



16 July 2021

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

AHURI Submission for Consultation Paper 1 – Background and scoping paper

AHURI welcomes the opportunity to comment on the 'Consultation Paper 1 – Background and scoping paper' for the Social Housing Regulation Review (SHRR) prepared by the Independent Panel of the Social Housing Regulation Review.

AHURI's evidence base provides support for the issues raised in the consultation paper as relevant considerations for social housing regulation reform. This submission briefly outlines additional contextual and background information that the review of social housing regulation in Victoria could consider, including the following:

- Social housing regulation within the national context
- Further regulatory domains for social housing
- Broader housing system context.

To inform the development of subsequent consultation papers an annotated bibliography of relevant AHURI evidence is provided with this submission. The bibliography is structured to include the following themes:

- Social housing within the housing system
- Social housing for Indigenous people
- Estimating housing need
- Access to social housing
- Homelessness and low-cost rental housing
- Housing assistance and tenant outcomes
- Post-COVID context.

Contextual and background information

Social housing regulation within the national context

The SHRR consultation paper articulates a focus on the affordable and social housing system in Victoria and potential for reforms to regulations within the Victorian system. The consultation paper would benefit from identifying the national regulatory systems, such as NRSCH, and recognising opportunities and barriers to a more consistent approach for the regulation and delivery of social housing across states and territories.

AHURI has recently contributed to the review of social housing regulation at a national level through the 5-year review of the National Regulatory System for Community Housing (NRSCH). AHURI's role included provision of expert advice, as well as facilitating sector consultations across Australia to identify challenges and opportunities for reform of social housing regulation nationally (Fotheringham 2019)¹.

The need for a nationally consistent approach was a key theme of consultations for the NRSCH Review – Victoria's separate system was noted as an impediment for sector growth across jurisdictional lines. 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, but not be sole responsibility of the Commonwealth government (Fotheringham 2019). The research also notes the importance of coordination between regulators (Fotheringham 2019).

AHURI's recent work suggests that the SHRR's consideration of contextual and background information should include recognition of NRSCH and other national regulatory frameworks, including how Victorian regulation interacts and interfaces with these. The submission acknowledges that the background and scoping paper does include reference to several federally regulated schemes, such as NRAS, CRA and the NDIS.

To identify the key points of interaction and the implications for social housing regulation in Victoria, the review could develop a framework that maps the regulatory landscape and differentiates state and commonwealth areas of responsibility and jurisdiction. This would provide an understanding of any limitations and define the parameters that affect the scope of an otherwise wide-ranging regulatory review such as this.

In addition, the consultation and scoping paper notes that regulation of Aboriginal social housing is being reviewed separately and be the subject of a future consultation paper. A framework for understanding the relationship between federal and state regulatory systems will be very important for this part of the review process.

¹ Fotheringham (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.

Further regulatory domains for social housing

AHURI notes that the timing of the consultation paper frames the review of social housing regulation as part of Victoria's 'Big Housing Build'. Beyond the focus on tenancy regulation, the review could address further regulatory domains shape the delivery of social housing, including regulation that relates to built assets and their procurement.

The emphasis on reviewing the impact of regulation on social housing tenants is relevant, including providing an understanding of who current and prospective social housing tenants are, outlining the role of housing providers and explaining allocation policies. Other types of regulation that affect social housing could be discussed or identified, even if simply to identify what areas are considered out of scope. For the SHRR. For example, regulation that relates to land use, planning, building design, procurement, finance, asset management and the sale of land is not presently included but does not appear to be inconsistent with the Terms of Reference for the review.

Notably, other regulatory domains may have different implications for different segments of the social housing system. It would be helpful for the review to distinguish between the delivery of public and community housing as well outline the implications for affordable housing provided through the private rental market.

Housing system context

AHURI supports the SHRR positioning social housing regulation within the whole housing system. In addition to the consultation paper's focus on low-cost rental housing, further contextual information on relationship of social housing to the housing market, including home ownership and other tenures form, would be valuable.

While acknowledging the consultation paper's definition of current and prospective social housing tenants, the outline of their living arrangements within low-cost rental accommodation would benefit from additional considerations, including people experiencing or at risk of homelessness. Due to limited affordable housing options and constrained access to social housing, households eligible for social housing may be living in higher-cost rental housing that is unaffordable to them or in housing inadequate to their needs. Also, the SHRR should consider the pathways of people entering social housing or in need of safe housing. This includes people exiting home ownership because of household break-ups or women fleeing domestic violence.

Positioning the social housing sector within the whole housing system, would also enable a more complete consideration of different forms of housing assistance. The consultation paper focus on people needing housing assistance only covers those in the rental market. However, a substantial proportion of housing assistance is provided to facilitate entry or maintenance of home ownership, through government grants , guarantees, and tax exemptions.

Yours sincerely



Dr Michael Fotheringham
Managing Director

Annotated bibliography of relevant AHURI research

Social housing within the housing system

The social housing sector in Australia is situated in a housing system, in which home ownership rates have been declining and housing options affordable to low income households are limited. Simultaneously, the social housing sector has transformed to be less driven by governments providing public housing to an increasing involvement of the not-for-profit sector delivering community housing. The following AHURI evidence has documented the changes in tenure occurring and the implications for regulation and housing policy. A particular focus of AHURI research has been on gaining a better understanding of the requirements of supply affordable housing and developing policy options to increase and diversify affordable housing products and services.

Australian home ownership

This report demonstrated that current home ownership rates are unlikely to be sustained in Australia and projects home ownership rates to decline, most notably for younger households (ages 25–34 and 35–44). The projected declines mean Australia will no longer be a near universal ownership society, but must become a dual tenure society of ownership and rental (both private and social). This will require a substantial rethink and redirection of housing and related policy, with a particular focus on how to achieve greater security, affordability and liveability of private rental.

- Burke, T., Nygaard C., Ralston L. (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.

Increasing affordable housing supply

This report investigated the strategies and initiatives that governments have used to leverage affordable housing supply in a constrained funding and increasingly market-driven context. The research found Australia's housing system has been failing to deliver a sufficient supply of affordable homes and wider affordability pressures are affecting household wellbeing. To address these failures a national strategic framework is needed to drive outcomes across the continuum of housing needs and help deliver long-term growth of affordable housing supply.

- Gurrán, N., Rowley, S., Milligan, V., Randolph, B., Phibbs, P., Gilbert, C., James, A., Troy, L. and van den Nouweland, R. (2018) *Inquiry into increasing affordable housing supply: Evidence-based principles and strategies for Australian policy and practice*, AHURI Final Report 300, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/300>, doi: 10.18408/ahuri-7313001.

Paying for affordable housing in different market contexts

This report investigated the funding mechanisms of affordable housing projects in Australia. Drawing on an analysis of how recently completed affordable housing development projects across Australia have worked, the research has developed an interactive modelling tool, the

'Affordable Housing Assessment Tool', that is designed to calculate the impact of different cost and subsidy parameters on housing affordability.

- Randolph, B., Troy, L., Milligan, V. and van den Nouwelant, R. (2018) *Paying for affordable housing in different market contexts*, AHURI Final Report No. 293, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/293>, doi:10.18408/ahuri-7113301.

Australia's affordable housing industry

This report examined the profile and capacity of the affordable housing industry in Australia to provide housing options for lower income households. The aim is to inform policies that are transforming the social housing system dominated by state-owned and managed public housing into an affordable housing industry, predominantly comprised of non-government organisations providing a more diverse range of affordable housing products and services and operating at an efficient scale.

- Milligan, V., Martin, C., Phillips, R., Liu, E., Pawson, H. and Spinney, A. (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.

Social housing for Indigenous people

AHURI evidence suggests that social housing regulation needs to adequately address the housing needs of Indigenous tenants and consider its impacts on Indigenous tenants living in Indigenous community housing and in more general social housing. This includes the delivery of culturally appropriate services and the integration of policies and services across several regulatory domains. A further key consideration is the impact of housing conditionalities on the lived experience of Indigenous tenants in social housing.

Urban social housing for Aboriginal people and Torres Strait Islanders

This report examined the provision of social housing for Indigenous households in urbanised areas of Australia, where an estimated 80 per cent of Indigenous social housing tenants live. The research examined the cultural appropriateness of service responses across the social housing system to the diversity of housing needs of Indigenous people in Australian cities and towns. Principles were proposed to improve service delivery and better integrate policies and services in the social housing service delivery system for Indigenous households.

- Milligan, V., Phillips, R., Easthope, H., Liu, E. and Memmott, P. (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>.

Indigenous lifeworlds, conditionality and housing outcomes

This report examined the interaction between the conditionalities of housing assistance (such as tenancy rules and duties) and Aboriginal lifeworlds (including kinship and social capital), and the effects of this dynamic on achieving sustainable housing outcomes. A key

consideration was how conditionality in housing policy and management contributes to housing outcomes, and what modes of conditionality are most effective and in which contexts.

- Moran, M., Memmott, P., Nash, D., Birdsall-Jones, C., Fantin, S., Phillips, R. and Habibis, D. (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>.

Estimating housing need

AHURI evidence shows that an increase in affordable housing supply, including social housing and other housing options affordable to very low to moderate income households, is needed to meet housing demand. The following research projects provide approaches to better estimate housing need and inform the planning of social housing provision beyond relying on data derived from waiting lists.

Modelling housing need in Australia to 2025

This report developed a housing need simulation to quantify housing need, estimating the required housing supply to meet affordable housing demand. This estimation of housing need was intended to inform policy makers of opportunities to better allocate resources monitor markets, set affordable housing targets, budget housing assistance and to provide the evidence for affordable housing contributions via planning policy.

- Rowley, S., Leishman, C., Baker, E., Bentley, R. and Lester, L. (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.

Social housing as infrastructure: an investment pathway

This report developed an investment pathway that follows from the re-conceptualisation of social housing as needs-based infrastructure to improve social and economic wellbeing. The research estimated the current unmet need (the backlog) for social housing and projects future need, based on a proportionate share of expected future household growth. It also provided evidence for the diverse geography of land and construction costs based on industry and project level data.

- Lawson, J., Pawson, H., Troy, L., van den Nouwelant, R. and Hamilton, C. (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.

Thirty years of public housing supply and consumption: 1981–2011

This report provided data on some of the major changes in, and major issues around, the Australian public housing system over recent decades. The role of the public housing sector has transformed to mostly serve as a housing safety net for high needs households, operating within a highly targeted welfare model. These changes have major implications for what, where, and how much social housing is built and for the socio-economic attributes of

tenants. The changes have, among other things, also put on the policy agenda issues of the potential role of public housing in accentuating employment problems for tenants.

- Groenhart, L. and Burke, T. (2014) *Thirty years of public housing supply and consumption: 1981–2011*, AHURI Final Report No. 231, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/231>.

Access to social housing

Australian social housing system is impacted by barriers prospective tenants face in accessing social housing and limited affordable housing options available in the private rental market, discouraging people to exit social housing. AHURI evidence analyses the pathways of current and prospective social housing tenants. The following research projects demonstrate the role of social housing regulation on accessing social housing, tenure security and housing outcomes for tenants.

Social housing exit points, outcomes and future pathways

This report examined people's housing pathways through and within social housing tenancies, as well as residents' characteristics, experiences and housing pathway outcomes. The research showed that social housing pathways for most residents are stable or involve entry into social housing with subsequent stability. Yet, some pathways are considered transitory, involving multiple moves and changes between tenures, that are associated with more time in receipt of income support and more residential instability.

- Baker, E., Leishman, C., Bentley, R., Pham, N.T.A., and Daniel, L. (2020) *Social Housing exit points, outcomes and future pathways*, AHURI Final Report 326, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/326>, doi: 10.18408/ahuri-3119901.

Understanding the experience of social housing pathways

This report explored the ways households experience pathways into, within and out of the Australian social housing system. Managing social housing waiting lists and encouraging people to exit social housing is a key concern for policy makers, however housing market failure in Australia is such that the private rental market is largely inaccessible, unaffordable and insecure for households on low incomes.

- Flanagan, K., Levin, I., Tually, S., Varadharajan, M., Verdouw, J., Faulkner, D., Meltzer, A. and Vreugdenhil, A. (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.

Social housing exits: incidence, motivations and consequences

This report explored the factors influencing tenant choices to remain in or depart from public housing. The research found that a small but significant cohort of social housing tenants who are in paid employment and pay full market rent, would consider exiting the sector at their own initiative to become home owners, but not private renters.

- Wiesel, I., Pawson, H., Stone, W., Herath, S. and McNelis, S. (2014) *Social housing exits: incidence, motivations and consequences*, AHURI Final Report No. 229, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/229>.

Accessing and sustaining private rental tenancies

This report investigated the structural problems related to housing support provision and the types of supports that households may require to remain adequately housed. A focus of the research was to look at whether targeted or integrated housing support for low to moderate-income private rental tenants at key transition points was likely to enhance their capacity to sustain tenancies and deter entry or re-entry to social housing or homelessness. The findings of the research aim to contribute to a better understanding of the types of factors—and relationships between them—that result in households requiring housing assistance.

- Stone, W., Sharam, A., Wiesel, I., Ralston, L., Markkanen, S., James, A. (2015) *Accessing and sustaining private rental tenancies: critical life events, housing shocks and insurances*, AHURI Final Report No. 259, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/259>.

Coordination of housing supports for individuals leaving institutional settings

This current research will identify customised, integrated and coordinated housing support approaches for individuals leaving institutional settings. The Inquiry focuses on three domains: residential treatment for mental health and/or substance use problems; the criminal justice system; and out of home care.

- Duff et al. (forthcoming) *Inquiry into enhancing the coordination of housing supports for individuals leaving institutional settings*, AHURI Final Report, Australian Housing and Urban Research Institute Limited, Melbourne.

Homelessness and low-cost rental housing

Limited supply of low-cost rental housing is a contributing factor to increasing rates of homelessness across Australia. AHURI evidence discusses the integration of social housing in the homelessness services system and policy options for increasing affordable housing options.

The changing geography of homelessness

This report addressed the changing geography of homelessness in Australia, including becoming more spatially concentrated over time. Housing affordability besides poverty and labour market opportunities are a critical factor in reshaping the distribution of homelessness. The research showed that homelessness has been rising in areas with a shortage of affordable private rental housing, as measured by the match between supply and demand for low-cost housing and median rent. An option to increase the stock of and the accessibility of housing to lowest income individuals and households are supply-side initiatives, including flexible models to rent and purchase transitional and permanent supportive housing.

- Parkinson, S., Batterham, D., Reynolds, M. and Wood, G. (2019) *The Changing Geography of Homelessness: A Spatial Analysis from 2001 to 2016*, AHURI Final Report 313, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/313>, doi: 10.18408/ahuri-5119601.

A redesigned homelessness service system

The existing Australian homelessness service system has known strengths but its effectiveness is constrained for different population groups who experience a range of other social, economic, health and justice issues. This report developed strategies to redesign the homelessness service system in Australia that could virtually end homelessness.

- Spinney, A., Beer, A., MacKenzie, D., McNelis, S., Meltzer, A., Muir, K., Peters, A. and valentine, k. (2020) *Ending homelessness in Australia: A redesigned homelessness service system*, AHURI Final Report No. 347, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/347>, doi:10.18408/ahuri5119001.

Housing assistance and tenant outcomes

Housing assistance supports households across a range of tenures, including households living in social housing and private rental or in ownership tenures. AHURI evidence provides an analysis of how social housing and other forms of housing assistance meet the needs of prospective social housing tenants and how social housing social regulation impacts tenant outcomes.

Housing assistance need and provision in Australia

This report reviewed the provision of housing assistance in Australia. The focus was on determining the advantages of a more tailored, nuanced form of housing assistance to better meet the increasingly diverse housing needs of Australian households. The review showed that households in need of housing assistance are situated across housing tenures, including within social housing, private rental, as well as ownership tenures.

- 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 262, Australian Housing and Urban Research Institute, Melbourne, <http://www.ahuri.edu.au/research/final-reports/262>, doi: 10.18408/ahuri-5105201.

Assessing management costs and tenant outcomes in social housing

This report provided a conceptual framework and a tested methodology to enable better assessment of the management costs and benefits for tenants living in social housing. The developed framework explores the role of the social landlord in managing tenancies and properties as well as providing additional activities, including individual tenant support and additional tenant and community services.

- Pawson, H., Milligan, V., Liu, E., Phibbs, P., Rowley, S. (2015) *Assessing management costs and tenant outcomes in social housing: recommended methods and future directions*, AHURI Final Report No. 257, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/257>.

The health, social and economic benefits of providing public housing and support to formerly homeless people

This report examined the effectiveness and cost-effectiveness of programs funded under the National Partnership Agreement on Homelessness aimed at accessing and maintaining social tenancies for formerly homeless people and those at high risk of homelessness. The research found that the provision of public housing significantly reduces health service use, with its reduction greatest for tenancies sustained between one and four years. The study provided an estimate of the economic impact of the changes in health service use from the provision of public housing and support

- Wood, L., Flatau, P., Zaretsky, K., Foster, S., Vallesi, S. and Miscenko, D. (2016) *What are the health, social and economic benefits of providing public housing and support to formerly homeless people?*, AHURI Final Report No. 265, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/265>, doi:10.18408/ahuri-8202801.

Post-COVID context

The current COVID-19 pandemic has impacted Australian households. Policy responses have included the provision of crisis accommodation for rough sleepers, new investments in social housing and other housing interventions. The following AHURI evidence outlines policy interventions in the Australian housing system.

Policy coordination and housing outcomes during COVID-19

This report explored the policy interventions in the Australian housing system in response to early phases of the COVID-19 pandemic. The aim was to create a better understanding of the degree of coordination between levels of governments and inform policy makers on the impacts of the housing interventions on those considered most vulnerable to the effects of the pandemic. The research addressed policy interventions across the housing continuum, including homelessness, crisis accommodation, social housing and private rental.

- Mason, C., Moran, M. and Earles, A. (2020) *Policy coordination and housing outcomes during COVID-19*, AHURI Final Report No. 343, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/343>, doi: 10.18408/ahuri5125801.

Regional housing recovery from COVID-19

This report focussed in on understanding the experiences of households in regional areas in the context of the COVID-19 pandemic. Utilising Tasmania as a regional case study, the research suggests that as part of a housing recovery response should include large-scale investment in the supply of secure, affordable housing, especially social housing for low-income households.

- Verdouw, J., Yanotti, M., De Vries, J., Flanagan, K. and Ben Haman, O. (2021) *Pathways to regional housing recovery from COVID-19*, AHURI Final Report No. 354, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/finalreports/354>, doi: 10.18408/ahuri4126501.