

A housing association model for social housing in Tasmania: Anglicare's bottom line

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1. Anglicare's position

Anglicare will not support a housing association model for the future delivery of social housing in Tasmania that in any way reduces the conditions and protections that tenants enjoy under the current public housing system.

A public housing authority is seen by the courts to have a higher level of duty of care to its tenants than would a comparable landlord in the non-government or private sector (see *Lyons vs Commissioner for Housing* [2004]). Given that outsourcing housing delivery will mean the loss of this particular protection, one that is especially critical for tenants with high needs that may manifest in demanding or anti-social behaviour, we argue for explicit guarantees in some outcome areas in order to compensate for this loss.

Although the clear hope of government is that a move to a housing association model will result in greater access to two important sources of funding, Commonwealth Rent Assistance and private investment, Anglicare's belief, supported by research evidence, is that achieving the outcomes below will not be possible without a considerable and recurrent government subsidy.

Anglicare's view is that the provision of this subsidy should be treated as essential social spending in order to meet a core responsibility of government: the provision of affordable, adequate and secure housing to all citizens, especially the most disadvantaged.

Anglicare would oppose any attempt to generate additional revenue for the system by compromising on any of the outcomes listed below. The viability of the social housing system – be it government or community run – is the responsibility of the State Government, not of tenants.

Although this document is written as a response to the proposal that a housing association model be developed to take the place of the public housing system, the outcomes below should be required from any social housing provider that emerged from the current reform process, including a revamped Housing Tasmania or a government-owned company.

2. The bottom line

Outcome for tenants	Rationale
<p>1. Rents are set at levels that guarantee tenants are not living in hardship. ‘Hardship’ is defined according to tenants’ actual incomes and living situations, rather than according to an arbitrary benchmark (e.g. the ‘30/40 rule’).¹</p>	<p>Researchers and housing departments alike have conceded that arbitrary benchmarks such as 25% or 30% of income or the ‘30/40 rule’ are inadequate measures of affordability because they do not necessarily allow for the other costs involved in achieving a minimum standard of living and avoiding hardship, such as the cost of food, heating, power, transport and health care (McNelis 2005; Burke 2007; Housing New South Wales 2007). In order for social housing to be genuinely affordable, a household must have sufficient income left, after paying rent, to enable them to afford to cover all of these additional costs. The actual proportion of income required to do this may vary according to the type and characteristics of the household.</p>
<p>2. There is sufficient supply of appropriate housing to guarantee access, without unreasonable waiting times, for all tenants on low and very low incomes and all tenants with high needs.</p>	<p>The housing association models developed in Australia to date are based on the provision of capital funding but not the recurrent funding needed to cover operating expenses, including the losses incurred from subsidising rents. Therefore, despite tenants’ eligibility for Commonwealth Rent Assistance, viability in practice depends upon providers cross-subsidising their lower-income tenants by leasing some of their properties to moderate income earners. This restricts the proportion of properties available for lease to those on low incomes, potentially limiting their access if overall supply is insufficient.</p> <p>Limiting the proportion of properties available to tenants on low incomes, the additional costs involved in accommodating tenants with ongoing support needs (National Housing Federation 2008) and the need for private investors to be confident that their investment is low risk (Docherty 2006) are all factors that could also limit access to housing by tenants with high needs.²</p>
<p>3. Tenants have security of tenure, defined as meaning that in the vast majority of circumstances, tenants will not be obliged to vacate their home unless they choose to do so.</p>	<p>Research identifies the importance of security of tenure with regard to stress levels, self-esteem, motivation, capacity to address wider personal issues, capacity to develop supportive relationships and networks with the community, family stability, the educational performance of children and levels of participation within the community (Lewis 2006). Although evidence for the impact of security of tenure on labour market</p>

¹ The ‘30/40 rule’ is the conventional definition of housing stress – that is, that a household in the lowest 40% of income distribution and spending more than 30% of its income on rent is in ‘housing stress’. The 30% benchmark is often used as a de facto measure of housing affordability. Anglicare’s position is that it must be treated as an indicator, rather than an absolute measure, of housing affordability.

² The definition of ‘high needs’ (also called ‘complex needs’) is taken from guidelines developed by the Department of Health and Human Services for the Supported Accommodation Assistance Program and is as follows: ‘multiple intensive needs which compromise ability to meet basic needs and which often manifests [sic] as one or more of the following behaviour clusters: radical lack of living skills, disruptive behaviour, radical lack of social networks, violence to self, excessively demanding’ (Department of Health and Human Services 2004).

	<p>outcomes is mixed, extensive research by the Australian Housing and Urban Research Institute into the impact of housing assistance on employment outcomes identified that abolition of security of tenure in public housing in favour of fixed term tenancies ‘for the duration of need’ would create a significant disincentive to tenants to engage in the labour market (Dockery et al. 2008).</p>
<p>4. Tenants have access to adequate support services, including long-term and ongoing support if they need it.</p>	<p>The targeting of the public housing system to those identified as most in need³ has led to growth in the proportion of high needs and disadvantaged households living in public housing, the stigmatisation of public housing areas and the social exclusion of public housing tenants, and an increase in the levels of support required by tenants (Atkinson & Jacobs 2008). There is a correlation between the risk factors for demanding behaviour and the risk factors for homelessness (Habibis 2007). All of these issues underline the need to provide adequate support services to tenants to ensure that individual tenancies are stable and sustainable and to support safety and cohesion within communities.</p>
<p>5. Eviction is used only as the option of absolute last resort after all other avenues, including the provision of a reasonable period of intensive support, have been exhausted.</p>	<p>Public housing providers are coming under increasing pressure to manage the issue of problematic tenants, particularly those with demanding or anti-social behaviour, by excluding these households from the system through eviction (Hunter et al. 2005). Despite a clear shift in tenancy management policy from a supportive to a disciplinary approach (Atkinson et al. 2007), research suggests that it is better to manage tenants with demanding behaviour within the social housing system as eviction simply relocates rather than resolves the problem (Habibis 2007). Eviction also has a significant and detrimental impact on tenants, particularly those who are already disadvantaged, with research identifying that evictees tend to increase their dependency on income support and government services, suffer severe personal consequences including loss of property, breakdown in relationships and even loss of access to children and are at a greatly increased risk of homelessness (Beer et al. 2006). Despite the consequences, there are few policy responses in place to address the plight of tenants evicted from public housing due to anti-social behaviour, which contrasts oddly with a growing policy focus on reducing homelessness and promoting social inclusion (Hunter et al. 2005).</p>

³ Those ‘most in need’ are defined as households that, at the time of allocation, are homeless, in inappropriate housing, in housing that is affecting their health or placing their life and safety at risk or have very high rental costs (SCRGSP 2008).

<p>6. The housing provided is appropriate and of good quality, with essential repairs completed in a timely manner; regular, timetabled maintenance conducted to ensure quality is maintained; and, where appropriate, upgrades performed to ensure accessibility and safety.</p>	<p>Poor quality housing, including problems with heating, insulation, ventilation and air quality and plumbing, is linked to a range of negative outcomes for occupants' mental and physical health (Bridge et al. 2007). The availability of physically accessible and appropriately located housing is critical in order for some groups, including people with disabilities and older people, to live independently within the community (Hinton 2006; Housing Tasmania 2003).</p>
<p>7. There is direct Ministerial accountability for the outcomes delivered by the housing association(s), including the outcomes for tenants.</p>	<p>Public housing is currently a direct responsibility of government. If there is a failure in the system, the Minister for Human Services is directly accountable, both administratively and politically. This not only offers an important protection against exploitation or abuse of tenants' rights, it also offers tenants an important guarantee that their voice, however imperfectly, will be heard and taken account of by government. Defend Council Housing, a lobby group in the UK, argues that only a democratically elected landlord, such as a council, is truly accountable to tenants (Defend Council Housing 2007); the boards of housing associations, even if they include representatives elected by tenants, are legally required to act in the best interests of the organisation rather than in the best interests of tenants (Pawson 2005).</p>
<p>8. There are protocols in place between the housing association and relevant government departments to ensure the housing response is integrated with urban and regional development and the coordination and planning of transport services, community facilities, job creation initiatives, education policy, training programs and human services delivery, in order to maximise life opportunities for tenants.</p>	<p>The 'locational disadvantage' experienced by public housing tenants – and low income private rental tenants – is well documented, as is the social exclusion and stigmatisation it causes (Atkinson & Jacobs 2008). The provision of social housing needs to be considered as part of a broader picture that incorporates social and economic infrastructure development, including the development of transport networks, community facilities and job opportunities, the availability of education and training, and the provision of support services. Government has a greater capacity than any other entity for delivering this integrated response since, regardless of its diminishing role as a direct service provider, it remains ultimately responsible for statewide and strategic planning around infrastructure development, employment creation initiatives and patterns of service delivery.</p>

3. References

The arguments contained within the rationales are drawn from previously published policy work by Anglicare, in particular:

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Flanagan, K 2008, *Going for growth: the pros and cons of using community housing associations to increase housing supply*, Anglicare Tasmania, Hobart.

and from the Tasmanian community sector's agreed policy position on affordable housing:

Flanagan, K 2007, *Housing: building a better Tasmania: the bigger picture*, Anglicare Tasmania, Shelter Tasmania and the Tasmanian Council of Social Service, Hobart.

Other references

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Lyons vs Commissioner for Housing for the Australian Capital Territory [2004] ACTSC 126.

McNelis, S 2005, 'Rental policy: financial viability or affordability in Australian public housing', paper presented to National Housing Conference, Perth, 28-29 October.

National Housing Federation 2008, *Investment manifesto*, National Housing Federation, London.

Pawson, H 2005, 'Restructuring social housing in Britain', paper presented to National Housing Conference, Perth, 26-28 October.

SCRGSP – *see* Steering Committee for the Review of Government Service Provision.

Steering Committee for the Review of Government Service Provision 2008, *Report on Government Services 2008*, Productivity Commission, Canberra.