EXECUTIVE SUMMARY

The construction of social housing pathways across Australia

From the AHURI Inquiry
Understanding and reimagining social housing pathways

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Inquiry into understanding and reimagining social housing pathways

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Executive summary

Key points

- Housing pathways describe the changing experience of housing by tenants and their households over time and space. The impact of the transformation of social housing in recent years on these pathways is not well understood, and we investigate it in this report.

- Accessing and securing social housing is dependent on a range of eligibility criteria, with housing allocated on a priority needs basis. In some jurisdictions, having a low income alone does not guarantee eligibility for social housing.

- Living in social housing means that one's housing can be subject to periodic eligibility reviews, which can also be triggered by (mis)use of premises or by changing household circumstances. For example, an increase in household income, the expansion of a household or when a household member needs to leave due to family violence. The way these issues are monitored and assessed across jurisdictions directly shapes the housing pathways of social housing tenants.

- Moves within social housing can be tenant-initiated or landlord-initiated. Tenant-initiated transfers are most likely to result from changing household circumstances, and landlord-initiated transfers from portfolio or tenancy management. Both tenant and landlord-initiated transfers are constrained by the wider policy context, specifically, a shortage of suitable alternative housing stock to transfer households to.

- Moves out of social housing may also be tenant or landlord-initiated. Previous research has demonstrated that regardless of who initiated the move, tenants often return to the social housing system. Returns to social housing are compounded by the increasing proportion of tenants with complex needs who are likely to require support to live in private housing. The lack of affordable and appropriate housing alternatives to social housing also increases pressure on the sector, including from tenants returning to the sector who have previously left.

- Many of the operational policies that shape housing pathways have been introduced in the context of sustained high demand and a lack of supply. They are therefore arguably designed to manage wait lists by rationing supply. While we are yet to explore the tenant experience of social housing pathways, reimagining social housing pathways likely requires a greater policy focus on ensuring positive outcomes for households.

This report is the first of three project reports to be released as part of the Australian Housing and Urban Research Institute (AHURI) *Inquiry into understanding and reimagining social housing pathways*. This report primarily answers the first question of the Inquiry:

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

Two further project reports will address the issue of pathways in practice (Stone, W: *A social housing pathways evidence-base for policy and practice development*; and Flanagan, K: *Experiencing social housing pathways: bridging the policy and practice divide*), including the experiences of tenants, from a quantitative and a qualitative perspective respectively. The overall Inquiry report will integrate the findings of the three project reports and provide more comprehensive insight into how social housing pathways might be reimagined for positive housing outcomes for current and future tenants across the social and affordable housing system.

The purpose of this report is to examine the formal social housing pathways set out in policy and how these differ across jurisdictions. To do this, the report uses a systems thinking approach to examine how actors, levers, feedback loops, incentives and disincentives influence formal social housing pathways. The discussion presents evidence from a comprehensive policy review, as well as data from interviews and a workshop with key stakeholders, including government representatives and community housing managers.

Key findings

In recent years, social housing has undergone significant transformation, characterised by increased targeting, the expansion of the community housing sector and the reform of allocation processes. These changes have been shaped by social housing operational policies and the wider Australian housing context, which affect the housing pathways of tenants and their households. Housing pathways—the changing experience of housing by tenants and their households over time and space—are not necessarily linear and may refer to changes in tenure, household form, experiences and attachment. The impact of policy on these pathways is not well understood.

Impact of operational policies

Getting into social housing

Pathways into social housing are largely determined by policies that shape application processes and eligibility criteria. These are amongst the most prescriptive of policies shaping the housing pathways of tenants and their households.

- Most Australian jurisdictions now have centralised application processes, meaning that prospective tenants apply once through a single portal, with information shared between government housing departments and community housing providers.

- Pathways into social housing are also dependent on a range of eligibility criteria, with income and assets at the forefront. Each jurisdiction has its own income criteria.

- Other criteria include citizenship and residence status, age and tenancy history.

In practice, meeting the income eligibility criteria alone is often insufficient to get a tenant and their household into social housing, with priority given to people and households with specific or complex needs. What constitutes 'specific or complex needs' varies by jurisdiction, but generally includes disability, poor physical or mental health, experience of family violence, exiting institutions or being homeless or at risk of homelessness. The most common pathway for entry into social housing is homelessness or risk of homelessness (AIHW 2018).

Living in social housing

Operational policies affecting housing pathways or experiences while living in social housing include:

- **Reviews of continuing eligibility:** Most housing authorities have policies in place regarding the eligibility of tenants to continue in public housing, although there is wide variation across jurisdictions in relation to what criteria are reviewed and how often.

- **Rent policies:** Most social housing providers operate a scheme of 'income-related rents', where tenants pay a proportion of their household income as rent (usually 25%). Different types of income (e.g. salary versus benefits) can be assessed differently for the purposes of calculating rent. This system has potential to affect tenants' decision making about employment and earnings.

- **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 exiting social housing.

- **Household change:** 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' use of their homes or entitlement to a particular type of housing.

Moving within social housing

Moving within social housing is generally a result of a tenant-initiated transfer or a landlord-initiated transfer.

- Policies allow **tenants** to apply for a transfer if there has been a change in household circumstances, for example, if a dwelling is no longer suitable (e.g. as a result of overcrowding) or a tenant leaving family violence. Stakeholders suggested, however, that in practice this can be challenging.

- **Landlord**-initiated transfers can occur as part of housing providers' portfolio management (e.g. property or housing estate renewal requiring tenant relocation) or tenancy management (e.g. resulting from tenant conduct or changes in eligibility status).

Moving out of social housing

Exits from social housing may occur when a tenant initiates a transition to private housing or is evicted by their social housing landlord. Operational policy levers exist to facilitate both of these pathways. Policy levers to facilitate moves out of social housing include the sale of dwellings to tenants, provision of private rent subsidies, rental transition programs, financial planning and client-based needs planning. Some policies also target private landlords with a goal of increasing housing affordability and therefore pathways out of social housing. By far the biggest factor impacting moves out of social housing, however, is the availability, or lack, of affordable housing alternatives.

Impact of wider policy environment

As well as operational policies, social housing pathways are affected by the wider policy context in Australia. Key factors are a lack of affordable housing more broadly and a lack of housing supply within social housing that is 'fit for purpose'. These factors limit the consumption of housing for current social housing tenants and those on the social housing wait list. Without feasible alternatives to social housing, meaning safe, secure and affordable alternatives (Muir, Martin et al. 2018), there are limited options enabling smooth pathways into or out of social housing.

Other key influences shaping social housing pathways include the jurisdictional context; the long social housing wait lists, which have led to priority needs assessment and an increase in households in social housing with complex needs; whether households are placed in public or social housing; the state of the private rental market; and the intersection of housing policy with other welfare policies such as the National Disability Insurance Scheme (NDIS). Further research is required to examine the impact of other influences on social housing pathways, for example, families and communities, and this will be explored in subsequent stages of this Inquiry.

Policy development options

Our data shows that several of the policies affecting social housing pathways are strongly influenced by a need to manage the social housing wait list, rather than ensuring positive outcomes for tenants and their households. Application of a systems thinking framework within this research shows that this is not only a result of operational policies, but of the wider policy environment. In thinking about policy development options and reimagining social housing pathways, a focus on positive outcomes for tenants and households should be the priority.

Furthermore, while we have used a systems thinking approach, this has focused only on a policy perspective. A comprehensive systems approach must also examine the role and impact of other influences, including families and communities. This will enable some key questions that have emerged in the findings presented here to be addressed. For example, to what extent do pathways differ for tenants in public, community and Indigenous housing? To what extent are pathways shaped by factors such as the safety and appropriateness of housing and security of tenure? These questions will be further investigated in the second and third reports of the Inquiry, which focus more explicitly on the tenant experience.

The study

This research is part of a wider AHURI *Inquiry into understanding and reimagining social housing pathways*. This Inquiry provides new insights, derived from a systems thinking approach, into pathways into, within and out of social housing, incorporating policy, practice and tenants' lived experiences. This first report focuses explicitly on the policy perspective.

We follow Clapham's (2002) definition of housing pathways as the experience of housing consumption over time and space. Importantly, this is a non-linear definition, which acknowledges there can be multiple pathways into, through and within social housing.

In this report, we examine the role of policy in shaping social housing pathways through a review of current social housing operational policies, with consideration of application processes, eligibility criteria, rent, use of premises, tenant-initiated transfers, portfolio management and tenancy management by landlords. We also examine key factors in the wider policy environment which impact both the operational policy context and the pathways of current wait listed social housing tenants. This includes factors such as the supply of affordable housing more broadly, as well as the availability of appropriate social housing stock.

The policy review is supplemented by interviews and a workshop with key stakeholders from government, community housing and tenant advocacy organisations across jurisdictions. A total of 29 stakeholders were consulted between September and November 2018. The interviews were designed to understand the intent behind operational policies, as well as the perspective of key stakeholders on the factors impacting social housing tenants' pathways. As noted above, how these policies are implemented on the ground and how they are perceived and experienced by social housing tenants will be explored further in the second and third reports of the Inquiry.

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