EXECUTIVE SUMMARY

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'A pathway to where?' Inquiry into understanding and reimagining social housing pathways

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Michael Hicks, SA Housing Authority
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Executive summary

Key points

- Demand for social housing in Australia significantly exceeds supply.

- The policy response to the demand has focused on 'pathways', with pathways being shaped by increased targeting to people with the highest needs.

- As a result, there are inconsistencies between operational policies and the reality of people's lives as they traverse housing pathways;

- Reimagining social housing pathways requires:

  - Solutions that move away from managing a waitlist by rationing supply;

  - Constructing realistic pathways that best enable positive tenant outcomes;

  - Rethinking social housing as infrastructure of care, within a spectrum of housing assistance and supports across tenures.

- As a society, it is critical we can answer the most frequent question that emerged from this research project: 'A pathway to where?'

Key findings

The demand and supply policy context

The demand for social housing is significant and waiting lists are long. In 2018, there were 140,600 applicants on the wait list for public housing and 8,800 awaiting State Owned and Managed Indigenous Housing (SOMIH) (AIHW 2019a) and 38,300 on the waitlist for mainstream community housing data (as at 2017) (AIHW 2018).

Available housing stock has been out-paced by growing numbers of households experiencing housing affordability issues (Muir, Martin et al. 2018). This is partly due to a 7 per cent decrease in government expenditure on social housing between 2011–2016 (Pawson, Parsell et al. 2018).

Policies that shape social housing pathways have evolved in response to high demand and decreased supply, with a tighter targeting of eligibility and a rationing of housing to those of 'highest need'. Consequently, over time, public housing has shifted away from supporting the working class to supporting people who are in poverty and have complex needs[1] (Hayward 1996; Chalkley 2012).

How are pathways into, within and out of social housing conceptualised and translated into policy?

Policy implementation has largely been driven by a need to manage the social housing waiting list, rather than ensuring positive housing outcomes (such as housing stability, affordability, security and safety) for tenants and their households. Policies affecting entry into, movement within and out of social housing are predominantly shaped by eligibility criteria and increased prioritisation of people with complex needs. Social housing policies largely imply a throughput pathway (see Figure 1).

Figure 1: Social housing policy implies a throughput pathway (an example)

Source: The Centre for Social Impact

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[1] Complex needs is often used to describe people with compounding social and/or health issues (that often require different types of supports), such as mental or physical illness, disability, family violence, homelessness and/or substance abuse issues (Chalkley 2012).

In practice, this means that having a very low income alone is rarely enough to access social housing. In this high demand, low supply environment, low income eligibility almost always needs to be coupled with other complex needs—including disability, poor physical or mental health, experience of family violence, exiting institutions or being homeless or at risk of homelessness. Homelessness or being at risk of homelessness is the most common pathway for entry into social housing because it is deemed as 'highest need' (AIHW 2018).

However, the situation is far more complex. Pathways are about the mobility of people moving through the housing system as their circumstances change. The extent to which these preferences and needs can be met depends on the context in which people live and the ecosystem surrounding them (see Figure 2).

This ecosystem has a significant impact on how policies play out across jurisdictions and for different people. Pathways are also affected by people's changing needs and household types; housing providers; how policies are operationalised; the availability of stock; a lack of affordable alternatives; and the broader social, economic and policy environment. While policy rhetoric recognises the non-linear nature of housing pathways, the operational policies driving the shape and direction of social housing assistance do not adequately take account of this.

Who is moving into, within and out of social housing?

The number of people entering and exiting public and SOMIH properties between 2011 and 2018 reflects a trend in decreasing supply.

Annual exits from public housing and SOMIH properties outstripped the number of newly allocated properties:

- In 2017–18, 7.6 per cent of all public housing tenants and 8.6 per cent of all SOMIH tenants exited, but there were only 6.7 per cent and 8.0 per cent of tenancies newly allocated respectively (AIHW 2019a).

- Between 2016–17 and 2017–18, the number of public housing exits increased by 14 per cent (26,369 households) (AIHW 2019a).

The current demographics of the social housing population reflect the application of policy over time, with a number of cohorts overrepresented in social housing:

- People over 65 years;

- Children aged 0–14 years;

- People with caring responsibilities; and

- People with a disability (AIHW 2019a).

The prioritisation of people with complex needs has been increasing over time. This is most clearly evident in new allocations of social housing. In 2017–18, a majority of all new allocations where need was recorded were to people in 'greatest need'[2] (AIHW 2019a).

The increasingly complex needs of these tenants raises questions about:

a. whether social housing should be seen as a transitional tenure on a housing pathway, or as an appropriate, safe, stable destination point;

b. whether social housing is increasingly becoming an infrastructure of care for tenants with complex and potentially ongoing support needs (Power and Mee 2019); and

c. how many people would be in a position to be able to transition out of social housing, without affordable housing options and adequate supports in the private market.

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2   A combination of safety, health conditions, disability, caring responsibilities, Indigenous, under 25 years or over 75 years, homeless and at risk of homelessness.

Despite policies that seek to increase exits and decrease waiting lists, 43 per cent of public tenants currently residing in social housing have lived in that tenure for 10 years or more and the proportion of public housing tenants with tenures over 10 years has been increasing over the last decade (AIHW 2019a).

Longitudinal data show similar trends, but with more transience. Baker, Leishman et al. (2020) recently examined the stability, entries and exits of 10 million interactions with government services over 10 years using the Priority Investment Approach (PIA) dataset. After categorising people into entry, exit and transient groups, they found that the largest group of social housing tenants (33.9%) were 'stable'. This group had remained in social housing for the full 10-year period. They were demographically different from the others in the dataset—more likely to be older and in receipt of an aged pension or a disability pension and out of the workforce.

Baker, Leishman et al. (2020) also found that 1 in 10 (11.3%) were transitional exits (2.8% were in social housing, left briefly and then returned while the remaining had multiple entries and exits from and to social housing). Therefore, an exit out of social housing did not necessarily mean a successful stable housing outcome. Further, on average, the people who fell into these transitional categories spent more time on social welfare/income support than those in the stable category.

Movements within public housing and SOMIH have been limited (community housing data is not available). National transfer rates were only at 2.7 per cent and 2.5 per cent respectively in 2016–17 (AIHW 2018). Moves within social housing are tenant-initiated or landlord-initiated. Tenant-initiated transfers are most likely to result from changing household circumstances. Landlord-initiated transfers usually relate to portfolio or tenancy management. Both types of transfers are constrained by the wider policy context. There is, for example, very little housing stock to transfer people to. National vacancy rates, for example, are at 4 per cent for public housing dwellings, 5 per cent for community housing and 3 per cent for SOMIH dwellings (AIHW 2019a).

Interviews with tenants and housing providers in this study reflect the challenges faced by the lack of appropriate stock for entries, transfers and exits. This is evident in the length of time people have to wait for more appropriate housing to become available.

Challenges are also faced by providers trying to transfer tenants across providers in multi-provider systems, despite the existence of common housing registers (waiting lists) in most jurisdictions. Some providers expressed considerable frustration about the lack of legal levers to enforce older tenants living in larger properties to 'downsize' into smaller ones and free up larger homes for 'families on the waiting list'. For many of the older tenants interviewed, who had lived in public housing for decades, however, 'moving on' conflicted with their sense of belonging and their connection to 'home'.

Like movements within social housing, exits can also be tenant or landlord initiated. From a landlord perspective, exits can relate to changes to eligibility. Most housing authorities have policies in place regarding the eligibility of tenants to continue in social housing, although there is wide variation across jurisdictions in relation to what is reviewed and how often. Three of the most common eligibility exit policies relate to:

- **Household changes:** Social housing tenants are required to report household change to their landlord, meaning that people leaving or joining a household (e.g. as a result of relationship changes) can affect tenants' entitlement for social housing or a particular type of housing;

- **Income:** Most social housing providers operate a scheme of income-related rents, where tenants pay a proportion of their household income as rent (between 25–30 per cent). Different types of income (e.g. salary vs benefits) can be assessed differently for the purposes of calculating rent and also people's eligibility to stay in social housing.

- **Use of premises by tenants and households:** Tenants are subject to a range of obligations regarding the use of their premises by both members of their household and visitors. Breach of these obligations can result in tenancies being terminated and households leaving social housing.

Some tenants may choose to exit social housing. In our sample of 76 tenants[3], 3 had chosen to leave. Two left because they felt safer in unaffordable, unstable market housing than in their social housing. However, the biggest challenge is that even if tenants choose to leave social housing, where do they exit to?

How do tenants experience moving into, within and out of social housing?

People's experiences and their navigation of the social housing system were shaped not only by entry, exit and throughput policies but also by operational policies and, importantly, by the relationships they had with housing providers. Tenants' experiences were profoundly influenced by the level of care (or lack of care) shown to them by housing provider staff members.

> They don't like you when you're articulate. I heard the way they talked to people in there—you know they just want very dependent, frightened people. (tenant, NSW)

Tenant experiences were also significantly affected by the broader policy environment. Service fragmentation within and outside of housing services was particularly problematic. Better integration is needed not only between housing and housing related support services, but also between housing and non-housing services.

> I was on Newstart at the time, I couldn't afford—that's the thing with being pregnant, they won't put you on parenting payments 'til six weeks, sometimes longer after you've had your child. So I struggled really hard the first six weeks of having her. Just daily food and then trying to afford the rent and stuff before my payments had come in—it was super-tight. I couldn't do anything for those six weeks. (tenant, South Australia)

It is clear that for tenants, and also for many providers across the four jurisdictions studied, social housing is not regarded as a stepping stone but as a legitimate destination.

For tenants reliant on income support and experiencing disability or poor health or other challenges, social housing offers their best chance of stable, secure and affordable housing. For providers, the purpose of social housing is to provide that stable, secure and affordable housing—many workers argued that their role was to preserve tenancies, not disrupt them by forcing people into insecurity and homelessness. In some cases, providers' contractual key performance indicators work against pathways approaches.

For many tenants, the stability, security and sanctuary offered by social housing, makes it a home. This sense of home is incompatible with a pathway model that promotes transition out of social housing as the most desirable outcome.

> The greatest thing about it is knowing that 'til the day I die I am safe. I'm coming up to now the longest I've ever lived anywhere. Up until then the longest I lived anywhere after I was married was 12 months. After that [it was] three months, six weeks, nine weeks, eight weeks, two weeks. Four months on, two months off, two months on, one month off. It's huge sense of security and safety and I can plan. I can make decisions knowing I've got the two things you need, health and a home. (tenant, Tasmania)

These arguments should not be read as a failure to understand the pressures facing the social housing system— providers and tenants are acutely aware of these—but as a clear-eyed articulation of the fact that no affordable, secure alternatives to social housing exist.

Importantly, for tenants in particular, the solution is not about finding alternatives but rather building more social housing so that more people can obtain its life-changing benefits.

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[3] 1 of the 76 tenants was not yet in social housing.

Even where tenants wanted to be in a position to move into the future, they did not see exiting social housing as a genuine option for them because there are no affordable, stable alternatives.

> But where to? Financially it's impossible. Even if I think about it, even if I want to, even if I need to get out, but where to? Nowhere. (tenant, Victoria)

As a consequence, there is a significant disconnect between the policy implications of pathways and how these pathways are constructed in people's lives (Figure 2).

Figure 2: Realistic social housing pathways faced by tenants and prospective tenant
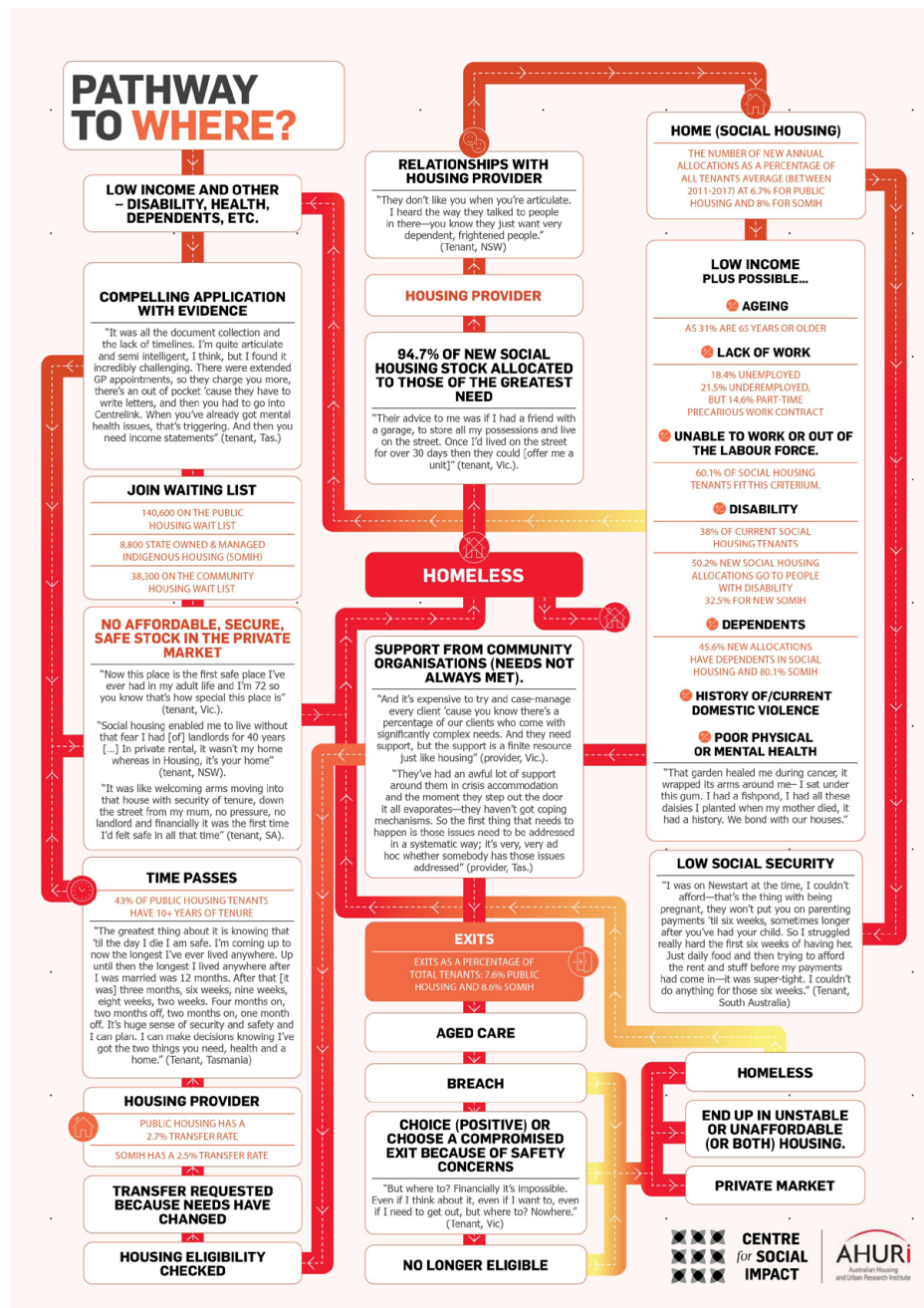
Source: The Centre for Social Impact

Policy development options

How could social housing pathways be reimagined for positive housing outcomes for current and future tenants across the social and affordable housing system?

If we are going to reimagine social housing pathways, reimagining requires some fundamental changes including:

- Moving away from managing a waitlist by rationing supply to change the system to construct realistic pathways that best enable positive tenant housing outcomes. That is, we need to change the question from: 'How do we decrease the waitlist?' to 'How do we improve housing stability, security and safety of people who are tenants, on the waitlist, or homeless?'

- As a society, it is critical we answer the most frequent question emerging from this research project: 'A pathway to where?' by increasing the supply of affordable, secure housing.

- A cultural shift that puts tenants' needs and outcomes (defined by them) at the heart of changes to policy and practice and ensures kindness is embedded into social policy (Unwin 2018).

Social housing reimagining requires:

- Working from a preventative space[4] (rather than a reactive one), by providing social and affordable housing for low and very low income people who do not yet have complex needs;

- Accepting that long-term social housing is a legitimate (and cost-effective) way to provide social housing assistance and we need to increase its supply;

- Recognising that social housing provides an infrastructure of care for other tenants/households with long-term complex needs;

- Increasing the supply of social housing;

- Establishing KPIs across the sector that focus on tenant housing outcomes to ensure shared goals that meet the needs of tenants and their households.

Private market reimagining requires:

- Increasing the supply of affordable housing in the private rental market e.g. through private rental subsidies; rental brokerage/access supports; social impact investment;

- Ensuring appropriate, resourced supports are available for people who need them, to enable them to remain in private housing, including affordability and rental assistance schemes;

- Creating conditions for increased housing stability in the public and private markets;

- Providing and adequately resourcing supports when needed to assist people who require it to maintain tenancies and for the duration of need.

The system requires

- Going beyond homogenous entry, transfer, exit paradigms to thinking about multiple pathways for different people under different circumstances and accepting different starting and end points, including social housing as an end destination;

- Developing conceptual understandings of how complex systems work in human services and how pathways are affected by people within and outside the housing sector;

- Improving connections between the private and public housing system;

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4 With an aim to prevent people from becoming homeless, at risk of homelessness and/or entering the social housing waitlist.

- Better connecting affordable housing supply with demand to ensure that pathways match household needs and that resources are used effectively and efficiently;
- Improving linked administrative and qualitative data across the housing sector to ensure high quality evidence-informed policy and practice.

The study

This report is the culmination of an AHURI Inquiry into understanding and reimagining social housing pathways. The Inquiry aimed to understand how social housing pathways could be reimagined for more effective service delivery, supports and policies for people's housing outcomes. The Inquiry, conducted between 2018–2019, used a mixed methods approach informed by systems thinking. Research methods included:

- **Policy review:** review of the operational policies impacting social housing pathways across all Australian jurisdictions.

- **Administrative and survey data:** publicly available data compiled and presented by the Australian Institute of Health and Welfare (AIHW) and related agencies was used to examine movement of key population groups into, mobilities within, and exits from, social housing, including over time.

- **Key stakeholder interviews:** interviews and a workshop held with 29 senior government officials, social housing managers and tenant advocates.

- **Service provider interviews:** interviews with 33 service providers (team leaders and frontline workers across government and non-government) in Tasmania, New South Wales, Victoria and South Australia.

- **Tenant interviews:** interviews with 76 tenants (former, current and prospective) in three cohorts: older people, families with children (especially single parents) and people with disability, across Tasmania, New South Wales, Victoria and South Australia.

All data were analysed to address the Inquiry research questions, but analysis also utilised a systems thinking approach to map different components of the social housing landscape.