

Social housing allocation systems – how can they be improved?

PRACTITIONERS IN THE PUBLIC AND COMMUNITY HOUSING SECTORS ARE REASONABLY SATISFIED WITH CURRENT ALLOCATIONS SYSTEMS. WHILE THERE MAY BE WAYS SYSTEMS COULD BE IMPROVED - TO MORE EFFICIENTLY ALLOCATE CLIENTS AMONGST A DIVERSE ARRAY OF SOCIAL HOUSING PROVIDERS, RESPOND TO LOCALISED HOUSING DEMAND PRESSURES, OR PROVIDE AN APPROPRIATE DEGREE OF CHOICE TO SOCIAL HOUSING APPLICANTS – FURTHER WORK IS REQUIRED TO PROVE THE RELEVANCE OF OVERSEAS MODELS TO AUSTRALIA.

KEY POINTS

- 71 per cent of public housing practitioners and 87 per cent of community housing practitioners say their current allocation system works well or very well. Housing practitioners in both sectors generally support targeting but are also concerned about other households 'missing out'. Almost half of all public sector workers supported placing quotas on the number of priority applicants being allocated.
- Public and community housing workers report only minor occurrence of discrimination and inappropriate allocations. Nevertheless, instances of discrimination and inappropriate allocations were more apparent in the public sector than community housing and half of public housing workers wanted more time to assess needs of applicants.
- Almost half of all public housing workers want to see more local rules about allocations. One quarter of public housing workers and more than a third of community housing workers supported the proposal that waiting lists should be closed-off for a period of time if they become too long.
- Public housing applicants exercise little choice over their housing. For example Public housing clients are significantly less likely than community housing applicants to: have offers discussed with them prior to (or at the same time) as receiving an offer by mail; look over the dwelling with the housing worker; or receive an unlimited number of offers the applicant can turn down.
- Significant reforms to social housing allocations have been implemented overseas to improve coordination of access for households in multi-provider systems (common housing registers), to provide for local allocations policies and to provide more choice to applicants in matching people to properties.
- While there was some awareness of some of these alternative systems of allocation, many practitioners in both the community and public housing sectors were uncertain about whether these types of changes were applicable to Australia. If these models are to be considered, they would need to be adapted appropriately to Australian circumstances.

This study, by Dr Kath Hulse and Professor Terry Burke of the AHURI Swinburne - Monash Research Centre, presents the first national overview of policy and practice in allocations in both the public and community housing sectors. It identifies and explores the drivers for change to allocations systems, and also reviews ideas about allocations from Australia and overseas that can be considered when making changes to current systems.

CONTEXT

Social housing allocations systems involve policy and practice decisions about which households, both new applicants and existing tenants, get access to social housing. Such systems are distinguished by the fact that access is determined primarily on *administrative* criteria. This model of access stands in contrast with access to private housing, which is based primarily on households' choice, with the chief mechanism to ration supply being the market rent levels.

Social housing allocations are the result of three discernable processes all focussed around housing persons in particular need:

- strategic planning (in which key target groups are identified and the purposes of housing that group - such as whether they are transitional or longer term tenants - are defined);
- primary rationing (in which criteria for rationing are developed and decision rules are developed for excluding applicants); and
- secondary rationing (in which criteria are developed for matching households with housing suitable for their purposes).

While allocations systems across Australian jurisdictions and across the sectors of social housing have their differences, from the mid-1990s there has been a move towards greater targeting of social housing allocations to those in greatest need. This has been in response to a number of factors including: increasing waiting lists and greater diversity of client base needs. This has been in the context of declining real funding and static numbers of social housing stock; the need to provide exit points for people in various forms of emergency, temporary and transitional housing; and government requirements for accountability in terms of who is being housed for the social housing dollar.

METHODOLOGY

The research methods engaged in this study were both qualitative and quantitative:

- an historical review of social housing allocations policies and practices in Australia and examination of the documented policies and practices of a variety of social housing providers;
- a statistical overview of trends in allocations based on available secondary data;
- surveys of 81 housing practitioners in public housing and 203 practitioners in community housing (the low numbers in public housing reflected poor response rates generally and in New South Wales in particular);
- interrogation of the results of a complementary Australian Housing and Urban Research Institute (AHURI) study on client perspectives, in particular, the views of applicants on the waiting list for public housing (Burke, Neske and Ralston 2004);

- investigation of alternative models that are being developed, or have been implemented overseas, such as common housing registers, common waiting lists, choice based letting systems and local allocations policies; and
- a workshop on allocations in Queensland with managers and practitioners in social housing and interviews with program managers in various States and Territories.

FINDINGS

GENERAL OVERVIEW

Australian social housing is slowly changing, with a decrease in public housing stock offset in part by an increase in community housing dwellings.

Nine in ten dwellings in the social housing sector are managed by the eight State/Territory public housing authorities. Annual allocations to public housing have declined by 37 per cent over the last 15 years and are currently running at just over 33,000 a year.

Despite major efforts to 'clean' waiting lists and changes to tighten eligibility criteria (particularly after 1997), waiting lists for public housing remain at high levels and are longer now than in 1990 for most States and Territories.

One in ten social housing dwellings are managed by a large range of community housing providers, many of them having only a small number of dwellings. Whilst there are some overall benchmarks for allocations in community housing developed by peak organisations in the sector, the allocations systems of community housing providers vary substantially.

Allocations in community housing, particularly for organisations providing short- and medium-term accommodation, depend substantially on whether clients exit from community housing. A decreasing rate of allocations in public housing and deteriorating affordability of private rental housing have served to limit turnover and the rate of new allocations to community housing.

ALLOCATIONS SYSTEMS

STRATEGIC PLANNING – TARGETING

Social housing allocations in both the public and community housing sectors are increasingly targeted to households with the greatest needs (comprising persons who are homeless, whose life or safety is at risk, or health condition is made worse in their current housing, whose housing is inappropriate to their needs or involve very high rental housing costs).

There has been a good deal of convergence in eligibility criteria for public housing across the States and Territories, particularly since the late 1990s, although there are still some differences. In the public housing sector, 38 per cent of allocations are made to households in greatest need who comprise 5 per cent of waiting lists. There are significant differences in the extent of targeting, with Tasmania and Victoria operating the most targeted systems and Queensland the least.

The eligibility criteria of community housing providers emphasise disability and medical condition, willingness to participate in the running of a housing agency, and connections with the local area. Not all community housing providers operate waiting list systems, due to low turnover. In the community housing sector, 85 per cent of allocations are made to households in the greatest need who comprise 59 per cent of applicants.

PRIMARY RATIONING

Four jurisdictions (New South Wales, Australian Capital Territory, South Australia and Victoria) use a segmented waiting list to determine priority of access to public housing; three (Queensland, Western Australia and the Northern Territory) operate an administrative priority system in conjunction with a date order waiting list, while one (Tasmania) uses a priority points system.

Although there is general support in both the public and community sectors for the principles of targeting to households in greatest need, housing workers and managers raised significant concerns about this approach. In particular, in terms of other low income households 'missing out' and the impact on local communities.

Overall, 71 per cent of public housing workers think that the allocations system in their agency works quite well or very well, although community housing workers were more likely (87 per cent) to say the allocations system worked well or very well. Few workers in the public system thought that current tenants had priority over potential tenants.

Key problems cited by public housing workers included frustration at incapacity to house priority applicants (76 per cent) and that a priority system puts too much pressure on housing agency (67 per cent) – this was considerably higher than in the community sector.

SECONDARY RATIONING

Almost all public sector workers (93 per cent) indicated that responsibility for matching a household with a property lay with individual staff, compared to only 27 per cent for community housing workers (greater responsibility lay with review committees and management in this sector). However, reporting requirements were greater in public housing where 79 per cent would provide lists of allocations or reporting to management compared to 50 per cent in the community sector.

Public housing authorities have very detailed and prescriptive policies and practices for matching individual households with properties, with limited choice for households.

People working within both public and community housing were generally satisfied with the documentation and training provided and the integrity of their systems.

There tended to be little consultation with applicants about housing in the public sector, and limited scope to choose their property. Only 43 per cent of the public housing respondents said that offers were discussed with applicants prior to or at the same time as notification of an offer by mail compared to 76 per cent of community housing respondents.

Of the public housing respondents, only 31 per cent accompanied the applicant to look over the dwelling compared to 91 per cent of community housing respondents.

State and Territory housing authorities usually make between one and three offers of accommodation. By contrast, 56 per cent of community sector workers indicated there was no limit on the number of offers an applicant can turn down.

A large number of public sector workers (80 per cent) indicated that if a person refused an offer, they would lose their place if the reason was 'invalid'. By contrast, 24 per cent of community sector workers indicated that this would occur in their organisation.

Unsuitable allocations were more prevalent in public housing than in the community sector. For example, 66 per cent of public housing workers reported that they had seen a small dwelling allocated to a large family (compared to 41 per cent of community sector workers reporting the same thing). While this may be due to lack of range of stock on offer and greater demands on the sector, it also is indicative of the lack of discretion given to applicants.

Most respondents in both public and community sectors (64 and 67 per cent respectively) indicated that they were aware of discrimination that was of a minor or isolated nature. Housing workers considered that it mainly affects people with: a record of anti-social behaviour; people with mental illnesses; young people aged under 18 years; and Indigenous Australians. Nevertheless, only 21 per cent of clients believed there was discrimination.

Half of the community housing workers surveyed believe that there is no need to make changes to their allocations system, compared to only 11 per cent of the public housing workers.

The changes to allocations that public housing workers would like to see include: more time to interview applicants to fully assess needs (50 per cent), more local rules about allocations (47 per cent), and placing quotas on the number of priority applicants (44 per cent).

The main changes suggested by community housing workers were: more time to interview applicants to fully assess needs (28 per cent), more attention to reallocation (transfers) (16 per cent), and more transparent rules about allocations (10 per cent).

One quarter of public housing workers and more than a third (36 per cent) of community housing workers supported the proposal that waiting lists should be closed-off for a period of time if they become too long (as occurs quite widely in the US and in parts of the UK).

Housing workers and program managers in both sectors believed strongly in the importance of horizontal equity, that is, treating applicants in similar circumstances in the same way.

OVERSEAS INNOVATIONS IN ALLOCATIONS

Reforms to allocations overseas are designed to enable households to have more choice, and permit a number of providers to share a pool of applicants to social housing.

The research details examples of innovations overseas in each of these areas:

- *Common housing registers* in the UK and *centralised waiting lists* in Ontario (Canada) have been introduced to enable more coordinated access by households and greater efficiency for providers in multi-provider systems. These involve co-ordination of information about social housing options for households, one point of registration for people seeking social housing and a common database for use by housing providers in allocations. There is to date no systematic evaluation of the outcomes of this type of approach.
- In the Netherlands, there has been an emphasis on advertising vacant social housing properties, and in the UK on improving household choice and involvement in the matching process through *choice based lettings*. Evaluations in each country have been positive from the perspectives of both applicants and housing providers, although there is a concern about the capacity of the most vulnerable households to participate in such systems. It is too soon to know whether choice based allocations schemes contribute to the stability and sustainability of local communities.
- A further trend overseas has been to introduce more diversity into allocations to respond to local markets and conditions. Local allocations policies are popular with many housing providers in the UK and elsewhere, but have not yet been systematically evaluated.

Most respondents in both the community and public housing sectors were uncertain about whether these types of changes were applicable to Australia: only 22 per cent of community housing workers and 19 per cent of public housing workers thought that some integration of public and community housing waiting lists would improve their allocations systems.

Policy workshop discussants did see some benefit in closing off waiting lists in local areas where there were too many applicants, while 25 per cent of public housing workers and 36 per cent of community housing workers supported this idea as well.

POLICY IMPLICATIONS

Social housing is allocated based on policy and practice decisions made at three levels: at a strategic planning level (e.g. where bureaucrats identify groups to target), at a primary allocation level (based on systems that decide who is to be housed and in what order), and at a secondary level (where housing workers at the 'coal face' match clients with houses).

Clients waiting for social housing (and public housing in particular) have limited if any choice over the housing stock they are allocated due to decisions at all three levels.

The project does not specify policy recommendations since allocations systems have to be redeveloped in the context of the strategic objectives of a social housing provider and of the system overall. The report does, however, provide a framework for reviewing allocations systems for governments, peak bodies and individual providers. It contains ideas about possible reforms that would break down the dualism between models of access to public and private housing. It is intended to enable social housing providers to work through issues about allocations and to consider reforms which are consistent with the requirements of their own agencies and jurisdictions.

The findings suggest that resolution of three key questions are central to reforming social housing allocations in Australia:

- How can coordination of access for households be improved in a more explicit multi-provider system whilst maintaining the strengths and expertise of individual housing providers and different sectors?
- How can the apparent tensions between targeting towards those in the greatest need and choice for individual households be resolved?
- How can allocations systems respond to the diverse circumstances of local communities without compromising other objectives such as equity?

FURTHER INFORMATION

This bulletin is based on the AHURI project 50141 *Allocating Social Housing*. Reports from this project can be found on the AHURI website (www.ahuri.edu.au) by typing the project number into the search function.

The following documents are available:

- Positioning Paper
- Final Report

Or contact the AHURI National Office on +61 3 9660 2300



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