

How tenants navigate Australia's social housing system

Based on AHURI Final Report No. 316:

The construction of social housing pathways across Australia



What this research is about

This report examines the role of policy in shaping social housing pathways (i.e. the changing experience of housing by tenants and their households over time and space) through a review of current social housing operational policies. It considers application processes, eligibility criteria, rent, use of premises, tenant-initiated transfers, portfolio management and tenancy management by landlords. It also examines key factors in the wider policy environment including the supply of affordable housing more broadly, as well as the availability of appropriate social housing stock.

The context of this research

Social housing is relatively secure and affordable rental housing provided to eligible applicants by state and territory housing authorities (public housing), not-for-profit community organisations (community housing) and Indigenous organisations (Indigenous housing).

The social housing sector currently houses 812,900 tenants in 396,100 households and is increasingly operating in a resource constrained environment. Between 2011 and 2016, government expenditure on social housing decreased 7 per cent from \$1.42 billion to \$1.32 billion, with the amount of available housing stock not keeping pace with the growing numbers of households experiencing housing affordability problems.

Defining 'Housing pathways'

Housing pathways are non-linear, and acknowledge there can be multiple, even circuitous, ways into, through and within social housing. They link

residential mobility to many housing and non-housing factors, including affordability, housing and life-goal aspirations and interpersonal relationships. Thus housing pathways refers not only to changes in tenure but also household form, experiences, meaning and attachment. This is distinct from the concepts of 'housing ladder' and 'housing career', both of which highlight tenure change as the principle component.

The key findings

Legislative basis of social housing

In all states and territories, the provision of public housing is governed by legislation. Most jurisdictions have also adopted the legislative provisions that form the basis of the National Regulatory System for Community Housing (NRSCH). These provisions outline that state and territory housing authorities (STHAs) and community housing providers (CHPs) can enter

into social housing tenancies and operate rent rebate systems, but do not prescribe the types of housing assistance that may be offered, eligibility criteria, rebate rates, or the circumstances in which assistance may be withdrawn. In contrast to the social security system, in which types of payments and their terms are largely prescribed by the *Social Security Act 1991* (Cth), the social housing system operates largely through non-legislated policies.

All the STHAs have comprehensive manuals or compendiums of operational policies for public housing published on their websites. In the community housing sector, the documentation and publication of policies has generally increased in recent years, but is still uneven across the sector: some CHPs have extensive policy compendiums published online (although none are as comprehensive as the STHAs'), while some are incomplete or only fact sheet documents that are short on detail.

‘In practice, meeting the income eligibility criteria alone is not sufficient to get a tenant into social housing, with priority given to people and households with specific or complex needs. In 2016–17, 73 per cent of newly allocated tenancies in public housing and 86 per cent in community housing were allocated to tenants in the greatest need.’

Getting into social housing

Pathways into social housing are largely determined by policies that shape application processes and eligibility criteria.

Most Australian jurisdictions, except for NT, 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.

Geographic locations can also impact applicants' wait list times. Stakeholders spoke, for example, of longer wait list times in areas where social housing is in high demand, especially in urban and remote areas.

Pathways into social housing are dependent on a range of eligibility criteria (see Table 1), with income and assets at the forefront. Each jurisdiction has its own income criteria.

In practice, meeting the income eligibility criteria alone is not sufficient to get a tenant into social housing, with priority given to people and households with specific or complex needs. In 2016–17, 73 per cent of newly allocated tenancies in public housing and 86 per cent in community housing were allocated to tenants in the greatest need. 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.

Other criteria include citizenship and residence status, age and tenancy history. In most jurisdictions, applicants must be aged 18 or over, except for WA

and ACT, where applicants must be over 16 years of age. There are, however, provisions for individual exceptions. In addition to citizenship, applicants must demonstrate that they are ‘usual residents’ in the jurisdiction in which they are applying. The definition of ‘usual resident’ varies by jurisdiction. For example, in the ACT each applicant must have resided in the territory for at least six months immediately prior to the assessment date. In the case of former tenants, prior unsatisfactory performance (such as anti-social behaviour, accumulation of rent arrears or property damage) may also affect eligibility, and make their eligibility provisional and subject to addressing their debt to the provider, or in some cases render the applicant ineligible for assistance for a defined or period, or indefinitely.

For some specific types of social housing, additional eligibility criteria apply. For instance, it may be necessary for an applicant to be a certain age (e.g. over 55), be Indigenous, be a woman, or have a connection to a specific local area.

An applicant's place on the waiting list is continually checked and, if an applicant is found to be ineligible, or simply does not respond, they may be suspended or removed.

Table 1: Summary of common eligibility criteria for social housing

Criteria	Summary
Income	Income eligibility thresholds vary by household size, location and type of social housing (public versus community). Income typically includes wages, salary, benefit payments etc.
Assets	Combined value of applicants' assets may be taken into consideration. Assets typically include housing, land, inheritances, savings etc. Ownership of a private residence usually excludes applicants from eligibility.
Citizenship and residence status	Applicants typically need to demonstrate they are usual residents of the jurisdiction in which they make their application. The definition of ‘usual resident’ varies between jurisdictions.
Age	Applications are typically restricted to individuals aged 18 or over, with some exceptions. Specific housing assistance types also have eligibility restrictions, e.g. age-specific housing is targeted at applicants aged 55 or over (45 or over for Indigenous applicants).
Tenancy history	A poor tenancy history, such as substantial rent arrears or anti-social behaviour, can result in applicants being denied housing assistance (for a defined or indefinite period).
Priority needs	Social housing is typically prioritised for those with demonstrated housing needs, such as experience of homelessness, domestic and family violence, or other special needs, such as the presence of a person with disability in the household, main tenant younger than 25 or older than 75, or an Aboriginal or Torres Strait Islander household.

Source: Author's own work based on policy review and analysis of STHA websites.

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 (see Table 2).

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.

As rent setting depends on the tenant's household income, the interaction of rent setting with eligibility criteria has the potential to affect tenants' decisions relating to incomes, especially decisions about work, often framed as 'work disincentives', and tenants' household composition.

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, including

criminal offending (i.e. premises not to be used for illegal activities), relations with neighbours (i.e. tenants not to cause a nuisance or interfere with neighbours' reasonable peace, comfort and privacy), property care (i.e. prescribed terms about cleaning and damage), and dealings with the landlord's employees and contractors. 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.

If the head tenant(s) leaves or dies, and only non-tenant household members remain, social housing landlords manage the question of continued occupation under policies for 'recognition as a tenant', or 'transfer', 'change' or 'succession' of tenancy (the name of the policy varies by jurisdiction).

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Moving within social housing

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

Table 2: Summary of public housing policies on continuing eligibility for social housing

Jurisdiction	Frequency and basis of reviews
NSW	Towards the end of a fixed term tenancy, a review is conducted based on income eligibility thresholds. If ineligible, the tenant is required to move out, unless they satisfy one of several exceptions, including where moving would place a vulnerable child or person with disability at risk, result in overcrowding or homelessness, or disrupt employment or education. The regime does not apply to tenants continuously in a public housing tenancy from 1 July 2005.
QLD	Since July 2012, new tenants sign a three-year fixed term agreement, which is reviewed towards the end of the term. Where the total assessable income of the tenant and their partner is more than \$80,000, they will be ineligible to continue in public housing, and have four months to move out.
SA	Continued eligibility reviews are based on conduct and property ownership, not income.
WA	Reviewed annually, usual eligibility criteria apply. Six months to move out (two years in the northwest).
ACT	If tenant and partner's total income is more than \$94,855.70 per annum for two years, there will be a further assessment of their housing need, considering 'age, disability, financial status, assets and liabilities, carer responsibility and serious health conditions'.
NT	For tenants in urban public housing, reviews are conducted annually, at the end of fixed terms and on the expiration of rental rebate periods. For tenants less than 55 years, the review applies the usual income and assets eligibility criteria; for tenants aged 55 years and older, the review considers under-occupancy.
TAS	Continuing eligibility is reviewed, based on income and tenant conduct.
VIC	Department does not conduct continuing eligibility reviews.

Source: Author's own work based on policy review and analysis of STHA websites.

this can be challenging due to supply constraints.

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). Portfolio management can result in tenants being moved to alternate properties if their current property or housing estate is being redeveloped.

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.

There are several reasons why tenants may be evicted, including tenancy issues such as neighbourhood disputes, anti-social behaviour or complaints about a tenant from their neighbours, rental arrears, a lease coming to an end and changes to eligibility.

Eviction as a pathway out of social housing is, however, contentious. There are complexities around how evictions are managed in the social housing sector. For example, while a tenant may be evicted because they are no longer eligible for social housing based on their income level, they may have

limited capacity to take on and manage a tenancy in the private rental market.

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.

What this research means for policy makers

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. 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.

Social housing pathways are clearly impacted by the lack of housing stock that is fit for purpose and a lack of

viable alternatives to social housing, namely a shortage of affordable, safe and secure private 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 social policies such as the National Disability Insurance Scheme (NDIS).

The research explored how some of the challenges of the policy context may be addressed, including examining the levers or places where actions or interventions may be implemented, and the opportunities and barriers associated with such actions.

Methodology

The project includes a review of the operational policies supporting or determining social housing pathways across Australia. In addition it held interviews and a workshop with key stakeholders from government, community housing and tenant advocacy organisations across jurisdictions.

Further information

TO CITE THE AHURI RESEARCH, PLEASE REFER TO:

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