



19 August 2021

Social Housing Regulation Review Secretariat
info@shrr.vic.gov.au

AHURI Submission for Consultation Paper 2 – Service delivery and the tenant experience

AHURI welcomes this opportunity to comment on ‘Consultation Paper 2 – Service delivery and the tenant experience’ for the Social Housing Regulation Review prepared by the Independent Panel of the Social Housing Regulation Review.

AHURI’s evidence base provides support for the issues raised in the second consultation paper as relevant considerations for social housing regulation reform. This submission briefly outlines additional framing and contextual challenges surrounding the scope of Consultation Paper 2, and provides further information that the review of social housing regulation in Victoria could consider.

Principles of social housing regulation

The principles and objectives for social housing regulation outlined in the Consultation paper (on page 7) are broadly appropriate and consistent with the AHURI evidence base. However, there is a distinction to be made between principles for social housing *regulation* and the principles that guide the social housing *system* (as asked in Question 1 of the Consultation paper).

There appears to be some mixing of terminology and focus in the first section of the consultation paper (pages 5-7). To support this submission, it may be useful to define AHURI’s understanding of the following issues, before addressing the consultation questions:

- ‘Social housing’ refers to a type of housing that is provided and allocated to households outside of market processes and mechanisms
- There are many households in Victoria who need assistance to access housing that meets their basic needs (i.e., is safe, secure, adequate, and affordable) because they are unable to do so in the housing market, for a variety of reasons
- Some of these households are in social housing but many are not
- The number of households who are not able to meet their basic housing needs adequately or affordably in the housing market exceeds the number of social housing dwellings that exist in the state.

The overarching question being explored in the consultation paper is whether changes to the regulation of social housing (especially regulation of tenancy/ lease conditions, eligibility, and allocations) might improve outcomes for a larger number of households. Where an element of confusion creeps into the consultation paper is that there is also discussion of the regulation of private rental housing, especially where households who are eligible for social housing are involved.

Consultation Paper 2 introduces the concept of a ‘social tenant’ (page 6), divorced from the reality of whether people included in this category have an actual social tenancy or not. This concept is problematic and creates confusion in the issues subsequently discussed. We propose that the term ‘social tenant’ should be used in its proper sense, referring to a person or household with a social landlord.

The very real problem of addressing the housing needs of vulnerable households who do not have a social housing tenancy is something that requires urgent policy attention. AHURI would argue, however, that this is outside the scope of a review of social housing regulation and that simply re-labelling people ‘social tenants’, who presently are not, and cannot receive the protections and supports that accompany a social tenancy, does not bring this issue into scope.

A bigger question here is the nature of the obligations and role of government to provide support to people who have a demonstrated and expressed need for housing assistance (by virtue being on the social housing ‘wait list’) but who are *not* currently social tenants. One response would obviously be to provide significantly more social housing to address this need (i.e., a supply response). An alternative (regulatory) response is implicit in the framing of the consultation paper.

Without supplying more (or enough) social housing, a regulatory response to this manifest, unaddressed housing need would necessarily mean regulation of the private rental market, or other forms of government intervention in it. This is a different thing to social housing regulation.

For example, to provide the same protections and benefits to private rental tenants who are eligible for social housing might require a head leasing program at an unprecedented scale. The rights (and rental yield) of property owners would be assured by the state leasing the property and effectively sub-leasing to the vulnerable household. The Defence Housing model provides an example to this approach in Australia¹, and there are head leasing programs in most Australian jurisdictions (including Victoria). However, the application of this approach to all wait-list eligible households is an unrealistic ambition that is likely also to generate a range of market impacts.

A key aspect of the value of a social housing system is to provide vulnerable tenants with ‘protections and benefits’ that the private rental market cannot – especially in a market where the great majority of landlords are small scale investor households.

The experience of current and prospective social housing tenants is shaped through their housing pathways, which can encompass a range of tenures, including private rental and home ownership. The constraints of the housing market impact upon households’ capacity access to safe, secure, adequate, and affordable housing.

AHURI research has projected an increasing reliance on private and social rental tenures in Australia, most notably for younger households². Australia will transition to become a dual tenure society that features ownership and rental (both private and social); housing policy will need to focus on how greater security, affordability and liveability in rental tenures can be achieved³.

As pointed out in Consultation paper 1, social housing encompasses community housing as well as public housing. AHURI research has examined the profile and capacity of the affordable housing industry in Australia to provide

¹ Phibbs P, Hanna B. (2010) Lessons of Defence Housing Australia for affordable housing provision, AHURI Final Report No. 153, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/153>

² Burke T, Nygaard C, et al. (2020) *Australian home ownership: past reflections, future directions*, AHURI Final Report 328, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/328>, doi: 10.18408/ahuri-5119801.

³ Burke T, Nygaard C, et al. (2020) *Op cit*

housing options for lower income households, highlighting the importance of providing a stable and robust policy framework for a viable affordable housing market to develop⁴.

Improving the focus on the tenant experience and voice

The regulation of social housing impacts the experience of tenants. Operational policies, in particular, need to be congruent with the reality of people's lives as they traverse different housing pathways⁵.

AHURI research has found that the experiences of tenants are influenced by the care shown to them by housing provider staff members and the integration of housing and support services⁶. The research supports a shift in focus of state housing agencies from managing waiting lists to creating a housing system that puts people at its heart and ensures the right home for everyone.

Housing allocations

Housing allocation policies that rely on administrative data, such as the Victorian Housing Register, reflect only 'expressed demand', and most likely significantly underestimate housing need. AHURI research has shown that the number of households in housing need exceed the supply of social housing in Victoria considerably^{7,8}. To meet the existing deficit and future need in Victoria, an estimated 166,000 new social dwellings would need to be constructed over the next 20 years⁹.

A current AHURI project investigates innovations in stock matching and allocations for social housing¹⁰. The project is examining Australian policies and practices in social housing allocation, as well as international innovation.

Within the current social housing system, different providers focus on accommodating specified cohorts. For Community Housing Providers to remain financially viable, having flexibility to allocate prospective tenants is appropriate. AHURI research shows that obligations to house from waiting lists those tenants with the highest needs and least capacity to pay creates tensions with Community Housing Providers' viability and leverage capacity, and remains a source of industry conflict in Victoria¹¹.

Culturally safe and appropriate housing

Social housing provision and operational practice should be implemented in ways that are responsive to cultural values, preferences, and lifestyles, thereby ultimately improving outcomes for Indigenous tenants. This may

⁴ Milligan V, Martin C, et al. (2016) *Profiling Australia's affordable housing industry*, AHURI Final Report No. 268, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/268>, doi:10.18408/ahuri-7108401.

⁵ Muir K, Powell A, et al. (2020) *'A pathway to where?' Inquiry into understanding and reimagining social housing pathways*, AHURI Final Report No. 332, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/332>, doi:10.18408/ahuri-7118001.

⁶ Ibid

⁷ Lawson J, Pawson H, et al. (2018) *Social housing as infrastructure: an investment pathway*, AHURI Final Report 306, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/306>, doi:10.18408/ahuri-5314301

⁸ Rowley S, Leishman C, et al. (2017) *Modelling housing need in Australia to 2025*, AHURI Final Report 287, Australian Housing and Urban Research Institute, Melbourne, <http://www.ahuri.edu.au/research/final-reports/287>, doi: 10.18408/ahuri-8106901.

⁹ Lawson J, Pawson H, et al. (2018) *Op cit*

¹⁰ Levin I. et al. (forthcoming) *Innovations in stock matching and allocations for social housing*, AHURI Final Report, Australian Housing and Urban Research Institute Limited, Melbourne

¹¹ Lawson J, Pawson H, et al. (2018) *Op cit*

require comprehensively engaging with Indigenous advisors¹². Negotiating conditionalities between Indigenous tenants and housing officers, and creating a ‘recognition space’, have been shown to have positive impacts¹³.

Scope for workforce professionalisation

Upcoming AHURI research is examining the challenges confronting frontline housing workers who are providing support to tenants at a time when the public housing system is facing increasing demand¹⁴. Findings of the research emphasise the challenges social housing frontline workers face. These include working in a stressful environment, high caseloads, low professional status and salaries, and limited career progression opportunities. Frontline workers report feeling inadequately supported in their role, experience a high turnover rate among staff, and have limited opportunities for formal supervision¹⁵. To improve the quality of support available to tenants, and to enhance wider housing and other social outcomes, the research recommends greater investment in workforce capacity. This could include employing more frontline workers, providing better induction and on-going training, revising employment pre-requisites and salaries, and providing better support to staff¹⁶.

The National Regulatory System for Community Housing

A relevant national context for social housing regulation is the National Regulatory System for Community Housing (NRSCH). In 2019 AHURI was commissioned to inform the review of the NRSCH. The research included consultations with key stakeholders, including from government, community housing peak bodies, and the private sector¹⁷. Findings of the research indicated the importance of regulation for the community housing sector to become more strategic and have more professional boards. The consultations showed a strong preference for a unified national regulatory system that provides a more consistent approach across all states and territories. This national approach should require coordination and cooperation between the Commonwealth and State and Territory governments, and coordination between regulators¹⁸.

Common standards for community and public housing providers

Through a series of national consultations for the 5-year review of the NRSCH, AHURI heard perspectives from regulators, providers, and policy officials across the country in 2019. A theme emerging from those consultations (though not adopted in the NRSCH to date) was a modular approach to standards¹⁹. This approach would see a core set of common standards to which both community and public housing providers respond, as well as modules targeted toward particular service profiles – for example for specified housing programs addressing need for accessible housing for people with disability, or housing for people leaving domestic and family violence. This

¹² Milligan V, Phillips R, et al. (2011) *Urban social housing for Aboriginal people and Torres Strait Islanders: respecting culture and adapting services*, AHURI Final Report No. 172, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/172>.

¹³ Moran M, Memmott P, et al. (2016) *Indigenous lifeworlds, conditionality and housing outcomes*, AHURI Final Report No. 260, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/260>.

¹⁴ Flanagan K, Jacobs K, et al. (forthcoming) *Public housing as a social landlord: challenges and solutions*, AHURI Final Report, Australian Housing and Urban Research Institute Limited, Melbourne.

¹⁵ Ibid

¹⁶ Ibid

¹⁷ Fotheringham, M. (2019) *National Stage One consultations for the National Regulatory System for Community Housing Review Discussion Paper*, National Regulatory System for Community Housing Review Working Group, Australian Housing and Urban Research Institute Limited, Melbourne.

¹⁸ Ibid

¹⁹ Ibid

approach would lead to a 'minimum data set' for the core standards, as well as complementary data relevant to the services provided by various social housing providers.

Standards covering providers of housing to vulnerable tenants

Households in need of housing assistance live in a range of housing tenures, including social housing, home ownership and the private rental market. AHURI research has explored the specific needs for housing assistance among vulnerable households, finding that housing assistance could become more responsive to assisting those most vulnerable across and within tenures and at a time when they need it most, rather than adhering to traditional tenure-based approaches²⁰. The research recommends policies to focus more on household need, decouple housing assistance eligibility from income support eligibility, and provide a greater array of housing assistance, including early intervention and prevention strategies.

AHURI research has also focused on the regulation of rooming houses, which are of particular concern since they accommodate vulnerable tenants, and the conditions of occupancy can heighten resident safety risks²¹. The research finds that tenants are often housed on a legally insecure or 'non-tenured' basis and many rooming houses are unregistered. Regulation can contribute to improved standards of rooming houses and increase tenure security of tenants.

However, the research emphasises the importance of balancing the social benefits of the housing provided at relatively modest prices and the risks to tenants from unregistered boarding houses. Regulating rooming houses based on a similar set of standards to social housing providers, risks imposing demands on providers that could push establishments out of business, ultimately decreasing housing options affordable to very low-income households²².

AHURI also notes that people living in caravan parks, rooming houses and other forms of marginal housing are classified by the ABS (2012) as homeless, due to their current housing arrangement being inadequate, not having tenure, the lease not being extendable, or because the conditions of their dwelling limit tenant control of and access to space for social relations.

An integrated system of support

Better coordination between the social housing system and other areas of human service delivery is needed (Flanagan, Levin et al. 2020). AHURI evidence shows that this would improve tenancy sustainment rates, increase access to healthcare and other required services, ensure tenants are provided with appropriate housing and ultimately improve housing and non-housing outcomes for current and prospective social housing tenants^{23,24,25}.

²⁰ Stone W, Parkinson S, et al. (2016) *Housing assistance need and provision in Australia: a household-based policy analysis*, AHURI Final Report 262, Australian Housing and Urban Research Institute, Melbourne, <http://www.ahuri.edu.au/research/final-reports/262>, doi: 10.18408/ahuri-5105201.

²¹ Dalton T, Pawson H, et al. (2015) *Rooming house futures: governing for growth, fairness and transparency*, AHURI Final Report No. 245, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/245>.

²² Ibid

²³ Brackertz N, Borrowman L, et al. (2020) *Trajectories: the interplay between mental health and housing pathways: Final report*, AHURI Limited, Melbourne, <https://www.ahuri.edu.au/research/research-papers/trajectories-report>.

²⁴ Duff C, Hill N, et al. (2021) *Leaving rehab: enhancing transitions into stable housing*, AHURI Final Report No. 359, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/359>, doi:10.18408/ahuri53211.

²⁵ Flanagan K, Levin I, et al. (2020) *Understanding the experience of social housing pathways*, AHURI Final Report No. 324, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/324>, doi:10.18408/ahuri-4118301.

As the consultation paper notes, Housing First is an effective approach to accommodate people experiencing chronic homelessness with high needs. Key principles of Housing First include immediate provision of permanent housing and access to required support services for tenants²⁶. With this approach, intensive and flexible support for residents is provided alongside housing to assist tenants sustain their tenancies and access required services and treatment. While encouraged, participation in support services is not a condition to maintain the tenancy²⁷.

Other AHURI research has investigated the trajectories of people with lived experience of mental ill-health²⁸. The research indicates that access to safe, secure, affordable, and appropriate housing is the foundation for mental health recovery. However, the mental health, housing and homelessness policy systems are not well integrated. For people to transition to a well-supported mental health trajectory requires well-coordinated support that provides assistance and advocacy to navigate the system, including applying for a NDIS support package. The research recommends improving the level of integration across service systems and between services, developing person-centred approaches that integrate mental health, physical health and social support, and ensure support is immediately available to mitigate negative life events²⁹.

Further AHURI research has examined the experience of people leaving institutional residential treatment for mental health or substance use problems³⁰. This research finds that housing, mental health, and substance use treatment services are fragmented, resulting in discharge and transition planning arrangements being complex and uncertain. Inadequately planned and supported transitions can have catastrophic consequences for individuals leaving care, which can negatively impact their housing security, health, and wellbeing, and constrain their community reintegration. The research recommends more effective integration of housing supports within the delivery of mental health care and the delivery of community-based substance use treatment³¹.

Yours sincerely,

Dr Michael Fotheringham
Managing Director

²⁶ Johnson G, Parkinson S, et al. (2012) Policy shift or program drift? Implementing Housing First in Australia, AHURI Final Report No. 184, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/184>

²⁷ Ibid

²⁸ Brackertz, N., Borrowman, L., et al. (2020) *Op cit.*

²⁹ Ibid

³⁰ Duff, C., Hill, N., Blunden, H. et al. (2021) *Op cit*

³¹ Ibid