Positioning Paper

Allocating
Social Housing

Authored by
Terry Burke and Kath Hulse

for the

**Australian Housing
and Urban Research Institute**

Swinburne-Monash AHURI Research Centre

February 2003

AHURI Positioning Paper No. 47

AHURi

Australian Housing
and Urban Research Institute

DISCLAIMER

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

AHURI POSITIONING PAPER SERIES

AHURI Positioning Papers is a refereed series presenting the preliminary findings of original research to a diverse readership of policy makers, researchers and practitioners.

CONTENTS

EXECUTIVE SUMMARY

This paper is about allocations processes in Australian social housing. It is the first report from a project designed to document the state of practice in Australian social housing allocations systems, and to provide ideas and data both from Australia and overseas to facilitate allocations systems reform in response to a changing social housing context. In particular, the project will examine the role of choice, discretionary decision making, and the use of multiple allocations systems within a single social housing agency.

For the purpose of this research, the allocations system is defined as a multi-stage rationing process that includes:

- Defining eligibility;

- Assessing housing need;

- Managing the wait list;

- The actual dwelling allocation decision; and

- Reallocations.

The paper's explicit objectives are:

- To examine why an administrative allocations process is necessary in social housing;

- To illustrate the complexity of allocations policy, and the difficulties this represents for clients, workers and management;

- To illustrate the principles and problems of allocations systems;

- To document the stages of allocations policy, both formal and informal; and

- To review the policy debates and literature as they relate to the themes that emerge from each of the above objectives.

This project is being undertaken parallel with another project analysing the aspirations and experiences of households on social housing wait lists. The two will generate complementary material. This Positioning Paper has been written prior to any substantive empirical work and is based on available Australian policy literature, international literature, and the authors' experience (one as a former SHA manager, and the other as a trainer of housing workers administering allocations systems). The study's broad aims and objectives are outlined in Section 1.

Sections 2, 3 and 4 review the major ways of rationing housing when resources are scarce, including price rationing and the formal and informal methods of administrative rationing. The problems inherent in each method are briefly reviewed. Section 5 outlines a framework for evaluation of the allocations process, seeing it as being in three stages:

- Strategic planning: Determining broadly what are the aims and objectives of the housing agency, and then creating an allocations system that reflects these;

- Primary rationing: Assessing housing needs, that is, who gets into the system and in what order; and

- Secondary rationing: Allocating dwellings fairly, for example, who gets what housing and where.

Each of these stages are analysed in detail, drawing attention to the current practice in Australia and the pressures experienced by housing agencies, both state and community, in trying to reconcile current practice with an increasingly complex policy and management environment. This section identifies a number of processes of change with implications for allocations policy and practice, including:

- The re-emergence of community or estate renewal, in recognition that housing is more than just a shelter issue for individual tenants but one that can affect the quality of

relationships and lives for entire communities or estates. What role can allocations play in nurturing community (assuming this concept can be made operational)?;

- The growing diversity of tenants and their needs, and the problems of reconciling these needs with 'one size fits all' housing practices;

- The issue of how to give substance to the concept of client choice within the framework of what is essentially a bureaucratic rationing system;

- The growing diversity of social housing areas or estates in terms of demand and relationship to the wider housing market. While housing in areas of decreasing demand has a problem of high vacancies, other areas are experiencing intense demand and wait lists of years. Like the diversity of tenants' needs, this suggests the desirability of more tailored local programs;

- The growth of homelessness, and the need to provide exit points from crisis and transitional accommodation in order to prevent a process of recycled homelessness. This in turn begs questions, as highlighted by the Victorian experience, as to the degree to which social housing should be an exit point for the homeless; and

- The growing acceptance of notions of mutual obligation, for example, perhaps attaching the allocation of a social housing unit (for certain tenants) to a requirement that they attend an educational program or involve themselves in some form of tenant participation.

Sections 6 and 7 review the various types of allocations systems used nationally and internationally, and the advantages and disadvantages of each. Section 8 is a literature review which pays particular attention to the reforms of allocations systems internationally, the accompanying debates and controversies, and the empirical evidence for their outcomes. The conclusion drawn from the international literature is:

- There is a sea change of thought in terms of needs based allocations systems. The general view is that they have significant social disadvantages (notably in worsening the problem of hard to let and low demand areas), are cumbersome to administer and – from a client's perspective – are not very transparent;

- There is greater recognition for locality specific allocations policies, although the system in the United Kingdom is very locality specific – by Australian standards – as social landlords are either local governments or local housing associations. However, even within these prescribed administrative areas, there has been experimentation with different allocations rules for specific estates or sub-areas;

- While there is considerable discussion of client choice as the rationale for allocations systems, the bulk of all allocation in the United Kingdom is still bureaucratic, with only pilot choice projects. In the Netherlands, there is greater acceptance of the choice model, but alongside priority or wait list systems;

- Reallocations are given much greater policy attention in the United Kingdom and the Netherlands, being seen as a way of meeting client needs, optimising stock use and addressing issues of sustainable communities;

- In many respects, despite the language of client choice, the systems – and Australia is no different – have become more coercive in the sense of greater restrictiveness of numbers of offer;

- The allocations practices and procedures of public housing agencies are much more researched and understood than those of the community sector;

- Anti-social behaviour is given more attention as a management issue internationally, with many agencies in the United Kingdom and the Netherlands restricting access to those considered responsible;

- Common wait lists and assessment tools are prominent in Canadian reforms, and linking allocations with mutual obligation in the United States, but receive little attention elsewhere; and

- Many of the problems of the social housing system are intractable, as they derive from structural processes and funding constraints in the wider society, and no amount of allocations reform will resolve them.

INTRODUCTION

Allocations lie at the core of any social housing system. Who gets social housing – and in what order – are often difficult decisions at both a policy and a practice level. Allocations policy is a means of targeting assistance and of determining priority between groups. Allocations practice affects the circumstances and wellbeing of individual households, the composition and capacity of local communities, and the overall management of social housing assets.

This Positioning Paper is about allocations processes in Australian social housing. It is the first of three reports from a research project which is designed to document the state of practice in Australian social housing allocations systems, and to provide ideas and data both from Australia and overseas to facilitate changes to these systems in response to a changing social housing context. In particular, the project will examine the role of choice and of discretionary decision making, and the use of multiple allocations systems within a single social housing agency.

What is an allocations system? For the purpose of this research, we see it as a multi-stage rationing process that includes:

- Defining eligibility: The conditions that set the broad parameters of who can be allocated housing;

- Assessing housing need: Ranking of eligible applicants according to some criteria;

- Managing the wait list: Defining administrative categories such as eligible properties (e.g. number of bedrooms for a given household type), geographical boundary of offer (degree of broad-banding) and number of offers;

- The actual dwelling allocation decision: What degree of discretion does a worker have in allocation?; and

- Reallocations: What are the criteria for reallocation? What is the degree of new applicant accommodation to reapplications?

Over the last ten years, increasing wait lists, a static social housing stock, more customer and community awareness of the right to information, and a greater variety of needs have prompted most public and community housing agencies to review their allocations policies and procedures. Such reviews have also been prompted by concerns within governments about the financial effectiveness of public housing, including Commonwealth pressures for explicit targeting within those programs which it part-funds. While allocations systems across jurisdictions have their differences, in the 1990s the momentum was for greater targeting.

In the current systems (with variations, most notably in the community sector), people entering social housing have limited choices, particularly in relation to specific dwellings and locations. Essentially, allocations systems are designed as large-scale management systems which attempt to minimise 'inefficiencies' as measured by indicators such as the length of time a dwelling is vacant between tenants. Choices are therefore limited to very broad areas or stock types; in effect, the choice and flexibility offered to applicants must be balanced against the administrative needs of the system. In most public housing jurisdictions, only a limited number of offers are made (normally between one and three) and, if an offer is refused on other than prescribed grounds, the applicant risks losing their place in the queue.

The climate of change has continued, and the next decade will see further review and modification of eligibility and allocations. Likely issues to occasion questioning of existing practices are:

- A possible new role for allocations in helping to restore and sustain local communities;

- Ways in which greater client choice can be built into the system;

- Widening access to attract a broader range of applicants, particularly in areas where there are dangers of excessive concentration of certain household types or where there is under-utilisation of stock;

- Providing localised allocations systems, rather than 'one size fits all'; and

- Sending signals about inappropriate social behaviour by increasing exclusions.

This Positioning Paper presents an overview of why rationing in social housing is required, and of the obvious and not so obvious ways in which this occurs through the allocations policies and practices of housing agencies. It also looks at the impacts of rationing. The paper's explicit objectives are:

- To examine why social housing is necessary and why it must use an administrative allocations process;

- To illustrate the complexity of allocations policy, and the difficulties this represents for clients, workers and management;

- To illustrate the principles and problems of allocations systems;

- To document the stages of allocations policy, both formal and informal; and

- To review the policy debates and literature as they relate to the themes that emerge from each of the above objectives.

This project is being undertaken parallel with another project analysing households on social housing wait lists. The two will generate complementary material. This Positioning Paper has been written prior to any substantive empirical work and is based on available Australian policy literature, international literature, and the authors' experience (one as a former SHA manager, and the other as a trainer of housing workers administering allocations systems).

THE POLICY CONTEXT

Public and community housing exists in all advanced industrial countries because the private sector cannot provide housing that is affordable or appropriate for all households. Its form and scale varies from country to country (see Table 1). As we shall see, the role of an allocations system is – in part – specific to the attributes of each country's social housing system. However, there are also some shared characteristics and problems.

Table 1: Percentage of Social Housing in Total Housing Stock (Early to Mid-1990s)

United States	5
Australia	**6**
New Zealand	6
Canada	6
Belgium	6
Ireland	14
Denmark	18
England	22
France	23
Germany	25
Netherlands	40
Sweden	40

Sources: OECD (1994, 1997, 1998); NZ Census Statistics (1996); Boelhouwer (1999: Table 1)

One of the rationales for the emergence of public housing in Australia was that private sector rents consumed excessively large proportions of many workers' incomes, and some of the housing was of such poor quality that it affected health standards, not only of residents but of the wider community. Thousands of inner city houses were effectively slums. Pressures for affordable and appropriate housing gave rise to the various State Housing Authorities (SHAs) and in 1945 to the Commonwealth-State Housing Agreement which provides funds for the SHAs in each state (Jones 1972; Hayward 1996).

The SHAs always needed some form of allocations policy. In 1946, they typically had only a few thousand dwellings, and were overwhelmed by need. Given the tens of thousands of families who could not afford housing or were living in slum conditions, who among them were to be given housing? Once chosen, what housing were they to be given? This dilemma remains with SHAs and the community sector today, but is a more difficult policy and administrative task because social housing now caters for a greater diversity of households. Up until the mid-1960s, public housing was mainly for working, but low income, Australian born households who were headed by an ex-serviceman. Migrants (except British) were generally ineligible, and only rarely was access considered for couples below 60 years of age with no children, sole parent households, singles, young people or any group not showing ability for independent living. The 1980s saw the emergence of the community housing sector (Bisset, Dalton, and Lawson 1994; Randolph 1993). With most community managed housing agencies being very small, and having even more diverse client groups than public housing, they had to choose an allocations system consistent with their size and client base. Today both public and community allocations and eligibility policies are probably fairer but considerably more complex.

The Demand for Social Housing

There are many reasons why people desire social housing, but the lack of affordable housing is the dominant one. The scale of the problem was suggested by the National Housing Strategy (1991) which found that in 1988 some 450,000 lower income units (roughly equivalent to households) in the private sector had housing costs greater than 30 per cent of their incomes – a level which is considered excessive and would warrant eligibility for public housing. This could be seen as representing the broad measure of social housing need in

Australia. Given the growth in low income households in the last decade (Borland, Gregory and Sheehan 2001), the 1988 figure is probably very much an understatement of the current position.

In 2001, there were approximately 220,000 households on official wait lists for public housing in Australia, compared to 99,000 in 1981 and 202,000 in 1991. New South Wales had the largest absolute and relative number (101,000, equivalent to 75 per cent of stock). More than half of the applicants nationally were single persons or sole parents. The rate at which the stock turns over varies sharply, with South Australia and New South Wales having the slowest turnover (11.7 and 11.4 per cent) and Tasmania the most rapid (see Table 2).

Table 2: Social Housing Systems in Australia, by State, 1998-99

	Public housing stock, 1999-2000 *	Households on public housing wait list, 2001 **	Total number of households allocated public housing, 2001**	Applicants as percentage of available stock	Allocations as percentage of total wait list
NSW	125,083	101,561	11,554	75	11.4
Vic	67,423	41,639	7,187	66	17.3
Qld	50,273	24,353	7,487	48	30.7
SA	54,041	32,570	3,822	56	11.7
WA	32,926	4,544	4,544	39	31.8
Tas	13,590	2,089	2,037	9	97.5
ACT	11,791	2,996	1,198	26	40.0
NT	7,320	1,829	,907	38	49.6
Australia	362,447	221,313	38,736	59	17.5

Sources: * Department of Family and Community Services (2002); ** ACOSS (2002)

These numbers represent an enormous increase in demand over the last two decades, despite a narrowing of eligibility and the fact that only a minority of potentially eligible households actually apply. At best, the rationing task is thus one of fitting around 220,000 applicants into approximately 39,000 vacancies per annum (Steering Committee for the Review of Commonwealth/State Service Provision 2001: Table 16a.1). At worst, it is one of trying to accommodate another 200,000 or so low income households in housing need who for various reasons have not put their name on any wait lists. These figures illustrate the huge potential need relative to supply, and why various rationing methods are required to select those households who are to gain access to public housing.

Illustrating the problem in more detail and showing greater state variation is the trend in numbers of households allocated housing over the last decade. Table 3 shows that, with the exception of Tasmania, all states are allocating less households a dwelling than in 1989-90. New South Wales is allocating 19.2 per cent less, Western Australia 37 per cent less and the ACT 45 per cent less.

Table 3: New Applicants Accommodated in Public Housing by State, 1989-90 – 2000-01

Year ending 30 June	NSW	Vic.	Qld	WA	SA	Tas.	ACT	NT	Australia
1989-90	14,289	8,844	7,684	7,186	8,613	1,991	2,117	2,376	53,100
1990-91	14,383	8,802	7,774	7,705	8,053	1,704	1,533	1,933	51,887
1991-92	13,045	8,762	8,490	6,270	8,095	1,576	1,443	1,666	49,347
1992-93	13,312	9,379	10,218	7,333	7,993	2,058	2,241	1,683	54,217
1993-94	11,803	10,220	10,877	7,484	8,138	2,567	2,384	1,621	55,094
1994-95	10,998	9,421	10,065	7,353	8,072	2,772	2,479	1,323	52,483
1995-96	11,761	892	10,009	6,344	7,660	2,684	2,293	1,290	50,963
1996-97	10,789	7,699	10,656	5,458	6,366	2,861	1,831	1,149	46,809
1997-98	9,237	7,241	9,065	5,188	5,413	2,681	2,542	1,123	42,490
1998-99	8,522	8,827	8,803	4,608	4,995	2,498	1,128	1,148	40,529
1999-2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000-01	11,554	7,187	7,487	4,544	3,822	2,037	1,198	907	38,736

Source: ACOSS (2002)

Across all levels of the community housing sector (i.e. crisis, transitional and long-term accommodation), there is a similar rationing task, as well as some others resulting from its smaller size and different client groups. Few applicants are on wait lists, with most entering through some form of priority access, i.e. where access is accelerated because of special needs, or a merit process where each applicant's particular needs are weighed up. The priority and merit systems fit more neatly with the smaller size and fewer number of applicants to process that characterise the community housing sector.

The degree of integration between public and community housing allocations can vary markedly, ranging from effectively no integration, to an integrated system (e.g. Victoria) where allocations into the public sector – or at least into the top priority segment – increasingly come from the community sector in the form of crisis or transitional housing, rather than from the conventional wait list. The latter system thus sees social housing as an exit point for emergency and medium-term accommodation, rather than for low income households in the private rental sector. This illustrates how the form of allocations policy depends to a large extent on what the government of the day sees as the role of social housing. At the moment there is no common wait list system for the public and community housing sectors in Australia.

The 1990s were a period of review and experimentation as SHAs began to develop new strategies to meet the emerging needs. At the same time, community housing agencies were grappling with issues as to what system would best meet their requirements. The very low proportion of social housing in Australia (see Table 1) makes the rationing or allocation task even more difficult, as there is a structural inability to ever meet the level of demand. This may mean that some initiatives in other countries will have only limited application here.

Allocations policies and practices, in summary, have to deal with three major issues in view of the quantitative and qualitative mismatches between demand and supply:

- If demand for social housing is much greater than supply, how do agencies determine who gets access, and in which order?;

- What type, quality and location of housing is offered to an increasingly diverse range of incoming public housing consumers, given a huge variety of standards and desirability resulting from past decisions?; and

- What are the basic goals and objectives of a housing agency, and how can these be reflected in its allocations system?

RATIONING BY PRICE

In most situations where commodities are consumed, price is used as the mechanism to allocate them to the many consumers. Price determines, for example, which consumers can afford a car at all and what type of car they can afford (new or second-hand, model, size, features etc.). Private housing, whether owned or rented, is allocated according to the price mechanism, just like any other goods. Home buyers or private renters have only limited capacity to negotiate on price, except in times of dramatic economic downturns. They do, however, make trade-offs which reflect their inability to influence price. A buyer 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 their price range.

The major problem with allocation through price is that some people do not have the income to pay the price. This may not be a problem for non-essential goods, but it is a problem if these are goods such as health, housing and education that are essential to people's wellbeing. If people cannot pay the market price for housing, then homelessness, overcrowding or squalid living conditions are very likely outcomes, and few civilised societies find this tolerable. The solution in most advanced industrial countries is various forms of subsidised social housing allocated on non-price criteria. Thus, administrative rationing mechanisms have been set up where rationing by price does not operate or is undesirable. These aim at distributing a scarce resource, such as public housing or hospital beds, according to need. However, price rationing is not out of the question, and the Industry Commission (1993) explored the possibility of some form of differential rents whereby tenants – or their family and friends – may have to pay a premium for certain locations or larger dwellings. Our paper does not pursue this topic, believing it to be worthy of research in its own right.

ADMINISTRATIVE RATIONING

Administrative rationing is fraught with difficulties for both suppliers and consumers, and comprises both formal and informal mechanisms. The discussion here is largely in terms of public housing because of its historical importance. However, the principles also apply to community housing. Some of the observations made in the following section derive from one of the authors' experience as a senior manager in two SHAs, including as the author of internal reviews on tenant service, and from the other author's experience in running over a dozen professional development workshops for client service officers in the Victorian Office of Housing in 1997-98. These were designed to identify officers' experiences with the allocations process and particularly the problems with informal rationing. Further observations derive from the teaching of over 700 housing workers Australia-wide, from both public and community housing, including an annual tutorial on allocations processes. As part of the course assessment, students have to provide a critical analysis of allocations processes and practices from the perspective of their organisation.

Formal Rationing

Formal rationing is carried out by way of written policies and rules. These are found in acts of parliament (such as legislation governing eligibility for social security payments) and statutory regulations, as well as those which give SHAs their charter to operate. They are also found in intergovernmental agreements such as the Commonwealth-State Housing Agreement which sets out the broad parameters to be used in determining who gets rental housing (Recital D). Policies may be provided either as a set of determinations by a commission or board or as a consolidated policy document. There are normally procedural manuals, or at least a series of operational instructions, for workers involved in implementing policies. Acts, manuals, directives and the like provide the skeleton of a rationing system.

If one cast an eye over SHA procedure manuals and policy documents in the period up until the 1980s, the conclusion would be that they rated poorly on the provision of clear policies and procedures in this area. Often, only the eligibility criteria for getting onto a wait list were made publicly available, and most agencies relied on decisions by their commissions or boards reacting to specific problems without any overall framework. In some cases, even those policies which did exist – particularly relating to wait list management and matching individual households to housing – were not publicly available. Over the last ten years, increasing wait lists, more customer and community awareness of the right to information, and confusion resulting from a greater variety of stock have prompted most SHAs to review their allocations policies and procedures, and to produce transparent and detailed written documents on the allocations process, sometimes with community involvement.

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. As the SHAs were pressured in the 1980s to improve the sensitivity and efficiency of their allocations functions, there was matching pressure to ensure fairness and equity of treatment. Despite the improvement in stated legal right and allocations manuals, 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 what is usually called 'discretion' and widespread use of informal allocation or rationing. One issue of interest, however, is the degree to which the prescriptive procedures and manuals of the 1990s removed discretion from the process. Discretion involves both problems and potentials: well used, it can result in more sensitive allocations; badly used, it can create accusations of discrimination and bias.

Informal Rationing

Informal rationing (for example, priority systems that allow discretion in interpretation) is widely used in public housing and is 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.

While not general practice in the social housing system, we have been told of examples from housing workers around Australia as to the sort of behaviours that sometimes occur under the banner of informal rationing. Potential applicants may not be given information about the range of housing available to them or may get the impression that 'it's not worth trying for that area because of the long wait'. Those wishing to transfer within public housing may become discouraged because they are told the waiting time could be 'forever'. Households with a reputation for 'bad tenancy' may be made to wait longer or given the worst accommodation. New and desirable accommodation may be reserved for those with 'good' or 'deserving' reputations or those having ties to the area. Clients wanting to live in a particular area may be discouraged from doing so because of vague fears about creating 'ethnic ghettos'. At worst, informal rationing can be based on stereotypes about particular communities, such as Aboriginals, single mothers or migrants, rather than on any real attempt to focus on the housing needs of individual households.

It is informal rationing which has led to most accusations of secrecy and bias in SHAs and the community sector, despite the improved performance of both over the last decade. It does not ensure that those in like circumstances are treated in an equitable manner or that housing is provided to those in the greatest need. It makes it 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 allocate in such a way as to create a more sustainable tenancy than if rigid adherence to formal procedures had been practised.

FRAMEWORK FOR ALLOCATIONS

There are three distinct stages in allocating social housing:

- Strategic planning: Determining broadly what are the aims and objectives of the housing agency and then creating an allocations system that reflects these;

- Primary rationing: Assessing housing needs, that is, who gets into the system and in what order; and

- Secondary rationing: Allocating dwellings fairly, for example, who gets what in public housing.

Strategic Planning

A social housing agency – particularly a large SHA – can have many and varied roles. While today we tend to think largely in terms of affordability and appropriateness[1] as the goals of housing agencies, their past history, and the importance of housing for individual and community wellbeing, suggest many others. Table 4 reviews a number of objectives which could provide strategic directions or drivers of change and which could structure the form and direction of an allocations system.

Table 4: Possible Objectives of Social Housing Agencies

Providing affordable housing
Providing appropriate housing
Facilitating client choice
Alleviating poverty
Providing crisis accommodation
Maximising the efficient use of stock
Facilitating employment, education and health outcomes
Ensuring there is housing in certain locations
Addressing areas of low demand
Maintaining housing quality
Meeting diverse cultural needs
Empowering tenants
Potentially resolving homelessness
Potentially helping those in greatest need
Facilitating social mix
Overcoming discrimination
Creating the potential for sustainable communities
Maintaining tenancies though support

A number of these might be simultaneous objectives, and some could actually be conflicting. This is the dilemma in designing an allocations system. It may be expected to meet diverse goals, but cannot do so, and therefore will be criticised by tenants, workers and external stakeholders who may not appreciate the fundamental problems. For example: Is targeting consistent with sustainable communities? Is client choice consistent with social mix or addressing the problems of areas of low demand? Can cultural needs be met at the same time as achieving efficient use of stock? Can an agency simultaneously provide crisis accommodation and facilitate a long-term exit point to affordable housing?

There is not the space to go through each of these possible objectives in detail, but it is important to mention some of the threads of change that may lead to greater or lesser emphasis. These include:

---

[1] Appropriateness refers to the compatibility of a dwelling (size, type) and location with a client's needs.

- The re-emergence of community or estate renewal, in recognition that housing is more than just a shelter issue for individual tenants but one that can affect the quality of relationships and lives for entire communities or estates (London Housing Unit 1999a, 1999b). What role can allocations play in nurturing community (assuming this concept can be made operational)?;

- Growing diversity of tenants and their needs, and the problems of reconciling these needs with 'one size fits all' housing practices;

- The issue of how to give substance to the concept of client choice within the framework of what is essentially a bureaucratic rationing system;

- Growing diversity of social housing areas or estates in terms of demand and relationship to the wider housing market. While housing in areas of decreasing demand has a problem of high vacancies, other areas are experiencing intense demand and wait lists of years. Like the diversity of tenants' needs, this suggests the desirability of more tailored local programs;

- The growth of homelessness, and the need to provide exit points from crisis and transitional accommodation in order to prevent a process of recycled homelessness. This in turn begs questions, as highlighted by the Victorian experience, as to the degree to which social housing should be an exit point for the homeless; and

- Growing acceptance of notions of mutual obligation, for example, perhaps attaching the allocation of a social housing unit (for certain tenants) to a requirement that they attend an educational program or involve themselves in some form of tenant participation.

The Rationing Process

Table 5 reviews the primary rationing and secondary rationing stages in terms of both formal and informal rationing processes. Each of these processes requires a policy decision by a housing agency. Thus, primary rationing requires policy decisions about who is eligible, whether some applicants should be given priority over others, how the wait list is to be managed, and the relationship of transfers to allocations. Secondary rationing requires another set of policy decisions.

Table 5: Stages of the Rationing Process

	Formal rationing	Informal rationing
Primary rationing (assessing need)	Eligibility criteria Ranking applications according to need Wait list management Transfer eligibility criteria	Information/assessment of eligibility Information on needs assessment Diversion to other housing agency Segmentation of wait list Treatment of changes to circumstances Attitudes to rehousing ex-tenants Treatment of transfer applications
Secondary rationing (matching households)	Guidelines on type of housing for which households are eligible Local guidelines for allocation of households to specific projects or estates	Information to inform customer choice Selection of customers for less desirable stock Assumptions re tenant requirements Treatment of offers and refusals

ASSESSING HOUSING NEED: PRIMARY RATIONING

In terms of primary rationing, all countries with bureaucratically administered housing systems have to make a choice of basic models. One is the broad or universal access model with no or minimal eligibility criteria (a minimum age limit and residency may be the only criteria), where all individuals and households, or those in a particular local government area, can apply. In this case, a wait list and time are the major rationing methods. These models tend to operate in societies which have a 'tenure neutral' policy strategy and large social housing systems, e.g. Sweden and the Netherlands (Boelhouwer 1992, 1999; Harloe 1994; McCrone and Stephens 1995; Oxley and Smith 1996).[2] The alternative is some form of targeted allocations process where rationing criteria are determined by the perceived need of the housing system and, more generally, the employment and income support system. Thus it can be wider or narrower in its targeting, depending on objectives. In the first three to four decades of social housing, Australia had a system which was not tightly targeted in terms of income (as it was aimed at working families) but was targeted to exclude households that it was believed could not sustain tenancies – precisely the groups that are targeted for inclusion today. This system was designed to assist with employment and family cohesion objectives, as much as affordability (Jones 1972; Hayward 1996). Like the postwar United States and Canadian systems, the Australian allocations system has in recent decades tended to become a targeted welfare system.

If a system is to be targeted in some way, a primary step for housing agencies is to define the pool of households who can potentially access housing. They are making administrative decisions to limit their market. All agencies have statements of eligibility. The main components of eligibility testing are income, assets, residency and minimum age. These seem straightforward. There are, however, some interesting judgements behind these criteria, and areas where discretion comes into play in applying them. Appendix 1 shows the eligibility criteria for Australian and New Zealand housing agencies, highlighting that – despite surface similarities – there are considerable differences, e.g. income eligibility. The following contemporary and historical commentary is drawn from an analysis of the material in Appendix 1, from state reviews of allocations systems (e.g. Victorian Office of Housing 2001b), from the appendices of the Industry Commission (1993) report on public housing, from material collected in 1992-93 for a study of poverty traps in public housing (Burke and Wulff 1993), and from the authors' own observations and experiences as outlined above.

Income

All SHAs have an income test although, until recently, South Australia and Queensland did not. Income limits provide a signal about their targeting intentions. They deal with a political fear that the 'better off' should not access public housing. In fact, the profile of those housed where there was an income test did not differ from those agencies which did not have income limits, as most ingoing public housing consumers have incomes well below the limits. The SHAs' micro-reforms subsequent to the Housing Ministers' meeting of June 1997 recommended the adoption of DSS (now DFaCS) rental eligibility assistance criteria as the new income limits. This generally meant a tightening of eligibility for most recipients in most states, although for some (for example, pensioners and singles) it actually improved access. (Even despite tighter eligibility, the income tests in most states provide potential access for a sizable minority of private renter households, given the low incomes of many in that sector.[3] Wait lists for public housing could therefore be much larger. That they are not suggests that there is an element of self-selection and that many potential households are not applying for reasons we know little about. Is it stigma, a belief they will never be housed, lack of awareness or information, or perhaps recognition that private rental allows for greater client choice (at least in principle)? The fact that Queensland, in the years when there was no

---

[2] 'Tenure neutral' countries tend to have housing assistance in the form of income or housing supplements that can be spent in any tenure.

[3] Analysis of 1998-99 ABS household expenditure unit record files indicates that around 20 to 25 per cent of private renters (the figure varies for each state) are on incomes at a level where they would potentially meet housing agencies' eligibility criteria. However, there may be other considerations, e.g. assets, which would make them ineligible.

income test, had wait lists relatively no greater than other states is also indicative of the role of self-selection.

The income limits used historically in most cases related to some percentage of average weekly earnings. They were a legacy of the era when public housing was designed not to serve very low income pensioners and beneficiaries, but relatively low income working households. The recent report by the Victorian Office of Housing (2001a) looked at alternative models, including a poverty line based limit and a percentage of average weekly earnings (essentially a return to the old system), finally recommending an affordability based limit.

Income testing seems simple, but there are areas where judgements are made both in developing formal rules and in applying them, for example, what is included as household income, the treatment of irregular income and the treatment of the self-employed.

Assets

Assets testing is a particularly difficult area, and some housing agencies ignore assets other than ownership of residential property. Others have limits on cash and shares.

Most state that applicants should not own residential property in Australia on the assumption that, if they do, they are able to look after their own housing needs. There is no bar to owning property once housed. There are some situations in which agencies may need to exercise discretion:

- What happens when applicants own low value property for which there is little or no demand, for example, in small towns in South Australia or in areas such as the Latrobe Valley in Victoria?;

- How do you treat households who move to work in remote areas – for example, resource development towns – but who want to return to their own homes eventually?;

- What happens when households own a block of land and hope to build on it later?;

- How are older people treated when they do not want to sell their low value property until after they move into public housing?;

- How is ownership of property assets for a business – such as a small farm or shop – taken into account when the assets are used to generate a modest income?; and

- What happens when applicants are part-owners of property but are unable to realise their assets pending a protracted property settlement?

Other assets such as money in the bank and shares are difficult and time consuming to verify, and investigation is often resented by applicants. Where there is a limit, it can lead them to behave in ways which may not be in their interests. For example, older people may give away assets to family members in order to become eligible. If the assets limit is extremely low, households may go into social housing with no financial reserves against a crisis, and quickly find themselves faced with an arrears situation and a threat of eviction.

Residency

Most SHAs specify that applicants have to live – and sometimes work – within their state or territory, both at the time they apply and while waiting. Community housing agencies, by virtue of their localised nature, tend to cater to local residents although in principle they are open to anyone in the state.

Inevitably, residency requirements will cause hardship for some households and may limit labour market mobility. They may, however, be waived in some situations, for example, for households who move interstate to care for a sick relative, or victims of domestic violence. SHAs have been disapproving of those who apply for urgent housing in their new state where they have become homeless, seeing this as an attempt to beat the system, rather than an unintended result of their eligibility criteria on residency.

The state basis of residency requirements is still broad-brushed compared to that of most other countries, where housing is more locally managed, whether by community agencies or local governments. This, of course, means that there is limited capacity to tailor allocations to

local area needs through a localised residency requirement. This raises concerns – particularly in areas of high tourist amenity (e.g. Sunshine Coast, New South Wales north coast, parts of Western Australia) or regional towns close to a capital city – that locals are constantly being displaced from the wait list by 'outsiders' with no connection to the community. The lack of any locality based residency requirements may also have implications for community sustainability, as some of the international literature would suggest. For example, in the United Kingdom, which has narrow residency boundaries (most are local government boundaries), there has been discussion over even narrower residency requirements as part of sustainable communities. Here the argument is put that outsiders with no links to the area and with high turnover rates may be contributing to low demand estates, and therefore preference should go to people living and working locally.

Minimum Age

There is great difficulty in setting a minimum age for clients. Politicians and staff alike have been very sensitive to accusations of breaking up families by providing public housing for people under 18 years old who leave home. At the same time, they have become aware of need in this area. The debate has often been emotional. The minimum age for social housing in Australia varies between 15 and 18. Some informal rationing has taken place through judgements as to ability to live independently and whether there can be an 'arms length' relationship involving community agencies and guarantors. There is also evidence that some housing officers actively discourage young people.

References

A long-standing practice in the private rental sector is the requirement for applicants to provide references which demonstrate that they have been good tenants. Some SHAs are also in the process of introducing this requirement. Through discrimination or past arrears, people with multiple disadvantages and/or on low incomes may be unable to obtain references for their time in private rental or even build up a rental history. How do they get housed?

Compatibility

In the community sector, particularly in cooperatives where tenant participation is a major objective, tenants may be chosen for their compatibility with others and with the broad philosophy of tenant participation. Unlike the other primary rationing criteria, this is less able to be clearly documented by either the organisation or the applicant, and can lead to problems of lack of transparency and accountability. It can, on the other hand, be an important mechanism towards empowerment and stable tenancies.

Informal Eligibility Rationing

Potential public and community housing consumers may be deterred from applying for reasons other than the eligibility criteria. Information on eligibility may not be well publicised or may be set out in inaccessible form. They may be put off by the amount of information required or by the process of assessment (Victorian Regional Housing Councils 1996: 16-17). Others may not apply if they are scared off by long waiting periods or told that 'you'll only get a flat'. In some community housing, the thought of having to become involved in incessant tenant management issues can be an effective screening mechanism. In addition to the above informal rationing processes, Lidstone (1994) identified those of withholding information (the deliberate or accidental withholding of information about applicants' housing rights and housing agencies' obligations) and deterrence (the deliberate creation of a climate which makes the allocations process as unattractive as possible, so that applicants go elsewhere).

Most public housing agencies review their information material and customer service to limit this informal rationing, but there is often scope for improvement from the point of view of the potential consumer who is not familiar with the system. Practices in the community sector (in all its diversity) to deal with the problems of informal allocation are less well documented.

Eligibility Criteria and Use of the Wait List

Housing agencies may check eligibility at the time of application, regularly while households wait, prior to housing being allocated, or sometimes at each of these stages. Checking eligibility criteria is time consuming for both agencies and applicants, and may create an atmosphere of antagonism. The issues of wait list management are being explored in a parallel AHURI project (Burke and Hulse, *Entering Rental Housing*).

ASSESSING HOUSING NEED: RANKING APPLICATIONS

Despite the difficulties discussed above, devising and applying eligibility criteria in order to establish a wait list is straightforward compared to assessing the relative need of eligible households to determine the order in which they will be offered housing. Table 6 shows the main strategies by which public and community housing agencies in Australia and internationally order who gets housed, both at present and historically.

Table 6: Assessing Housing Need: Alternative Strategies for Ranking Applications

Strategy	Characteristics	Benefits	Costs
Merit	Each application is unique and must be considered on its merits Some applicants may never be housed	Can be most sensitive to individual household's need May be of value for small-scale projects	Scope for bias and value judgements No clear guidelines and lack of accountability Cannot deal with high volume applications
Date order	'First come, first served' Everyone who is eligible will be housed	Simple and least costly Most predictable for consumers Can estimate waiting time	Needs not assessed at time of application No account taken of difference in need or urgency of need Segmentation of wait lists dilutes date order
Date order plus priority	Main system is 'first come, first served' Some have needs assessed at time of application and may go to the top of the list Everyone who is eligible will be housed	Flexibility to deal with urgent need Maintains a predictable system for most consumers	Only some applicants have needs assessed at time of application Priority guidelines often general and hard to interpret Scope for bias and value judgements in interpretation of priority guidelines Constant pressure on priority access system
Priority	Relative needs of all applicants assessed at time of application Some applicants may never be housed	Attempts to rank all needs Needs can be reassessed at any time	May be complex and hard to understand Subjectivity in determining priority
Lottery	Everybody to have equal chance and no special needs	Administratively simple All applicants have equal chance	No ability to take into account housing needs
Targets	Some allocation to each target group	Agency control over priorities	Less sensitive to individual household need
Persistence and luck	Requires contacting at regular intervals in the hope a vacancy occurs at the point of contact	Administratively simple Rewards those whose actions (persistence) suggest greatest need	'Luck of the draw' determines who gets allocated
Advertising and ranking by age	Vacant properties are advertised, and applicants who respond are chosen according to designated criteria (the Delft system)	Transparent Provides element of consumer choice Property matches tenant's needs Administratively simple Works best with high number of vacancies	By itself, would mean no priority allocation Requires criteria for choosing among applicants Benefits those who have house-hunting skills

These strategies are not all mutually exclusive; a date order system can have a priority element attached to it, a ballot or lottery system can be overlaid with a points system, a merit system can work alongside a date order system and so on. Information for the construction of Table 5 and the accompanying text comes from teaching material prepared for Swinburne's Graduate Certificate in Housing Management and Policy, from the priority allocations training programs of the Queensland Housing Department (1986) and the allocations training program of the Victorian Office of Housing (1996) and from Jones (1972), Henderson and Karn (1984), Clapham and Kintrea (1984, 1986a), Griffith et al. (1997), Upcher et al. (1997) and Smith (2000).

Some are obviously more appropriate than others in a particular context, e.g. an emergency housing service, by definition, requires a priority or merit system, whereas SHAs with much more stock and broader objectives may find a date order system more appropriate. One of the major policy debates of the last decade has been the relative emphasis given to wait list allocations versus priority, with the trend being towards greater emphasis on priority.

The allocations ranking systems for Australian and New Zealand jurisdictions are summarised in Appendix 2. Four have segmented wait lists, three wait list plus priority, and one a priority points system.

Merit

Some housing agencies, particularly small community agencies and SAAP services, consider each application on its merits and make decisions about those who are in most need and will be offered housing first. Usually, more than one person considers applications, in recognition of the problems of subjectivity and bias.

Merit assessment can be an effective way of ranking applications if the panel carrying out this task are sensitive, skilled and avoid bias. It can be the strategy which is most sensitive to each household's unique set of circumstances. By contrast, it can be open to parochialism and value judgements if staff are poorly trained and operate without adequate guidelines or organisational objectives. The lack of clear criteria for ranking housing need makes decisions hard to scrutinise, accountability difficult, and consistency hard to achieve. Merit assessment is rarely used in housing agencies with a large wait list, as the volume of applications may make detailed individual consideration impossible. It has some potential, however, as part of a wider strategy to improve individual estates.

Date Order

Date order systems are based on the principle of 'first come, first served'. Under a pure date order system, everyone who is eligible is housed in the order in which they registered. They are based on an assumption of little variation in the degree of hardship or in the urgency of need experienced by applicants, and where accommodation available is fairly uniform. Such systems were used by SHAs during the era of large-scale building of homogeneous estates, from the 1950s until the 1970s. They are simple, least costly to operate, and require minimal contact with applicants on the wait lists. They are also understandable to applicants, giving them some certainty about their housing and some information about likely waiting time.

However, date order systems do not take account of urgency of need or degree of hardship. They may mean that households in intolerable conditions have to wait a similar time to those whose conditions are relatively tolerable, and may by their inflexibility contribute to repeated housing crises of households most in need. In practice, agencies have always had some means of exercising discretion for 'compassionate', 'welfare' or 'priority' cases. Segmentation of wait lists by area, type and size of accommodation has also meant that applicants who applied at the same time have had different waiting periods. The development of more varied housing stock in a range of locations since the 1970s has exacerbated this effect.

More formalised segmented wait lists – another of the reforms proposed in 1997 – have been implemented in some states. This means dividing the list into segments, each with their own criteria of eligibility. The major segments are the long-term homeless, those with disabilities and high support needs, those unable to access private rental, and low income. This in effect is a priority system within a wait list system.

Date Order Plus Priority

This has been the most common system for ordering wait lists in Australia. SHAs have, in some cases reluctantly, grafted a priority access scheme onto an existing date order system. The retention of date order as the mainstream system means that all eligible households who apply will be housed eventually. Date order systems with 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.

Priority

Priority access schemes provide accelerated access to public housing, recognising that there may be non-financial reasons why some households require housing more urgently than others. They are not aimed at needs which may be urgent but temporary, as this is the role of SAAP services, but are more appropriately targeted at households or individuals requiring to make the transition to a more permanent dwelling situation and for whom the private rental market is not an option. Some of the main factors taken into account are:

- Domestic violence;
- Disability;
- Homelessness;
- Discrimination;
- Medical condition;
- Natural disaster; and
- Victim of crime.

Applications are usually considered by local or regional panels. Once approved, allocation is often made on a date order basis when compared to other priority approvals. In effect, there are two wait lists: a quicker one and a slower one. Applicants approved for priority may also be given less choice in housing offered.

There are a number of policy and administrative problems in designing a priority system:

- Guidelines in principle should be quite general, in view of the variety of needs to be considered and the discretion required for particular circumstances. On the other hand, such generality creates problems for workers in that it provides inadequate detail to help decision making, resulting in a situation where many applicants may fit the guidelines, thereby defeating the purpose of a priority system.

- A related problem is the necessary discretion in interpretation by housing workers. The procedures for priority allocation normally include criteria such as 'the applicant must have a medical condition that is seriously exacerbated by his or her current housing conditions' or 'must demonstrate that there is no appropriate alternative accommodation'. Thus, in addition to establishing the degree of medical condition (doctors' reports may help), the worker has to judge the impact of current housing on that condition and what other options are available. This discretion can mean differences in allocations from region to region, agency to agency, and worker to worker. Agencies may provide pro-forma checklists to assist with decision making.

- The discretion enabled by guidelines may mean *few* households get into social housing via priority access or *many* households get in, depending on how the guidelines are interpreted. The desired outcomes should be communicated by management to workers in order to ensure that outcomes are consistent with objectives. This may require training to ensure workers understand the organisational culture and policy intent with respect to allocations. Is it to be a minor program, subsidiary to the wait list, or is it to be the dominant system?

- Guidelines tend to be drawn very tightly to ensure minimum ambiguity for workers, but with the result that many people in desperate need may be excluded. For example, a narrow asset eligibility guideline may exclude many women presenting for priority

because of domestic violence, given that they may have an interest in a shared asset, even though it cannot be realised. Similarly, someone with an accident compensation payout but with severe housing stress may be rejected. The dilemma is to create a system that encourages discretion without abuse.

- Some community agencies lobby strongly for their clients to be given automatic priority access, such as emergency housing and women's refuges. 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'. Those in housing need without an advocate to represent them, particularly where the system has been designed to accommodate applicants with advocates from community organisations, may be unfairly pushed to the end of the wait list. There are significant issues of equity to be considered before granting automatic priority access to any group.

- The process of applying for priority can be handled simply by distribution of a form to an applicant who can go away and return it filled in, or by interview. The former has the advantage that it may reduce staff workload and the emotional stress on applicants in verbally presenting their case to a complete stranger. However, the lack of an interview may not give the applicant the ability to expand on their case, nor provide the worker with the full information required to make an informed decision.

- Interviewing can represent a considerable workload, as fairly establishing priority may require considerable time with the applicant plus examination of relevant documentation. This in effect creates a de facto casework management model, but without the necessary resources, given the policy in many housing agencies of reducing staff resources, not increasing them.

- Priority access schemes require sensitive administration. From the applicant's point of view, they provide another set of hurdles to be overcome, often at a time of maximum stress and emotional vulnerability. There may be bewilderment at the process and at demands for documentation and verification, sometimes on highly personal matters. Applicants may be angry and embarrassed at having to tell their story again and again to strangers, and may feel that their honesty is being questioned by demands for verifying documentation.

A number of concerns have also been raised about the operation of priority panels:

- Resistance to priority applications by people from outside the area or town;

- Lack of access by the applicant to decisions made about them;

- Demands for documentation supporting urgency of need, and the weight given to these over other factors such as previous tenancy history; and

- Consideration of homelessness, and judgements made about whether applicants are suspected of 'beating the system' or making insufficient attempts to find alternative housing.

Priority Points

One way around some of these problems is to create a priority points system. These attempt to quantify housing need and to order wait lists on this basis. The various components of need are weighted and points given to them. Each application is then assessed and points are awarded within the range available for each type of need. Such systems are widely used, for example, in Canada and in 90 per cent of United Kingdom housing agencies. It is also used in Tasmania, and was adopted by New Zealand in December 2000.

Priority points systems are based on assumptions that it is possible to quantify and rank housing need, and that those with the highest need should always be housed first. Need can be reassessed at intervals during the waiting period, and points awarded to applications can be reassessed. Points are commonly awarded for:

- Current housing conditions;
- Medical need;
- Family size; and
- Disability.

Points may also be awarded for other factors, such as time lived in the area and time on the wait list. Applications with 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.

Priority points systems have considerable benefits. In particular, they enable all applicants to have need assessed at the time of application, as compared to the date order plus priority access system where some do, but most do not. The points system, on the other hand, may ensure greater consistency and equity of treatment. As need can be reassessed at any time, there is flexibility to react to changing circumstances. Points systems appear to be more objective, and applicants may be told of the points awarded to them. Such systems also take the pressure off housing agencies, and off applicants to some extent, by examining all applications in the same detail. They are generally supported by staff in agencies where they are used.

However, points systems are not without their critics. Value judgements are not eliminated, but are reflected in the weighting given to the different components of housing need as well as in the awarding of points to particular applications. Importantly, not all eligible applicants may eventually be housed. Some face a long and uncertain wait (Upcher et al. 1997).

It is impossible to give applicants the information they desire on waiting times, as new applications may keep on being awarded higher points than theirs, even when they are near the top of the wait list. Priority points systems may be a cause of crisis or welfare dependency as applicants who attempt to help themselves are given fewer points – for example, those who make temporary housing arrangements, struggle to maintain their current housing or even defer having more children – while those who make no such attempts gain higher points. Given the type of stock available, concentration of households in urgent need on large estates may lead to local problems, reducing the benefits which these households would want to obtain from low cost and secure housing.

Priority and Targets

As pressure of demand over supply increases, housing agencies may attempt to refine points systems to the extent that they become highly complex and, in the end, unworkable. Some agencies – for example, some local councils in the United Kingdom – set allocations targets for specific groups of applicants (Department for Transport, Local Government and the Regions 1997). This is to ensure that each group of need is given some chance of housing, and acknowledges that even complex points systems may not achieve this. Each group gets a predetermined percentage of all allocations in a year. In effect, this creates separate wait lists for groups such as:

- Agency-initiated transfers;
- Tenant-initiated transfers;
- Emergencies (fires, flood etc.);
- Priority homeless (domestic violence, emergency housing etc.);
- Health priorities; and
- General wait list.

Applicants within each group may be ranked by date order, priority points or some other means. Setting targets in this way ensures that the agency can establish clear priorities between different types of demand, and not have them determined indirectly through the application of the points system. It gives applicants in each category some hope of being housed. Depending on the weighting of allocations targets, this approach allows some diversity of ingoing tenants, particularly on large density estates. Such diversity may lead to

greater stability and community development than may be possible under a points system. Targets could be applied to a segmented wait list scheme, for example, ensuring that 30 per cent are ordinary wait list, 20 per cent are homeless, 20 per cent are unable to access private rental, 20 per cent are victims of domestic violence, and 10 per cent have high support needs. Alternatively, as has been tried in Singapore (Yu 2001) and the United Kingdom, targets are set for certain household types or ethnic groups. These are not general targets, but relate to a particularly locality or estate, with the objective of ensuring social mix or community sustainability – for example, that a given estate will not have more than 30 per cent of sole parents, or not more than 20 per cent of any one ethnic group.

Setting of targets can be criticised for moving away from the notion that housing should be allocated first to those most in need. It may mean less sensitivity to the needs of individual households within each of the target groups. Targets may be difficult to meet due to uncertainty about available housing. Applicants may find the approach confusing and remote from consideration of their own housing needs.

Whilst there may be equity in numerical terms between the different groups waiting for housing, there is still scope for subjectivity and bias in the quality of allocations made. The most desperate may still be offered the worst housing. This is a problem for most systems which attempt to rank housing need, and will be examined further in the final report.

Wider Implications of Priority Systems

In countries such as the United Kingdom and the United States, there is a perception that allocation based on a tight assessment of need (whether in terms of incomes as indicating priority need, or more general measures) has created ghettos of low income multiply disadvantaged groups, as well as creating problems for the neighbouring areas, leading to the destruction of stock and high redevelopment costs (Clapham and Kintrea 1991). From a planning perspective, points systems also have their difficulties. Households who are eligible, but not likely to receive enough points to be housed in a reasonable time, may not bother applying. This makes it difficult to gauge the real demand for public housing and the resources which should be allocated to it.

It is notable that the United States, after fifty years of a priority needs system largely defined by a tight income measure, is moving to a system which enables a greater mix of income groups and household types. This is based on a recognition that concentrations of multiply disadvantaged groups appear to produce a culture of welfarism and poverty and encourage the adoption of behaviours that exclude them from participation in mainstream society, and that the enormous property damage on social housing sites derives from this culture.

The often disastrous outcomes of priority or need focused allocations systems may not occur to the same degree in Australia. It is likely to occur, however, on specific developments or estates if there is no process to ensure against concentrations of the multiply disadvantaged. This will come at a cost to all concerned: new tenants, existing tenants, relations with the host community and the asset managers. The avoidance of ghettoisation will require sensitive allocation on a spatial and development-by-development basis, and monitoring of outcomes such as increases in neighbourhood conflict, property damage, and requests for reallocation.

Persistence

This effectively removes any notion of wait list, relying on the applicants' persistence. Often used in crisis accommodation, the method is simply to check for general eligibility and, if there are no vacancies, to require the applicant to keep calling back in person or by phone until they make contact at the point when a property becomes vacant. This reduces the administrative complexity, and means that those who are most anxious to gain housing – and who have the luck to phone at the right time – actually get housed. However, it can also mean that those who are the best organised or who have the support of an agency get housed before those who do not have these characteristics, although the latter might be in the greater crisis.

Lottery

This system was used by most Australian SHAs in the early decades of their existence. In some cases, e.g. Victoria, there was a two stage process, with a lottery to see who would go on the eligibility list and then another lottery as to who got a property. In a system where essentially all applicants had the same attributes and level of need, i.e. low income working families, it was not so illogical. The United States still uses a lottery system for its most important housing assistance program (Section 8 vouchers). Unlike rental assistance in Australia, these are rationed and administered by local governments. A certain number of vouchers are advertised each year, and of those who apply, the successful applicants are chosen by lottery (Hulse 2002).

Advertising

This is known as the Delft system, after the city where it was introduced in 1990. Now used by one-third of municipal housing agencies in the Netherlands, the system is one where agencies advertise vacant properties to those who have registered for a property in that local government area. The property can be inspected and only those interested in that particular property apply for it. Where there are multiple applicants, some criteria are needed to choose between them. In the Netherlands, selection is often by age, with the oldest applicant receiving preference. The system may be segmented, with some properties advertised as available for transfer only, others for new tenants. It typically does not operate alone, but in parallel with some form of priority system. In some municipalities, private landlords add their listings, which can also be inspected by those registered for social housing. This choice is facilitated by a housing assistance scheme which is portable across sectors.

Not only is the property advertised, but the newspapers also report (after some weeks) on the address of the property that has been allocated, the type, the number of bedrooms, the birth date of the person allocated the property, and the total number of applicants. Kullberg (1997) has done a number of evaluations of the scheme. While there were some problems, the general view is that it works much better than the former system, which was a variation on our wait list plus priority system. Perhaps the most interesting element is its potential to bring an element of client choice to a bureaucratic system.

Common or Shared Wait Lists

Over their twenty or so years of parallel housing management, the Australian public and community sectors have retained separate wait lists and allocations systems. Canada has recently moved to a common wait list for both sectors. In 2000 New South Wales made steps towards a common system for the public sector and the housing associations, who can draw their clients when needed from the SHA's area wait list. An area office might provide the top six on the list, and the association chooses the tenant most appropriate to its needs.

The common wait list has developed because the sectors have become much more closely aligned in their roles and therefore in pool of clients they draw from. A decade ago, SHAs catered largely for low income families requiring few support needs, while the community sector focused on the special needs groups. Greater targeting by the SHAs through changes to eligibility and allocations has meant that they now house broadly the same client groups. Computerised systems also enable agencies to share client information more easily. Why not then have the same wait list and save on administrative costs, particularly in the community sector?

Like any policy or administrative change, the idea has both advantages and disadvantages. For the community sector it means reduced costs, as they do not need their own eligibility criteria and wait list database. However, it also involves some loss of autonomy, including to some extent the 'community' rationale for their existence. For the SHA it means access to more housing and eliminates any fears of community housing creaming off the easier clients, leaving public housing to manage the more difficult ones.

LITERATURE REVIEW

There is a growing literature on allocations systems, largely because this is a vexed issue for many housing authorities internationally and because there is considerable questioning, review and piloting of new methods. The literature is broadly of two types: policy reports and evaluations by housing agencies as they conduct their own reviews or change the nature of their allocations system; and research reports which analyse, critically evaluate or raise conceptual issues. Both forms of literature have been used to write the policy context above, but it is useful to summarise some of the themes which have emerged.

The Australian Literature

The Australian policy literature has largely focused on issues of primary rationing (i.e. what should the eligibility criteria be) and the degree and form of priority housing relative to wait list provision.

The 'in principle' thrust in the 1990s was towards adopting Centrelink based incomes as the income eligibility criteria. However, few states have done so, and a recent review (Victorian Office of Housing 2001a) suggested a move towards a less welfare based eligibility. Three options were explored: a poverty line based limit; a percentage of average weekly earnings; and an affordability based measure which is built on the percentage of income which median rents can consume. The first two are statewide measures; the third can be adapted to local needs by inserting a local median rent factor. No decision has yet been made about implementation.

The degree and form of priority allocation to wait list has been examined by most states and territories. A Tasmanian review in 1994 led to a full priority based system, with points being used to rank priority. Victoria in 1996 moved to a segmented wait list, as did South Australia. Queensland's review in the mid-1990s gave greater emphasis to priority, but not in the formalised way of the other states, and little really changed in actual allocations. Another review in 2001 gave greater emphasis to a priority system, but no decisions have been made as yet. Reviews in New South Wales and South Australia led to segmented models similar to Victoria, but with differences in the segments.

Reviews of allocations policy in the 1990s were largely about how the system could be more effectively targeted, given reduced resources. Little attention was given to the issues that were being debated in the United Kingdom and Europe at the time: Can greater client choice be brought to the process? How do allocations affect community sustainability and low demand areas? Can 'one size fits all' models be replaced by models which are specific to location or housing market? What is the relationship between allocations and reallocations? Nor has much attention been given to United States concerns with linking allocations with social mix, and mutual obligation.

The International Literature

Any reference to international literature on allocations should note the work of Rex and Moore (1967). While of little immediate relevance to policy makers and practitioners today, the context of the writing of this highly influential book is significant. Following explosive and enormously damaging race riots in Birmingham in the mid-1960s, the authors undertook a study into what had created such a dysfunctional urban environment. The simple explanation was a racial problem, but they found that underlying this was the interaction between the city council's public housing allocations system and that of the private market. The effect of the public system was to allocate the worst housing (in the inner city) to newly arrived migrants, and the better housing (in the middle ring) to local applicants. The market was reinforcing this by a process of consumer choice which put the more affluent residents in new outer urban estates. The overall result was a highly polarised urban form and tensions around the inequities of the housing system.

Rex and Moore remind us how dramatically housing allocations can affect the quality of life of residents and of whole cities. They also gave researchers a new analytical concept of 'housing classes', as well as triggering a more general debate about the role of 'urban managers' as allocators of key resources. This was expanded on and popularised by Pahl

(1975), with a key concept growing out of the urban managerialist literature being that of the 'gatekeeper' (this is discussed further in Section 9). Early works that built on this literature, specifically in terms of allocations, include those of Clapham and Kintrea (1984, 1986a, 1986b) and Henderson and Karn (1984, 1987).

Before turning to contemporary literature, some general observations can be made about the broad direction of allocations debate and reform. One of the major catalysts in the United Kingdom and Europe was the adoption of the Delft system in the Netherlands. With its capacity to provide an element of client choice, the idea meshed in principle with market liberal notions of consumer choice popular in the United Kingdom, Canada, the United States and Australia. While little attention was paid to it in the latter three countries, it attracted considerable interest in the United Kingdom where a number of academics and housing agencies began to explore the potential of client choice in allocations systems.

In March 2001 the Department for Transport, Local Government and the Regions put out to tender the equivalent of A$33 million to support and evaluate twenty-seven local authority projects. The projects were due for completion in May 2002, but there are *Choice Based Newsletters* discussing progress <www.Choicebased.housinglettings@dtlr.gov.uk>. Pawson (2002) found that all but one of the successful applicants were going to use newspapers and the web for advertising vacancies as the means of achieving choice. The exception was going to use electronic media only, with capacity for applicants to register and bid for vacancies online. The question of access to the web was to be addressed by establishing web kiosks across the local government area in public buildings or public places.

Some other councils are piloting a focused strategy on high priority applicants. The ability to select directly from available vacancies is to be restricted to those whose priority exceeds a given threshold, rather than advertising vacancies more broadly. The idea of this approach, in what are high demand areas, is to limit the potential cost of dealing with large numbers of unrealistic applications by low priority applicants.

Another targeted pilot focuses on existing tenants, rather than new applicants. Its main aim is to boost the overall volume of lettings – not just to overhaul the process through which vacancies are let. This is to be achieved by emulating the operation of the private housing market in that the pool of potential 'move on' properties is to be widened from those already vacant to those occupied by other aspiring movers. 'Tenants seeking moves will be encouraged to register their property details on a website and to search the site for details of registered properties meeting their own requirements. Through this pro-active involvement tenants themselves will be able to assemble a chain of aspiring movers, with the landlord at the end of the chain eventually contributing a true void vacancy, thus triggering a succession of moves through a domino effect' (Pawson 2002: 3).

In the last decade, the Canadian federal government has increasingly walked away from any responsibility for low income housing and homelessness, which has put greater pressures on the provinces and local government. Allocations reform is thus part of a wider restructuring of assistance (Hulse 2002). As Canada has a larger community sector than Australia, one of the major directions has been in developing a common wait list for all providers and all estates (projects) (Ontario Ministry of Municipal Affairs and Housing 2000). Each social housing provider (public, not-for-profit and cooperative) is required to provide three services to applicants:

- Consolidated information about public, not-for-profit and cooperative options in the community;

- A common application form for all participating providers; and

- A single assessment of eligibility, with applications forwarded to the selected providers for placement on the wait list.

Compared to Australia, this allows prospective applicants a greater awareness of the possibilities open to them and a more formalised system of choice of providers. In most regions of Ontario, access is coordinated by local governments, which forcing them into an active social housing role.

Reform in the United States has developed in two separate directions, although without much literature on the topic. One has been to widen eligibility to public housing estates, in recognition of the damage done by the highly targeted system that has been in operation for some thirty years; the other is experimentation in linking housing with mutual obligation principles such as those raised by the McClure Report (Reference Group on Welfare Reform 2000). For example, public housing in Florida, funded by the federal Department of Housing and Urban Development, aims to encourage self-sufficiency among sole parents. Tenants are explicitly allocated to a dwelling only on condition that they participate in social support, education and case management programs, which are designed to achieve self-sufficiency from government assistance within five years (Hitselberger 1996). In a 'whole of government' approach, other agencies provide the support to help make the transition, e.g. the equivalent of a TAFE college offering places to the allocated households. Whether allocations should or could incorporate such principles in Australia is worthy of exploration.

One of the earlier and most detailed studies of social housing allocations systems in the United Kingdom is Kearns and Malcolm's (1994) study of several Scottish housing associations Their methodology consisted of an analysis of their wait lists for a given period, a separate analysis of all lettings, and a further analysis of all voids over a two year period. Where possible, the data from all three processes was merged to work out relationships between them, e.g. whether certain households on the wait list had a disproportionate success rate of lettings, or the relationship between voids and lettings. Some of their findings were:

- The allocations system was not just guided by highest need, but also by assessment of a client's ability to enhance the community and/or to provide family support (that is, housing people who provide support to young families or to the disabled and infirm);

- While not explicitly stated in the allocations policy, there was also an objective of housing local people, particularly those 'who in a modest sense achieved success in the job market'. This also meant trying to hang on to these people, for example, by being happy to reallocate to meet needs;

- Although extensive records of the allocations policy existed (as per procedures manuals), it was difficult to actually interpret policy and decision making criteria from these records. Applicants were not required to state clearly why they wished to be allocated, the reasons for allocation were not recorded, and the points system often obscured the basis of allocation rather than helping to make it transparent;

- As in many United Kingdom housing agencies, a complicated points systems was used to determine allocation, with the effect that need ended up with a lesser importance than other factors, particularly local residency or living with an existing tenant. The researchers had reservations about how the points system operated to downgrade housing need compared to other criteria;

- While there were certain properties and locations with consistently high refusal of offers, the refusal rate was not a good indicator of management effectiveness, because refusals may be concentrated in incidence but also may be seen as a response to customer choice. The study highlighted the dilemma of an agency encouraging client choice, but then finding that voids increased, and choice conflicted with stock efficiency.

- Unlike in many Australian housing agencies where transfers are seen as an inconvenience and a financial problem, there was an explicit policy of providing tenants with a maximum opportunity to transfer. Whether the net benefits of this outweighed the cost, however, was not evaluated by the study.

The study concluded with the observation that it is difficult to evaluate the organisational or management effectiveness of any agency that has to ration in a context of multiple objectives and a complex operating environment. Arguments about effectiveness become confused by arguments about policy objectives.

Bolan's (1987) paper includes a number of observations about allocations. This is a case study of three local government authorities which transferred part of their housing stock to

self-managed cooperatives or housing associations, a process that is still occurring. It found that part of the reason that tenants opted for decentralised management was that the areas in which they lived were stigmatised as problem areas, largely due to 'a lack of choice and the workings of a remote and centralised lettings [allocations] system' (Bolan 1987: 31). The new agencies moved away from such a system; in one case, the housing officer developed a highly personalised and labour intensive approach of going out to find appropriate applicants for the estate. The outcome was a marked drop in voids and very low arrears among new tenants.

One of the biggest problems in adopting new allocations policies and the creation of a new professional/client relationship was the hostility and apathy of tenants who, after decades of dealing with a 'one size fits all' model of decision making, found it difficult to cope with a new model. While housing workers tried hard to develop allocations practices that were flexible and discretionary, tenants wanted rules and procedure to be adopted and stuck to. Implementing new allocations systems – indeed, new approaches to client management generally – require education of both staff and tenants to prevent old values and belief systems being carried over to the new model.

In 1993 the Department of the Environment released a report on the performance of housing authorities and housing associations operating under the new managerial reforms that were introduced in the United Kingdom during the late 1980s. It was based on a large national survey, together with case studies of seven local authorities and seven associations. The chapter on allocations policy found it to be an area where it is very hard to measure good performance, as performance is an outcome of different contexts and different organisational structures. Some interesting observations included:

- 70 per cent of local authorities had centralised 'one size fits all' models, compared to 55 per cent of housing associations;

- 73 per cent of local authorities used a priority points system, compared to 55 per cent of housing associations. Date order systems were used by about 20 per cent of agencies, irrespective of type. Merit or discretionary systems were used by less than 20 per cent;

- Policy on the number of offers that could be refused varied greatly between agencies that offered just one and those that offered up to three without penalty;

- Around half of the agencies routinely informed applicants of their position on the wait list and the time they may have to wait, and this was ticked off as good practice;

- Many of both types of agencies place various restrictions on eligibility which are not typically used in Australia. For example, 90 per cent restricted those with no local connection, 70 per cent had age limits (mostly on youth, but many had limits going up to 50 years of age) and 78 per cent had restrictions on former tenants with arrears outstanding or a history of arrears; and

- There was considerable variation in the transfers versus direct applicant process. Analysis of the difference suggested that this was largely related to local housing conditions. For example, many housing agencies used a high proportion of transfers in order to solve problems of under- or over-occupation, while areas of intense demand (e.g. London) were less willing to facilitate transfers.

The Department for Transport, Local Government and the Regions' (2001) Green Paper had a whole chapter on allocations, written around the assumption that social landlords should see themselves less as housing allocators than as providers of a letting service responsive to the needs and wishes of individuals. The paper claimed strong support for a choice based letting system; specific proposals included removing the powers to impose blanket restrictions preventing groups of people from applying for social housing, encouraging cross-boundary and cross-tenure applications, and developing local lettings policies to help create sustainable communities. While acknowledging the problem, the paper did not explore solutions to the potential conflicts between an allocations system which fostered greater client choice, and one which encouraged more sustainable communities (perhaps requiring quotas on certain groups or limiting nomination to certain areas, e.g. high demand).

Cole et al. (2001) looked at the tensions in designing allocations systems around issues of social balance and sustainable communities versus client choice, arguing that this was not necessarily a trade-off. Rather, there is a broad spectrum of possible options which could help achieve elements of both objectives. In addition to points summarised in the other literature, they made additional observations of potential relevance to Australia, including:

- While considerable attention has been given to revising the criteria for allocations and the lettings process, systems for monitoring and evaluation have yet to be developed in most cases, making it difficult to determine to what degree and for whom any new system is working. This is a problem that any review, e.g. of segmented wait lists, will confront in Australia;

- There is a lack of readily available up-to-date data on the social characteristics of neighbourhoods, making it difficult for landlords to go beyond housing management data in developing estate profiles. This is a problem that Australia confronts in estate renewal, and also if there is any move to localised allocations systems;

- There are clear differences in emphasis and approach between high and low demand areas, and larger landlords need to carefully balance the claims of local sensitivity and organisational consistency; and

- The profiling approach is often contrasted with the customer focused orientation of choice based lettings systems promoted through recent central government pilot initiatives. However, faced with the contending objectives of social mix and customer choice, landlords are tending in practice to adopt hybrid programs which combine elements of both.

What can we conclude from the international literature?:

- There is a sea change of thought in terms of needs based allocations systems. The general view is that they have significant social disadvantages (notably in worsening the problem of hard to let and low demand areas), are cumbersome to administer and – from a client's perspective – are not very transparent;

- There is greater recognition for locality specific allocations policies, although the system in the United Kingdom is very locality specific – by Australian standards – as social landlords are either local governments or local housing associations. However, even within these prescribed administrative areas, there has been experimentation with different allocations rules for specific estates or sub-areas;

- While there is considerable discussion of client choice as the rationale for allocations systems, the bulk of all allocation in the United Kingdom is still bureaucratic, with only pilot choice projects. In the Netherlands, there is greater acceptance of the choice model, but alongside priority or wait list systems;

- Reallocations are given much greater policy attention in the United Kingdom and the Netherlands, being seen as a way of meeting client needs, optimising stock use and addressing issues of sustainable communities;

- In many respects, despite the language of client choice, the systems – and Australia is no different – have become more coercive in the sense of greater restrictiveness of numbers of offer;

- The allocations practices and procedures of public housing agencies are much more researched and understood than those of the community sector;

- Anti-social behaviour is given more attention as a management issue internationally, with many agencies in the United Kingdom and the Netherlands restricting access to those considered responsible;

- Common wait lists and assessment tools are prominent in Canadian reforms, and linking allocations with mutual obligation in the United States, but receive little attention elsewhere.

- Many of the problems of the social housing system are intractable, as they derive from structural processes and funding constraints in the wider society, and no amount of allocations reform will resolve them.

METHODOLOGY

This is a multi-layered study, with a number of discrete stages. In the principles of triangulation research, the hope is that the findings in each method corroborate the others so that there is some convergence towards a set of common findings. The reality is that this is not likely to be the case. The more likely outcome is that there will be divergent findings, which reflect the complex problems of allocations and the inherent tensions of any form of rationing system.

The first tasks are:

1 *Scoping current policies and practices:* An examination of each stage of the public housing allocations system for all states and territories, and a sample of community housing agencies in all states and territories, including a number of indigenous housing agencies. This will draw out the rationale for the allocations system in each state, and the competing objectives of allocations systems within each of the jurisdictions as well as the community sector.

2 *Historical context:* A brief overview using internal documents and reports of past allocations practices in Australia and the reasons for change, which have not previously been documented. This will illustrate how allocations systems in each state have evolved and the need for constant re-evaluation and fine-tuning as the external context changes.

3 *Literature review:* A review of the emerging overseas literature, particularly that of the Netherlands, the United Kingdom and the United States, paying particular attention to discretion, choice, mutual obligation, community sustainability and the use of multiple allocations practices within the one agency. This will document how other countries are changing their allocations systems in response to the same set of issues and problems that Australian housing agencies are having to deal with.

Much of the work from Stages 1 to 3 has been completed and is reported in this Positioning Paper, but the Final Report will have greater detail. One of the more interesting parts of the study is the next stage:

4 *Practitioners' survey:* As a number of studies have pointed out (Henderson and Karn 1984, 1987; Rex and Moore 1967; 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, e.g. determining eligibility, ranking, accessing property, and actual allocation and reallocation. Greater or lesser discretion can operate in all these areas; the less transparent the system, the greater the potential gatekeeper power.

   This is not to say that discretion and gatekeeper power are necessarily bad. A system with no discretion may lack flexibility to react to local circumstances or individual needs and may create poor outcomes. Conversely, abuse of discretion (e.g. making decisions that are discriminatory or nepotistic) is a poor outcome. From another perspective, gatekeeper power also derives from knowledge and experience, so this study will survey some 500 housing workers-cum-gatekeepers on how well current systems work from their local perspective, what problems they see, and what ideas they might have for reform.

5 *Focus group discussions:* The survey will be complemented by focus group discussions. One focus group will be with a cross-section of housing managers, and two others (one in Victoria and one in Queensland) with housing workers. These will draw out in more detail what practitioners perceive as the limitations of allocations policy and the potential for reform based on ideas gleaned from earlier stages.

6   *Reallocations documentation:* How many, to whom, where and why, and the associated issues. Much of this has already been accessed and provides the information for this report and for the appendices.

7   *Management workshops:* While housing workers may be the gatekeepers (those who interpret the rules and procedures), the senior staff of housing agencies are the urban managers (those who set the policies and establish the rules and procedures). A series of workshops will be conducted with senior and middle management in both the public and community sectors, to discuss the implications for allocations of future directions in social housing provision. This stage is designed in part to inform management of the findings to date and obtain their responses.

It is important to note that this methodology only presents a housing provider's view of the allocations process, its problems and the potential for reform. A client's perspective would emerge from any entry study, given the centrality of allocations to entry to the social housing system. As Swinburne is undertaking a pilot entry study, complementary questions will be asked to provide a client's perspective on allocations.

CONCLUSION

While one of the most mundane aspects of social housing management and administration, allocations systems have enormous potential implications for client wellbeing, efficient asset management, the form and structure of urban areas and associated quality of life. They are also a major contributor to housing practitioners' workloads. Allocations systems have to meet multiple objectives – many conflicting – for social housing, and deal with high expectations about fairness, efficiency and transparency. Reform of allocations systems is thus one of the most difficult and challenging tasks in social housing.

REFERENCES

ACOSS 2002 *Public and Community Housing: A Rescue Package Needed*, Australian Council of Social Service, Sydney

Bisset, H., Dalton, T. and Lawson, J. 1994 *Community Housing in Australia: Issues and Future Directions*, Working Paper no. 2, Australian Housing and Urban Research Institute, Melbourne

Blandy, S. and Parsons, D. 2001 Housing a Divided City, paper presented to 'Managing Housing and Social Change' Conference, City University of Hong Kong, 16-18 Apr.

Boelhouwer, P. 1992 *Housing Systems in Europe*, Delft University Press, Delft

—— 1999 'International Comparison of Social Housing Management in Western Europe', *Netherlands Journal of Housing and the Built Environment*, vol. 14, no. 3

Bolan, P. 1987 *Alternatives in Decentralised Housing Management*, Working Paper no. 68, School for Advanced Urban Studies, University of Bristol, Bristol

Borland, J., Gregory, B. and Sheehan, P. (eds) 2001 *Work Rich, Work Poor: Inequality and Economic Change in Australia*, Centre for Strategic Economic Studies, Victoria University, Melbourne

Burke ,T. and Wulff, M. 1993 *Poverty Traps in Public Housing*, Australian Housing Research Council, Canberra

Chartered Institute of Housing 2001 *Sustainable Lettings*, Good Practice Briefing no. 20 <http://www.cih.org/> (last accessed 7 June 2002)

Clapham, D. and Kintrea, K. 1984 'Allocation System and Housing Choice', *Urban Studies*, vol. 21

—— 1986a 'Rationing, Choice and Constraint: The Allocation of Public Housing in Glasgow', *Journal of Social Policy*, vol. 15, no. 1

—— 1986b 'Housing Choice and Search Strategy', *Environment and Planning*, vol. 18

—— 1991 'Housing Allocation and the Role of the Public Rented Sector', in Donnison, D. and Maclennan, D. (eds) *The Housing Service of the Future*, Longman, Harlow, UK

Cole, I., Iqbal, B., Slocombe, L. and Trott, T. 2001 *Social Engineering or Consumer Choice?: Rethinking Housing Allocations*, published by the Chartered Institute of Housing for the Joseph Rowntree Foundation <http://www.jrf.org.uk/bookshop/details.asp?pubID=371> (last accessed 7 June 2002)

Department of Family and Community Services 2002 *Housing Assistance Act 1996: Annual Report 1998-99* <http://www.facs.gov.au> (last accessed 18 June 2002)

Department for Transport, Local Government and the Regions 1997 'Local Authority Housing Allocations: Systems, Policies and Procedures', *Housing Research Summary*, no. 74 <http://www.housing.dtlr.gov.uk/hrs/hrs074.htm>

—— 2001 'Housing and Housing Policy', *The Housing Policy Statement and the Housing Green Paper* <http://www.housing.dtlr.gov.uk/information/index18.htm> (last accessed 7 June 2002)

Griffith, M., Parker, J., Smith, R. and Stirling, T. 1997 *Local Authority Housing Allocations: Systems, Policies and Procedures*, Department of the Environment, Transport and the Regions, London

Harloe, M. 1994 *The People's Home? Social Rented Housing in Europe and America*, Blackwell, Oxford

Hayward, D. 1996 'The Reluctant Landlords: A History of Public Housing in Australia', *Urban Policy and Research*, vol. 14, no. 1

Henderson, J. and Karn, V. 1984 'Race, Class and the Allocation of State Housing in Britain', *Urban Studies*, vol. 21

—— 1987 *Race, Class and State Housing: Inequality and the Allocation of State Housing in Britain*, Gower, London

Hitselberger, K. 1996 'Within Reach: Pinellas Village Gives New Hope to Single Parents', *Units*, vol. 20, no. 8

Housing New Zealand Corporation 2002 *Social Allocations System* (copy received via email)

Hulse, K. 2002 *Demand Subsidies for Private Renters: A Comparative Review*, Australian Housing and Urban Research Institute, Melbourne

Industry Commission 1993 *Public Housing*, Australian Government Publishing Service, Canberra

Jones, M. A. 1972 *Housing and Poverty in Australia*, Melbourne University Press, Melbourne

Kearns, A. and Malcolm, J. 1994 *Housing Management Among Scottish Housing Associations* Scottish Homes Glasgow

Kullberg, J. 1997 'From Wait Lists to Adverts: The Allocation of Social Rental Dwellings in the Netherlands', *Housing Studies,* vol. 12, no. 3

Lidstone, P. 1994 'Rationing Housing to the Homeless Applicant', *Housing Studies*, vol. 9, no. 4

London Housing Unit 1999a 'Allocations: Reconciling Needs and Sustainability', *London Housing News* <http://www.lhu.org.uk/> (last accessed 7 June 2002)

—— 1999b *Allocations for Successful Communities* <http://www.lhu.org.uk/> (last accessed 7 June 2002)

McCrone, G. and Stephens, M. 1995 *Housing Policy in Britain and Europe*, UCL Press, London

National Housing Strategy 1991 *The Affordability of Australian Housing*, Australian Government Publishing Service, Canberra

OECD 1994 *Occasional Paper*, no. 14, OECD, Paris

—— 1997 *Social Statistics*, OECD, Paris

—— 1998 *Occasional Paper*, no. 33, OECD, Paris

Ontario Ministry of Municipal Affairs and Housing 2000 *Coordinated Access to Social Housing* <http://www.mah.gov.on.ca/inthnews/backgrnd/20001012-6e.asp> (last accessed 7 June 2002)

Oxley, M. and Smith, J. 1996 *Housing Policy and Rented Housing in Europe,* E. & F. Spon, London

Pahl, R. 1975 *Whose City?*, Penguin, London

Pawson, H. 2002 *Pilots Cleared for Take-Off* <http://www.housit.org.uk/articles/pilotext.htm> (last accessed 7 June 2002)

Randolph, B. 1993 *A Review of Community Housing in Australia*, Urban Research Program Working Paper no. 40, Research School of Social Sciences, Australian National University, Canberra

Reference Group on Welfare Reform 2000 *Final Report: Participation Support for a More Equitable Society*, Department of Family and Community Services, Canberra

Rex, J. and Moore, R. 1967 *Race, Community and Conflict*, Oxford University Press, Oxford

Smith, R. 2000 'Allocating Social Housing: Trends, Proposals and Prospects', in Wilcox, S. (ed.) *Housing Finance Review 2000/2001*, Joseph Rowntree Foundation, York

Steering Committee for the Review of Commonwealth/State Service Provision 2001 *Report on Government Services 2001*, AusInfo, Canberra

Upcher, C., Couzens, C., Nash, S. and Harvey, J. 1997 Targeting Public Housing to Those Most in Need, policy feedback report to Victorian Office of Housing, Melbourne

Victorian Office of Housing 2001a *Public Housing Eligibility: Final Report*, Housing Policy Series, Victorian Office of Housing, Melbourne

Victorian Office of Housing 2001b *Segmented Waiting List: Final Report*, Housing Policy Series, Victorian Office of Housing, Melbourne

Victorian Regional Housing Councils 1996 Priority Housing, policy feedback report to Victorian Office of Housing, Melbourne

Yu, S. M. 2001 Housing and Social Integration in Singapore, paper presented to 'Managing Housing and Social Change' Conference, City University of Hong Kong, 16-18 Apr.

APPENDIX 1: Public Housing Eligibility Criteria, Australia and New Zealand

Table 6: 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 or benefits, most government allowances, child support and maintenance payments, and interest on investments. Some statutory income and government allowances are not included.	Gross income of all household members is assessed. Applicants must have an independent income. Gross weekly household income limit:	Gross income of all household members is assessed. Must have an independent income. Some income, such as allowances paid by Centrelink, is not included as weekly assessable income.	Gross income of all household members is assessed. Must have an independent income. Gross weekly household income limit:

Detailed columns:

NSW

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, the income limit can be raised by $55 for each additional person.

The total income limit is raised by an extra $55 per week (minimum) for each household member with a disability.

Vic

Single	$323
Couple	$539
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 in receipt of at least $1 of a Centrelink Age or Disability Support Pension or a Department of Veterans Affairs Service, War Widow or War Disability Pension. In the case of couples, at least one partner must be in receipt of at least $1 of any of these incomes.

Qld

Gross weekly household income limit:

Single	$522
Single + 1 child	$647
Couple	$647
2 Single people	$647
Single + 2 children	$733
Couple + 1 child	$733
Couple + 1 single	$733
2 Singles + 1 child	$733
3 Single people	$733
Single + 3 or more children	$835
Couple + 2 children	$835
3 Singles +1 child	$835
2 Singles + 2 children	$835
4 Single people	$835
Couple + 3 or more children	$936
5 Single people	$936
Couple + 2 children + 1 single	$936
2 Couples + 1 or more children	$936
1 Couple	$936
1 Single + 2 or more children	$936
5 or more people including 2 adults	$936

SA

Gross weekly household income limit:

Single	$530
Single + 1 child	$693
Single + 2 children	$774
Single + 3 children	$856
Single + 4 or more children	$978
Couple	$693
Couple + 1 child	$774
Couple + 2 children	$856
Couple + 3 children	$978
Couple + 4 or more children	$1100

Sources: ACT Housing 2002, viewed 19 June 2002 <http://www.housing.act.gov.au>; Department of Health and Human Services 2002, viewed 18 June 2002 <http://www.hnb.dhs.vic.gov.au>; Department of Family and Community Services 2002, *Housing Assistance Act 1996: Annual Report 1998-99*, viewed 18 June 2002 <http://www.facs.gov.au>; Homeswest 2001, Department of Housing and Works, viewed 18 June 2002 <http://www.housing.wa.gov.au>; Housing New Zealand Corporation 2002, *Social Allocation System*, unpublished article; Ministry of Social Development 2002, viewed 18 June 2002 <http://www.winz.govt.nz>; NSW Department of Housing 2001, viewed 18 June 2002 <http://www.housing.nsw.gov.au>; Office of Housing 2002, Department of Human Services, viewed 18 June 2002 <http://www.hnb.dhs.vic.gov.au>; Queensland Department of Housing 2002, viewed 18 June 2002 <http://www.housing.qld.gov.au>; South Australian Housing Trust 2002, viewed 18 June 2002 <http://www.housingtrust.sa.gov.au>; Territory Housing 2001, viewed 19 June 2002 <http://www.nt.gov.au>.

Table 7: Public Housing Eligibility Criteria, Australia and New Zealand – Income

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.	Eligibility is assessed on the gross income of the applicant/joint applicants, plus 10 per cent of the incomes of any other household members whose gross weekly income is equal to or greater than $100.	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 are excluded.	Gross income of all household members is assessed.	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:

Tas

Gross weekly household income limit:

Single	$305
Couple	$508
Single or couple combined + 1	$542

For each additional child, add $34.

ACT

Gross weekly household income limit:

Single	$442
2 persons	$737
3 or more persons	$737
(Plus $74 each for each extra person)	

NT

Gross weekly household income limit:

1 Person	$460
2 Persons	$597
3 Persons	$697
4 Persons	$796
5 Persons	$896
6 Persons	$995

WA

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	-
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

NZ

Single	NZ$432
Couple	NZ$655

Sources: As for Table 7

Table 8: Public Housing Eligibility Criteria, Australia and New Zealand – Assets

NSW	Vic	Qld	SA	Tas
Applicants and other household members with current property assets or ownership must not be: ▪ living in their own home ▪ owners of a property which could be used to adequately house them ▪ living in accommodation in the private sector and own or share property which constitutes a substantial asset which could be realised ▪ renting out a property which they own or are purchasing. Asset ownership can add to the household income. Liquid assets, such as cash, bank deposits, securities and relocatable mobile homes are assessed as part of the household's weekly income by applying the deemed interest rate, and converting them to a weekly value. There is no cash asset limit. Non-realisable assets, such as property overseas, are not included. If the applicant earns any income from property they own, even if this is not readily available, it is included in 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 Assets 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.	No ownership or part ownership of any residential property. Maximum cash assets: Household headed by single person: $228,750 Household headed by couple: $285,000	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+). Financial assets limit based on age: 55 years or less $23,020 55+ $35,000

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 $35,200 2 persons $50,400 3 persons $80,000 4 persons $80,000 5 persons $80,000 6 persons $80,000	No ownership of property or land. Maximum cash assets: Singles $32,200 Couples $38,600	Assets limit of NZ$17,000, indexed annually to average house sale prices.	

Sources: As for Table 7

Table 9: 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, and the department is satisfied the applicant is able to meet the obligations of tenancy. 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 and the client receives an independent income. 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. If there is no legal guardian, approval for signing the tenancy agreement if required from the housing services manager.	Applicants must be 18 years or over. Exceptions to this are if 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 +).	Applicants must be 17 years or over to apply, but they will not be allocated housing until they are 18. 16-18 yearr olds may be assisted at the discretion of the regional manager depending on their need and circumstances. Applicants under 16 years of age are referred to the Child Family and Community Support Program, where a worker considers the most appropriate housing option.	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.	Applicants must be 16 years or over.	Generally an applicant must be at least 18 years of age.	Applicants must be 18 years of age or over.	

Sources: As for Table 7

Table 10: 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 ➢ have arrived on their parent's passport ➢ came to Australia on the assisted Migrants Passage (1945-73) ➢ have arrived as refugees or are humanitarian visa holders ➢ are permanent residents who are not receiving Social Security payments because they are in the 2 year exclusion period) • 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, 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

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	• Australian citizenship • Permanent residency • WA residency • Receive income in WA	• New Zealand residency	

Sources: As for Table 7

Table 11: 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 sustain 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. Applicants must demonstrate their commitment to repaying outstanding debts. Serious threats or violence demonstrated towards department staff may make an applicant ineligible. Applicants must not be living in long-term community housing.	Outstanding debts to Victorian Office of Housing must be repaid. Proof of identity must be provided. Applicants must have no history of eviction for non-arrears tenancy breaches (within the past 12 months) as a public housing tenant or resident.		Applicants must have a need for housing that cannot be met by any other form of housing (e.g. private rental).	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. Commercial credit check must be carried out.

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.	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 per cent of any other Homeswest debts, must be repaid. Proof of identity must be provided.	Have established housing needs.	

Sources: As for Table 7

APPENDIX 2: Public Housing Allocations Ranking Systems, Australia and New Zealand

Table 12: Public Housing Allocations Ranking Systems, Australia and New Zealand

System	NSW 127,513 properties	Vic 65,996 properties	ACT 11,758 properties	SA 53,485 properties	NZ 60,237 properties
S E G M E N T E D	S1: Emergency temporary accommodation S2: Priority S3: Elderly applicants (80+ years) S4: Transfers S5: Other eligible applicants	S1: Long-term homelessness S2: Disability, frail aged, severe medical needs, significant personal support and/or major housing modifications S3: Those with unsuitable housing who have to access the private rental market S4: Low incomes only	S1: Applicants in urgent need of housing S2: Applicants for whom the private rental market is not suitable or accessible as a long-term option S3: Applicants with an affordability problem 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

System	QLD 50,662 properties	NT 7,451 properties	WA 32,697 properties	P R I O R I T Y P O I N T	Tas 13,405 properties	
W A I T L I S T + P R I O R I T Y	Wait list plus priority access for: • Homelessness • Medical conditions • Emergency housing situation • Domestic violence	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 e.g. domestic violence, that are related to current housing situation	Wait list plus urgent/priority access for: • Urgent medical condition • Domestic violence / child abuse • Racial harassment • Homelessness		Housing need factors: Adequacy → Affordability → Appropriateness → Offer rejection →	S1: Point Score <=35 S2: Point Score 25-34 S3: Point Score 15-24 S4: Point Score 10-14 S5: Point Score > 10

Sources: Queensland Government Department of Housing 2001, *Towards a New Allocation System for Public Housing*, Foundation Workshop; Housing New Zealand Corporation 2002, *Social Allocation System*, unpublished article; Housing New Zealand Corporation 2002, viewed 17 June 2002 <http://www.webnz.com/hnz/>.