



EXECUTIVE SUMMARY

Individualised housing assistance: findings and policy options

Inquiry into individualised forms of welfare provision and reform
of Australia's housing assistance system

FOR THE

**Australian Housing
and Urban Research Institute**

PUBLICATION DATE

August 2016

DOI

doi:10.18408/ahuri-4105001

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Title	Individualised housing assistance: findings and policy options – Executive Summary				
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ISBN	978-1-925334-31-9				
Key words	government policy, housing assistance, welfare reform				
Series	AHURI Final Report	Number	269	ISSN	1834-7223
Publisher	Australian Housing and Urban Research Institute Limited Melbourne, Australia				
DOI	doi:10.18408/ahuri-4105001				
Format	PDF, online only				
URL	http://www.ahuri.edu.au/research/final-reports/269 (full report)				

Recommended citation

Jacobs, K., Hulse, K., Stone, W. and Wiesel, I. (2016) *Individualised housing assistance: findings and policy options*, AHURI Final Report No. 269, Australian Housing and Urban Research Institute, Melbourne, <http://www.ahuri.edu.au/research/final-reports/269>, doi:10.18408/ahuri-4105001.

Related reports and documents

Jacobs, K., Lawson, J., Gabriel, M., Hulse, K. (2015) *Individualised and market-based housing assistance: evidence and policy options*, AHURI Final Report No. 253, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/253>.

Stone, W., Parkinson, S., Sharam, A. and Ralston, L. (2016) *Housing assistance need and provision in Australia: a household-based policy analysis*, AHURI Final Report No. 262, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/262>, doi:10.18408/ahuri-5105201.

Wiesel, I., Habibis, D. (2015) *NDIS, housing assistance and choice and control for people with disability*, AHURI Final Report No. 258, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/258>.

Inquiry panel members

Each AHURI Evidence-Based Policy Inquiry is supported by a panel of experts drawn from the research, policy and practice communities. Panel members for this Inquiry:

Steve Bevington	Community Housing Limited
Bruce Bonyhady AM	National Disability Insurance Agency
Philip Fagan-Schmidt PSM	Housing SA
Patrick McClure AO	Institute of Strategic Management
Peter White	Department of Health & Human Services (TAS)

Executive summary

- Recent years have seen a trend towards the individualisation of social programs and away from ‘one-size-fits-all’ models, in Australia and other similar countries.
 - In Australia, individualisation is the centrepiece of one of the country’s most transformative social reforms, the National Disability Insurance Scheme (NDIS), which aims to provide people living with disabilities greater control over their lives through individualised funding to purchase the support that they require.
 - Parts of the Australian housing assistance system are already individualised to an extent, through payment of government transfers to people in receipt of income support to find accommodation in the private market to rent. However, such demand-side assistance is typically standardised rather than tailored to individual preferences and needs.
 - In practical terms, it is difficult to exercise choice in the private rental market due to shortages of affordable accommodation. Only government investment in addressing supply shortages will increase the choice for very-low-income and vulnerable households.
 - Other parts of the housing assistance system operated traditionally in a supply-driven, ‘top-down’ model. States and territories have been experimenting, often over a long period, with new models that provide greater choice of providers, different forms of housing management, and new types of connections with other types of support services.
 - There is widespread support for more customised products and services, although some elements are controversial (e.g. allocations protocols, different lease lengths and diversity in rent setting).
 - A move to individualisation of housing products and services requires careful attention to regulation and monitoring of standards as well as evaluation of the outcomes for very-low-income and vulnerable households. Tailored forms of housing assistance should have a prevention/early intervention focus, as well as provide for intermittent and ongoing needs.
 - Individualisation could involve clients having a greater say in developing more customised support packages, even without a system of support funding/personal budgets. Some vulnerable people would need support and advocacy in this process.
 - It is important to experiment with, and then evaluate the effectiveness of, new means of improving individualisation in housing assistance; obtaining the views of providers and consumers/clients is important in this process.
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Key findings

- Australian and international experience indicates a number of ways in which individualisation of housing assistance can respond more sensitively to the varied needs of different population groups.
- One widely used means of individualisation is demand-side assistance to improve access to *existing* private rental housing markets. A variety of measures have been used to address this issue, including redesign of policy instruments to address variations in housing markets and better information/support/counselling to assist households to find affordable and suitable private housing. The research found that this type of assistance is of limited effectiveness if the market does not respond through improving supply.
- Another means of individualisation is through *creating* markets (or quasi markets) for welfare services. Applying the learning from Australian and international experience, this could entail private, not-for-profit and government organisations competing to provide different types of housing assistance. Housing assistance clients could have a personal budget to access the ‘bundle of assistance’ they require. There are practical difficulties in applying this approach to housing assistance, which involves assets as well as services.
- The National Disability Insurance Scheme (NDIS) is a worked example of individualisation through personal budgets and creation of markets. It will shape the housing choices and experiences of people with disability. At this juncture it is anticipated that at full roll-out of the scheme in 2019, between 83,000 and 122,000 people will struggle to secure appropriate low-cost housing.
- If the NDIS is to meet its full potential, additional supply-side subsidies, integrated with finance and design innovations, are required to meet future NDIS participants’ housing needs. Attention to design and location can deliver savings on support provision and recoup some of the capital costs of housing developments.
- More customised delivery of housing assistance services, as assessed by service providers, can be effective in assisting diverse population groups with a range of needs. This approach does not in itself deal with the problem of lack of supply, nor necessarily give power to clients to make decisions on their own behalf. Some clients are vulnerable and will need advocates (including family members and support workers) to ascertain and represent their views. High standards can be achieved through adequate funding and attention to the quality of relationships between clients and providers.
- Individualisation through market mechanisms and customisation of services changes the dynamics of service provision. Competition can engender an organisational culture in which other service agencies are seen as threats rather than as collaborators. Additionally, competition can accentuate an overt focus on short-term performance goals at the expense of welfare and relational aspects of care.
- Continuing experimentation with different models of housing assistance individualisation, and good evaluation, is required to establish what works, and for whom, in an Australian context. An aim of individualisation therefore is to enhance access to affordable and suitable housing.

Policy development options

If the goal is to design and implement housing assistance to enhance individualisation and connect with innovation in other areas of social policy, co-ordinated policy development is required in a number of dimensions.

- *Extending individualised demand-side assistance to broaden choice for consumers.* There are options to provide financial assistance to enable very-low-income and vulnerable households to find accommodation of their choice. This already applies to households renting in the private market and from community housing organisations, and could be extended to households in public housing. However, in view of compelling evidence about the serious shortage of affordable rental housing for this group, such a strategy would need to be accompanied by supply-side measures and involve governments at all levels. The federal government would need to consider how its taxation powers could stimulate additional low-rent supply, and also financing mechanisms to stimulate investment in new supply. The state and territory governments would need to consider how they could use their planning and land management powers to make available land for affordable housing.
- *Promoting diversity and choice in social and affordable housing.* This would require a concerted strategy from governments to connect with the not-for-profit housing sector in different ways to support social and affordable housing providers, ensuring their programs meet key social objectives and are financially sustainable over the longer term. Such support could include funding, regulation, policy development and development of partnership agreements with key providers. It would also require a bottom-up view of choice and access.
- *Extending customised services to housing assistance clients.* This would require an enhanced understanding of the range and type of housing needs in the community (drawing on research conducted for this Inquiry as well as other research) and customisation of services to meet the needs of diverse population groups (i.e. those requiring short-term/intermittent assistance, as well as those requiring complex, on-going and longer term help). Components of housing assistance to be considered would include: type of housing and housing management; housing support services; and connection with other types of social supports. The aim would be to develop customised packages of support applicable to particular needs. This would involve a more client-centred approach and a cultural change within government and not-for-profit organisations.
- *Involving clients collectively in the design of components of the housing assistance 'package'.* Policy development in this area would seek to involve those who require housing products and services and other support in design and implementation. This would be a bottom-up approach to individualisation and co-production, rather than a top-down approach to service co-ordination and planning.

The study

This report presents the findings of an Evidence-Based Policy Inquiry (for panel members, see Appendix 1). The research team was led by Professor Keith Jacobs of University of Tasmania and involved colleagues working at Swinburne University of Technology, RMIT University and the University of New South Wales (UNSW). Three research projects were conducted to support this Inquiry.

- Project A: 'Individualised and market-based housing assistance: evidence and policy options' considered the underpinnings of market-based mechanisms and welfare reforms as applied to housing assistance. It collected data on the development and implementation of individualisation programs both overseas and within Australia, encompassing payments to individuals, service responses and user participation. The full report of this project has been published (Jacobs et al. 2015).
- Project B: 'Housing assistance demand: a household-based policy analysis' used data from the Household Income and Labour Dynamics Australia (HILDA) survey to anticipate future demand for housing assistance and the extent to which assistance might be customised to meet this demand. The project also included in-depth interviews with senior-level expert

stakeholders from government, the community sector and industry, to hear their views on the efficacy and viability of individualised and/or choice-based models of housing assistance in Australia. The final report for this project has been published (Stone et al. 2016).

- Project C: 'NDIS, housing assistance, choice and control for people with disability' focused on the NDIS as a live case study. The project sought to ascertain the challenges presented when organisations attempt to deliver assistance in the form of individualised care packages. The findings of the project have been published (Wiesel and Habibis 2015).

This Final Report integrates research from the three empirical projects and sets out future policy options that arise from the findings.

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Acknowledgements

This material was produced with funding from the Australian Government and state and territory governments. AHURI Limited gratefully acknowledges the financial and other support it has received from these governments, without which this work would not have been possible.

AHURI Limited also gratefully acknowledges the contributions, both financial and in-kind, of its university research partners who have helped make the completion of this material possible.

The authors of this report thank the panel of experts for their valuable contribution over the course of the inquiry, alongside Professor Mark Stephens and Dr Marietta Haffner for specific advice on the international components of the research. The authors also wish to thank Associate Professor Julie Lawson, Dr Michelle Gabriel, Dr Kathleen Flanagan, Dr Sharon Parkinson, Dr Andrea Sharam and Associate Professor Daphne Habibis, who all contributed to publications that were produced as part of the inquiry.

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