were multiple bids, some criteria were needed to choose between them. In Delft, selection was made by age, with the oldest applicant receiving preference and, in the case of transfer applicants, preference given to the longest-term tenant. Following a positive evaluation, the system was extended to all social housing in the city (Kullberg 1997: 393-4).

Under the Delft model, properties are often designated for particular groups – for example, the most desirable properties made available only to households wishing to transfer from other accommodation, whist others are designated for new tenants. Properties also have qualifying conditions attached to them – for example, eligible household size and income level. In some municipalities, private landlords add their listings, which can also be inspected by those registered for social housing. Not only are individual properties advertised, but local newspapers also report (after some weeks) on the address of the property that has been allocated, the type, number of

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[43] Delft had a population of about 90,000 when the new model was introduced. In the first year of the scheme, half of the social housing stock was allocated according to the waiting list system and half by the new system (Kullberg 1997: 393-4).

bedrooms, birth date of the person allocated the property, and total number of applicants. The intention of publishing this information is to make the system transparent and to enable households to make informed judgements and trade-offs about their housing (Kullberg 1997: 396-8).

The Delft model replaced a traditional waiting list plus priority system, similar to that operated by most Australian states and territories until the mid-1990s. It subsequently was adopted, often with adaptations, by many municipalities in the Netherlands, where a large majority of social housing is now allocated in this way (Kullberg 2002: 557). Other media are now used for advertising, including the Internet and cable television. Some municipalities continue to operate a separate priority system for households in urgent need whilst others include such households within the system of applying for individual properties, giving them higher priority but less choice than other applicants. Generally the percentage of households allocated priority in this way is less than 10 per cent (Kullberg 2002: 559-60).

It is important to understand the institutional context in which the Delft model operates and the degree to which the different context in Australia would affect this type of approach. Advertising properties in the Netherlands works in the context of a large social housing sector, comprising 36 per cent of all dwellings, compared to a small and residual social housing sector in Australia (6 per cent of all dwellings). Most social housing in the Netherlands is provided by housing associations working in close association with municipalities, rather than the predominant model of state/territory based public housing in Australia. Tenants in the Netherlands have a range of income levels and are not a marginalised and disempowered group, unlike in Australia where social housing has been progressively targeted at those with the highest level of social and health disadvantages. In the Netherlands, housing allowances are available to individual households, enabling choice across tenures, unlike Australia where deep subsidies on rentals are only available in public (and some community) housing.

7.3 Choice-based lettings (England and Wales)

The apparent success of the Delft model has been very influential in rethinking allocations in the UK, meshing with market liberal ideas about greater consumer choice and transparency, as a means both of improving household satisfaction and of driving greater efficiencies in management. By 2000 many social housing providers, both local councils and housing associations, were reviewing their allocations policies (Brown, Hunt and Yates).

A Green Paper on Housing in England in April 2000 proposed to improve the management of social housing by local councils or registered social landlords (housing associations) through moving from bureaucratic allocation to the provision of 'letting services' responsive to household needs. To this end, it proposed reforms to allocations policies to offer choice, tackle social exclusion, help create sustainable communities, and encourage effective use and management (DETR 2000a: ch. 9). In December 2000, the national government committed to implementing these proposals through legislation to facilitate choice-based letting policies in areas of both high and low demand, provision of £11 million over three years (later increased to

£13 million), funding of pilot letting schemes that were customer-focused and choice-based, and promoting choice-based and local lettings schemes more generally[44] (DETR 2000b: 5, 9).

The Department of Transport, Local Government and the Regions and its successor, the Office of the Deputy Prime Minister (ODPM),[45] introduced a choice-based lettings pilot program that operated between April 2001 and March 2003, comprising 27 projects in England and Wales.[46] The program tested lettings policies aimed at improving choice, with pilots selected via competitive bids from social housing providers. Projects were approved in a variety of housing markets, to include areas of both high and low demand. Almost all (25 projects) aimed at introducing a Delft-style advertising model, with one specifically examining improvements through electronic information provision and one through a web-based system for facilitating transfers within the social housing sector (ODPM 2004a).

Examples of two choice-based letting schemes are given in the boxes below to illustrate how they operate in practice and how they vary according to four dimensions: urban and rural areas, covering part or whole of a local government area, excluding or including a priority access system, and using the Internet or more traditional means of communication.

The first, Coventry HomeChoice, was an ODPM pilot that included the local council and three housing associations, and operates in specific geographic areas of Coventry, an old industrial city in the Midlands. It places emphasis on online access and information. It essentially replaced a waiting list system and makes no provision for those in urgent need or who face specific disadvantages. The local council operates a parallel system for households in these circumstances, to meet its statutory requirements.

The second, Harborough Home Search, started operation in 2000 and predated the ODPM pilots, although it later was included as a pilot project. It covers a whole local council area in a rural district of South Leicestershire, also in the Midlands, and is the longest running district-wide choice-based lettings system in the UK. It makes less use of online bidding and feedback. It is a comprehensive scheme, which incorporates priority access, and replaced a traditional needs-based points system.

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[44] Some innovations in choice-based and local lettings preceded the ODPM pilot program, including schemes run by Charter Housing Association in Caerphilly (Wales) and the Leicester Housing Association in Mansfield, and a scheme to cover an entire local government area implemented in 2000, the Harborough Home Search (Brown, Hunt and Richardson 2003).

[45] The choice-based lettings pilots were initiated by the Department of Transport, Local Government and the Regions in April 2001 and were transferred to the new ODPM in May 2002. The ODPM is responsible for regional and local government, housing, planning, regeneration and neighbourhood renewal and the Social Exclusion Unit.

[46] As part of devolution in the UK, the new National Assembly for Wales produced a housing strategy which foreshadowed that it wished to introduce lettings systems that optimise choice for applicants as well as meeting needs (National Assembly for Wales 2001: 75).

Example: Coventry HomeChoice

HomeChoice involves a partnership between three local housing associations (Touchstone, Focus and Mercian) which have properties in specific geographic areas of the city. Other housing associations operate in Coventry, which allocate properties based on 'housing need', for example, using points systems.

Registration

Households wishing to apply to one of the three housing associations must register for HomeChoice, either online or by ringing for an application form. They are asked to give permission for reference checks to be made with local housing associations and the police. The information given is available only to participating housing associations and the Coventry city council, which is the data controller. The system is based on registered waiting time with a housing association, and does not give priority to households who are homeless or about to be homeless. The city council has a statutory responsibility for households in these situations.

Advertising of properties

Every two weeks, the housing associations advertise vacancies on the scheme's website and in the property pages of the local evening paper. These list area and address, property type and size (e.g. three bedroom house), weekly rent, landlord details, viewing arrangements, a long description (e.g. configuration of rooms, access to parking, heating type), and type of household for which the property is suitable. There may also be a picture (particularly on the website). The advertisement lists a closing date for making bids.

Making a bid for a property

Households registered with HomeChoice bid for an advertised property, either online or by direct contact. They do not have to be of the household type specified in the advertisement. Bids on up to three properties a fortnight can be made (stating priority order), and only one bid can be made on each property. Bidders can check on the number and type of other bids online and where their bid stands in relation to others. After the closing date, HomeChoice sends out bids to the relevant housing association to consider.

Selecting the successful bidder

The housing association offers the property to a household registered with HomeChoice that matches its specification of household type and has been registered for longest with that association. The housing association may not offer the property if, for example, large amounts of back rent are owed to it by that household. If there are two or more similar bids, the property is offered to the household that has been registered for longest. If there are no bids from households of the specified type, the property may be offered to one of another type. The selected household can refuse the offer, for example after inspecting the property, without any penalty.

Feedback

Aggregate information about bids for each advertised property are posted online: property details, specified household type, total number of bids, number matched to specified household type, and successful bidder's date of registration with the housing association.

Source: Coventry HomeChoice, <https://vault2.secured-url.com/sslroot/site/index.asp>.

Example: Harborough Home Search

The District of Harborough has 50 urban settlements and villages that have social housing (3,100 units), with generally high demand. Harborough Home Search operates across the district and is a partnership between the district council and three housing associations (East Midlands Housing Association, Leicester Housing Association and de Montfort Housing Society), each of which provides social housing in the district.

Registration

Households seeking social housing in the district apply to join the housing register run by Harborough Home Search, which will ask for documentation to support information on the registration form – for example, to verify income – and can check the circumstances of the application with previous landlords, health personnel or the police. Households may not be accepted if they have prior and serious anti-social behaviour. Both current social housing tenants in the district and new applicants can apply. Additional information is requested from those with a disability.

Harborough Home Search assesses the needs of applicants and places them in one of three categories: priority, preference or potential. Priority refers to those with an urgent need to move due to homelessness (statutory), actual or threat of violence, or acute medical need, who are given a 'priority card' valid for 16 weeks. Preference is a broad category which pays regard to local connections, current housing conditions, 'intentionally homeless' and medical needs. Households on the register are also given a 'matrix of eligibility' that shows what type and size of property they are eligible for.

Advertising of properties

All vacant social housing properties in the district are advertised. Quotas are set between new and transfer applicants for some types of properties, particularly houses, and properties are designated for particular types/sizes of household. Some are labelled 'best fit', which means that other households may be eligible to be housed. Details of available properties are mailed out to those in the priority and preference categories on a fortnightly basis. Those in the potential category can access advertisements via a shop front or the scheme's website.

Making a bid for a property

Households apply for a particular property when it is advertised. To be considered, they must meet any requirements specified – i.e. new or transfer, age, level of disability, household type/size – unless the property is designated as 'best fit'. Bids are made by returning a reply coupon by mail by the closing date.

Selecting the successful bidder

Where there is more than one bid for an advertised property, it is offered in order to a homeless household with a priority card, any other priority card holder, those in the preference category by order of registration and, if necessary, those in the potential category by date of registration. Households have to provide proof of their circumstances as set out on the registration form. Those who are statutorily homeless and housed with a priority card are offered a temporary tenancy (two years). The social housing provider that manages the property makes all contact with the bidder.

Feedback

Information is fed back on how many households applied for a property, the successful household's date of registration, and whether a priority card was used or not.

Sources: Brown et al. (2002); Harborough Home Search, Allocations Policy, July 2003; Harborough Home Search Allocations Guide, July 2003; <http://www.harborough-home-search.com>.

As with other initiatives, it is important to consider the institutional context in which choice-based letting schemes in the UK have developed. The pilots were supported by the national government both financially and with support and advice, through a website funded by ODPM and operated by the Centre for Comparative Housing Research at de Montfort University, which also provided an advice and support service in 2001–03. The website, now branded 'Choice Moves', has an extensive range of references and publications on choice-based lettings.[47] ODPM also produced newsletters and other resources.

Other pilot projects have been funded following devolution of powers to Scotland, Wales and Northern Ireland, although financial and other support from these governments has been weaker. For example, the Welsh Assembly government is funding the Pembrokeshire county council in South-West Wales to pilot different approaches to choice-based lettings within a common register.[48] The Scottish government, as we saw in Chapter 6, has preferred to provide support to the development of common housing registers rather than choice-based letting systems, although it is worth noting that many such schemes in the UK have been implemented in conjunction with a common housing register.

It appears that choice-based letting systems will become the norm in England and Wales. The national government set a target, prior to the evaluation of the pilot projects discussed in the next section, that a quarter of all local authorities in England should have such systems in place by 2005 and 100 per cent by 2010 (ODPM 2004a: 22). The government has a stronger role in housing policy development and evaluation, and resourcing and development of good practice, than is the case in Australia.

Whilst there are national legislative requirements and guidance, such as assistance to those who are homeless and 'reasonable preference' to the most vulnerable, housing allocations systems in the UK have long been developed and implemented on a local basis (initially via local councils and then via housing associations) to reflect local needs and conditions. Stirling and Smith (2003: 146) refer to this as the 'long held view that whilst central government may legislate and guide, allocations policies should be determined and applied locally'. This differs from Australia where states/territories have determined allocations systems, with little consideration of local conditions.

Finally, local provision and greater diversity of social housing providers in the UK have facilitated experimentation with different forms of allocations or lettings systems, including pilot projects. This contrasts with Australia where there has been a reluctance to experiment and evaluate, arguably because of state/territory dominance in social housing provision, inadequate information at a strategic level, and reluctance to share information about allocations, discuss alternatives and learn from initiatives that have been introduced.

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[47] See <http://www.choicemoves.org.uk/ppimageupload/Image5734.PDF>.

[48] The Welsh Assembly government (2003) provides Social Housing Management Grants to encourage innovation in management.

7.4 What can we learn from evaluations of initiatives to improve household choice?

Evaluations of the Delft model (reported in English in Kullberg 1997, 2002) have suggested that, in general, it works much better than the old waiting list plus priority system. From a client perspective, it is more open and transparent, enabling households to trade off time on waiting lists with quality and location of housing. From a local municipality perspective, the model identifies those who are actively seeking properties rather than those who register 'just in case', thus preventing waste of resources on those who are not really interested, and, in many cases, enabling speedier reletting, with a reduction in rent loss due to vacancies.

Whilst the Delft model is generally regarded as being successful, there are some reservations. People on low incomes and from ethnic minority groups appear less likely to understand how it works and may be disadvantaged in making their bids. Further, there is a question mark over whether the model is achieving anticipated benefits in terms of reducing neighbourhood problems and stabilising neighbourhoods, partly because properties are labelled for particular income levels and household sizes (Kullberg 2002: 575).

Most of the choice-based letting schemes in England and Wales are pilots. There has been a commitment to evaluation and learning from their experiences. Researchers from the Universities of Bristol and Cambridge have recently completed an evaluation of the ODPM pilot projects (ODPM 2004a), and a private consultant, BRMB, has evaluated applicants' perspectives in six of the pilot areas (ODPM 2004b). The Centre for Comparative Housing Research at de Montfort University has undertaken an evaluation of Harborough Home Search, which has been in operation longer than any of the pilot projects (Brown et al. 2002).

In general, the evaluations indicate that households felt that choice-based letting schemes gave them greater choice, information and control and that, once understood, they were more transparent than previous allocations systems, such as needs-based systems using points. It was less clear whether households thought choice-based letting was fairer; perceptions of fairness tended to depend on whether their needs had been met or not. Responding to advertisements meant that households had to take a more active role in finding their housing, but this was generally considered to be worth the effort. They were prepared to use the system to make trade-offs on property type and quality, but had very little flexibility about where they were prepared to live. Restrictions due to labelling of properties for particular groups caused some frustration amongst prospective bidders.

Local councils and their housing association partners were generally enthusiastic and felt that joint working arrangements had been largely successful. Resources did not have to be spent on households who did not have a genuine interest, and vacancy times were in the worst case stable, but often reduced. Implementation was not without its difficulties, particularly in finding appropriate computer hardware and software.

The fears of some social housing providers that they would lose control over allocations were not realised. The way in which properties are labelled for specific types of households and rules about permissible transfers are very important in determining who gets access to what type of property, although there is a trade-off between targeting in this way and client perceptions of choice:

> Choice-based lettings does not remove all control over access from the hands of landlords – control is relocated to earlier in the process when the rules of the game are set (ODPM 2004a).

The evaluations suggest that the pilot projects worked well in areas of both high and low demand for social housing, despite a fear by many housing practitioners that they would not work in high demand areas. Choice-based letting does not, however, address the issue of insufficient social housing in high demand areas. Paradoxically, there was some evidence that the publicity attached to the pilot projects meant that more households registered for social housing, particularly working households and minority households.

The weakest part of the pilots overall was the provision of support to 'vulnerable households'. Such households may be moving around or in temporary accommodation, and may lack the skills to access information and make appropriate bids. There was evidence that older people and homeless households bid less often in some of the pilot projects. The most common means of addressing the needs of vulnerable households was to train staff in statutory and voluntary agencies to assist their clients with choice-based lettings.

Local councils in the UK have a legal responsibility to provide assistance to involuntarily homeless households and to give 'reasonable preference' to those most in need.[49] This was done either through maintaining a separate priority system, as in Coventry, or by awarding a time-limited priority card or a high banding/number of points. These mechanisms were generally successful, although applicants continued to chase priority card or housing band status in the same way that they had previously pressed for higher points to be awarded. People without priority cards or in lower bands were more likely to feel that the system was not fair because it did not meet their needs.

Overall, the evaluations of choice-based letting systems in the Netherlands and the UK are very positive from the point of view of both households and social housing providers. The move to such systems does not, however, remove the responsibility of providers, particularly in the public sector, to respond to the housing needs of the most vulnerable households. 'The jury is still out' on whether such schemes provide better outcomes in terms of the stability and sustainability of neighbourhoods that have concentrations of social housing.

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[49] The Homelessness Act (2002) requires that reasonable preference in allocating social housing is given to homeless people, people living in unsanitary or overcrowded conditions, people who need to move on medical or welfare grounds, and people who need to move to a particular locality in the district of the (local) authority, where failure to meet that need would cause hardship to themselves or others (Stirling and Smith 2003: 149).

7.5 Local allocations policies in the UK

An important issue in the Australian context is whether, and how, allocations can contribute to more sustainable communities in the light of the other objectives of allocations systems. Cole et al. (2001) looked at the tensions in designing UK allocations systems around issues of stable and sustainable neighbourhoods versus client choice, and argued that this was not necessarily a trade-off. Rather, there is a spectrum of options that could help achieve elements of both objectives.

The evidence from the UK is that, faced with the objectives of promoting both household choice and neighbourhood stability/sustainability, social housing agencies in practice are moving to hybrid models of allocation that combine elements of both. For example, in many areas, sometimes in conjunction with common housing registers and/or choice-based lettings, agencies have developed local lettings policies or plans that enable them to either relax or tighten allocations policies and practices for specific estates or neighbourhoods. A review by Cope (2000) found a range of 'flexible allocations' and 'local lettings' schemes in the UK which were designed to tackle the stigma attached to some neighbourhoods and reduce crime and anti-social behaviour on estates. Other schemes went further in trying to change the mix of households on the estate to improve sustainability, for example by reducing the number of children or allocating to households who were connected to the labour market.

Research for the Housing Corporation in England, which permits housing associations to introduce local allocations policies, found that just over half of housing associations in a recent survey had some form of local lettings scheme. The most common objectives were promotion of balanced communities, promotion of sustainable tenancies, responding to low demand, promotion of tenants' satisfaction, and exclusion of potentially disruptive tenants (Pawson and Mullins 2003: 28). Local allocations policies are not restricted to housing associations and may be used by local councils (public housing) for many reasons including finding tenants for 'hard to let' stock.

The example below from the City of Edinburgh in Scotland shows how local allocations policies for council (public) housing can be one element in an allocations system which in this case also includes a common housing register involving a number or providers, choice-based lettings and needs-based priority assessment.

Example: Edinburgh – hybrid allocations system

Information

The 'Edinburgh Housing Options Guide' provides consolidated information (including online) about housing options offered by the City of Edinburgh and 30 other housing providers operating in the city. It also provides a gateway to information provided by individual providers.

Homeless people

The city's Housing Options Team has a legal responsibility to interview people who present as homeless and, depending on the assessment, offer them temporary or permanent accommodation.

Registration

There is a common application form and single registration process, with a common housing register, EdIndex. This is the point of access and registration for council housing and accommodation provided by 24 partner registered social landlords (both housing associations and housing cooperatives). It provides a single form of access for over 95 per cent of social rented housing in the city. On the common application form, applicants nominate which of the participating landlords they wish to be considered by.

Allocations policies – partner organisations

Housing associations and cooperatives that are partners in EdIndex operate their own allocations policies within the context of pre-existing nomination arrangements between the council and individual providers. In general, these arrangements entail the Edinburgh city council nominating applicants to 25 per cent of the available vacancies of registered social landlords. The city supplies a short-list of names of households registered on EdIndex who have indicated that they are interested in this type of housing as well as council housing. There is also a separate system for nomination of homeless people.

Allocations policies – council housing

The City of Edinburgh operates a choice-based letting scheme, 'EH – Your Key to Choice', in which vacant properties are advertised fortnightly. These are designated by type of suitable households (e.g. single person, no children) and as being for 'starters', 'movers' or both. Properties let are published each fortnight on the EH website, with information on the successful applicants' length of waiting time or tenancy time.

The council's lettings scheme also incorporates a needs-based allocation component in which starters and movers can be allocated priority status as follows: gold (urgent health), gold (health), silver (homeless and in priority need or exceptional housing need), and date order (waiting time or length of tenancy). Allocation of priority status is time limited. When this expires, households can continue to put in bids for properties but without priority status. Priority status can also be revoked if a household refuses an offer 'unreasonably'.

Local allocations plans

The council has local lettings plans for some areas of the city, as do some other providers. In the case of council housing, these override the general 'rules of choice' for specific areas and are for specific periods of time. For example, allocations to some properties may have to meet criteria based on age or household composition to address specific local issues (such as 'too high density' of children). The local area plans also set targets for the proportion of allocations to starters and movers.

These plans are subject to local consultation and are described by the city as 'by definition dynamic documents monitored against and developed and changed inline with changing situations and demands'. All aspects have to balance citywide supply and demand issues, as well as local factors. For example, targets for a local area for starters and movers have to, in aggregate, support citywide targets. They also have to meet legislative and equal opportunity requirements.

Sources: City of Edinburgh Council, *Letting Policy*, <http://www.keytochoice.scotsman.com/ policy.cfm#anchor3.5>; City of Edinburgh, *Applying for a House*, <http://www.edinburgh.gov.uk/CEC/ Housing/How_to_apply_for_housing/Applying_for_a_house.html>.

Note: Starters are people who are homeless, staying with a friend or relative, staying in a hostel, staying in supported accommodation, having a relationship breakdown, or renting a house or flat from a private sector landlord. Movers are council tenants, tenants of a housing association, part of a joint tenancy with either the council or a housing association, tenants of 'tied accommodation' provided by an employer, or home owners (including those paying a mortgage).

The important point about local allocations policies in this context is that they involve more than individual practitioner discretion about which households are allocated housing in a particular area (informal rationing). They involve an *explicit* process for identifying the aims of local allocations policies, the areas to which they apply, consultation with local communities and setting of allocations targets which can then be monitored. It is also important to note that this process takes place within the context of overall planning of allocations and that local allocations policies have to meet legislative and equal opportunity requirements.

7.6 Policy directions in Australia about choice and flexibility

Unfortunately, there has been little evaluation of the outcomes of targeted, needs-based allocations systems in Australia to inform debate about these issues. Nevertheless, some initiatives are being considered or developed in Australian jurisdictions based, in part, on the concerns raised earlier in this chapter and with some knowledge about the overseas initiatives discussed above.

The South Australian Housing Trust has examined choice-based letting systems and plans to trial a pilot project. The WA Department of Housing and Works is considering choice-based incentives for households who have to relocate because of urban renewal projects, with financial incentives attached.

There is most interest in local allocations policies. The South Australian Housing Trust has specific local allocations policies for some major renewal projects. The Victorian Office of Housing is piloting local allocations policies in Fitzroy (inner city area of Melbourne) and Mildura (country) to try to generate a more sustainable mix of tenancies. The Tasmanian Housing Department has been experimenting with local variations to allocations policy for hard to let stock to complement sales of stock and

community development activities. The NSW Department of Housing has had some specific allocations to generate mix on 'problem estates' but is concerned about the legal implications of breaching statewide guidelines.

The Queensland Department of Housing has the most developed system for local allocations policies. Individual offices can apply to have such policies for designated areas and there is a formal process of assessment by a Head Office policy assessment team before approval is given. This means designation of such areas is given careful consideration in the context of other objectives of allocations systems and is explicit rather than implicit.

7.7 Summary

Social housing providers in Australia currently emphasise 'needs-based' allocations, tightly controlled through administrative criteria and processes. Many social housing workers support this emphasis, but there is also some evidence of a 'ground up' querying of the outcomes, particularly for the sustainability of local communities. In some states and territories this has prompted consideration of 'trying something different', albeit on a small or local scale. There is most interest in developing local allocations policies which enable providers to have greater flexibility in making allocations. There is some interest in, although much scepticism about, new approaches overseas which have introduced significant elements of household choice into allocations systems.

Consideration of possible changes to allocations in Australia can be informed by knowledge of initiatives overseas, particularly since some of these have recently been evaluated. Such initiatives include the Delft model, choice-based lettings and local allocation plans, or a combination of these in a hybrid model. It is important to be aware of the institutional context in which these initiatives were developed and implemented, including the degree of government support and resourcing, as well as negotiation of partnership arrangements, in considering whether, and to what extent, these ideas are applicable to Australian social housing.

8 CONCLUSION: REFORMING SOCIAL HOUSING ALLOCATIONS

8.1 Challenges

Social housing allocations systems in Australia are under pressure, with demand for assistance far outstripping supply. The size of the sector overall is decreasing slightly, whilst the number of dwellings available for allocation on an annual basis has decreased markedly over the last 15 years. Whilst data for community housing are unreliable, the waiting list for public housing remains high. Put simply, there were more than 208,000 applicants on public housing waiting lists in 2003, but an annual rate of allocations of about 33,000. Reform of allocations can make the social housing system perform better, but will not in itself deal with broader structural issues of limited supply.

Most social housing providers are under pressure, although the extent varies considerably between jurisdictions, with NSW and SA facing the greatest pressures, and the NT and Tasmania the least, measured by allocations as a percentage of public housing waiting lists. There are also significant differences in allocations available to meet demand within each state and territory, reflecting considerable differences in housing markets and conditions.

Current allocations systems are a response to some of these pressures and also reflect the history of the public and community housing sectors. In the public sector, they are based on housing a combination of households with urgent and complex needs, together with other low income households from the waiting list. Three main systems are in use: segmented waiting list, priority points, and date order plus priority. The percentages of households in the urgent/complex needs and waiting list categories vary quite substantially between jurisdictions, with the ACT, Tasmania and Victoria having systems that generate the highest percentage of allocations to those with urgent/complex needs, and Queensland the lowest. In the community housing sector, allocations are generally targeted at those with urgent and complex needs, although in a part of the sector there is also an emphasis on allocation to households who are willing to participate in running the organisation, particularly housing cooperatives.

Social housing allocations in Australia are based on a model of 'rationing' access through administrative criteria and processes. Workers in both public and community housing have a very high commitment to 'equity', defined as applying the rules in an equal way to all applicants. As systems have come under more pressure, there has been a general tightening of administrative criteria such that, for example, households have less choice in stating their preferences for type and area. Households try to make trade-offs within a tightly controlled administrative system – for example, by stating a preference for an area where there is 'good' housing or by refusing offers of accommodation – but the scope for this is limited.

Social housing allocations systems are tailored to meet the needs of new applicants, rather than households who wish to move within the sector, although the community sector in general places a greater emphasis on existing tenants. The

focus on equity of treatment and the dominance of state and territory housing authorities means that there has been relatively little innovation and experimentation to try to achieve better outcomes for households, providers and the sector as a whole. There are some indications of a growing interest in trying new approaches.

The social housing sector itself is changing, albeit slowly. State and territory housing authorities still provide nine in ten social housing units and there is a relatively large number of very small community housing organisations. Community housing is, however, the growth sector, and this looks set to continue with a move towards larger providers and new models of affordable housing in some jurisdictions. These new providers will have larger property portfolios, more clients, possibly a different mix of households, and potentially greater influence in shaping the social housing system.

Some of the key challenges for the social housing sector which have been addressed in this Report are:

- Improving access pathways as we move to a more explicit multi-provider sector;

- Balancing rationing of scarce resources to those most in need, while enabling households to make choices and trade-offs about their own housing;

- Designing allocations policies that are sensitive to differences in local housing markets and conditions, whilst maintaining principles of equity and access.

8.2 Social housing allocations: Possibilities for change

In Chapter 2 we discussed how access to public housing in Australia has been conceptualised in contrast to access to market housing and indicated that this dualism can limit debate about options for change. Developments in the social housing sector (discussed in Chapters 4 and 5) and reflection on some of the overseas initiatives (discussed in Chapters 6 and 7) suggest that it is possible to develop allocations systems that combine some elements of both models.

Some of the possibilities for change to social housing allocations identified in this research are indicated in the shaded column in Table 8.1. *It is important to emphasise that these are not recommendations*. The shaded column summarises the allocations initiatives discussed in this Report and locates them within a conceptual framework which goes beyond dual models of access to rental housing. The 'mixed model' of access summarised in Table 8.1 highlights a number of possibilities based on this research and allows for many permutations and combinations which are not able to be presented diagrammatically.

The research indicates that, based on available evidence, a mixed model is possible, but consideration of its desirability, and of which elements of a mixed model are applicable, if any, are questions for policy makers. It is important to state that there is no one 'ideal' allocations system. Social housing providers, both individually and collectively, have to develop systems that work best in their environments. The framework provided in Table 8.1 is a starting point for working through some of the strategic, policy and practice issues.

Table 8.1: Models of access to rental housing: conceptualising initiatives to change social housing allocations systems

	Private rental (market access)	Social housing (mixed models)	Public housing (bureaucratic access)
General			
Underlying assumption	Aggregate demand and supply for housing self-adjusting and in long run equilibrium	Demand for, and supply of, social housing varies considerably by area	Demand for public housing exceeds supply – need for rationing
Primary factor in determining access	Ability to pay market prices	Inability to access market housing	'Housing need' including inability to pay market prices
Specific factors			
Choice of provider	Many providers in competition with each other	A number of providers with negotiated, cooperative working arrangements	One dominant provider (public housing authority)
Information	Onus on households to access information on options generally and specific properties available	Coordinated information on social housing provision and means of access	Onus on public housing authority to supply information about its services and how to access them
Application	Households can list with multiple landlords/real estate agents and apply for individual properties	Common application for access to social housing with specification of preferred provider(s)	Households make a general application for housing with the provider
Eligibility/ assessment	Verification of income, assets and credit rating and check on prior tenancy history often for each property	One point for assessment of eligibility – could include assessment against criteria of different providers	Verification of income, assets and other factors and check on prior tenancy history for all properties
Household choice	Households trade off price (rent level) with the type, size, quality and location of housing they want. Capacity to do this depends on income and household circumstances	Provision of sufficient information to enable informed choice. Households able to apply for individual properties as designated for particular household types or types of applicants	Households trade off anticipated waiting time with type, size, quality and location of housing but not its price. Capacity to do so depends on household circumstances and urgency of 'housing need'
Order of access to housing	Assessed individually for each property	Allocation of a 'currency' or 'priority status' that determines priority when applying for an individual property	Ranking of all applicants according to 'housing need', based on established criteria

	Private rental (market access)	Social housing (mixed models)	Public housing (bureaucratic access)
Matching households and properties	Household decides which properties it wishes to bid for – many bids possible	Choice-based systems within properties labelled for specific household or applicant groups	Detailed criteria determine type/size of housing to be offered – very limited offers and refusals.
Consideration of neighbourhood impact	Limited	Explicit system for approving, implementing and monitoring local allocations policies for designated areas	Varies – some local discretion

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APPENDIX 1: PUBLIC HOUSING ELIGIBILITY CRITERIA, AUSTRALIA AND NEW ZEALAND

Table A1.1: Public Housing Eligibility Criteria, Australia and New Zealand – Income

NSW	Vic	Qld	SA
Household income is determined as the gross income of all household members including wages, pensions and allowances and interest on investments. Some statutory income and government allowances are not included. Gross weekly household income limit: 1 Person $395 2 People $500 3 People $580 4 People $665 5 People $720 6 People $775 For households with more than 6 people, household limits are increased by $55 per person. The total income limit is raised by an extra $55 per week (minimum) for each household member with a disability. Will also take into account any ongoing medical or disability costs over $55 per week.	Gross income of all household members is assessed. Applicants must have an independent income. Gross weekly household income limit: Single $332 Couple $553 Single/couple + first dependent child* $602 Age/Disability single** $428 Age/Disability couple** $716 Age/Disability single + children* $602 Age/Disability couple + 1 dependent child** $728 Age/Disability couple + 2 dependent children** $740 Age/Disability couple + 3 dependents or more* $602 *For each additional child under 13 years, add $89. For each additional child 13-17 years, add $120. **To be assessed against this limit, applicants must be receiving a Centrelink Aged or Disability pension or a Veterans' Affairs pension.	Gross income of all household members is assessed. Must have an independent income. Some income, such as certain allowances paid by Centrelink, is not included as weekly assessable income. Gross weekly household income limit: Single $568 Single + 1 child $704 Couple $704 2 Single people $704 Single + 2 children $818 Couple + 1 child $818 Couple + 1 single $818 2 Singles + 1 child $818 3 Single people $818 Single + 3 or more children $932 Couple + 2 children $932 3 Singles + 1 child $932 2 Singles + 2 children $932 4 Single people $932 Couple + 3 or more children $1045 5 Single people $1045 Couple + 2 children + 1 single $1045 2 Couples + 1 or more children $1045 1 Couple $1045 1 Single + 2 or more children $1045 5 or more people including 2 adults $1045	Gross income of all household members is assessed. Must have an independent income. Gross weekly household income limit: Single $585 Single + 1 child $765 Single + 2 children $855 Single + 3 children $945 Single + 4 or more children $1080 Couple $765 Couple + 1 child $855 Couple + 2 children $945 Couple + 3 children $1080 Couple + 4 or more children $1215

Table A1.1: Public Housing Eligibility Criteria, Australia and New Zealand – Income *(continued from previous page)*

Tas	ACT	NT	WA	NZ
Income eligibility thresholds are based on eligibility for a Commonwealth Health Care Card. Gross income of all household members is assessed. Gross weekly household income limit: Single $336 Couple $559 Single or couple combined + 1 $593 For each additional child, add $34.	Eligibility is assessed on the gross income of the applicant/joint applicants, plus 10% of the incomes of any other household member whose gross weekly income is equal to or greater than $100. Gross weekly household income limit: Single $521 2 persons $868 3 or more persons $868 (Plus $87 each for the third, fourth, fifth person, etc)	Household income is determined as the gross income of the applicant, spouse/partner and any other resident/members of the household 18 years of age and over. Income from some sources is excluded. Gross weekly household income limit: 1 Person $529 2 Persons $686 3 Persons $801 4 Persons $916 5 Persons $1031 6 Persons $1146 http://www.kangan.edu.au/Study_Options/shortCourseInfo.asp?fldAOSCode=TKP08&title=	Gross income of all household members is assessed. Gross weekly household income limit: Metro & Country *Single income* *Dual income* 1 Person $390 - 2 Persons $520 $600 3 Persons $630 $720 4 Persons $730 $840 Northwest Remote *Single income* *Dual income* 1 Person $550 - 2 Persons $740 $850 3 Persons $880 $1010 4 Persons $1030 $1190 Gross weekly income limit for people with a disability: Metro & Country *Single income* *Dual income* 1 Person $490	Gross weekly household income limit is 1.5 times the married NZ superannuation rate or, for single households, 1.5 times the single living alone rate: Single (living alone): NZ$445 Married (both partners qualify): NZ$337 Married (partner not included): NZ$337 Married (only 1 partner qualifies): NZ$321

Tas	ACT	NT	WA	NZ
			-	
			2 Persons	
			$650 $750	
			3 Persons	
			$780 $900	
			4 Persons	
			$920 $1050	
			Northwest Remote	
			Single income	
			Dual income	
			1 Person $690	
			-	
			2 Persons	
			$920 $1060	
			3 Persons	
			$1100 $1280	
			4 Persons	
			$1290 $1480	
			For households with more than four people, add $110 for each person after the fourth. Households with a family member with disabilities or similar, add $130.	

Sources: ACT Housing 2004, viewed 14 July 2004 <http://www.dhcs.act.gov.au>; Department of Human Services 2004, viewed 14 July 2004 <http://www.dhs.vic.gov.au>; Department of Family and Community Services 2003, *Housing Assistance Act 1996: Annual Report 2001–02*; Homeswest 2003, Department of Housing and Works, viewed 14 July 2004 <http://www.housing.wa.gov.au>; Housing New Zealand Corporation 2002, viewed 14 July 2004 <http://www.hnzc.co.nz>; NSW Department of Housing 2002, viewed 14 July 2004 <http://www.housing.nsw.gov.au>; Queensland Department of Housing 2004, viewed 14 July 2004 <http://www.housing.qld.gov.au>; South Australian Housing Trust 2003, viewed 14 July 2004 <http://www.housingtrust.sa.gov.au>; Territory Housing 2003, viewed 14 July 2004 <http://www.dcdsca.nt.gov.au>; Housing Tasmania, *Social Housing Eligibility,* accessed 17 March 2004.

Table A1.2: Public Housing Eligibility Criteria, Australia and New Zealand – Assets

NSW	Vic	Qld	SA	Tas
If an applicant owns, or part owns, a property in Australia they are not eligible for assistance if they can: • live in the property • sell the property. The applicant can apply for public housing if they are unable to live in the property, or sell their share in the property, because they: • are in the process of negotiating a property settlement with a former partner • need to live in NSW for specialist long-term medical treatment that isn't available in the state where the property is • are escaping domestic violence, serious harassment, or threats of violence. There is no cash asset limit. However liquid assets are assessed as part of household weekly income added to the total household income.	No ownership or interest in real estate (excluding land) unless they cannot make 'effective use' of the property by being unable to reside or continue to reside in the property AND unable to sell their equity in the real estate. General household asset limit: $30,000 Asset limit for households who require major or full disability modifications: $60,000	No ownership or part ownership of: • a residential home, or • a caravan or mobile or transportable home or a live-aboard boat which is permanently connected to water and electricity or gas. In exceptional circumstances such as domestic violence, marriage breakdown or extreme hardship, the Department may waive this condition.	No ownership or part ownership of any residential property. Maximum cash assets: Household headed by single person: $257,500 Household headed by couple: $320,500	No ownership or part ownership of residential premises, which includes houses, units, flats, mobile homes, shacks and large boats either within Tasmania, interstate or overseas. Exceptions are women escaping domestic violence and older Tasmanians (55+). The value of holdings (land ownership) is added to the applicant's financial assets (exceptions may be where an applicant or member of their household owns land or property of little value, or which may prove difficult to sell). Applicants with financial assets equal to or exceeding $34,472.60 will be ineligible. Exceptions are older Tasmanians (55+) where the asset level is $35,000. Funds invested in roll over superannuation funds are excluded from the assets eligibility limit until the monies are realised.

ACT	NT	WA	NZ	
No ownership or interest in real estate in cases where the applicant can reside in the property or sell their equity in the property. Assets limit: $40,000	No ownership or part ownership of a residential property in Australia. An exception to this is where the property is subject to settlement following marital breakdown, provided that it is unavailable to the applicant and no income is received. Assets limit for household members over the age of 18: 1 person $38,100 2 persons $54,500 3 persons $86,500 4 persons $86,500 5 persons $86,500 6 persons $86,500	No ownership of property or land. Maximum cash assets: Singles $35,600 Couples $59,400 Seniors 60+ years $80,000 Singles or couples	Realisable assets of NZ$19,732 or less, indexed annually to average house sale prices.	

Sources: As for Table A1.1.

Table A1.3: Public Housing Eligibility Criteria, Australia and New Zealand – Age

NSW	Vic	Qld	WA	SA
Generally an applicant must be at least 18 years of age. Applicants under 18 years may be eligible if public housing is the best way to meet their accommodation needs, the department is satisfied the applicant is able to meet the obligations of tenancy, they have a disability or serious medical condition or the applicant is the main care giver of a child or sibling. Applicants under 18 years must meet all eligibility criteria, have an income, and be able to show they can live independently.	Special approval may be given for applicants aged 15–17 years. Special approval may also be given to those under 15 years, where no other housing options exist. When an offer of housing is made to a client under 15, their legal guardian is required to sign the tenancy agreement on their behalf.	Applicants must be 18 years or over. Exceptions to this are if the applicant: • has dependent children OR • is three months or more pregnant OR • is part of a couple (without children) living with their parents (one of the couple is 18 years +) OR • is single or part of a couple (without children) and not living with their parents. In this case, they can apply when they or their partner are 17 years old and have not been living with parents for at least three months. However, applicant will not be offered accommodation until they or their partner has turned 18.	Applicants must be 17 years or over to apply, but they will not be allocated housing until they are 18. 16–18 year olds may be assisted at the discretion of regional management depending on their need and circumstances. Applicants between 16 and 18 years, who have a disability and have accommodation supports, are referred to Community Housing. Supporting parents under 18 years of age may request special consideration to be given to their application for housing prior to turning 18 years of age. Approval to be made at the discretion of the Regional Manager, Manager Rental Services, Manager Customer Service, Assistant Regional Manager or Area Manager.	No age criterion applies but applicants must be in receipt of independent income, i.e. regular income from either wage, AUSTUDY, pension or benefit, investment or trust, which is paid directly to the individual.

Tas	ACT	NT	NZ	
Applicants must be 16 years or over. Where younger people apply, a referral should be made to the Child Family and Community Support Program where a worker will consider the most appropriate housing option for the individual.	Applicants must be 16 years or over.	Generally an applicant must be at least 18 years of age. Applications from 16 and 17 year olds will be accepted providing they do not have a viable alternative to public housing. Applications from people under the age of 16 should be referred to the Director Operations North/South for consideration.	Applicants must be 18 years of age or over.	

Sources: As for Table A1.1.

Table A1.4: Public Housing Eligibility Criteria, Australia and New Zealand – Residency

NSW	Vic	Qld	SA	Tas
• Australian citizenship • Permanent residency. This includes applicants who: • have a New Zealand passport stamped with a 'special category visa' • have arrived on their parent's passport • came to Australia on the assisted Migrants Passage (1945–73) • have been granted Onshore Permanent Protection Visas • have NSW residency (must live or work in NSW) Generally, other household residents must be permanent residents, but there are some exceptions, such as spouses who are temporary residents, sponsored migrants, asylum seekers, a holder of a Temporary Protection Visa or an applicant who is in a critical situation.	• Australian citizenship • Permanent residency • Vic residency • Temporary Protection Visa • New Zealand residents living in Australia prior to February 2001 • Sponsored migrants.	• Australian citizenship • Permanent residency • Applied for permanent residency • Qld residency • Temporary Protection Visa • Permanent residency status through agreements between Australia and another country.	• Australian citizenship • Permanent residency • SA residency.	• Australian citizenship • Permanent residency • Applied for permanent residency • Tas residency • In exceptional circumstances an application may be accepted from a person residing interstate, however an assessment is not usually carried out until the applicant has arrived in Tasmania and is receiving income in this state • Families migrating under a DIMA Assurance of Support are eligible for public rental housing.

ACT	NT	WA	NZ	
• Australian citizenship • Permanent residency • ACT residency or have employment in ACT • Sponsored migrant or refugee.	• Australian citizenship • Permanent residency • NT residency • Holders of some special visas such as Temporary Protection Visas are also eligible.	• Australian citizenship • Permanent residency • WA residency • Receive income in WA • Sponsored migrant, asylum seeker or holder of a Temporary Protection Visa.	• New Zealand residency, or • are a refugee invited to live in New Zealand under the Refugee Resettlement programme, or • are a migrant who has lawfully lived in New Zealand for two years.	

Sources: As for Table A1.1.

Table A1.5: Public Housing Eligibility Criteria, Australia and New Zealand – Other (Outstanding debts, proof of identity, references, tenancy breaches, sustaining a tenancy)

NSW	Vic	Qld	SA	Tas
Able to successfully maintain a tenancy, independently or with appropriate support services, which means the applicant is able to: • pay their rent • look after the property • not create a nuisance and annoyance to their neighbours. Applicants who have been unsatisfactory former tenants, and those with a history of substantiated nuisance and annoyance, will only be eligible if they have demonstrated the ability to sustain a private sector tenancy for at least 6 months. Extreme breaches of a tenancy agreement, such as carrying out illegal activities on departmental premises, can result in ineligibility. Repay, or undertake a formal agreement to repay, any outstanding debts owed to the Department. Serious threats or violence demonstrated towards department staff may make an applicant ineligible.	Outstanding debts to Victorian Office of Housing must be repaid. Proof of identity must be provided. Applicants must have no history of eviction for tenancy breaches (excluding rental arrears) within the past 12 months, as a public housing tenant or resident.	Applicants that owe money to the Department may still apply for public housing. They will earn time on the waiting list, but the Department may decide not to offer them a home until the debt has been paid. In some cases, the Department may offer housing and negotiate a debt repayment schedule. Proof of identity must be provided.	Applicants must have a need for housing that cannot be met by any other form of housing (e.g. private rental). If an applicant owes money to the Trust they may not be able to get other Trust services until the debt is repaid. Proof of identity must be provided.	Applicants must have repaid all outstanding debts OR must have entered into a debt repayment agreement. Proof of identity must be provided. Applicants must have no breaches of previous or current tenancies, including malicious damage and anti-social behaviour. An assessment is made to decide whether or not to provide further housing assistance; if granted, special conditions may be imposed upon an applicant.

Applicants must not be living in long-term community housing. Proof of identity must be provided.				
ACT	**NT**	**WA**	**NZ**	
Outstanding debts to ACT Housing must be repaid. Terms or conditions of a tenancy agreement to which the Commissioner was a party must not be breached. Proof of identity must be provided.	Outstanding debts to Territory Housing must be repaid. Exceptions to this may be made in cases of family violence. Two satisfactory tenancy references are required OR an assessment of the ability to maintain a tenancy needs to be undertaken. In such cases, a three month probationary lease may be offered.	All outstanding rental, water consumption or tenant liability debts from most recent tenancy, and 50% of any other Homeswest debts, must be repaid. Proof of identity must be provided.	Have established housing needs.	

Sources: As for Table A1.1.

APPENDIX 2: PUBLIC HOUSING ALLOCATIONS RANKING SYSTEMS, AUSTRALIA AND NEW ZEALAND

Table A2.1: Public Housing Allocations Ranking Systems, Australia and New Zealand

System	NSW 129,000 properties	Vic 65,256 properties	ACT 11,511 properties	SA 48,271 properties	NZ 64,399 properties
SEGMENTED	S1: Emergency temporary accommodation S2: Priority (incl. not able to access private rental market; homelessness; medical condition) S3: Elderly (applicant aged 80+ years or 55+ years for Aboriginal clients) S4: Priority transfers (because of factors similar to categories 1 to 3 above) S5: Other eligible applicants	S1: Long-term homeless S2: Disability, frail aged, severe medical needs, significant personal support or major housing modifications S3: Those with unsuitable housing who cannot access the private rental market S4: Low incomes only	S1: Applicants in urgent need of housing (eg. extreme housing crisis) S2: Applicants for whom the private rental market is not accessible as a long-term option (eg. extreme affordability problems or discrimination) S3: Normal wait turn S4: Transfers	S1: Applicants in urgent need of housing S2: Applicants with high/complex housing need S3: Affordability related need S4: Transfers	SA: Households with a severe and persistent housing need that must be addressed immediately SB: Households with a significant and persistent housing need SC: Households with a moderate housing need SD: Lower level housing need

WAIT LIST & PRIORITY	QLD **50,157 properties**	NT **6,062 properties**	WA **39,000 properties**	PRIORITY POINT	Tas **12,004 properties**
	Primarily wait-turn system with limited priority allocation system. Wait list based on suburbs. Priority access for: • Homelessness • Medical conditions • Emergency housing situation • Violence (incl. domestic violence and continual harassment) • Natural disaster	Wait list with separate non-priority listings for: • Singles • Single pensioners (aged) • Single pensioners (w/ disability) Urgent/priority access for: • At risk of homelessness • Serious social problems, eg. domestic violence, that are related to current housing situation • Disability	There are separate waiting lists for emergency housing, priority assistance, wait turn assistance and Aboriginal housing. Applicants are wait listed by zones. Wait list plus urgent/priority access for: • Urgent medical condition • Domestic violence / child abuse • Racial harassment • Homelessness		Housing need factors: • Adequacy Maximum points 38 • Affordability Maximum points 25 • Appropriateness Maximum points 20 • Exceptional need Not weighted, but will enable an applicant to be housed immediately • Offer rejection Minus 10 points for every 2 offers rejected Categorisation of need: • Category 1 Points score greater than or equal to 35 • Category 2 Points score of 25 to 34 • Category 3 Points score of 15 to 24 • Category 4 Points score of 10 to 14 • Category 5 Points score of less than 10

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