



Australian Government
Productivity Commission

Housing Assistance and Employment in Australia

Productivity Commission
Research Paper
Volume 2: Background Papers

April 2015

© Commonwealth of Australia 2015

ISBN 978-1-74037-540-5 (Volume 1)

ISBN 978-1-74037-541-2 (Volume 2)

ISBN 978-1-74037-542-9 (Set)



Except for the Commonwealth Coat of Arms and content supplied by third parties, this copyright work is licensed under a Creative Commons Attribution 3.0 Australia licence. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/3.0/au>. In essence, you are free to copy, communicate and adapt the work, as long as you attribute the work to the Productivity Commission (but not in any way that suggests the Commission endorses you or your use) and abide by the other licence terms.

Use of the Commonwealth Coat of Arms

For terms of use of the Coat of Arms visit the 'It's an Honour' website: <http://www.itsanhonour.gov.au>.

Third party copyright

Wherever a third party holds copyright in this material, the copyright remains with that party. Their permission may be required to use the material, please contact them directly.

Attribution

This work should be attributed as follows, *Source: Productivity Commission, Housing Assistance and Employment in Australia.*

If you have adapted, modified or transformed this work in anyway, please use the following, *Source: based on Productivity Commission data, Housing Assistance and Employment in Australia.*

An appropriate reference for this publication is:

Productivity Commission 2015, *Housing Assistance and Employment in Australia*, Commission Research Paper, Canberra.

Publications enquiries

Media and Publications, phone: (03) 9653 2244 or email: maps@pc.gov.au

The Productivity Commission

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Further information on the Productivity Commission can be obtained from the Commission's website (www.pc.gov.au).

Contents

This Commission paper is in two volumes. Volume 1 contains the chapters, and summary and policy observations of the Commission. **This volume 2 contains detailed background papers that the paper draws on.**

Volume 2: Background Papers

Abbreviations and explanations	v
Glossary	vi
1 Institutional and policy arrangements	1
Annex A History of housing assistance	35
2 Housing assistance and financial incentives to work	47
Annex A The Productivity Commission's Tax and Transfer model	79
Annex B Maximum incomes for receipt of FTB A	81
Annex C Examples of budget constraints and effective marginal tax rates	83
Annex D The effects of variation in social housing rent setting between states	95
3 A profile of working-age housing assistance recipients	101
Annex A A profile of working-age housing assistance recipients (Excel workbook available online)	131
4 A profile of public housing applicants and tenants in South Australia and Western Australia	133
Annex A A profile of public housing applicants and tenants in South Australia and Western Australia (Excel workbook available online)	181
5 Links between housing assistance and employment (forthcoming)	
6 Links between public housing and employment in South Australia and Western Australia (forthcoming)	

Abbreviations and explanations

Abbreviations

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
ASGC	Australian standard geographical classification
BP	Background paper
CH	Community housing
COAG	Council of Australian Governments
CPI	Consumer price index
CRA	Commonwealth rent assistance
CSHA	Commonwealth State Housing Agreement
DCSI	Department for Communities and Social Inclusion
DES	Disability Employment Services
DHS	Department of Human Services
DIPR	Disposable income post rent
DPMC	Department of the Prime Minister and Cabinet
DSP	Disability Support Pension
DSS	Department of Social Services
DVA	Department of Veterans' Affairs
EMTR	Effective marginal tax rate
FTB	Family Tax Benefit
GST	Goods and services tax
HA	Housing assistance
HILDA	Household, Income and Labour Dynamics in Australia Survey
IC	Industry Commission
ICH	Indigenous community housing
ISP	Income support payment
JSA	Job Services Australia

MTR	Marginal tax rate
NAHA	National Affordable Housing Agreement
NHS	National Housing Strategy
NPA	National Partnership Agreement
NRAS	National Rental Affordability Scheme
NRSCH	National Regulatory System for Community Housing
NSW	New South Wales
NT	Northern Territory
NWS	Newstart Allowance
PC	Productivity Commission
PCTT	Productivity Commission tax and transfer model
PP	Parenting Payment
PPP	Parenting Payment Partnered
PPS	Parenting Payment Single
SA	South Australia
SA2	Statistical Area 2
SAAP	Supported Accommodation and Assistance Program
SIHC	Survey of Income and Housing Costs
SH	Social housing
SHA	State Housing Authority
SHI	Social Housing Initiative
SOMIH	State owned and managed Indigenous housing
SPP	Specific Purpose Payment
WA	Western Australia
YA	Youth Allowance

Explanations

Billion The convention used for a billion is a thousand million (10⁹).

Glossary

Community housing	Rental housing provided for low to moderate income and/or special needs households, managed by community-based organisations that have received a capital or recurrent subsidy from government.
CRA	Commonwealth Rent Assistance. An Australian Government payment to income support recipients or people who receive more than the base rate of the Family Tax Benefit Part A, and who rent in the private market.
EMTR	Effective marginal tax rate. A measure of the financial incentive for an employed income support recipient to work more. The EMTR indicates the proportion of an extra dollar of gross private income that is lost from disposable income through income tax and the reduction of benefits.
Household	One or more persons, at least one of whom is at least 15 years of age, usually resident in the same private dwelling. Some households contain more than one family.
Income unit	Income units are formed either by couples or singles, with or without dependent children, living within a household. Income units differ from families in that related, non-dependent individuals form separate income units rather than being attached to the family nucleus.
ICH	Indigenous community housing: dwellings owned or leased and managed by ICH organisations and community councils in major cities, regional areas and remote areas.
Private rent assistance	<p>Private rent assistance is provided to low-income households experiencing difficulty in securing or maintaining private rental accommodation either:</p> <ul style="list-style-type: none">• directly by states and territories, or• by not-for-profit organisations funded by state or territory governments. <p>It assists households to meet rent payments, relocation costs and the costs of bonds; advice or information services may also be offered.</p>

Public housing	Dwellings owned (or leased from private landlords) and managed by State and Territory housing authorities to provide affordable rental accommodation.
Replacement rate	A measure of the financial incentive for an income support recipient to enter work. The replacement rate is measured by the ratio of disposable income while not working to an estimate of the disposable income that an individual would receive if they worked.
SA1	Statistical area level 1. The second smallest geographical area as defined by the Australian Statistical Geography Standard. Each SA1 has an average population of 400 people.
SA2	Statistical area level 2. A medium sized geographical area that represents an aggregation of SA1 regions. Each SA2 has an average population of roughly 10,000 people.
Social housing	Public and community housing.
SOMIH	State owned and managed Indigenous housing: dwellings owned and managed by State housing authorities that are allocated only to Indigenous households.

Background paper 1

Institutional and policy arrangements

In the context of this project, housing assistance includes the activities of government in three related areas. First, State Governments are involved directly in the provision of public housing. Second, the Australian and State Governments provide funding to community housing managed by the not-for-profit sector.¹ Together these make up activities that support social housing, and they affect the supply side of the housing market.² Third, on the demand side, the Australian Government provides Commonwealth Rent Assistance (CRA) to subsidise the rent paid by low-income households.

Over time, the policy focus has shifted from the direct provision of public housing, to demand side subsidies, in the form of CRA, as well as increased support for community housing. As a result, CRA costs, which reached \$3.9 billion in 2013-14, account for the largest share of the Australian Government's expenditure on housing assistance.³ The number of households receiving CRA increased by 20 per cent between 2010 and 2014 to 1.3 million, while the number of households in social housing rose by about 4 per cent to 384 000. This increase was driven entirely by community housing — the number of households in public housing fell by 2.5 per cent (SCRGSP 2015).

This background paper examines the institutional and policy arrangements surrounding housing assistance. It defines each type of assistance (section 1), examines its objectives (section 2), describes the current housing agreements in place (section 3) and discusses relevant policies (section 4). Annex 1 to this background paper surveys the history of housing assistance in Australia.

¹ The term 'States' is used throughout the paper as shorthand for States and Territories.

² Social housing also encompasses state owned and managed Indigenous housing (SOMIH), and Indigenous community housing (ICH). SOMIH and ICH form relatively small proportions of the social housing sector, with about 10 000 SOMIH dwellings (3 per cent of the social housing stock) in 2014 and 15 400 ICH dwellings (4.5 per cent of the social housing stock) in 2013 (latest available data) (SCRGSP 2015). Due to data quality issues, figures for SOMIH and ICH are not separately included in this background paper. Chapter 1 includes figures for SOMIH and ICH since 2004.

³ In comparison, the total Australian Government expenditure related to the National Affordable Housing Agreement (which includes funding for public housing) was nearly \$2 billion in 2013-14 (SCRGSP 2015).

1 Scope of housing assistance

Social housing comprises both public housing and community housing.⁴ Social housing has strict eligibility criteria and is generally allocated to people who have low incomes and face significant disadvantage. CRA is a rent subsidy paid directly to low-income renters in the private rental market and community housing (public housing tenants are not eligible). As indicated above, CRA supports a greater number of people and accounts for a larger amount of Australian Government expenditure than the provision of social housing,⁵ although the average subsidy is lower.

Social housing

There are a variety of arrangements for the ownership and management of different types of social housing. Public housing dwellings are managed by state housing authorities (SHAs). They are often owned by SHAs, but can be leased from the private rental market under head-leasing arrangements (for example, Department of Housing NT 2013; Housing NSW 2014a).⁶ Community housing is managed by not-for-profit organisations. These properties may either be leased from a State Government, the private rental market, or owned by the not-for-profit organisation. Partnerships also exist between community housing organisations, government and/or the private sector, with varying ownership arrangements. Service providers that have a small number of properties may partner with larger community housing organisations to reduce housing management responsibilities (Winterton 2013).

Public housing makes up the largest proportion of social housing, but community housing is becoming more common. Between 2010 and 2014 the number of tenantable public housing dwellings fell from 328 700 to 321 200, while the number of tenantable community housing dwellings grew from 42 900 to 69 000 (figure 1). The number of community housing providers fell from 931 to 737 over the same period, which mostly reflects changes in the reporting of community housing in Western Australia — the number of community housing providers reported in Western Australia was 29 in 2012, compared with 182 in 2011. To a lesser extent, the fall in the number of community housing providers also reflects amalgamations of organisations in the sector. In New South Wales, amalgamations were only partly offset by the entry of new organisations (NSWFHA 2014).

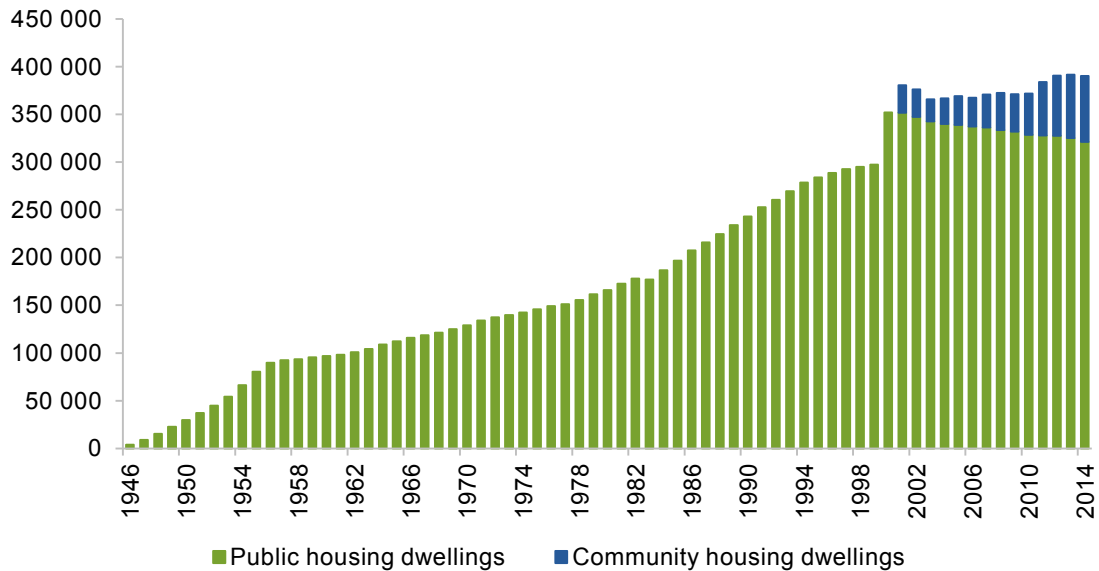
⁴ Unless otherwise stated, the term ‘community housing’ will be used in this paper to refer to social housing provided by community housing organisations.

⁵ Community housing tenants make up a small proportion of CRA recipients.

⁶ Head-leasing refers to the leasing of properties from the private rental market and then sub-leasing them to public housing tenants. Depending on the jurisdiction, head-leasing may be used as a short- or long-term measure to meet public housing demand. Generally, the use of head leasing is fairly limited and only represents a small proportion of the public housing stock.

Overall, the supply of social housing grew by about 4 per cent over the four years to 2014 (SCRGSP 2015) — less than the rate of population growth, which was about 6.5 per cent over the same period (ABS 2014).

Figure 1 Social housing dwellings, 1946 to 2014^{a,b,c,d,e}

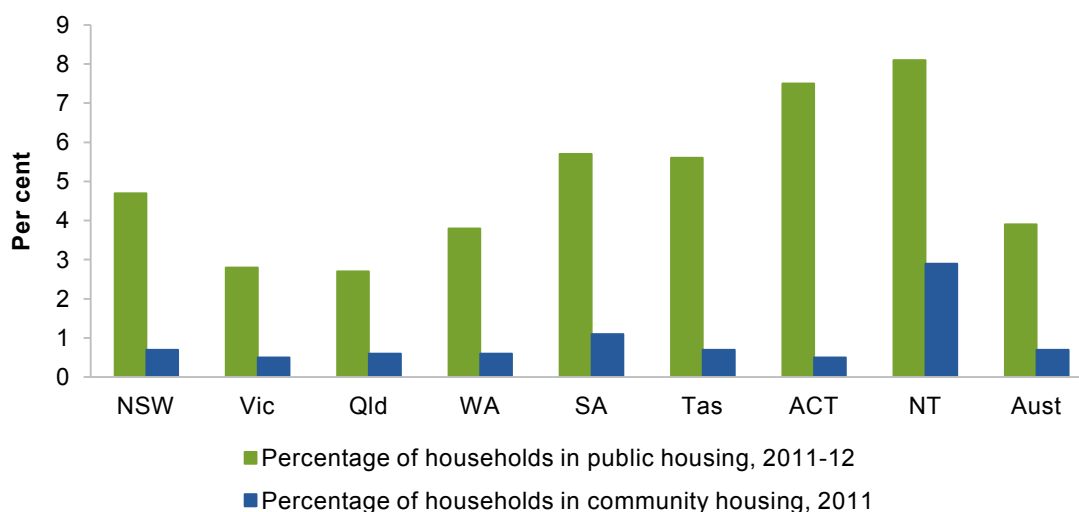


^a There is a break in the series for public housing dwellings at 2000. Prior to 2000, public housing dwelling numbers are estimated using the data on public housing completions and sales (Troy 2012) presented in figure 6. (Missing data in a few years were imputed.) From 2000, public housing dwellings refer to 'total tenable dwellings' (SCRCS SP 2000, 2002; SCRGS P 2006, 2010, 2015). ^b Prior to 2005, community housing dwellings refers to 'total tenable dwellings' (SCRCS SP 2002; SCRGS P 2006). From 2005, community housing dwellings refer to 'total tenancy rental units by ASGC remoteness area' (SCRGS P 2010, 2015), which includes imputed figures for boarding house units with missing data. ^c State owned and managed Indigenous housing (SOMIH) and Indigenous community housing (ICH) are not separately included in this figure due to data quality issues and their relatively small sizes. Some jurisdictions report SOMIH as public housing and to this extent they are included in the figures for public housing. ^d Community housing dwelling figures may overstate actual social housing numbers because some jurisdictions include an unspecified number of National Rental Affordability Scheme properties (box 2) in community housing counts. ^e Community housing that is not provided under the CSHA or the NAHA is not included.

Sources: SCRCS SP (2000, table 15A.2, 2002, table 16A.1 and 16A.15); SCRGS P (2006, table 16A.1 and 16A.15, 2010, table 16A.1 and table 16A.25, 2015, table 17A.5 and table 17A.7); Troy (2012, table 3, table 5, table 7, table 9, table 11, table 12, table 15, table 17, table 18 and table 21).

In 2011-12, about 3.9 per cent of Australian households occupied public housing (figure 2). The community housing sector accommodated a smaller share of households, with 0.7 per cent residing in community housing in 2011. The Northern Territory had the largest proportion of households both in public housing and community housing. In comparison, Queensland had the lowest proportion of households in public housing, and Victoria and the ACT each had the lowest proportion in community housing.

Figure 2 Proportion of households residing in social housing, by state



Sources: ABS (2013); SCRGSP (2015).

Community housing organisations differ within and across jurisdictions in terms of size, structure, administration and housing types offered (PC 2010). There are many different models of community housing (box 1).

Box 1 Models of community housing

Models of community housing include the following types:

- *Housing associations* provide general property and tenancy management services and localised support services to tenants.
- *Housing cooperatives* are usually small organisations, wholly managed and maintained by tenants.
- *Growth providers* manage large portfolios of housing and have the capacity to undertake housing development activities.
- *Neighbourhood housing providers* manage small numbers of properties, which they own or lease from government.
- *Specialist providers* focus on housing particular tenant groups, such as the aged, homeless youth or people with disabilities. Some organisations are run by religious providers.
- *Joint ventures and housing partnerships* provide housing assistance in partnership with other organisations, such as charitable bodies, local government, private sector organisations or State Governments. Community housing organisations may also form partnerships with each other to maximise growth opportunities and share resources.

These types are not mutually exclusive. For example, housing associations tend to be growth providers, and housing cooperatives can be specialist providers.

Sources: CHFA (2014); CHFV (2010); Housing NSW (2013c); SCRGSP (2014); Tenants' Union of NSW (2012b).

In addition to social housing, some community housing organisations offer ‘affordable housing’. Affordable housing has less stringent eligibility criteria than social housing, making it accessible to households earning higher incomes. Rent-setting arrangements also differ between affordable housing and social housing. Affordable housing rents are typically set as a proportion of market rent, while social housing rents are usually a proportion of household income (CHFA 2014). Throughout this background paper, the term ‘affordable housing’ refers to housing that is provided by community housing organisations with rent set as a proportion of market rent, rather than housing that is affordable in a general sense.

Many of the properties built under the National Rental Affordability Scheme (NRAS) (box 2) are owned or managed by the community housing sector (ACOSS 2014). These properties are better characterised as affordable housing rather than social housing (CHFA 2014).

Box 2 National Rental Affordability Scheme

The Australian Government introduced the National Rental Affordability Scheme (NRAS) in 2008 to address the shortage of affordable rental housing. It aimed to stimulate the construction of 50 000 properties by offering financial incentives to investors to build homes and rent them to tenants who meet household income thresholds. The rental rate must be at least 20 per cent below the market level.

Investors in the scheme receive annual incentives per dwelling for up to ten years from Australian and State Governments, with amounts indexed to the rents component of the consumer price index. The incentive amount for 2014-15 is \$10 661. As of September 2014, roughly 38 500 properties had been either planned or completed.

In May 2014, it was announced that the fifth and last round of funding, for which applications closed in August 2013, would not proceed. Funding for incentives from earlier rounds was to return to the budget if uncontracted or not used within agreed timeframes. Funding for tenanted NRAS properties was not affected.

Sources: Australian Government (2013, 2014); DSS (2014d, 2014e).

Funding

The Australian Government provides State Governments with funds for the housing and homelessness sector through the National Affordable Housing Specific Purpose Payment (NAH SPP), which is part of the National Affordable Housing Agreement (NAHA) and its supporting agreements. States decide on funding allocations, and part of the NAH SPP goes towards public housing. SHAs also gain revenue from rental income and asset sales. In addition to covering recurrent operating costs, including administrative expenses, maintenance, rates and market rent paid, these funds are used to construct, redevelop and acquire public housing. Some jurisdictions have also attracted external finance through the formation of public-private partnerships. For example, the redevelopment of public housing in the Sydney suburb of Bonnyrigg in New South Wales incorporated private

finance in the provision of public and private dwellings, with the private dwellings to be sold to home buyers (Housing NSW 2013a). Victoria obtained private investment under similar arrangements for redevelopments in Kensington and Carlton (VAGO 2012).

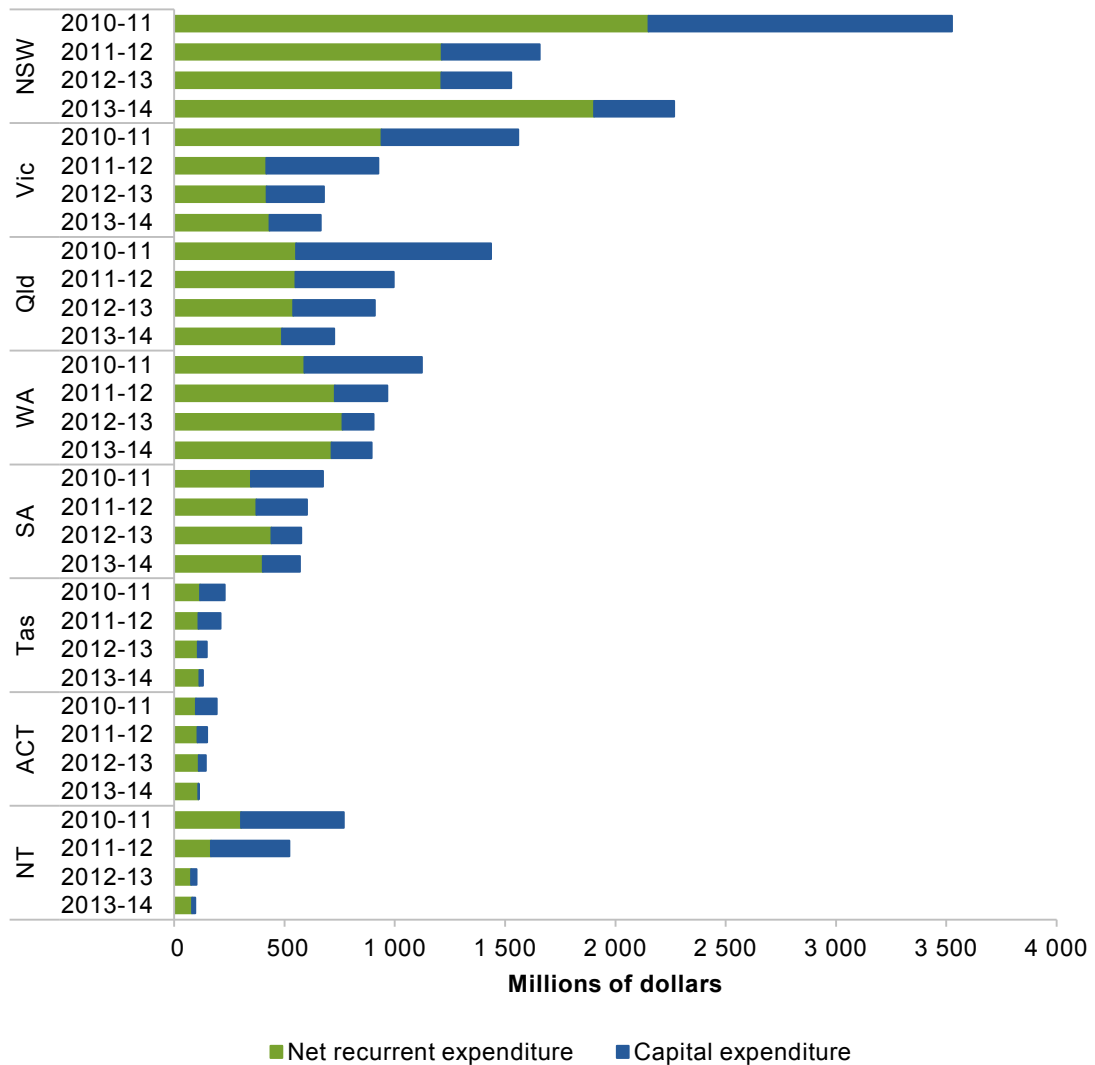
Most public housing tenants pay income-based rents that are below market rents, and the difference between the rent they pay and the market rent is a 'rental subsidy'. Nationally, the average weekly rental subsidy per subsidised household was \$162 at 30 June 2014. The ACT had the largest average subsidy, at about \$260 a week, while Tasmania had the lowest, at about \$87 a week (SCRGSP 2015). The median weekly market rent for houses in Canberra was also higher in June 2013, at \$480, compared with \$310 in Hobart (APM 2013).

Although community housing organisations receive some government funding, including funding under the NAHA that is distributed through the States, there are also a number that are entirely self-funded (SCRGSP 2014). Like public housing, community housing organisations set rents as a percentage of tenants' income but, unlike public housing tenants, community housing tenants are often eligible for CRA. Community housing organisations typically charge tenants their CRA entitlement as part of rent, thus generating income in addition to what a SHA would raise from the same tenant (section 4). Community housing providers can also use properties that they own to leverage private finance to expand their housing stock. Partnership arrangements with the private sector can be used as an alternative source of funds as well.

Community housing providers can take advantage of a range of tax benefits and concessions that are not available to public housing (Pawson et al. 2013). For example, community housing organisations can benefit from GST concessions on the charitable supply of accommodation, where the rent charged is under 75 per cent of the market rent (ATO 2014a; CHFA 2014). In contrast, the provision of public housing is 'input-taxed', meaning that GST is not included in the rental charge, and credits cannot be claimed for any GST that is included in rental-related expenditures (ATO 2014b). Local governments can offer rate rebates to community housing providers, which reduce their operating costs compared with State Governments (Beer et al. 2014). Some community housing providers are also exempt from company tax, stamp duty, land tax and capital gains tax, which allows them to build housing at a lower cost (CHCWA 2013).

In 2013-14, state government expenditure on social housing was \$5.4 billion, \$4.2 billion of which was net recurrent expenditure and the remaining \$1.2 billion of which was capital expenditure. New South Wales had the highest expenditure on social housing, reflecting their relatively large stock of social housing (figure 3). These figures include some funds from the Australian Government, which provided a total of \$1.3 billion under the NAHA and a further \$690 million under the NAHA supporting agreements in 2013-14 to improve housing and homelessness outcomes (SCRGSP 2015).

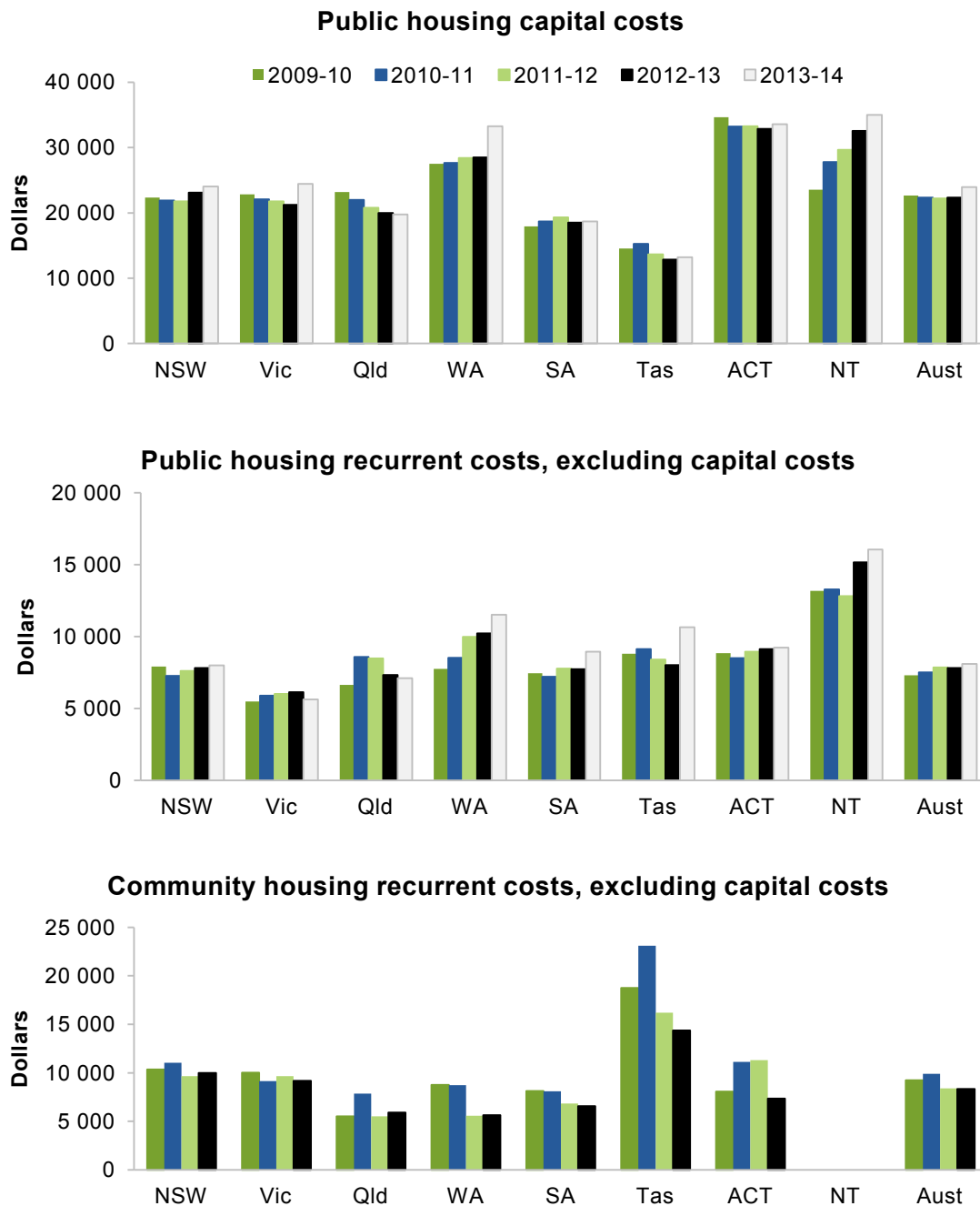
Figure 3 **State government real expenditure for social housing, 2010-11 to 2013-14^a**



^a Figures are in 2013-14 dollars. Expenditure in 2010-11 includes funds from the Social Housing Initiative.
 Source: SCRGSP (2015).

On average, the costs per dwelling of public housing in Australia increased slightly between 2009-10 and 2013-14, although differences exist between jurisdictions (figure 4).

Figure 4 Real costs per dwelling, 2009-10 to 2013-14^{a,b,c,d,e}



^a Capital costs include depreciation, user cost of capital and interest payments. ^b Recurrent costs include administration costs and operating costs (such as repairs, maintenance, rates, disposal costs and market rent paid). ^c Data may not be complete or comparable between public housing and community housing, or between and within jurisdictions because of different data reporting methods and program delivery and funding changes over time. ^d Data are not available for community housing costs in the Northern Territory nor for community housing capital costs for all jurisdictions. ^e SOMIH and ICH are not included, except to the extent that they are reported as public housing or community housing respectively.

Source: SCRGSP (2015, table 17A.19 and table 17A.21).

Transfers of public housing assets to community housing

Community housing is expected to become a more important form of housing assistance in the future due to commitments by jurisdictions to expand the sector while reducing their own roles in the direct provision of public housing. In May 2009, Council of Australian Government (COAG) housing ministers agreed to:

- transfer up to 75 per cent of housing stock constructed from projects initiated under the Social Housing Initiative — around 16 500 homes in total — to community housing providers by July 2014
- develop a large scale community housing sector within five to ten years, with an interim goal that the sector would own or manage up to 35 per cent of social housing by July 2014 (HMC 2009).⁷

These commitments have been prompted by a number of factors. One reason is the financial unsustainability of public housing under current policy settings (HMC 2009). Stock transfers have been further driven by an aim to bring a more diverse range of housing providers into social housing, as well as the community housing sector's ability to leverage stock to obtain private finance for growth. For example, in Queensland, stock transfers are intended to introduce greater choice in social housing, better enable the provision of integrated support services, reduce concentrations of public housing through better planning and design, and make use of private sector resources in finance and property development (Queensland Commission of Audit 2013). The Queensland Commission of Audit (2013) stated that the benefits of community housing include access to CRA, lower operating costs due to tax concessions and lower overhead costs, and the ability to attract alternative sources of revenue. Other current and ongoing initiatives also seek to further develop the sector, such as the National Regulatory System for Community Housing (box 6).

The Community Housing Coalition of Western Australia notes that the ongoing transfer of public housing stock is essential to the development of community housing because it will enable community housing organisations to achieve the scale required to raise private finance and build more homes (CHCWA 2013). It is also argued that the sector can offer more flexible and responsive service delivery to tenants. However, some people raise doubts that better service delivery is exclusive to community housing and can be sustained as the sector grows (Pawson et al. 2013).

Progress towards the COAG housing ministers' goals differs by jurisdiction (table 1). In some cases, transfers to the community housing sector have only involved the management of properties, while in other cases, transfers of both management and ownership have occurred. Tasmania was the only state to have transferred 35 per cent of its public housing stock as at July 2014 (Petrusma 2014a). Queensland and South Australia are also in the

⁷ The 35 per cent target has been interpreted by some stakeholders as the limit of the Australian Government's willingness to fund higher CRA expenditures arising from transfers, without affecting NAHA funding (Pawson et al. 2013).

process of transfers (DHPW 2014; Government of SA 2014f). At June 2014, it is estimated that community housing constituted about 18 per cent of social housing in Australia (SCRGSP 2015).

Table 1 Progress in expanding community housing

State	Community housing at June 2010 (per cent) ^a	Community housing at June 2014 (per cent) ^a	Progress in transferring public housing assets to community housing
NSW	13	19	<ul style="list-style-type: none"> Under the <i>Planning for the Future</i> policy, the community housing sector grew from 13 000 in 2007 to a target of 30 000 properties by 2012, five years ahead of schedule due to the SHI. New South Wales' policy on transfers is currently in a period of review.
Vic	12	18	<ul style="list-style-type: none"> In 2014, the Director of Housing was considering a strategy for the transfer of up to 12 000 public housing units to community housing organisations.
Qld	12	18	<ul style="list-style-type: none"> Under the Housing 2020 Strategy launched in 2013, Queensland plans to grow community housing through transfers, with an aim to see 90 per cent of social housing tenancies managed by community housing providers by 2020.
WA	16	17	<ul style="list-style-type: none"> The <i>Affordable Housing Strategy</i> outlines the aim of increasing the number of properties managed by community housing providers from 5500 in June 2009 to 12 000 in 2020.
SA	10	13	<ul style="list-style-type: none"> Some dwellings for high needs tenants have been transferred to community housing organisations. From January 2015, the management of approximately 1000 public housing properties will be transferred to community housing organisations. A further 4000 properties are to be transferred at a later date.
Tas	9	36	<ul style="list-style-type: none"> Under the <i>Better Housing Futures</i> initiative, the management of about 4000 tenancies, which accounted for a third of public housing, were transferred from public housing to community housing in two stages. The first stage occurred in March 2013 and the second was completed in July 2014.
ACT	6	5	
NT	3	6	
Australia	12	18	

^a Community housing dwellings as a percentage of community housing and public housing dwellings. SOMIH and ICH are not included, except to the extent that they are reported as public housing or community housing respectively.

Sources: DCSI (2014); DHHS (2014); HPW (2013b); Gilmour (2013); Government of SA (2014f); KPMG (2012); NSWFA (2014); Pawson et al. (2013); Petrusma (2014b); SCRGSP (2015, table 17A.3); Victorian Government (2014).

Delays in the transfer of public housing dwellings to community housing organisations reflect a number of factors (Pawson et al. 2013; Queensland Commission of Audit 2013):

- SHAs face financial pressures against large-scale transfers of title. Because asset transfers are not sales, states are concerned about the negative balance sheet impact of

asset disposal. For this reason, transfers of management responsibility can be preferred to transfer of ownership.

- States can also face political pressures against stock transfers when they are interpreted by stakeholders as privatisation.
- The process of contracting transfers is lengthy and expensive for both the SHA and community housing organisations involved. Not least, the parties must address any potential differences in allocation policies used by community housing providers.
- Community housing organisations may be reluctant to accept certain conditions surrounding transfers. For example, if transfer programs involve a high percentage of high-needs tenants with lower incomes, their revenue streams may be adversely affected.

Commonwealth Rent Assistance

Commonwealth Rent Assistance (CRA) is a non-taxable supplement that is paid to people on low or moderate incomes to assist with the cost of renting in the private market. In general, an individual is eligible for CRA if they pay rent above a specific threshold and qualify for either a pension, allowance, Family Tax Benefit (FTB) Part A above the base rate or a service pension (box 3). These payments are typically subject to Australian residency requirements, and income and asset tests.

Box 3 Commonwealth Rent Assistance eligibility criteria

Commonwealth Rent Assistance (CRA) is payable through Centrelink to a person who satisfies at least one of the following:

- receives a pension
- receives more than the base rate of Family Tax Benefit (FTB) Part A
- has part-time care of a child (that is, 14 to 35 per cent of the time) and is not eligible for FTB but does meet other FTB requirements
- receives an allowance or benefit and is either aged over 25 or is aged under 25 and living permanently or indefinitely apart from parents or guardians.

CRA is also payable through the Department of Veterans' Affairs (DVA) to a person who receives a service pension or income support supplement through the DVA.

Exceptions apply in some cases. For example, if a person has a partner who receives CRA through FTB Part A, then they are not eligible to receive CRA through their income support payment.

The sum of rents claimed by each member of a household cannot exceed the total rent paid. If an individual has a partner who is also eligible for CRA, then it is split equally between the partners (where one person is entitled to a higher rate than their partner, the payment is made to that person, rather than each receiving half their entitlement).

Sources: DHS (2014b); DSS (2014b, 2014c); DVA (2014).

The amount of CRA that an individual is eligible for depends on the amount of rent they pay and their family situation (table 2). CRA is paid at a rate of 75 cents for every dollar of rent above a threshold, up to a maximum payment. Maximum payments and rent thresholds are adjusted in March and September each year in line with the consumer price index (CPI).

Table 2 CRA eligibility and payment scales as at 20 March 2015
Dollars per fortnight

<i>Family situation^a</i>	<i>Minimum rent to be eligible for CRA</i>	<i>Minimum rent to be eligible for maximum CRA</i>	<i>Maximum CRA payment</i>
Under the Social Security Act^b			
Single, no children	114.00	285.20	128.40
Single, no children, sharer	114.00	228.13	85.60
Partnered, no children	185.40	346.47	120.80
Partnered, illness separated ^c , no child	114.00	285.20	128.40
Partnered, temporarily separated, no child	114.00	275.07	120.80
Under the Family Assistance Act^d			
Single, one or two children	150.08	350.75	150.50
Single, three or more children	150.08	376.88	170.10
Partnered, one or two children	222.18	422.85	150.50
Partnered, three or more children	222.18	448.98	170.10

^a Additional family situations exist, such as illness separated partners that are recognised under the Family Assistance Act. ^b *Social Security Act 1991* (Cwlth) Part 3.7 ^c A couple is 'illness separated' if they are unable to live together at home for an indefinite period due to illness and it results in their living expenses being greater than otherwise. ^d CRA is paid under *A New Tax System (Family Assistance) Act 1999* (Cwlth) and received with FTB Part A if the individual has a 'rent assistance child'. In general, a rent assistance child is a child for whom a parent receives more than the base rate of FTB. It is defined in full under the Family Assistance Act Schedule 1 Part 5 Division 2B.

Source: DSS (2015).

Australian government real expenditure on CRA was about \$3.9 billion in 2013-14, up from \$3.2 billion in 2009-10 (figure 5). About 1.3 million households were in receipt of CRA in 2014, and the median fortnightly entitlement was \$124 (SCRGSP 2015). This was an increase from about 1.1 million households in 2010 and a median fortnightly entitlement of \$98 (SCRGSP 2010). Technically, the number of CRA recipients is measured in income units rather than households. An income unit is the base unit that Centrelink uses to calculate a CRA entitlement amount and consists of a single person or a couple, and any dependent children (DSS 2013a).

2 Objectives of housing assistance policies

The aspirational objective of housing assistance, according to the NAHA, is that 'all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation' (COAG 2009, p. 3). Whereas social housing seeks to

meet this objective by providing housing with subsidised rents, CRA provides renters with a subsidy that is not tied to a particular housing location.

Social housing

The main objectives of both SHAs and community housing organisations are to provide affordable, appropriate and secure housing to low-income households, especially disadvantaged households. They aim to meet these objectives in similar ways (table 3).

Table 3 Objectives of social housing^a

<i>Objective</i>	<i>Approach</i>
Affordability	Most tenants pay below-market rents.
Appropriateness	Applicants can typically request their preferred location and type of housing. People with special needs may also be entitled to extra bedrooms and property modifications.
Security of tenure	Tenants are usually offered longer-term tenures compared with those available in the private market. Some providers offer indefinite tenure.
Target the disadvantaged	Priority is given to households that are most in need and that may have difficulties accessing appropriate housing in the private market.

^a Refer to section 4 for more details.

Sources: Housing NSW (2012a); DHS Victoria (2013a); HPW (2013b); CHCSA (2014a); Department of Housing WA (2013); Housing Tasmania (2014); Department of Housing NT (2012); ACT Community Services (2013).

In the case of public housing, priority is typically given to households that are deemed to be in greatest need, such as those that are homeless or at risk of homelessness. Public housing also aims to cater for people with special needs who may have difficulties finding suitable housing. These include people with physical or mental disabilities and Indigenous people in remote communities (SCRGSP 2014).

States also seek to encourage the employment and social participation of public housing tenants. This goal is pursued through additional services such as job assistance and youth engagement programs. For example, Victoria's *Public Tenant Employment Program* helps tenants develop work skills through hands-on experience and training (DHS Vic 2013b). Policies are also enacted to alleviate potential disincentive effects, for example by freezing rent increases for some time after employment is found (Housing NSW 2013b).

A key objective of many community housing organisations is to promote tenant participation and respond to the needs of tenants (CHFA nd, box 4). Ways in which community housing organisations seek to meet this objective include offering management opportunities and support services to tenants (section 4). Some organisations also cater for specific groups, such as single women or people with disabilities.

Box 4 **Aims of community housing organisations**

Community housing providers, with the support of the Australian and State Governments, have developed the National Community Housing Standards Manual. The manual includes standards of good practice in delivery of community housing, as well as the aims providers are working towards:

- *Affordability*: To ensure that housing costs do not create hardship for tenants.
- *Choice*: To provide people in need of housing with a diverse range of housing options.
- *Responsiveness*: To respond to the needs of individual tenants and their changing circumstances by ensuring that housing is appropriate to tenants' needs and is managed flexibly.
- *Security*: To ensure that tenants are secure in their housing, are housed in accordance with jurisdictional policy and meet the tenancy agreement.
- *Sustainability*: To contribute to successful tenancies and the development of sustainable communities, by being supportive of tenants' wider social needs and building their independence.
- *Fairness*: To ensure equitable access to community housing regardless of people's cultural identity, gender, disability, sexual orientation, age and household composition; and to treat tenants fairly in all matters relating to their tenancy.
- *Respect*: To ensure that all tenants' rights are respected and to treat tenants with respect in all dealings.
- *Participation*: To actively seek the participation of tenants in decisions about their tenancy and the management of organisations.
- *Partnerships*: To work in partnership with governments and communities in developing housing and related services that meet tenant and community needs.
- *Quality*: To provide the best possible accommodation and housing services to tenants.
- *Accountability*: To be accountable to tenants, the community and government for the effectiveness of the services provided and for the use of public funds; and by doing so, to enhance the credibility of community housing options.

Source: JPX Consulting Pty Ltd (2010).

Commonwealth Rent Assistance

The primary purpose of CRA is to assist low-income households with the costs of renting in the private housing market (DSS 2014a). CRA does not aim to ensure that households spend only a specific proportion of their income on rent.

3 National housing agreements

The NAHA provides the current framework for Australian and State Governments efforts to improve housing and homelessness outcomes. Three national partnership agreements

(NPAs) were implemented to support the NAHA, involving the areas of social housing, homelessness and remote Indigenous housing. Furthermore, the NPA on the Nation Building and Jobs Plan included a Social Housing Initiative to fund social housing.

The National Affordable Housing Agreement

The National Affordable Housing Agreement (NAHA) took effect on 1 January 2009 and provides a broad framework for the Australian and State Governments to improve housing outcomes in all tenure types, as well as to reduce homelessness.

The NAHA's intended outcomes include improving housing affordability for renters and purchasers, and facilitating housing access for homeless and Indigenous people (box 5). Information on progress towards these outcomes is collected by the Steering Committee for the Review of Government Service Provision and, until 2014, was measured against a set of performance benchmarks by the COAG Reform Council. Progress will now be measured by the Department of Prime Minister and Cabinet. In 2010-11, the COAG Reform Council found no indication that housing affordability had improved, and rental affordability, in particular, had worsened (COAG Reform Council 2012). A review of the performance reporting framework indicated that it was broadly functional, but there were significant flaws in some indicators (NAHA Review Working Group 2012). Recommendations of the report regarding performance indicators were adopted in 2012.

Box 5 National Affordable Housing Agreement outcomes

The parties to the National Affordable Housing Agreement (NAHA) agreed to the following outcomes:

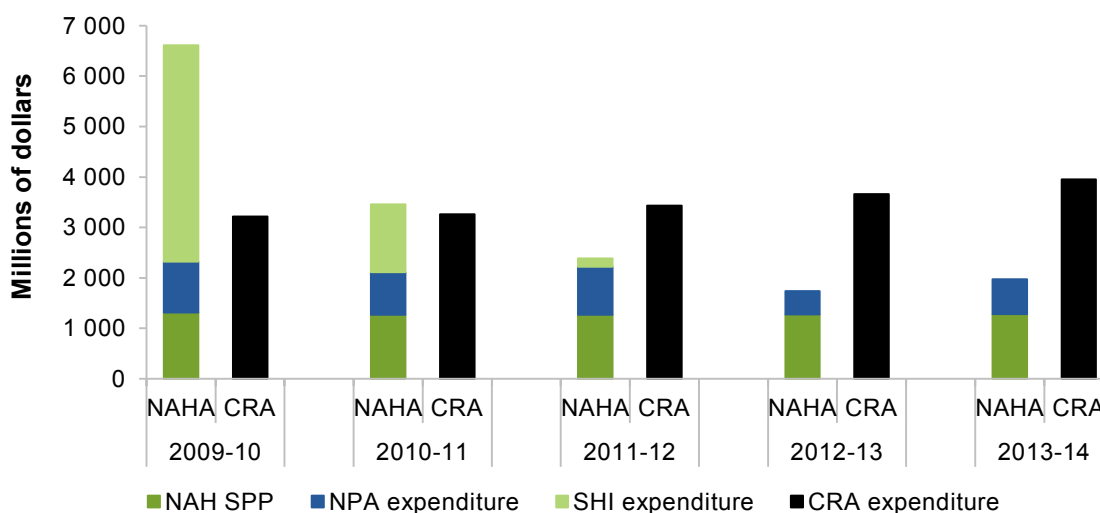
- People who are homeless or at risk of homelessness achieve sustainable housing and social inclusion.
- People are able to rent housing that meets their needs.
- People can purchase affordable housing.
- People have access to housing through an efficient and responsive market.
- Indigenous people have the same housing opportunities as other Australians.
- Indigenous people have improved housing amenity and reduced overcrowding, particularly in remote areas and discrete communities.

Source: COAG (2009).

The National Affordable Housing Specific Purpose Payment (NAH SPP) provides States with ongoing funding on a per capita basis to achieve the goals stated in the NAHA. The combined amount distributed to States was \$1.3 billion in 2013-14 (figure 5) with \$1.3 billion allocated in the 2014-15 Federal Budget. States can allocate the funding as they wish in the housing and homelessness sectors, and there is no requirement for States to match the funding. The funding arrangements for housing assistance are currently being

reviewed as part of the Reform of the Federation White Paper, expected later in 2015 (DPMC 2014).

Figure 5 **Australian Government real expenditure on housing assistance^{a,b,c,d}**



^a Data have been adjusted to 2013-14 dollars using the General Government Final Consumption Expenditure chain price deflator (SCRGSP 2015, table 2A.51). ^b NAH SPP is the National Affordable Housing Specific Purpose Payment. ^c NPA expenditure refers to spending under the NPA on Social Housing, NPA on Homelessness and NPA on Remote Indigenous Housing. ^d SHI expenditure refers to spending under the Social Housing Initiative element of the NPA on Nation Building and Jobs Plan.

Source: SCRGSP (2015).

National partnership agreements

Social housing

The NPA on Social Housing commenced on 1 January 2009 and expired on 30 June 2010. Its purpose was to finance the Social Housing Growth Fund, which contributed to the NAHA outcomes by increasing the supply of social housing. Under the agreement, the Australian Government provided the States with a total of \$400 million to build social housing. Approximately 1980 properties were constructed through this agreement nationwide (DSS 2013d), adding roughly 0.5 per cent to the social housing stock as measured in June 2008.

Further funding for social housing was provided as part of the NPA on the Nation Building and Jobs Plan⁸, which began in February 2009 and expired on 31 December 2012. Under the Social Housing Initiative (SHI) element of the NPA, a total of \$5.2 billion was granted for the construction of new social housing, and a further \$400 million for the repair and upgrade of existing social housing. New construction occurred in two stages:

- Stage one provided funding for existing social housing projects that could be brought forward.
- Stage two provided funding for suitable new projects identified by each state through a competitive selection process (DSS 2013f).

The main aims of the funding included stimulating the construction industry, increasing the supply of social housing and providing long-term housing for homeless people (DSS 2013e). This initiative added over 19 000 properties to the stock of social housing — close to 5 per cent of the stock in June 2008. Furthermore, among the 80 500 properties that underwent repairs, representing about 20 per cent of the stock, around 12 000 would have been uninhabitable, or likely to become uninhabitable within two years (DSS 2013e; KPMG 2012).

Homelessness

The NPA on Homelessness began in January 2009 and was renegotiated in 2012 and 2013. This agreement aims to provide long-term affordable housing and support services to people experiencing homelessness. It also includes an initiative, *A Place to Call Home*, to build 600 new homes for homeless people (DSS 2012). Over the five years to June 2014, about \$157 million of funding was provided by the Australian Government under the NPA (SCRGSP 2015). The agreement was extended with funding of \$115 million provided for another year to June 2015, to be matched by State Governments (Andrews 2014).

Remote Indigenous Housing

The NPA on Remote Indigenous Housing took effect in February 2009 and runs to 30 June 2018. It supports the NAHA outcome of improving amenity and reducing overcrowding for Indigenous people in remote communities, and contributes to the Closing the Gap initiative on Indigenous disadvantage. A total of \$5.5 billion over ten years is being provided for the construction of up to 4200 new properties and the upgrade of at least 4800 existing properties (DSS 2013b). As the target for upgrades was met ahead of time, the target was increased to 6600 by the end of 2014. The agreement also aims to deliver employment support by requiring the engagement of local Indigenous people in new

⁸ The NPA on the Nation Building and Jobs Plan formed part of the Nation Building Economic Stimulus Package announced in the 2008-09 budget. This package aimed to provide stimulus through the global financial crisis and improve future productive capacity (Australian Government 2008).

housing construction and the provision of accommodation close to training, education, employment and support services.

There were about 117 000 Indigenous people living in remote or very remote areas in Australia in 2011, with levels of overcrowding at about 20 per cent (DSS 2013c). In 29 remote Indigenous communities, where substantial investment had been made through the NPA, the proportion of overcrowded Indigenous households fell from 57.9 per cent in 2006 to 53.5 per cent in 2011 (DSS 2013c).

4 Social housing arrangements

Public housing arrangements differ across jurisdictions in terms of eligibility criteria, rent-setting methods, lease terms and tenant management methods. Further variation is found among community housing providers, although these policies are usually partly set by State Governments and are similar to those for public housing.

Regulation

Public and community housing tenancies are governed by the *Residential Tenancies Act* for the particular jurisdiction or the *Residential Tenancies and Rooming Accommodation Act 2008* in Queensland, which define landlord and tenant rights and obligations.⁹ In some states, other acts are relevant, as well as legislation covering specific types of community housing providers, such as cooperatives and associations (for example, CHFV 2013).

A National Regulatory System for Community Housing is currently being implemented in most States to provide a nationally-consistent regulatory environment for community housing organisations and support the growth of community housing (box 6).

⁹ These acts also regulate the operation of private tenancies.

Box 6 National Regulatory System for Community Housing

In 2010, Australian housing ministers reaffirmed their commitment to the growth and regulation of the community housing sector and agreed to the implementation of a National Regulatory System for Community Housing (NRSCH).

The key objectives of the NRSCH are to:

- provide a nationally consistent regulatory environment to support the growth and development of the community housing sector
- pave the way for future housing product development
- reduce the regulatory burden on housing providers working across jurisdictions
- provide a level playing field for providers seeking to enter new jurisdictions.

The NRSCH established the National Provider Register, which is a public record of registered community housing providers. The Register is divided into three tiers that reflect differences in the nature, scale and scope of operations between providers. Each tier has a different level of regulatory oversight and engagement.

The NRSCH is based on regulation in New South Wales, which is either applied or adopted by participating jurisdictions. The National Law includes the National Regulatory Code, which sets out the performance outcomes and requirements that must be met by registered community housing providers.

Full implementation of the NRSCH began on 1 January 2014 and will be progressively introduced over 18 months in participating jurisdictions — New South Wales, Queensland, South Australia, Tasmania, the Northern Territory and the ACT. Western Australia has yet to pass legislation to participate but is committed to ensuring consistency with the NRSCH. Victoria is currently not participating in the NRSCH but has also agreed to align performance and reporting requirements of its current regulatory system with the NRSCH.

Sources: NRSCHD (2014a, 2014b, 2014c).

Eligibility

There is some variation in public housing eligibility criteria across jurisdictions, but most have similar requirements. Generally, applicants must meet income and asset limits based on household size. Gross weekly income limits for a single adult range from \$430 for metro and country areas in Western Australia to \$970 in South Australia (Department of Housing WA 2014b; Government of SA 2014b). Applicants must also meet requirements relating to Australian and State residency and minimum age, and not own any property that could be used to resolve their housing need, although exceptions apply in special circumstances such as in cases of domestic violence.

Eligibility criteria for community housing are largely consistent with those for public housing. Community housing organisations that cater for a particular disadvantaged group, such as people with disability, have additional criteria to reflect that.

Waiting lists

Public housing waiting lists in all States are segmented based on need. Assessments of need differ across jurisdictions but, in general, people who are placed on priority waiting lists are those who are in urgent need of housing and face difficulties obtaining affordable and appropriate housing in the private market. This may include people experiencing or at risk of homelessness, domestic violence or severe disability whose current housing is inappropriate to their needs (AIHW 2008).

Waiting times for the highest priority applicants are typically less than a year, whereas non-priority applicants might wait for several years, depending on their preferred location. For example, in Victoria, the average wait time for priority applicants was 8.5 months in 2009-10, and several years for non-priority applicants (VAGO 2012). In New South Wales, waiting times for general applicants can be over 10 years in locations around Sydney (Housing NSW 2014b). Separate waiting lists also exist for public housing tenants wishing to transfer to another public housing property. In 2014, there were 154 500 households on public housing waiting lists nationally, and an additional 24 600 were waiting for transfers. This compares with 321 000 public housing tenantable properties (SCRGSP 2015).

In most States, community housing waiting lists are integrated with public housing lists.¹⁰ In these jurisdictions, applicants need only submit one application to be considered for both forms of housing if they choose, as long as they fulfil the eligibility criteria. Community housing allocations may be suggested by the SHA or selected by a community housing organisation, depending on the jurisdiction (CHFA 2014). In States where social housing waiting lists are not integrated, applicants apply separately to SHAs and community housing organisations. In some cases, tenants may be referred to community housing organisations by other organisations. Similar categories of need are used to segment lists for community housing.

In most cases, applicant eligibility for public housing is reviewed periodically and before the offer of housing is made. In New South Wales, for example, the periodic review is conducted in the form of a postcard sent to the applicant's address to check contact details and ask if they wish to remain on the waiting list (Housing NSW 2012b). In Queensland, reviews are conducted through letters or phone calls to confirm details such as contact information, income and number of people on the application (Queensland Government 2013). Non-responses are typically withdrawn from a waiting list. Applicants on waiting lists are also expected to inform the SHA of changes to their personal or household circumstances between periodic reviews (for example, Government of SA 2014d).

Social housing applicants may specify a number of housing characteristics at the time of application. Applicants are often asked to nominate their preferred housing location and some jurisdictions offer a choice of housing type. Bedroom specifications are usually

¹⁰ Jurisdictions that do not have integrated waiting lists are Victoria and South Australia.

based on household structure. People with special needs may request more specific locations, property types, extra bedrooms and properties with modifications.

Rents and other charges

Rent

In most jurisdictions, public housing tenants pay rents equal to about 25 per cent of assessable household income, or market rent, whichever is lowest.¹¹ Those who are not paying market rent receive a rent subsidy.¹²

The types of income that are included in assessable income vary slightly between jurisdictions, and some types of income are assessed at a lower rate. In general, pension income is assessed at the full 25 per cent, while FTB is assessed at lower rates in some jurisdictions.¹³ Assessable income also differs slightly in community housing, both between and within jurisdictions. For example, in Queensland, community housing organisations calculate rent based on after-tax income for household income earned from work, in order to reduce workforce disincentives (DHPW 2013a).

Due to exclusions and lower assessment rates for some types of income, some households effectively pay less than 25 per cent of their income in rent. Media reports claimed that, in Queensland, less than one per cent of public housing tenants paid 25 per cent of their income in rent and 40 per cent of tenants paid less than 15 per cent (Vogler 2014). In June 2014, Queensland reviewed its rent assessment methods so that all income would be assessed at 25 per cent (Mander 2014). Similar changes have been made in Western Australia — prior to the change, older tenants in Western Australia were paying proportionally more than families, whose FTB payments were assessed at a lower rate than pension income (Department of Housing WA 2014a).

Rent-setting approaches in community housing are similar to those used for public housing, although some jurisdictions allow greater discretion in the method used. A common approach by community housing organisations is in their treatment of CRA. Because community housing tenants are eligible for CRA if they receive an income support payment

¹¹ Subsidised tenants in New South Wales pay between 25 and 30 per cent of household income in rent, depending on household income. In the Northern Territory, tenants pay up to 23 per cent of household income in rent if they are eligible for public housing. Public housing tenants in the Northern Territory can remain in public housing until their lease expires if they no longer meet eligibility criteria. From June 2013, those who are no longer eligible pay up to 30 per cent of household income, up to a maximum of market rent, for the remainder of their lease.

¹² The amount of the subsidy is the difference between market rent and actual rent paid.

¹³ For example, for public housing tenants in New South Wales, 15 per cent of FTB Part B is typically included in assessment if it is received fortnightly, while it is unassessed if received as a lump sum payment at the end of the financial year (Housing NSW 2014c). FTB is excluded completely for tenants in the Northern Territory (Department of Housing NT 2014).

or more than the base rate of FTB Part A, community housing organisations typically charge social housing tenants their full CRA entitlement, as well as about 25 per cent of household income net of CRA, as long as the total does not exceed the market rent (CHFA 2014).¹⁴ In New South Wales, Victoria, Queensland and Western Australia, rents must be set at a point that maximises the amount of CRA that can be claimed (CHFA 2014) (box 7). CRA can be an important source of income for community housing providers — a survey of 24 providers found that CRA comprised between 30 and 39 per cent of rental income for most organisations (CHPPN 2014).

Box 7 Community housing rent calculation

Community housing organisations calculate rents for tenants who are eligible for Commonwealth Rent Assistance (CRA) so that tenants receive as much CRA as possible, while not being left in a worse financial position than equivalent public housing tenants (who are not eligible for CRA).

The total rent charged (RC) by a community housing organisation is equal to the tenant's contribution (TC) of about 25 per cent of assessable income excluding CRA, plus 100 per cent of CRA. The amount of CRA that a tenant is eligible for is the lower of:

- 75 per cent of the difference between RC and a minimum threshold level of rent (MR) (the threshold is the level of rent at which the tenant become eligible for CRA)
- a maximum amount

where the threshold and maximum amounts vary by family situation (table 2).

RC is given by the following formula, provided that the total is less than market rent (in which case, the tenant pays market rent) and that CRA does not exceed the maximum amount for which the tenant is eligible (if it does, CRA equals that maximum amount):

$$RC = 4TC - 3MR$$

For example, consider a single tenant with no children who has an income of \$600 per fortnight. Assuming that all of their income is assessed at 25 per cent, the tenant's contribution to rent in a fortnight is:

$$TC = 0.25 \times 600 = \$150$$

The TC is the same as it would be if they lived in public housing.

(continued next page)

¹⁴ In effect, this means that after-rent income is the same whether a tenant is in public housing or community housing. Therefore, CRA should not have an impact on an individual's choice between public and community housing.

Box 7 (continued)

RC also takes into account the CRA for which the tenant would be eligible. The rent threshold for a single person household with no children (at 20 March 2014) is \$112 per fortnight. So the rent charged by the community housing organisation is:

$$RC = (4 \times 150) - (3 \times 112) = \$264$$

The amount of CRA received is:

$$CRA = 0.75 \times (264 - 112) = \$114$$

which is equivalent to the difference between RC and the TC.

The maximum amount of CRA that the tenant could have received is \$126 a fortnight. But for the tenant to be eligible for this amount, their RC would have needed to be \$280. The TC would have had to be \$154 (or \$280 – \$126), more than 25 per cent of their income.

Source: Tenants' Union of NSW (2012a).

Tenants often have the option to have rent deducted automatically from Centrelink payments and sent directly to the housing provider. Public housing tenants can use the Rent Deduction Scheme for this purpose, while community housing tenants can access a similar service via Centrepay (DHS 2014a, 2014c). The vast majority of social housing tenants use these schemes. During the first eight months of 2012-13, about 300 000 customers used the Rent Deduction Scheme and 62 000 customers used Centrepay to pay community housing rent (Buduls 2013).

Rent reviews

Rent reviews are conducted regularly — usually at least once a year — to check social housing tenants' eligibility for rent subsidies and the amount of rent to be paid. Tenants can opt to use the Centrelink Income Confirmation Service to provide proof of income to SHAs and participating community housing organisations. If a tenant does not decide to use the service, other forms of income verification are also accepted, such as payslips or Centrelink Income statements.

Tenants must also inform the housing provider of any changes to their income or household structure that occur between rent reviews, although there is evidence that this does not always occur. For example, New South Wales held an amnesty on unauthorised occupants of public housing properties in 2013, which led to over 2800 tenants declaring over 3600 additional occupants (Parliament of NSW 2013). An amnesty on undisclosed income, financial assets and property ownership in 2014 resulted in 2300 people declaring extra income and assets, and is expected to generate more than \$2.5 million a year in extra rental income (Upton 2014).

In some States, changes in income do not have an immediate effect on rent. For example, the *Tenant Employment Incentive Scheme* in New South Wales entitles public housing tenants to a grace period of up to 12 weeks before their rent is adjusted if they start a

paying job (FACS NSW 2014a). In Victoria, rents are reviewed twice a year and cannot be increased at any other point, even if household income increases. Rents can be reduced immediately if household income falls (DHS Vic 2014).

Other charges

In addition to rent, tenants may be charged for utilities, maintenance and other fees specific to each jurisdiction. For example, in South Australia, maintenance charges are applied if a public housing tenant has caused or permitted damage to a property (Government of SA 2014e). Community housing cooperatives in South Australia may charge fees for tenants who are not participating in management of the cooperative (Government of SA 2014a). In New South Wales, a vacant bedroom charge of \$20 to \$30 a week is applied to public housing tenants in under-occupied properties who refuse two reasonable offers of relocation (FACS NSW 2014b).

Lease terms

Public housing lease terms vary across States. Historically, leases were ongoing with no set end date, however most States now issue fixed-term leases to new tenants, with grandfathering provisions for existing tenants.

The rationale behind the introduction of fixed-term leases varies slightly across States. In New South Wales, they are used to help facilitate the transition from a regime of tenure for life to a more temporary regime of housing for those in need for the duration of their need (Audit Office of NSW 2013). In South Australia, reviews at the end of fixed-term lease agreements allow the SHA to inspect the condition of the property and check that all conditions of the lease agreement are met. Leases may not be renewed if tenants do not allow their property to be inspected (Government of SA 2014c).

In jurisdictions that have fixed-term leases of multiple lengths, such as New South Wales, South Australia, Tasmania and the Northern Territory, the length of the lease offered depends on the tenant's circumstances. For example, short-term probationary leases are usually offered to new tenants, while five- to ten-year leases may be offered to people who are expected to have enduring needs, such as the elderly or people living with disability who require a carer. In New South Wales, about 6 per cent of tenants were on a two-year lease, 17 per cent were on a five-year lease and 7 per cent were on a ten-year lease in 2011-12. The remaining 70 per cent were on continuous leases that dated from before the introduction of fixed-term leases in 2005 (Audit Office of NSW 2013).

Towards the end of a fixed-term lease, the lease is reviewed and can be extended if the tenant remains eligible for public housing. Evidence suggests that most tenancies are renewed, with only about two per cent of tenants in New South Wales who were on two-year leases found to be no longer eligible for public housing (Audit Office of NSW 2013).

Lease terms in community housing differ across States and can vary across providers. On the whole, leases have no fixed term. In South Australia, a policy change introduced in 2010 placed all new tenants in housing associations on fixed-term leases of five or ten years (CHFA 2014).

Tenant services

SHAs offer services and programs to support tenants or encourage community participation. The extent and form of services offered vary between jurisdictions, and include the following examples:

- New South Wales has a *Tenant Participation Resources Services Program* to provide social housing tenants with access to information, services and opportunities to participate in housing processes, as well as to engage tenants in their communities (Housing NSW 2014d).
- Victoria's *Public Tenant Employment Program* helps to provide a pathway to employment through hands-on experience and training (DHS Vic 2013b). Work and Learning centres located near public housing estates are designed to help people find jobs and training opportunities (DHS Vic 2013c).
- South Australia aims to provide localised service models to support tenants and involve them in the community as part of its *Connecting People to Place* framework (DCSI 2013).
- Some States offer public housing tenants the opportunity to purchase the property they rent, or provide assistance with transitioning into private rental (for example, Department of Housing WA 2012).

Community housing organisations aim to respond to local community needs and support tenant engagement. Some organisations, particularly housing cooperatives, may invite tenants to perform management roles, such as rent collection, maintenance, administration and bookkeeping (CHCSA 2014b). Other tenant participation and management initiatives can include contributing to social events and rewards for making payments on time and keeping dwellings clean (for example, Compass Housing Services 2014). Organisations may also provide or link tenants to support services, including employment programs, disability services, and home and community care. Customised services can be offered to tenants with high needs.

References

ABS (Australian Bureau of Statistics) 2013, *Housing Occupancy and Costs 2011-12*, Cat. no. 4130.0, ABS, Canberra.

— 2014, *Australian Demographic Statistics, Jun 2014*, Cat. no. 3101.0, Canberra.

-
- ACOSS (Australian Council of Social Service) 2014, *NRAS vital in increasing affordable housing stock*, http://acoss.org.au/media/release/nras_vital_in_increasing_affordable_housing_stock (accessed 20 June 2014).
- ACT Community Services 2013, *Social Housing*, http://www.communityservices.act.gov.au/hcs/social_housing (accessed 23 June 2014).
- AIHW (Australian Institute of Health and Welfare) 2008, *Who receives priority housing and how long do they stay?*, Bulletin, August, 63.
- Andrews, K. 2014, *Coalition Government to renew homelessness funding*, <http://kevinandrews.dss.gov.au/media-releases/71> (accessed 23 June 2014).
- APM (Australian Property Monitors) 2013, *Rental Report September Quarter 2013*, http://www.macrobusiness.com.au/wp-content/uploads/2013/10/APM-RentalReport_Sep13-FINAL.pdf (accessed 20 June 2014).
- ATO (Australian Taxation Office) 2014a, *GST concessions - Tax basics for non-profit organisations*, <https://www.ato.gov.au/General/Enquiry-hot-topics/In-detail/Non-profit-organisations/GST-concessions----Tax-basics-for-non-profit-organisations/?page=7> (accessed 20 June 2014).
- 2014b, *Residential premises*, [https://www.ato.gov.au/Business/GST/When-to-charge-GST-\(and-when-not-to\)/Input-taxed-sales/Residential-premises/](https://www.ato.gov.au/Business/GST/When-to-charge-GST-(and-when-not-to)/Input-taxed-sales/Residential-premises/) (accessed 20 June 2014).
- Audit Office of NSW 2013, *Making the Best Use of Public Housing*, Performance Audit, July, Audit Office of New South Wales, Sydney.
- Australian Government 2008, *Updated Economic and Fiscal Outlook - Part 2: The Government's Response to the Global Financial Crisis*, http://www.budget.gov.au/2008-09/content/uefo/html/part_2.htm (accessed 17 September 2014).
- 2013, *National Rental Affordability Scheme Monthly Performance Report: 30 June 2013*, https://www.dss.gov.au/sites/default/files/documents/07_2014/nras_performance_report_june_2013.pdf (accessed 19 March 2015).
- 2014, *Budget Paper No. 2: Budget Measures - Part 2: Expense Measures - Social Services*, http://www.budget.gov.au/2014-15/content/bp2/html/bp2_expense-21.htm (accessed 20 June 2014).
- Beer, A., Thredgold, C., Horne, S. and Charlier, J. 2014, *Public housing stock transfer - impacts and implications for local government*, Final Report, Centre for Housing, Urban and Regional Planning.
- Buduls, A. 2013, *Report of the Independent Review of Centrepay*, Report to the Secretary of the Department of Human Services, Australian Government, June, <http://www.humanservices.gov.au/spw/corporate/publications-and-resources/centrepay-review/resources/report-of-the-independent-review-of-centrepay.pdf> (accessed 23 June 2014).

-
- CHCSA (Community Housing Council of South Australia Incorporated) 2014a, *Community Housing Profile*, <http://www.chcsa.org.au/community-housing-profile> (accessed 23 June 2014).
- 2014b, *What is a Community Housing Co-operative?*, <http://www.chcsa.org.au/what-community-housing-co-operative> (accessed 23 June 2014).
- CHCWA (Community Housing Coalition of Western Australia) 2013, *What is Community Housing?*, <http://www.communityhousing.com.au/wp-content/uploads/2012/05/CHCWA-What-is-Community-Housing.pdf> (accessed 20 June 2014).
- CHFA (Community Housing Federation of Australia) nd, *About Community Housing, Community Housing Federation of Australia (CHFA)*, <http://chfa.com.au/content/about-community-housing> (accessed 23 June 2014).
- 2014, *Allocation, Eligibility, and Rent Setting in the Australian Community Housing Sector*, April, http://chfa.com.au/sites/default/files/sites/default/files/docs/eligibility_allocation_and_rent_setting_in_ch_final_april_2014.pdf (accessed 19 June 2014).
- CHFV (Community Housing Federation of Victoria) 2010, *Types of community housing*, <http://www.chfv.org.au/types-of-community-housing/> (accessed 19 June 2014).
- 2013, *Legislation*, <http://www.chfv.org.au/legislation/> (accessed 23 June 2014).
- CHPPN (Community Housing Peaks Policy Network) 2014, *The Vital Subsidy: The Importance of Commonwealth Rent Assistance to Community Housing Providers*, http://chfa.com.au/sites/default/files/sites/default/files/docs/the_vital_subsidy_cra_and_community_housing_may_2014.pdf (accessed 23 June 2014).
- COAG (Council of Australian Governments) 2009, *National Affordable Housing Agreement*, <http://www.coag.gov.au/node/305> (accessed 24 April 2013).
- COAG Reform Council (Council of Australian Governments Reform Council) 2012, *Affordable Housing 2010-11: Comparing performance across Australia*, Sydney.
- Compass Housing Services 2014, *Getting Involved*, <http://www.compasshousing.org/site/index.cfm?display=256247> (accessed 23 June 2014).
- DCSI (Department for Communities and Social Inclusion, South Australia) 2013, *Housing SA Blueprint 2013-2018: Connecting People to Place*, http://dcsi.sa.gov.au/_data/assets/pdf_file/0015/11337/DCSI-421-HSA-Blueprint_FA_WEB.pdf (accessed 24 June 2014).
- 2014, *More social housing to support South Australia's most vulnerable*, <http://www.dcsi.sa.gov.au/services/latest-news/media-releases/more-social-housing-to-support-south-australias-most-vulnerable> (accessed 20 June 2014).
- Department of Housing NT (Department of Housing, Northern Territory) 2012, *Public housing*, http://www.territoryhousing.nt.gov.au/public_housing (accessed 23 June 2014).

-
- 2013, *Head leasing initiative*, http://www.housing.nt.gov.au/housing_choices/develop/head_leasing_initiative (accessed 19 June 2014).
- 2014, *Eligibility*, http://www.territoryhousing.nt.gov.au/public_housing/accessing_public_housing/eligibility (accessed 23 June 2014).
- Department of Housing WA (Department of Housing, Western Australia) 2012, *RPS Tenants*, http://www.housing.wa.gov.au/currenttenants/rps_tenants/Pages/default.aspx (accessed 23 June 2014).
- 2013, *About the Department of Housing*, <http://www.housing.wa.gov.au/aboutus/aboutthedepartment/Pages/default.aspx> (accessed 23 June 2014).
- 2014a, *Family Tax Benefit - Changes to Rent Calculation*, http://www.housing.wa.gov.au/HousingDocuments/Family_Tax_Benefit_Fact_Sheet.pdf (accessed 22 August 2014).
- 2014b, *Income Limits*, http://www.dhw.wa.gov.au/HousingDocuments/Public_Housing_Income_Limits.pdf (accessed 23 June 2014).
- DHHS (Department of Health and Human Services, Tasmania) 2014, *Information for the sector - Housing*, http://www.dhhs.tas.gov.au/housing/tenants/better_housing_futures/information_for_the_sector (accessed 20 June 2014).
- DHPW (Department of Housing and Public Works, Queensland) 2013a, *Community housing rent assessment tool: Tax allowance scale*, <http://www.hpw.qld.gov.au/SiteCollectionDocuments/CHRentAssessmentToolTaxAllowanceScale.rtf> (accessed 23 June 2014).
- 2013b, *Housing 2020 Strategy*, <http://www.hpw.qld.gov.au/aboutus/BusinessAreas/HousingServices/Pages/Housing2020.aspx> (accessed 20 June 2014).
- 2014, *Logan Renewal Initiative*, <http://www.hpw.qld.gov.au/Housing/SocialHousing/TransferInitiatives/Pages/Logan-Renewal-Initiative.aspx> (accessed 22 September 2014).
- DHS (Department of Human Services) 2014a, *Centrepay*, <http://www.humanservices.gov.au/customer/services/centrelink/centrepay> (accessed 23 June 2014).
- 2014b, *Eligibility for Rent Assistance*, <http://www.humanservices.gov.au/customer/enablers/centrelink/rent-assistance/eligibility> (accessed 20 June 2014).
- 2014c, *Rent Deduction Scheme*, <http://www.humanservices.gov.au/customer/services/centrelink/rent-deduction-scheme> (accessed 23 June 2014).
- DHS Vic (Department of Human Services, Victoria) 2013a, *Public housing*, <http://www.dhs.vic.gov.au/for-individuals/housing-and-accommodation/public-housing> (accessed 23 June 2014).
- 2013b, *Public Tenant Employment Program*, <http://www.dhs.vic.gov.au/about-the-department/plans,-programs-and-projects/programs/housing-and-community-building/public-tenant-employment-program> (accessed 23 June 2014).

-
- 2013c, *Work and Learning Centres*, <http://www.dhs.vic.gov.au/for-individuals/housing-and-accommodation/public-housing/living-in-housing/training-and-employment/work-and-learning-centres> (accessed 23 June 2014).
- 2014, *Public Housing - Fixed Rent*, <http://www.dhs.vic.gov.au/for-individuals/housing-and-accommodation/public-housing/living-in-housing/rent-in-public-housing/public-housing-fixed-rent> (accessed 23 June 2014).
- DPMC (Department of Prime Minister and Cabinet) 2014, *Roles and Responsibilities in Housing and Homelessness*, Reform of the Federation White Paper - Issues paper 2, December, Canberra.
- DSS (Department of Social Services) 2012, *A Place to Call Home*, <http://www.dss.gov.au/our-responsibilities/housing-support/programs-services/homelessness/a-place-to-call-home> (accessed 23 June 2014).
- 2013a, *Income Support Customers: A Statistical Overview 2012*, Statistical Paper, No. 11.
- 2013b, *National Partnership Agreement on Remote Indigenous Housing*, <http://www.dss.gov.au/our-responsibilities/indigenous-australians/programs-services/housing/national-partnership-agreement-on-remote-indigenous-housing> (accessed 23 June 2014).
- 2013c, *National Partnership Agreement on Remote Indigenous Housing: Review of Progress (2008-2013)*.
- 2013d, *National Partnership Agreement on Social Housing*, <http://www.dss.gov.au/our-responsibilities/housing-support/programs-services/housing-affordability/national-partnership-agreement-on-social-housing> (accessed 23 June 2014).
- 2013e, *Social Housing Initiative - Fact Sheet*, <http://www.dss.gov.au/our-responsibilities/housing-support/programs-services/social-housing-initiative/social-housing-initiative-fact-sheet> (accessed 23 June 2014).
- 2013f, *Social Housing Initiative - Guidelines*, <http://www.dss.gov.au/our-responsibilities/housing-support/publications-articles/housing/social-housing-initiative-guidelines?HTML> (accessed 23 June 2014).
- 2014a, *1.2.7.10 Rent Assistance (RA) - Description | Guide to Social Security Law*, <http://guides.dss.gov.au/guide-social-security-law/1/2/7/10> (accessed 23 June 2014).
- 2014b, *3.8.1.109 Net Rent Rules | Guide to Social Security Law*, <http://guides.dss.gov.au/guide-social-security-law/3/8/1/109> (accessed 17 September 2014).
- 2014c, *3.8.1.20 Payability of RA | Guide to Social Security Law*, <http://guides.dss.gov.au/guide-social-security-law/3/8/1/20> (accessed 17 September 2014).
- 2014d, *National Rental Affordability Scheme*, <http://www.dss.gov.au/our-responsibilities/housing-support/programs-services/national-rental-affordability-scheme> (accessed 20 June 2014).

-
- 2014e, *National Rental Affordability Scheme (NRAS) – Incentive (indexation)*, <http://www.dss.gov.au/our-responsibilities/housing-support/programs-services/national-rental-affordability-scheme/national-rental-affordability-scheme-nras-incentive-indexation> (accessed 20 June 2014).
- 2015, *Rent assistance*, <http://www.dss.gov.au/our-responsibilities/housing-support/benefits-payments/rent-assistance> (accessed 20 June 2014).
- DVA (Department of Veterans' Affairs) 2014, *Renting and Rent Assistance*, <http://factsheets.dva.gov.au/factsheets/documents/IS74%20Renting%20and%20Rent%20Assistance.pdf> (accessed 20 June 2014).
- FACS NSW (Department of Family and Community Services, New South Wales) 2014a, *Tenant Employment Incentive Scheme*, <http://www.housing.nsw.gov.au/NR/rdonlyres/4A586EB9-6D91-49C5-BEAF-EE02BF4FE673/0/TenantEmploymentIncentiveScheme.pdf> (accessed 23 June 2014).
- 2014b, *Vacant Bedroom Charge*, <http://www.housing.nsw.gov.au/NR/rdonlyres/4D9DA186-9D32-421D-8F0E-3C9575BF19F0/0/VacantBedroomCharge.pdf> (accessed 23 June 2014).
- Gilmour, T. 2013, *Growing the Community Housing Sector in Western Australia*, Housing Action Network, NSW.
- Government of SA (Government of South Australia) 2014a, *Community Housing Rents and Other Charges*, <http://www.sa.gov.au/topics/housing-property-and-land/housing/renting-and-letting/renting-community-housing/being-a-community-housing-tenant/community-housing-rents-and-other-charges> (accessed 23 June 2014).
- 2014b, *Income and Asset Eligibility Limits for Housing SA Services*, <https://www.sa.gov.au/topics/housing-property-and-land/housing/renting-and-letting/renting-public-housing/waiting-list/income-and-asset-eligibility-limits-for-housing-sa-services> (accessed 23 June 2014).
- 2014c, *Lease Agreements in Public Housing*, <https://www.sa.gov.au/topics/housing-property-and-land/housing/renting-and-letting/renting-public-housing/being-a-public-housing-tenant/lease-agreements-for-public-housing-properties/lease-agreements-in-public-housing> (accessed 22 September 2014).
- 2014d, *Managing your application for public housing*, http://www.sa.gov.au/topics/housing-property-and-land/housing/housing-sa-customers/waiting-list/managing-your-application-for-public-housing#Updating_information_on_your_public_housing_application (accessed 23 June 2014).
- 2014e, *Public housing Rent and Other Charges*, <http://www.sa.gov.au/topics/housing-property-and-land/housing/housing-sa-customers/tenants/rent-water-and-other-charges/public-housing-rent-and-other-charges> (accessed 2 June 2014).
- 2014f, *The Transfer of Public Housing Properties to Community Housing Providers*, <https://www.sa.gov.au/topics/housing-property-and-land/housing/housing-sa>

customers/tenants/the-transfer-of-public-housing-properties-to-community-housing-providers (accessed 20 June 2014).

HMC (Housing Ministers' Conference) 2009, *Implementing the National Housing Reforms*, Progress report to the Council of Australian Governments from Commonwealth, State and Territory Housing Ministers, http://www.dhs.vic.gov.au/__data/assets/pdf_file/0009/564381/Implementing-national-housing-reforms.pdf (accessed 20 June 2014).

Housing NSW (Housing New South Wales) 2012a, *Housing Assistance Options Policy*, <http://www.housingpathways.nsw.gov.au/Ways+we+can+Help/Social+Housing/Housing+Assistance+Options+Policy.htm> (accessed 23 June 2014).

— 2012b, *Managing the NSW Housing Register Policy*, <http://www.housingpathways.nsw.gov.au/Ways+we+can+Help/NSW+Housing+Register/Managing+the+NSW+Housing+Register+Policy.htm> (accessed 23 June 2014).

— 2013a, *Bonnyrigg Living Communities Project Overview - Housing NSW*, <http://www.housing.nsw.gov.au/Changes+to+Social+Housing/Redevelopment/Bonnyrigg+Living+Communities+Project/> (accessed 7 June 2013).

— 2013b, *Charging Rent Policy*, <http://www.housing.nsw.gov.au/Forms+Policies+and+Fact+Sheets/Policies/Charging+Rent+Policy.htm> (accessed 19 June 2014).

— 2013c, *What is Community Housing - Community and Private Market Housing Directorate*, <http://www.housing.nsw.gov.au/Community+Housing+Division/About+Us/What+is+Community+Housing.htm> (accessed 19 June 2014).

— 2014a, *Headleasing*, New South Wales Government, <http://www.housing.nsw.gov.au/NR/rdonlyres/B2792832-95D0-46BD-91C0-39CE143518F4/0/Headleasing.pdf> (accessed 19 June 2014).

— 2014b, *Sydney, South Eastern Sydney and Northern Sydney*, <http://www.housingpathways.nsw.gov.au/How+to+Apply/Expected+Waiting+Times/Sydney+South+Eastern+Sydney+and+Northern+Sydney.htm> (accessed 23 June 2014).

— 2014c, *Tenancy Charges and Account Management Policy Supplement*, <http://www.housing.nsw.gov.au/Forms+Policies+and+Fact+Sheets/Policies/Tenancy+Charges+and+Account+Management+Policy+Supplement.htm> (accessed 23 June 2014).

— 2014d, *Tenant Participation Resource Services Program*, <http://www.housing.nsw.gov.au/Living+in+Public+Housing/Get+Involved/Tenant+Participation+Resource+Services+Program.htm> (accessed 23 June 2014).

Housing Tasmania 2014, *Housing Tasmania*, <http://www.dhhs.tas.gov.au/housing> (accessed 23 June 2014).

JPX Consulting Pty Ltd 2010, *National Community Housing Standards Manual*, Manual, May, Third edition.

-
- KPMG 2012, *Housing Ministers' Advisory Committee: Social Housing Initiative Review*, September, Department of Families, Housing, Community Services and Indigenous Affairs, <http://www.fahcsia.gov.au/our-responsibilities/housing-support/publications-articles/social-housing-initiative-review> (accessed 24 April 2013).
- Mander, T. 2014, *Public housing rent loophole closed*, <http://statements.qld.gov.au/Statement/2014/6/24/public-housing-rent-loophole-closed> (accessed 18 September 2014).
- NAHA Review Working Group (National Affordable Housing Agreement Review Working Group) 2012, *Review of the National Affordable Housing Agreement Performance Reporting Framework*, <https://www.coag.gov.au/sites/default/files/National%20Affordable%20Housing%20Agreement%20Review%20Report.doc> (accessed 25 August 2014).
- NRSCHD (National Regulatory System for Community Housing Directorate) 2014a, *Key milestones*, http://www.nrsch.gov.au/about_nrsch/key_milestones (accessed 19 June 2014).
- 2014b, *Regulatory Framework*, http://www.nrsch.gov.au/__data/assets/file/0004/288229/D_Regulatory_Framework.pdf (accessed 23 June 2014).
- 2014c, *Western Australia*, http://www.nrsch.gov.au/states_and_territories/wa (accessed 23 June 2014).
- NSWFHA (New South Wales Federation of Housing Associations) 2014, *Tenanted Property Transfers: Towards a Community Housing Industry Preferred Approach to Managing Future Property Transfers in NSW*, Final Report, http://www.communityhousing.org.au/index%20attachments/Tenanted%20Property%20Transfers_FINAL%20REPORT_April%202014.pdf (accessed 19 March 2015).
- Parliament of NSW (Parliament of New South Wales) 2013, *4400 - Unauthorised occupants of public housing*, <http://www.parliament.nsw.gov.au/prod/la/qala.nsf/18101dc36b638302ca257146007ee41a/529a7affb3f5c50fca257bcf001e26fb?OpenDocument> (accessed 23 June 2014).
- Pawson, H., Milligan, V., Wiesel, I. and Hulse, K. 2013, *Public Housing Transfers: Past, Present and Prospective*, Final Report, 215, Australian Housing and Urban Research Institute.
- PC (Productivity Commission) 2010, *Contribution of the Not-for-Profit Sector*, Appendix I, Research Report, Canberra.
- Petrusma, J. 2014a, *North west tenants benefit from public housing transfer*, http://www.premier.tas.gov.au/releases/north_west_tenants_benefit_from_public_housing_transfer (accessed 20 June 2014).
- 2014b, *Public housing transfer to benefit tenants*, http://www.premier.tas.gov.au/releases/public_housing_transfer_to_benefit_tenants (accessed 20 June 2014).
- Queensland Commission of Audit 2013, *Final Report - February 2013, Volume 3*, February, <http://commissionofaudit.qld.gov.au/reports/final-report.php> (accessed 4 June 2013).

-
- Queensland Government 2013, *Changes to your housing needs*, <http://www.qld.gov.au/housing/public-community-housing/changes-to-your-housing-needs/> (accessed 23 June 2014).
- SCRCSSP (Steering Committee for the Review of Commonwealth/State Service Provision) 2000, *Report on Government Services 2000*, Productivity Commission.
- 2002, *Report on Government Services 2002*, Productivity Commission.
- SCRGSP (Steering Committee for the Review of Government Service Provision) 2006, *Report on Government Services 2006*, Productivity Commission.
- 2010, *Report on Government Services 2010*, Productivity Commission.
- 2014, *Report on Government Services 2014*, Productivity Commission.
- 2015, *Report on Government Services 2015*, Productivity Commission, Canberra.
- Tenants' Union of NSW (Tenants' Union of New South Wales) 2012a, *Community housing*, http://www.legalanswers.sl.nsw.gov.au/guides/tenants_rights_manual/social_housing/community_housing.html (accessed 25 September 2014).
- 2012b, *Co-operative housing*, http://www.legalanswers.sl.nsw.gov.au/guides/tenants_rights_manual/social_housing/coop_housing.html (accessed 24 September 2014).
- Troy, P. 2012, *Accommodating Australians: Commonwealth Government Involvement in Housing*, The Federation Press, Sydney.
- Upton, G. 2014, *Public housing amnesty discovers \$40m in undeclared assets*, <https://www.nsw.liberal.org.au/news/state-news/public-housing-amnesty-discovers-40m-undeclared-assets> (accessed 23 June 2014).
- VAGO (Victorian Auditor-General's Office) 2012, *Access to Public Housing*, Victorian Auditor General's Report, March, <http://www.audit.vic.gov.au/publications/20120328-Public-Housing/20120328-Public-Housing.html> (accessed 24 April 2013).
- Victorian Government 2014, *New Directions for Social Housing: A Framework for a Strong and Sustainable Future*, March, Victorian Government, http://www.dhs.vic.gov.au/__data/assets/pdf_file/0006/864906/New_Directions_for_Social_Housing_A_Framework_for_a-Strong_and_Sustainable_Future.pdf (accessed 20 June 2014).
- Vogler, S. 2014, 'Housing tenants fail to pay the rent costing Queensland taxpayers more than \$100m.', Queensland, *The Sunday Mail*, 1 June, <http://www.theaustralian.com.au/news/housing-tenants-fail-to-pay-the-rent-costing-queensland-taxpayers-more-than-100m/story-e6frg6n6-1226938466614> (accessed 23 June 2014).
- Winterton, S. 2013, *Partnerships in the WA Community Housing Sector*, Community Housing Coalition of Western Australia, East Perth, <http://www.communityhousing.com.au/wp-content/uploads/2012/05/Partnerships-in-the-WA-Community-Housing-Sector-Nov13.pdf> (accessed 19 June 2014).

Annex A History of housing assistance

The three forms of housing assistance—public housing, community housing and Commonwealth Rent Assistance (CRA)—coexist today because of historical circumstances. Public housing became an important form of housing assistance after the Commonwealth-State Housing Agreement (CSHA) was established in 1945 to address the post-war housing shortage. Although small community housing organisations have existed since the 1800s, community housing only began to evolve into a more prominent type of housing assistance from the late 1970s, as governments granted funding for sector development to give tenants a greater choice of social housing provider. CRA was initially introduced in the late 1950s to help pensioners with rent payments but is now used to assist a wider range of people, including those who may not be eligible for social housing but require housing assistance.

Public housing

Governments began to offer housing assistance to households early in the twentieth century as concerns about affordability mounted. Initial policies mainly involved the provision of housing finance and few attempts were made to establish public housing (Hayward 1996).¹ In the late 1930s and early 1940s, newly established State Housing Authorities (SHAs) in New South Wales, Victoria and South Australia began providing public housing to working class families, as evidence suggested that promoting home ownership was not enough to solve the growing housing shortage (Hayward 1996). At the end of World War II, the number of public housing applicants increased substantially due to a slowdown in housing construction caused by a lack of materials and labour. Following the recommendations of a 1944 Commonwealth Housing Commission report, which anticipated an increasing shortage of housing, the first Commonwealth–State Housing Agreement (CSHA) was established in 1945 to fund public housing. This encouraged the remaining States to establish housing authorities. Twelve housing agreements have been concluded since then, with the most recent being the National Affordable Housing Agreement (NAHA) in 2009 (table 1).

Although housing agreements have evolved over time (table 1), the division of responsibilities for the funding (by the Commonwealth Government) and operating (by the State Governments) of public housing has remained unchanged since 1945. In 1996, the Council of Australian Governments (COAG) adopted a framework for long term housing

¹ In 1912, the New South Wales Housing Board established the Daceyville Housing Estate to provide low-cost rental housing for workers. This scheme produced only 309 dwellings before the Board was abolished in 1924 (Hayward 1996).

assistance reform that included extending CRA eligibility to public housing tenants, while abolishing Commonwealth housing assistance grants to the States and Territories. COAG intended to finalise negotiations on the new framework in 1997 (COAG 1996). However, the Commonwealth decided not to pursue the reforms (FACS 1999a). According to Hulse (2002), this was due to governments' budget concerns and community and interest group opposition.

Table 1 History of housing agreements in Australia

<i>Agreement</i>	<i>Description</i>
1945 CSHA	<p>The first CSHA was established to develop public rental housing.</p> <ul style="list-style-type: none"> • The Australian Government offered low-interest loans to States to fund public housing construction, with a loan term of 53 years. • Rents were required to be set at the cost of provision. • The Australian Government underwrote up to 60 per cent of state rental losses incurred from low-income people who could not afford cost-based rents. • Full loan values had to be repaid upon the sale of public housing. • 50 per cent of properties were allocated to ex-defence force personnel, and the remainder were mainly allocated among low-income families in need of housing.
1956 CSHA, 1961 CSHA, 1966 CSHA	<p>The renegotiation of the CSHA in 1956 led to a number of modifications to encourage home ownership. Twenty per cent of CSHA funds were initially redistributed away from public housing to fund home purchase schemes for low-income earners. This was increased to 30 per cent in 1958-59. In addition:</p> <ul style="list-style-type: none"> • The Australian Government stopped subsidising losses of the SHAs. • States were free to determine their own rent-setting arrangements. • States were allowed to sell public housing without having to pay back the loan immediately. <p>These conditions were largely retained in the 1961 and 1966 CSHAs.</p>
1973 CSHA	<p>Changes were made to target housing assistance to low-income households.</p> <ul style="list-style-type: none"> • A stricter means test was introduced for public housing and home purchase assistance. Eligible families earned less than 85 per cent of average weekly earnings. • Sales to home owners were restricted to 30 per cent of new CSHA housing.
1978 CSHA, 1981 CSHA	<p>Public housing funding was reduced in 1978.</p> <ul style="list-style-type: none"> • Housing assistance became more targeted, with grants being provided for pensioners and others in need. • Sales of public housing were required to be at market prices rather than historic cost. • CSHA funds supported a wider range of housing arrangements, including home purchases, leasing and community housing. • Full market rents were phased in, with rent subsidies provided to disadvantaged tenants. • The 1978-79 Budget required States to match Australian Government CSHA contributions. This requirement was formally included in the 1981 CSHA. <p>While largely similar, under the 1981 CSHA:</p> <ul style="list-style-type: none"> • a larger proportion of funds went to earmarked grants for pensioners and Indigenous Australians • States were allowed to allocate non-earmarked funds to public housing or home purchase assistance.

(continued next page)

Table 1 (continued)

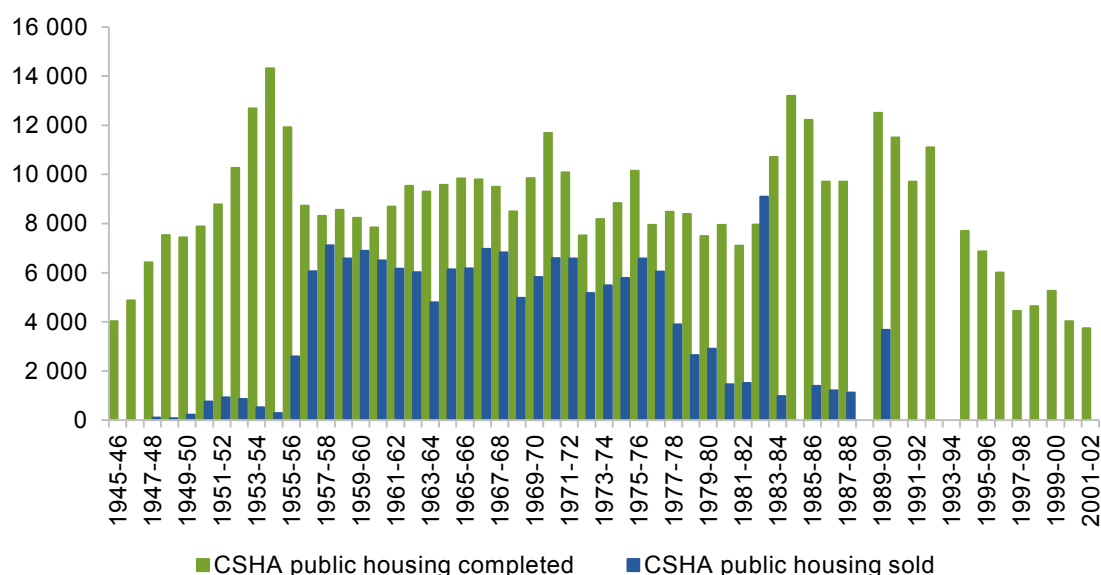
1984 CSHA, 1989 CSHA	Public housing funding increased markedly due to a renewed government commitment to support the public housing stock as a viable tenure choice. <ul style="list-style-type: none">• Rents were set at no less than cost. However, an increasing majority of tenants qualified for rent subsidies.• Earmarked grants were replaced with five identified programs — rental assistance for Indigenous Australians, rental assistance for pensioners, mortgage and rent relief, crisis accommodation, and local government and community housing.• In 1989, all CSHA funds were provided in grants rather than loans, and States were required to match at least half the value of untied grants.• Joint housing assistance plans between individual States and the Australian Government were introduced.• In 1992, more funding for community housing was allocated in the Community Housing Program, which replaced the Local Government and Community Housing Program.
1996 CSHA	Towards the end of the 1989 CSHA, the thinking behind housing assistance policy underwent a major shift. The 1996 CSHA was created as an interim agreement. <ul style="list-style-type: none">• States were given more flexibility to allocate funds between public housing, home purchase assistance and private rental assistance.• Arrangements for identified programs (Indigenous rental housing, community housing and crisis accommodation) were simplified.• Strategic planning and performance measurement requirements aimed to improve accountability and transparency.• There was greater focus on customer outcomes. An annual survey of customer satisfaction with public housing services was introduced.
1999 CSHA	The 1999 CSHA built upon the foundations of the interim agreement based on performance and accountability. <ul style="list-style-type: none">• There was an increased emphasis on assisting those whose housing needs could not be met by the private market. The duration of assistance was to be based on need.• Bilateral agreements between the Australian Government and each State Government were included to help address specific housing needs.
2003 CSHA	The roles and objectives of the previous CSHA were maintained. <ul style="list-style-type: none">• Governments agreed to research barriers to employment for social housing tenants and introduce policy to reduce workforce disincentives. There is limited evidence that this has happened.• Governments aimed to attract more private sector involvement in social housing.
2009 NAHA	The NAHA was established to replace the CSHA and SAAP. ^a It focuses on improving housing affordability and homelessness outcomes. <ul style="list-style-type: none">• It is supported by national partnership agreements on social housing, homelessness and remote Indigenous housing.• It identifies the roles and responsibilities of the three levels of government.• Funding is not tied to specific programs, to give States greater flexibility in addressing housing issues particular to each jurisdiction.• States are not required to match Australian government contributions.• Key housing outcomes are measured against a performance framework reflecting efforts by the three levels of government.• Amendments to the NAHA in 2012 included some changes to performance indicators, and the inclusion of performance benchmarks.

^a The Supported Accommodation and Assistance Program (SAAP) was introduced in 1985 to support women, youth and the homeless.

Sources: ANAO (1999); COAG (2009); DSS (2003); FaCS (1999b); Hayward (1996); Troy (2012).

The level of government support for public housing has changed over time, with implications for the public housing stock. Public housing represented about 1 per cent of the total stock of occupied dwellings in 1947 and increased to 8 per cent by 1966 (Hayward 1996). The expansion was limited by a policy-induced shift towards home ownership from 1956 and an easing of restrictions on public housing sales — about 62 000 CSHA public housing dwellings were sold in the ten years to 1965-66, while 88 000 new dwellings were built (figure 1). Attempts were made to restrict sales of public housing in 1973, but the trend towards funding other forms of housing support, such as home purchase assistance and CRA, rather than public housing, has generally continued.

Figure 1 CSHA public housing dwellings completed and sold^a



^a ABS Yearbook data reported in Troy (2012). Data not available for CSHA public housing completions in the years 1988-89 and 1993-94, or for CSHA public housing sales in the years 1984-85, 1988-89 and 1990-91 to 2001-2002. Data are not available after 2001-02.

Sources: ABS (*Year Book Australia, 2002*, Cat. no. 1301.0; *Year Book Australia, 2003*, Cat. no. 1301.0); Troy (2012, table 3, table 5, table 7, table 9, table 11, table 12, table 15, table 17, table 18 and table 21).

Broad eligibility criteria for public housing, and limits to government funding, meant that growth in demand for public housing exceeded supply, and waiting lists grew. This led to public housing allocations becoming more highly targeted.

- In the 1970s, the introduction of stricter means testing directed public housing more towards low-income households.
- In the 1980s, public housing was targeted further, with the provision of CSHA funds specifically for groups such as pensioners and Indigenous Australians.
- In the 1990s, SHAs implemented segmented waiting lists to give priority housing access to those in greatest need.

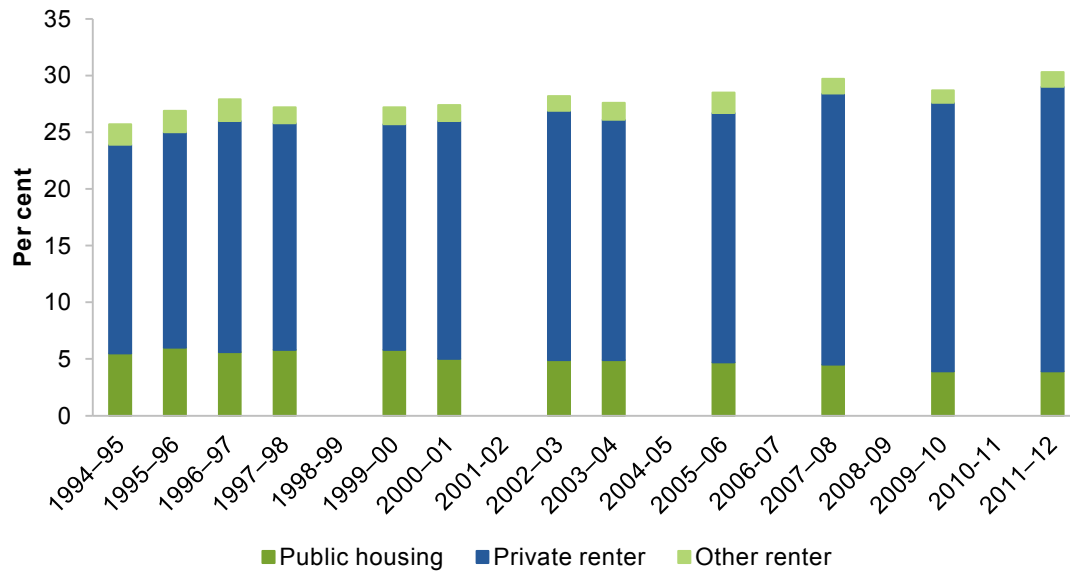
As a result of the tighter targeting, a growing proportion of public housing tenants had complex needs and the vast majority qualified for income-based rent subsidies, and thus paid rents that were below the market level. This lowered rental returns and increased the costs of meeting individuals' housing requirements, and of tenancy management (Audit Office of NSW 2013; DHPW 2013; VAGO 2012). There was also a mismatch between the needs of tenants and the existing public housing stock profile. Increasingly, tenants required only one or two bedrooms but the stock consisted mainly of larger properties that were developed for working families and, as a result, many properties were under-occupied (Audit Office of NSW 2013; DHPW 2013; VAGO 2012).

Needs-based allocations contributed to a problem of concentrated disadvantage in public housing estates. This problem was compounded where public housing was located in areas far from job opportunities and services. By the 1990s, most State Governments recognised the need for public housing estate renewal programs, partly to address these concerns (Pawson, Davison and Wiesel 2012). These initiatives involved asset improvement, demolition or disposal, community development projects and stock transfers. Mixed redevelopments that contained both public and private housing were also thought to reduce concentrations of disadvantage. However, asset renewals have been criticised for the disruptive effects of displacement, where social housing residents are temporarily or permanently relocated out of their neighbourhood. Some critics have also argued that the removal of concentrations of social housing leads to gentrification, which involves a shift in a community towards wealthier residents, while people who are unable to pay high rents are pushed to outer suburbs (Groenhart 2013).

Despite asset renewal programs, a generally ageing public housing portfolio has seen the quality of stock decline. In 2012, 42 per cent of public housing in Victoria was over 30 years old and 14 per cent was nearing obsolescence (VAGO 2012). Approximately 25 per cent and 31 per cent of public housing in New South Wales and the ACT respectively is over 40 years old (Audit Office of NSW 2013; Community Services ACT 2012). These ageing properties require large and frequent repairs, which add to public housing costs to government (VAGO 2012).

The combination of funding constraints, asset sales, maintenance costs and, in more recent times, transfers to community housing, have led to a decline in the public housing stock. In 1994-95, it is estimated that 5.5 per cent of households lived in public housing. By 2011-12, 3.9 per cent of households occupied a public housing dwelling (figure 2). The Australian Government argued that public housing cannot offer a reasonable alternative to the private rental market for all low-income households, and that, while private rents remain high, demand for public housing will continue to grow and exceed supply (FaHCSIA 2010).

Figure 2 Proportion of renting households^{a,b}



^a Public housing refers to households renting from a state or territory housing authority. Other renters include tenants living in community housing as well as households who pay rent to the owner/manager of a caravan park, an employer (including a government authority), a housing cooperative, a church group, or any other body not included elsewhere. ^b The Survey of Income and Housing, which is used to generate statistics for the Housing Occupancy and Costs publication, was not conducted for the years 1998-99 or 2001-02. The survey has been conducted biennially from 2003-04 onwards.

Source: ABS (*Housing Occupancy and Costs*, 2011-12, Cat. no. 4130.0).

Community housing

The history of community housing in Australia extends as far back as the 1800s, when some churches and charitable organisations offered housing to the elderly, homeless and people with disabilities. Most community housing organisations currently in operation were formed from the late 1970s onwards, when State Governments provided greater support to community housing and it became eligible for funding in the 1978 CSHA (table 2). Funding was boosted by the introduction of the Local Government and Community Housing Program in the 1984 CSHA. The program allocated \$130 million over eight years, which represented about 1.8 per cent of available funds under the CSHA, for the provision of community housing dwellings (NHS 1992a; Troy 2012). This program produced about 2200 dwellings.

The sector expanded further during the 1990s. By June 1999, there were approximately 29 600 CSHA community housing dwellings in Australia, representing about 6 per cent of the social housing stock supported under the CSHA (SCRCSSP 2000). These figures do not include community housing that was funded and delivered outside of the CSHA. It was estimated that, at June 1998, an additional 15 000 community housing dwellings —

40 per cent of community housing — across Australia were funded and delivered through other means, such as through other government programs in the health and welfare areas (SCRCSSP 2000).

The growth in community housing during the 1990s was facilitated by several initiatives:

- Based on the 1992 National Housing Strategy’s recommendation, the Community Housing Program was introduced in the 1992-93 Budget; the program more than doubled the funding provided under the Local Government and Community Housing Program (NHS 1992b).
- Some States allocated non-earmarked CSHA funds to community housing.
- Peak industry bodies were established, such as the Community Housing Federation of Australia, which strengthened the sector.

Table 2 Evolution of community housing in Australia

<i>Period</i>	<i>Description</i>	<i>Outcomes</i>
Late 1970s to 1984	State-led community housing initiatives	<ul style="list-style-type: none"> • Growth in the number of organisations funded by State Governments in New South Wales, Victoria and South Australia • Emergence of the sector, with the first dedicated community housing organisations established
1984 to 1991-92	Expansion through nationally-funded schemes	<ul style="list-style-type: none"> • Further growth with the development of a diverse range of community housing models, including long-term rental housing, cooperative housing, joint ventures and crisis accommodation • Outcomes varied between states • Capacity^a developed as state peak organisations were founded
1992-93 to 1995-96	More funding and emergence of a longer-term vision for the sector, as outlined by the 1992 National Housing Strategy	<ul style="list-style-type: none"> • Increasing recognition of the contribution of community housing • 10 per cent of national funding was directed towards sector development • Scale of organisations expanded • National Community Housing Forum and Community Housing Federation of Australia founded
1996-97 to 2002-03	Drive for efficiencies and a move towards market-based solutions	<ul style="list-style-type: none"> • National service standards and accreditation framework introduced • Emphasis on professionalising the sector and improving organisational governance and accountability
2003-04 onwards	Transition to new and more diversified models	<ul style="list-style-type: none"> • States became more active promoters of community housing, often through joint ventures involving the private sector • Tiered regulatory structure introduced, based on risk profiles and activities performed

^a Capacity refers to political capacity (community participation, political leverage), organisational capacity (leadership, management skills), resource capacity (raising external finance, managing cash flows), programmatic capacity (housing and property skills, community linkages) and networking capacity (partnerships, networking) (PC 2010).

Sources: Bisset and Milligan (2004); Gilmour and Bourke (2008); PC (2010).

The support for community housing was driven partly by the shortcomings of public housing management, which was perceived to be bureaucratic and unresponsive. It was

argued that expanding community housing would increase the range of social housing providers for tenants and provide a more responsive tenancy management style for disadvantaged groups (Jones, Phillips and Milligan 2007).

The National Housing Strategy advocated expanding community housing to help house people with low incomes and special needs and to broaden the social housing sector (NHS 1992a). However, the Strategy maintained that public housing should remain the central provider of social housing. The benefits of community housing identified by the Strategy included:

- opportunities for tenant participation, including management
- greater responsiveness to local conditions
- greater range of housing choices
- ability to attract additional resources to increase the total stock of housing.

Government support for community housing has also increased in more recent years, as a strategy to help meet the growing demand for low-cost rental housing. This has contributed to the growth in the number of community housing dwellings, which is estimated to have doubled between 2005 and 2013. State-specific projects have led to part of this growth. For example, New South Wales' Affordable Housing Innovations Fund provided \$50 million in funding for debt–equity partnership projects with community housing organisations over the three years to 2009-10 (PC 2010).

Commonwealth Rent Assistance

Commonwealth Rent Assistance (CRA) began as a small part of the social security system in 1958, but has grown to become a major form of housing assistance (Hulse 2002). It was originally introduced as a flat payment for renters who were single or married to a non-pensioner spouse, and who were nearly entirely dependent on the Age, Invalid or Widows Pension. Since then, CRA has undergone many changes (table 3).

Table 3 History of Commonwealth Rent Assistance

Year Details

- 1958 • Supplementary Assistance introduced for renters receiving Age, Invalid or Widows Pension who were single or married with a non-pensioner spouse.
 - 1965 • Income test introduced.
 - Eligibility extended to pensioners whose wives received Wife's Allowance, and unmarried residents of benevolent homes.
 - 1968 • Eligibility extended to pensioners whose spouse received Unemployment or Sickness Benefit.
 - 1970 • Eligibility extended to each spouse of illness-separated married pensioner couples.
 - Supplementary Allowance introduced for renters receiving long-term Sickness Benefit.
 - 1972 • Eligibility extended to married pensioner couples.
 - 1974 • Amount of payment restricted to amount of rent actually paid.
 - 1982 • Public housing tenants no longer eligible, with a savings provision for existing tenants.^a
 - Supplementary Allowance extended to people transferring from Unemployment Benefit to Sickness Benefit.
 - Pensioners who transferred to Sickness Benefit and eligible for Supplementary Allowance immediately rather than after serving a six-week qualifying period.
 - 1985 • Supplementary Assistance and Supplementary Allowance combined and renamed Commonwealth Rent Assistance (CRA).
 - 1986 • Eligibility extended to some Unemployment and Special Benefit recipients after a 26-week waiting period.
 - 1987 • Separate income test for CRA was abolished, which removed multiple stacking effects. CRA became a supplement to a person's pension or benefit.
 - Waiting period removed for people with children.
 - Savings provision for public housing tenants removed.
 - If a person was entitled to a higher rate than their partner, the payment was made to that person, rather than each receiving half their entitled payment.
 - Eligibility extended to recipients of Family Allowance Supplement^b, thus expanding access to families with children that did not receive any other type of income support. This extension was part of the Hawke Government's anti-poverty initiative.
 - 1991 • Maximum rates indexed to Consumer Price Index (CPI) twice yearly. Previously, there had been no set schedule for when maximum rates were increased.
 - 1992 • Waiting period removed for most recipients, except for single people aged under 18 who were subject to an 18-week waiting period.
 - Eligibility extended to some people aged under 18 who received independent or homeless rate of income support payments.
 - 1993 • CRA for those with children paid as an add-on to Additional Family Payment.^b
 - Rent thresholds varied according to family situation and indexed twice yearly to CPI. Previously, there had been no set schedule for when rent thresholds were increased.
 - Rate of payment increased from 50 to 75 cents for each dollar above the rent threshold, up to a cap.
 - 1994 • Last remaining waiting period removed, applying to some people aged under 18.
 - 1996 • Eligibility extended to certain carers and people receiving care.
 - 1997 • Single sharers without dependent children only eligible for two thirds of maximum rate for singles.
 - 1998 • People who lived in public housing but were not the primary tenant became ineligible.
 - 2000 • Rates increased to compensate for introduction of the GST.
 - 2008 • Eligibility extended to Austudy recipients.
-

^a Community housing tenants were not considered at the time because the community housing sector was still small. ^b Family Allowance Supplement was renamed Additional Family Payment, which was eventually amalgamated with other family payments to become Family Tax Benefit Part A.

Sources: DPS (2007); Ey (2012); FaCSIA (2006a, 2006b); McIntosh and Phillips (2001); Prosser and Leeper (1994).

During the 1980s and 1990s, the focus of Australian Government funding moved from supply-side policies such as public housing, towards the demand-side subsidy that is CRA. This reflected the Australian Government's position of relying on the private market to address housing needs, rather than supporting the direct provision of public housing by State Governments (McIntosh and Phillips 2001). CRA was seen to involve a lower subsidy per dwelling than direct provision with income-based rent, at least in the short term (Randolph and Holloway 2007). It was also increasingly viewed as a method of alleviating poverty among income support recipients living in private rental (Hulse et al. 2012).

As part of the policy shift towards CRA, a wider range of income support recipients gained eligibility and maximum rates were increased in real terms. This caused CRA expenditure to increase considerably. For example, between 1984-85 and 1992-93, the number of income support recipients eligible for CRA nearly doubled and nominal CRA expenditure rose from \$225 million to \$1.1 billion, equivalent to a real increase of 198 per cent (Prosser and Leeper 1994).

Following the release of the National Housing Strategy (1992), the 1992 Commonwealth Budget increased CRA, and included a commitment that '[p]eople on low incomes paying more than 20 per cent of their income on rent will be assisted by the Government towards meeting those costs' (DHHCS 1992b, pp. 14–15, quoted in IC 1993, p. 251). However, CRA continues to be paid as a flat amount that varies based on rent paid and personal circumstances, rather than being based on a specific affordability benchmark.

References

- ANAO (Australian National Audit Office) 1999, *The Commonwealth-State Housing Agreement*, Audit Report, No. 17.
- Audit Office of NSW 2013, *Making the Best Use of Public Housing*, Performance Audit, July, Audit Office of New South Wales, Sydney.
- Bisset, H. and Milligan, V. 2004, *Risk Management in Community Housing: Managing the Challenges Posed by Growth in the Provision of Affordable Housing*, October, National Community Housing Forum.
- COAG (Council of Australian Governments) 1996, *Long-Term Housing Assistance Reform*, Council of Australian Governments' Communiqué, 14 June, http://archive.coag.gov.au/coag_meeting_outcomes/1996-06-14/docs/attachment_a.cfm (accessed 13 August 2014).
- 2009, *National Affordable Housing Agreement*, <http://www.coag.gov.au/node/305> (accessed 24 April 2013).
- Community Services ACT 2012, *Public Housing: Asset Management Strategy, 2012-2017*, http://www.communityservices.act.gov.au/__data/assets/pdf_file/0005/273551/Public_Housing_Asset_Management_Strategy.pdf (accessed 19 March 2015).

-
- DHPW (Department of Housing and Public Works, Queensland) 2013, *Housing 2020 Strategy*, <http://www.hpw.qld.gov.au/aboutus/BusinessAreas/HousingServices/Pages/Housing2020.aspx> (accessed 20 June 2014).
- DPS (Department of Parliamentary Services) 2007, *Bills Digest: Social Security Legislation Amendment (2007 Budget Measures for Students) Bill 2007*, <http://www.aph.gov.au/binaries/library/pubs/bd/2007-08/08bd004.pdf> (accessed 23 June 2014).
- DSS (Department of Social Services) 2003, *Commonwealth State Housing Agreement*, <http://www.dss.gov.au/our-responsibilities/housing-support/publications-articles/housing/commonwealth-state-housing-agreement> (accessed 24 June 2014).
- Ey, C. 2012, *Social security payments for the unemployed, the sick and those in special circumstances, 1942 to 2012: A chronology*, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/2012-2013/SSPaymentsUnemployment/AppendixD/AppendixDTable1 (accessed 23 June 2014).
- FACS (Department of Families and Community Services (C'Wlth)) 1999a, *Housing Assistance Act 1996 Annual Report 1996-1997*, Canberra, <http://www.dss.gov.au/our-responsibilities/housing-support/publications-articles/housing/housing-assistance-act-1996-annual-reports/commonwealth-state-housing-agreement-csha-annual-report-1996-1997?HTML> (accessed 13 August 2014).
- 1999b, *Commonwealth-State Housing Agreement (CSHA): Annual Report 1996 - 1997*, Annual Report, <http://www.dss.gov.au/our-responsibilities/housing-support/publications-articles/housing/housing-assistance-act-1996-annual-reports/commonwealth-state-housing-agreement-csha-annual-report-1996-1997?HTML> (accessed 20 June 2014).
- FaCSIA (Department of Families, Community Services and Indigenous Affairs) 2006a, *A Compendium of Legislative Changes in Social Security 1908-1982*, Occasional Paper, No. 12.
- 2006b, *A Compendium of Legislative Changes in Social Security 1983-2000*, Occasional Paper, No. 13.
- FaHCSIA (Department of Families, Housing, Community Services and Indigenous Affairs) 2010, *Regulation and Growth of the Not-For-Profit Housing Sector: Discussion Paper*, Discussion Paper, April, <http://www.fahcsia.gov.au/our-responsibilities/housing-support/programs-services/housing-affordability/regulation-and-growth-of-the-not-for-profit-housing-sector-discussion-paper> (accessed 13 May 2013).
- Gilmour, T. and Bourke, E. 2008, 'The role of organisation structure, relationships and networks in building Australia's community housing sector', presented at Paper presented to the 3rd Australasian Housing Researchers' Conference, Melbourne, 18 June.

-
- Groenhart, L. 2013, 'Reflecting on a decade of Australian social housing policy: Changes in supply and geography, 2001-2011', *Geographical Research*, vol. 51, no. 4, pp. 387–397.
- Hayward, D. 1996, 'The reluctant landlords? A history of public housing in Australia', *Urban Policy and Research*, vol. 14, no. 1, pp. 5–35.
- Hulse, K. 2002, 'Rent Assistance: Time for a Policy Review?', *Just Policy: A Journal of Australian Social Policy*, no. 25, pp. 13–25.
- Hulse, K., Burke, T., Ralston, L. and Stone, W. 2012, *The Australian Private Rental Sector: Changes and Challenges*, Positioning Paper, July, 149, Australian Housing and Urban Research Institute.
- IC (Industry Commission) 1993, *Public Housing*, Inquiry Report, 34, Canberra.
- Jones, A., Phillips, R. and Milligan, V. 2007, *Integration and social housing in Australia: Challenges and options*, Positioning Paper, 102, Australian Housing and Urban Research Institute.
- McIntosh, G. and Phillips, J. 2001, *The Commonwealth-State Housing Agreement*, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Publications_Archive/archive/StateHouseAgree (accessed 23 June 2014).
- NHS (National Housing Strategy) 1992a, *Housing Choice: Reducing the Barriers*, Issues paper, Australian Government Publishing Service, Canberra.
- 1992b, *National Housing Strategy: Agenda for Action*, Issues paper, Australian Government Publishing Service, Canberra.
- Pawson, H., Davison, G. and Wiesel, I. 2012, *Addressing Concentrations of Disadvantage: Policy, Practice and Literature Review*, Final Report, 190, Australian Housing and Urban Research Institute, <http://www.ahuri.edu.au/publications/projects/myrp704/> (accessed 22 April 2013).
- PC (Productivity Commission) 2010, *Contribution of the Not-for-Profit Sector*, Appendix I, Research Report, Canberra.
- Prosser, B. and Leeper, G. 1994, 'Housing affordability and changes to Rent Assistance', *Social Security Journal*, pp. 40–62.
- Randolph, B. and Holloway, D. 2007, *Commonwealth Rent Assistance and the spatial concentration of low income households in metropolitan Australia*, Final Report, June, 101, Australian Housing and Urban Research Institute.
- SCRCSSP (Steering Committee for the Review of Commonwealth/State Service Provision) 2000, *Report on Government Services 2000*, Productivity Commission.
- Troy, P. 2012, *Accommodating Australians: Commonwealth Government Involvement in Housing*, The Federation Press, Sydney.
- VAGO (Victorian Auditor-General's Office) 2012, *Access to Public Housing*, Victorian Auditor General's Report, March, <http://www.audit.vic.gov.au/publications/20120328-Public-Housing/20120328-Public-Housing.html> (accessed 24 April 2013).

Background paper 2

Housing assistance and financial incentives to work

Key points

- Analysis of budget constraints and effective marginal tax rates (EMTRs) is used to shed light on the effect of housing assistance (Commonwealth Rent Assistance (CRA) and social housing) on recipients' financial incentives to work. A number of caveats apply to analysis of this type. It:
 - typically does not account for the costs of working (for example, childcare and transport costs)
 - ignores non-financial factors that influence employment decisions (for example, health issues)
 - cannot reveal whether a person works — that is an empirical question.
- Housing assistance affects recipients' budget constraints and EMTRs.
- Withdrawal of income support payments (ISPs) with increases in market income contributes more to EMTRs than withdrawal of housing assistance.
 - Although CRA is withdrawn at the same rate as an income support payment (ISP) (for recipients whose eligibility rests on receipt of an ISP rather than Family Tax Benefit Part A), this affects recipients' EMTRs over a relatively small income range and at higher levels of income than withdrawal of the ISP.
- A majority of ISP recipients would have a higher disposable income post rent if they lived in social housing than if renting privately and receiving CRA.
- Differences in public housing rent setting arrangements around the country make for small differences in the contribution of these arrangements to EMTRs.

This background paper considers how the two main Australian housing assistance policies, Commonwealth Rent Assistance (CRA) and rent subsidies associated with social housing, alter financial incentives to work.

Estimates of the financial incentives created by housing assistance are presented for 'typical' individuals — identified by family structure, income support payment (ISP) and type of housing assistance. An example is a single, childless Disability Support Pensioner living in public housing.

A person's financial incentive to work depends on the relationship between their market income and their disposable income — that is, how much their disposable income changes as a result of work. Market income includes wages and salaries, income from business ownership, dividends, interest, superannuation pensions and compensation for lost income (for example, payments from an income protection insurance policy or workers' compensation scheme). For many, market income consists largely of labour income. In the context of this paper, changes in market income are assumed to come from changes in labour supply. Gross income is market income plus direct government transfers (for example, the Age Pension and Family Tax Benefit Part A). Disposable income refers to gross income after direct taxes (for example, income tax).

The relationship between market and disposable income mainly depends on income taxes, and rules relating to the level and withdrawal of transfer payments — that is, the tax and transfer system.¹ Financial incentives to work decrease as a person retains less of their market income.

Housing assistance is part of the transfer system, and its effects on incentives vary greatly according to how it interacts with other parts of the tax and transfer system. The Commission built a model of the Australian tax and transfer system (annex A) to estimate the effects of housing assistance on financial incentives to work. The model and supporting documentation will be available from the Commission's website. The model is referred to in the paper as PCTT 2014.²

While this paper identifies the effects of policies on the financial incentives faced by typical individuals, the impact of those incentives on employment outcomes is not considered. Analysis of that question is presented in background paper 5.

The next section defines the measures of financial incentives to work used in the paper, and describes how they are derived. The two housing assistance policies are summarised to demonstrate how assistance changes as market income increases (section 2). Financial incentives to work for typical housing assistance recipients are then analysed (section 3) and incentives for social housing residents and CRA recipients are compared (section 4).

1 What are financial incentives to work?

A policy can affect an individual's financial incentive to work in two ways:

- First, a housing subsidy in effect increases a person's income level. Throughout the paper, this is termed an income effect. Receipt of housing assistance increases a

¹ Concessions, for example for health care services or utilities, also affect the amount of goods and services that a person can purchase with their disposable income. These are not taken into account in the analysis.

² The rules, thresholds and rates used in the model in calculating payments and taxes, and that, therefore, underlie the results presented in this paper, were those current at March 2014.

person's disposable income in a way that is independent of the price effect on their work effort. The income effect means they can buy more goods and services, including leisure time.³

- The income effect is measured as the dollar value of housing assistance received, or the size of the subsidy.
- Second, when the subsidy is related to income levels, it can change how much disposable income a person takes home from *any increase* in market income (or income earned from employment).⁴ Throughout the paper, this is termed a price effect. The withdrawal of housing assistance as market income rises means that disposable income increases by less than market income (the 'price' of work).⁵
 - The price effect acts as a tax on work. The increase in disposable income per dollar of market income is less than one, and can be thought of as $(1 - tax)$. More generally, *tax* can be thought of as an 'effective tax rate' that accounts for the net effect of all aspects of the tax and transfer system, including income tax payments and any withdrawal of benefits in addition to the withdrawal of housing assistance.

Economists often use shifts in budget constraints and changes in effective marginal tax rates (EMTRs), respectively, to represent these two effects of subsidies on financial incentives to work.⁶ Financial incentives to work are described in more detail in box 1.⁷

³ From the perspective of labour supply theory, an increase in unearned income at any level of employment is thought to cause a person to reduce their hours of work, or reduce their willingness to enter employment if they are not working. This paper makes no judgment on this matter.

⁴ While recipients of housing assistance might receive market income from dividends and interest, these sources of income are likely to be small. In addition, the paper's focus on incentives to work (and working age housing assistance recipients) means that superannuation pensions are unlikely to be a relevant source of market income. For most working age housing assistance recipients, most market income is likely to be earnings from employment.

⁵ A change in the effective price that an individual is paid for an extra hour of work has two types of effects — income and substitution effects. The income effect stems from the effect of the price change on the person's income. If the price falls, income declines, so the income effect describes how a person will have an incentive to work more hours to maintain their income. The substitution effect, however, will encourage them to work fewer hours (consume more leisure) because work pays less. The net effect is ambiguous. This is different from the effect of a price change of a normal good, where the income effect and substitution effect work in the same direction. This arises because an extra hour of leisure is preferred by most people to an extra hour of work.

⁶ Some studies use replacement rates (RR) or participation tax rates (PTRs) to measure financial incentives to work. The RR is the ratio of net income out of work to net income in work. The PTR measure the proportion of a person's gross earnings from work that are lost in taxes or reduced benefits. Both measures require an assumption about what an individual would earn if they entered employment. For this purposes of this project, EMTR schedules are preferred because they illustrate the separate effects of the withdrawal of housing assistance and income support payments and the payment of income taxes at different levels of market income.

⁷ The term marginal tax rates (MTRs) is used to refer to the amount of tax paid on an additional dollar of market income. Effective marginal tax rates (EMTRs) include MTRs plus the effects of other factors (the tapering of housing assistance and ISPs) that create a difference between market and disposable income.

Box 1 Financial incentives to work

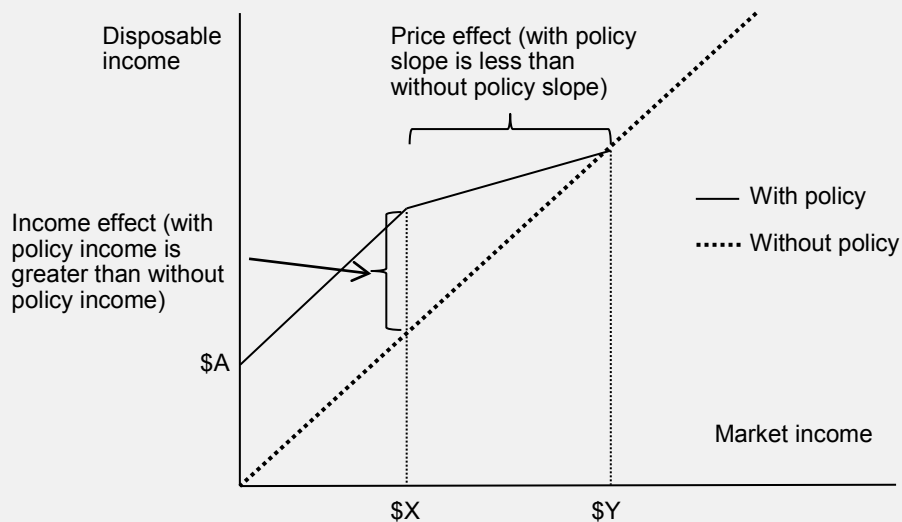
The amount of disposable income that a person has at any given level of market income can be represented as a budget constraint. A comparison of budget constraints 'with' and 'without' a policy reveals the income effect of that policy.

In the figure below, the 45 degree line represents a budget constraint without taxes or transfers — disposable income equals market income. This line is identified as 'without policy'.

Imagine an illustrative policy that provides a subsidy to renters. Disposable income at zero market income increases by the amount of this subsidy, \$A — an income effect. The subsidy is unchanged as market income increases to \$X, and is then withdrawn as market income increases beyond \$X, reducing the income effect and imposing a price effect (explained below). At higher levels of labour supply (beyond \$Y market income), the subsidy goes to zero, and the budget constraints with and without the policy coincide. The budget constraint with the policy in place is represented by the solid line up to market income \$Y and the 45 degree line thereafter.

The distance between the two budget constraints at any level of market income represents the size of the housing assistance (subsidy) at that income level.

The price effect of a policy at any level of market income is captured by comparing the effective marginal tax rates (EMTRs) faced by a person with and without the policy.



(continued next page)

In the context of housing assistance, tapering includes the withdrawal of CRA and increases in rent paid in public housing as market income rises. In both instances, the withdrawal of housing assistance contributes to the EMTRs faced by recipients.

Box 1 (continued)

EMTRs are derived from the slope of the budget constraints. The slope equals the proportion of an additional unit of market income (the ‘marginal’ market income) that is retained as disposable income. For example, a slope of 0.8 indicates that a person retains 80 per cent of their marginal market income. The effective marginal tax rate is calculated as 1 minus the slope of the budget constraint — in this example, it would be 0.2, or 20 per cent (effective marginal tax rates are often expressed in percentage form). All else equal, the *lower* (flatter) the slope of the budget constraint, the *higher* the effective marginal tax rate.

In the figure, the slope of the budget constraint with the policy in place is equal to 1 both up to \$X and beyond \$Y. In this range, the contribution of the policy to the EMTR is zero. The person retains all of each additional dollar of income.

Between \$X and \$Y, the slope of the budget constraint with the policy in place is less than 1 — the EMTR is greater than zero. In comparison, the slope of the no-policy budget constraint remains equal to 1 over this income range, and the EMTR, therefore, is zero. The difference in EMTRs derived from the budget constraints with and without the policy in place represents the price effect of the policy.

The income and price effects of multiple policies are established by comparing the budget constraints associated with each policy. For example, a person may receive both housing assistance and a welfare payment. In this case (re-interpreting the figure to include the effect of both policies), comparing the ‘with policies’ and ‘without policies’ budget constraints identifies the incentives due to the combination of policies. Similarly, the effect of housing assistance could be isolated by comparing the ‘with all policies’ budget constraint to a ‘welfare payment only’ budget constraint (not illustrated).

In this paper, the effects of housing assistance policies on budget constraints and EMTRs are used to identify the impacts of Commonwealth Rent Assistance (CRA) and social housing rent setting on financial incentives to work. In adopting this focus, the analysis abstracts from many other factors that might affect a person’s employment decisions including, for example, costs associated with working (childcare, transport and the like), health problems and cultural attitudes towards work (box 2). Despite these abstractions, the approach provides insights into the effects of the housing assistance policies under study on the financial incentives faced by different recipients.

Box 2 **Limitations of measures of financial incentives to work**

Measures of financial incentives to work, and particularly changes in EMTRs, are widely used to investigate the likely effect of a policy on employment (Lovering 2014; National Commission of Audit 2014; Treasury 2010). However, for a number of reasons, analysis of income and price effects supports only limited conclusions about the employment effects of a policy.

First, a policy is likely to affect other, non-financial incentives to work that influence the labour–leisure decision (Dockery et al. 2008). For example, a housing policy may allow a recipient to move closer to locations of employment, decreasing the time (and other costs) required to commute. The effective marginal tax rate (EMTR) estimates do not usually include the effect of a policy on costs associated with working, nor on disposable income after these costs have been deducted.

Second, the estimation of the EMTR is only a first step in estimating employment effects — what matters is the behavioural response of affected people. The price effect is ambiguous (footnote 4). On the one hand, a rise in the EMTR has a substitution effect as the return to working declines (which lowers the price of leisure). On the other hand, the decline in income associated with the higher EMTR may see a person increase their work to maintain their disposable income. Then there is the separate income effect of the subsidy. The recipient may work less, since the subsidy allows them to achieve the same level of income at fewer hours worked.

Ultimately, empirical analysis is required to determine individuals' responses to different financial incentives to work, and that analysis should ideally take into account all financial and non-financial factors affected by the policy.

More generally, EMTRs must be interpreted with care:

- The same EMTR can be associated with very different income effects. For example, a person can face the same EMTR when faced with the progressive withdrawal of a subsidy of \$10 000 as with the withdrawal of a subsidy of \$1000.
- By definition, EMTRs illustrate changes at the margin — the share of an additional dollar of market income that an individual pays in tax or that is offset by the withdrawal of their income support payment. It is the net return to working that influences work decisions.

2 Interactions between housing assistance policies and market income

To assess the financial incentives to work associated with housing assistance policies, it is necessary to understand how the policies affect disposable income at different levels of market income. To that end, this section provides an overview of CRA and social housing rent setting arrangements. More detail on these policies is available in background paper 1.

An overview of Commonwealth Rent Assistance (CRA)

Eligibility and payment amounts

CRA is a subsidy paid to recipients of ISPs⁸ and Family Tax Benefit Part A (FTB A) (in excess of the ‘base rate’) who rent in the private market or from a community housing provider.⁹

Eligible people who pay rent above a threshold level receive the lower of:

- 75 per cent of the difference between their rent and that threshold amount
- a maximum amount.

The threshold and maximum amounts vary by family situation (table 1).

Table 1 CRA threshold and maximum amounts by family situation, as at March 2014

<i>Family situation^a</i>	<i>Number of dependent children</i>	<i>Threshold amount</i>	<i>Maximum amount</i>
	Number	\$ per annum	\$ per annum
Single	0	2 912	3 286
Couple	0	4 742	3 089
Single	One to two	3 837	3 847
Couple	One to two	5 678	3 847
Single	Three or more	3 837	4 350
Couple	Three or more	5 678	4 350

^a Other rules apply to people sharing a rental property and for temporarily-separated couples.

Source: DSS (2014).

Rules governing withdrawal of rent assistance

Once market income reaches a certain level, rent assistance is withdrawn as income increases. The withdrawal of CRA is determined by the ‘income test’ that applies to the recipient’s welfare payment (the Department of Human Services defines the income test to include both the *level* of income above which the benefit is withdrawn and the *rate* of withdrawal). For example, if a person receives the Disability Support Pension (DSP) and

⁸ ISPs are welfare payments administered by the Department of Human Services (DHS). Family Tax Benefit is also administered by DHS, but is not an ISP.

⁹ In addition, rent assistance is available to recipients of some Department of Veterans’ Affairs pensions, such as the service pension and the social security age pension (DVA 2013). Due to the focus on incentives to work, these payments are not analysed in this paper.

CRA, then the withdrawal of CRA is determined by the DSP income test. If they receive CRA because they get more than the base rate of FTB A, withdrawal of CRA is based on the FTB income test.

Income support payment income tests

Income tests vary by payment type and a recipient's characteristics.¹⁰ For example, the income threshold at which an ISP starts to be withdrawn (also known as the income free area) and the rate of withdrawal (also known as the taper rate) will be different for Disability Support Pension (DSP) recipients and Parenting Payment recipients, and for singles and couples.¹¹

CRA is withdrawn only after the ISP has reduced to zero.¹²

The effect of an ISP income test on CRA payments is illustrated in figure 1. Up to market income \$A the full ISP and CRA are paid. Between \$A and \$B, the ISP is withdrawn as market income increases, but the full CRA amount is received. Finally, after the ISP has reduced to zero (at \$B), CRA is withdrawn at the same rate as the ISP was withdrawn. At levels of market income above \$C, the person no longer receives any CRA.

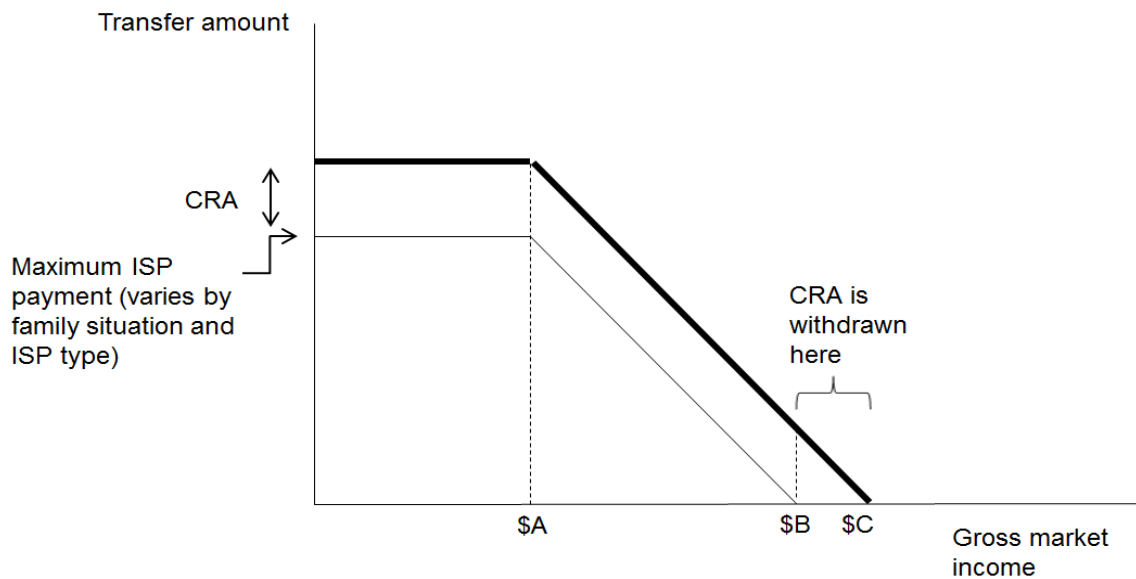
The effect of this approach to withdrawing CRA is to extend the range over which welfare payments are withdrawn, rather than to increase the rate of withdrawal. An alternative approach would see CRA withdrawn at the same time as an ISP — contributing to higher EMTRs for CRA recipients.

¹⁰ All income support recipients, irrespective of payment type, are permitted to combine employment with receipt of welfare payments in line with the income test applying to their payment.

¹¹ There are some complicating factors. First, most individuals are eligible for more than one payment (for example, Age Pension recipients also receive a Pension Supplement and a Clean Energy Supplement). Only the Pension Supplement has been included in the analysis presented in this paper. Other supplements and allowances are ignored. Furthermore, different withdrawal rates can apply over different ranges of income. This is taken into account in the analysis presented. The situation for couples is more complex again — there is either a joint-income or partner-income test — and becomes even more complex if both receive ISPs. These characteristics of ISPs are not discussed further in this paper, but they are captured by the PCTT 2014 model.

¹² Some smaller components of welfare support (such as part of the pension supplement) are withdrawn after rent assistance.

Figure 1 The interaction between CRA and the ISP income test^a



^a This schematic ignores supplement payments and is not to scale.

Family Tax Benefit Part A income test

The Family Tax Benefit (FTB) Part A is the larger of two amounts (DHS 2014):

- a maximum rate less 20 cents per dollar of adjusted family income¹³ above \$50 151
- a base rate less 30 cents per dollar of adjusted family income above \$94 316 (or higher if the family includes more than one eligible child).

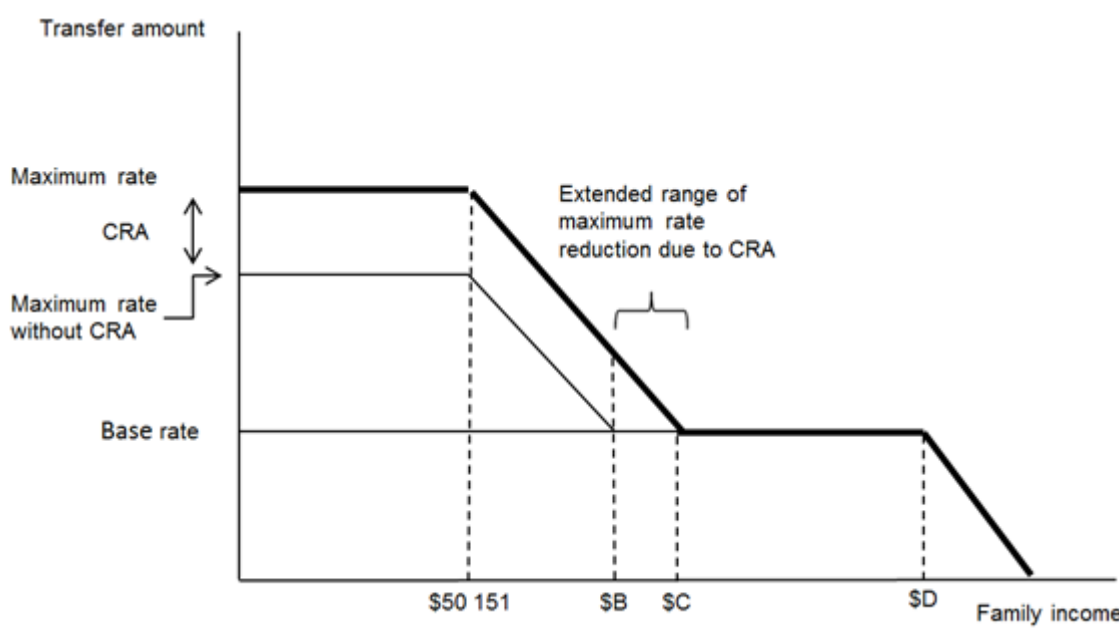
The maximum and base rates vary according to the number and characteristics of children in the family (for example, their age, student status and whether they are a triplet or quadruplet). The maximum rate also depends on CRA, which is included in calculating the maximum rate for all families that rent in the private market. That is, a family that rents has a higher FTB A maximum rate than a family with otherwise identical characteristics, including income, that owns their home. (Summary tables for each tenure type are presented in annex B.) CRA is withdrawn as adjusted family income rises, and is zero at the income level that qualifies a family to receive the base rate of FTB A, that is, \$94 316 if the family includes one child. For families with three or more children, income does not reach a level at which a base rate of FTB applies. In this case, FTB continues to reduce from the maximum payment at a rate of 20 cents per dollar of extra income until it reaches zero.

¹³ 'Adjusted' family income is used in the Family Tax Benefit income test. It includes market income and welfare payments.

If CRA was not included in the maximum rate of FTB A, the maximum rate would be lower by exactly the CRA amount, and would decrease to the base rate (or to zero for families for whom the base rate doesn't apply) at a lower level of adjusted family income. In other words, receipt of CRA both increases a family's maximum FTB A rate, and increases the range of income over which this payment is higher than the base rate.

This is illustrated in figure 2 for a family for whom the base rate applies. The bold line represents the amount of FTB A, including CRA, received at different levels of adjusted family income by a renting family. At incomes up to \$50 151 the family receives the maximum FTB A rate, which includes CRA. Above this level of adjusted income, the maximum rate is reduced until it reaches the base rate at \$C. If the CRA component was not included in the maximum rate, the FTB payment would reach the base rate at a lower family income (\$B). The family receives the base rate of FTB A up to income \$D (for example, \$94 316 if a family has one eligible child, or \$98 112 with two eligible children). As income rises beyond \$D the family's base rate of FTB A is withdrawn.

Figure 2 The interaction between CRA and the FTB A income test^{a,b}
 Situation for families for which the base rate applies



^a This schematic is not to scale. For instance, the positions of \$B, \$C and \$D depend on family characteristics. ^b As per previous comment, this diagram only applies to FTB recipients (eligible for CRA) where the base rate is applicable. The base rate is not applicable where the rate calculated under the first income test is higher than the rate calculated under the second income test (i.e. where there are 3 or more children).

There are special rules for families that receive both an ISP and FTB A. First, ISP recipients always receive the maximum rate of FTB A. Second, recipients receive rent assistance through FTB A rather than through the ISP payment, so CRA is withdrawn

along with FTB A, not the ISP. Withdrawal of CRA does not commence until family income reaches \$50 151 or all ISP is withdrawn, whichever is higher. CRA is withdrawn in line with the FTB A income test, not the ISP income test, meaning that the EMTRs are lower.

An overview of social housing rent setting

Rent setting in public housing

As discussed in background paper 1, rent setting arrangements vary across the country because public housing is provided by state governments. Nonetheless, there are substantial similarities across jurisdictions:

- Most states charge residents 25 per cent of ‘assessable household income’, up to market rent. The exceptions are the Northern Territory (23 per cent is charged, up to market rent) and New South Wales (between 25 per cent and 30 per cent is charged depending on household income, up to market rent).¹⁴
- In calculating assessable income:
 - states include income from all household members, although some states treat income from youths or aged pensioners differently. Also, some states count only a proportion of income from some members of the household (such as children, carers or secondary income earners)
 - states take a similar approach to income from government payments (table 2). The main ISPs are fully counted, and payments that are deemed to be for ‘specific purposes’ are fully excluded (including the Child Care Benefit and Child Care Rebate). Sixty per cent of Family Tax Benefit is included in most states¹⁵, although the Northern Territory has different rules
 - Tasmania is alone in deducting income tax and the Medicare levy from gross income (market income plus transfers). Other jurisdictions use pre-tax income.

¹⁴ South Australia also charges a lower percentage for cottage flats (single story flats in small groups) — 19 per cent for a bedsitter, 21 per cent for a one bedroom flat and 23 per cent for a two bedroom flat (Government of South Australia 2014).

¹⁵ Although different rules may apply depending on whether FTB is received fortnightly or as a single end-of-financial-year payment. (FTB recipients can choose between these options.)

Table 2 Proportion of government payment counting as income for public housing rent setting^a

Per cent

<i>Government payment</i>	<i>NSW, SA, Tas</i>	<i>NT</i>
Age Pension; Disability Support Pension	100	100
Newstart Allowance, Youth Allowance	100	100
Parenting Payment, Carer Payment	100	100
Austudy	100	100
Family Tax Benefit part A	60	43
Family Tax Benefit part B	60	0
Child Care Benefit	0	0
Child Care Rebate	0	0

^a Information could not be included for Victoria, Queensland or Western Australia.

Source: Personal communication with State Housing Authorities.

Rent setting in community housing

Community housing rent setting closely follows public housing rent setting rules in most jurisdictions (CHFA 2014). For example, in Victoria, community housing rent is set at 25 to 30 per cent of assessable income, although family payments are charged at 15 per cent (CHFV 2013). While community housing tenants are eligible for CRA, tenants are required to pay it to the landlord (CHFV 2013), and it has no bearing on a tenant's disposable income or financial incentives to work (BP 1). Community housing rent setting, therefore, affects incentives to work in much the same way as public housing rent setting despite the receipt of CRA. All of the analysis presented below for public housing tenants can be read as also applying to community housing tenants.

3 Financial incentives to work related to housing assistance

This section summarises and discusses incentives to work under CRA and social housing rent settings for 'typical' housing assistance recipients — the most prevalent types of recipients (box 3).

The observations presented rely on analysis of budget constraints for each typical recipient. The Commission has used the PCTT 2014 model to derive these curves, applying the logic set out in section 1 to isolate the effects of housing assistance.

Rather than explain budget constraints and EMTRs for all typical recipients, only one example is worked through in this paper — for a single, childless DSP recipient. Using this model, other examples can be similarly examined, as needed. This example was chosen because the budget constraints and EMTR curves for a person with these characteristics are

relatively simple to explain. This relative simplicity arises because the DSP is not assessable for income tax purposes for people under age pension age. Other welfare payments, including the Age Pension, Newstart Allowance, Youth Allowance and Parenting Payment (Partnered) are assessable, complicating the analysis for these groups (ATO 2014). It is recognised that DSP recipients face barriers to employment. Nonetheless, some do work and most new recipients since 2006 have been assessed as having some job capacity (BP 3).

Box 3 The most prevalent groups receiving housing assistance

Data from the Department of Human Service's administrative collection indicate that three groups, classified by ISP and family situation, accounted for over 50 per cent of working age CRA recipients who receive ISPs in 2013:^a

- childless singles receiving the Newstart Allowance — 20.5 per cent
- childless singles receiving the Disability Support Pension — 18.4 per cent
- single parents receiving the Parenting Payment and the FTB — 14.8 per cent.

The same dataset indicates that the same groups make up nearly 60 per cent of working age public housing tenants who receive ISPs:

- childless singles receiving the Disability Support Pension — 36.6 per cent
- childless singles receiving the Newstart Allowance — 10.3 per cent
- single parents receiving the Parenting Payment and the FTB — 10.7 per cent.

^a Data exclude people who receive FTB only (that is, no ISP).

Summary insights are presented for other typical recipients. Budget constraints and EMTR curves for the other typical recipients are presented in annex C to this background paper.

Unlike in section 1, the budget constraints that are presented link market income to disposable income *less rent paid*. This small change in approach is needed in order to compare the two housing policies. Both policies mean that a recipient has more disposable income after paying rent, but this outcome is achieved in different ways. CRA increases a tenant's disposable income directly, but doesn't change the rent that they pay (they still pay the market rent). In this case, the housing assistance subsidy received by the tenant is explicit. Social housing rent setting doesn't change a tenant's disposable income, but reduces the rent that they pay (they pay less than the market rent). In this case, the housing assistance subsidy received by the tenant is implicit. An example illustrating these differences is presented in table 3.

The different ways in which rent subsidies are delivered also means that the income effect described in section 1 is defined slightly differently for social housing tenants. Because a person's disposable income doesn't change when they move into social housing (because

the subsidy is implicit), the income effect is measured as the change in disposable income less rent. This is equal to the implicit rent subsidy.¹⁶

Table 3 Illustrative example — rent subsidies for private renters and social housing tenants^a

<i>Housing assistance</i>	<i>Income</i>	<i>Market rent</i>	<i>Income less market rent</i>	<i>CRA</i>	<i>Disposable income</i>	<i>Rent paid</i>	<i>Disposable income less rent paid</i>	<i>Rent subsidy/income effect</i>
CRA	20 000	10 000	10 000	5 000	25 000	10 000	15 000	5 000
SH	20 000	10 000	10 000	..	20 000	5 000	15 000	5 000

^a This illustrative example does not use actual data. The numbers have been chosen to illustrate the difference between rent subsidies for the two types of housing assistance — not to reflect actual scenarios.

The mechanics of the two rent subsidies are summarised in box 4.

Finally, unless otherwise indicated, it is assumed in examples presented throughout the section that housing assistance recipients live in properties with a market rent of \$10 000 per year (\$192 per week). This amount would allocate the maximum rate of CRA to an eligible private renter. It is also consistent with an estimate of the median rent paid by DSP recipients who rented privately and received CRA in June 2013 (BP 3, annex A).¹⁷

A description of the budget constraints and EMTR schedules for a single, childless DSP recipient in either the private rental market or social housing follows. A summary of the income and price effects of housing assistance for CRA recipients and social housing tenants is then presented. Finally, the disposable incomes of otherwise similar CRA recipients and social housing tenants are compared.

¹⁶ In-kind support of this type ties a tenant to a housing outcome that they might not have chosen if they instead received a cash subsidy. To the extent that this is the case, the value the person places on their housing assistance is lower than the value of the subsidy — an inefficient outcome.

¹⁷ The median rent estimate in BP 3, annexe A is \$176. This estimate is probably a bit lower than the median for single DSP recipients — suggesting that use of a higher figure is warranted. First, the estimate is based on rents paid by all DSP recipients. Partnered DSP recipients might pay less rent than singles (that said, 80 per cent of DSP recipients who receive CRA are single so the estimate is primarily driven by singles' rents). Second, rent information for some ISP recipients might be out of date. In the data underlying the median rent estimate, over 80 per cent of CRA recipients had updated their rent details in the preceding 3 years — meaning the information was reasonably current. Those who hadn't presumably either hadn't experienced a rent increase in some time, or were paying rent above the threshold level for maximum CRA, and so did not notify Centrelink. In the absence of more information, it is assumed that \$192 is a reasonable estimate of the rent paid by single DSP recipients who rent privately and receive CRA.

Box 4 **The mechanics of Australian rent subsidies in a nutshell**

How the subsidies are paid

- CRA is received as a cash transfer, so directly increases a tenant's disposable income. The recipient pays the private landlord the agreed market rent.
- Under social housing rent setting, subsidised tenants may be charged a rent below the market rate. In this case, there is no explicit cash transfer — the rent subsidy is implicit. The subsidy doesn't change a tenant's disposable income; rather, it decreases the amount of income that has to be spent on rent.

In both cases, after the recipient of housing assistance has paid rent, they can spend more on other goods than they would be able to in absence of the policy. In other words, both policies are a rent subsidy — both increase disposable income *net of out-of-pocket rent*.

How the subsidies are set

- Under CRA, the subsidy is a percentage of market rent above a minimum threshold (that varies by family situation) up to some maximum amount.
- Social housing rent is set as a percentage of income, up to market rent. In other words, the rent subsidy is the difference between market rent and some percentage of income.

How the subsidies change as income increases

- CRA is reduced according to the income test that applies to the recipient's ISP (or FTB A if that is how they qualify for this form of assistance). The rent subsidy does not change at lower levels of market income.
- Social housing rent increases with every dollar of additional market income earned and the rent subsidy decreases accordingly.

Financial incentives for a single, childless DSP recipient

Income effects — rent subsidies

Consider two single, childless DSP recipients — one rents privately and receives CRA, the other lives in social housing. Both receive a DSP of about \$21 600 a year, and live in properties with a market rent of \$10 000 a year. Without subsidies, each would have a disposable income post rent (DIPR) of about \$11 600.¹⁸

- CRA adds close to \$3300 to the private tenant's disposable income per year, giving them a DIPR of about \$14 900 if they have zero market income (figure 3a).¹⁹

¹⁸ They would also receive a range of concessions, for example, via a Health Care Card and for utilities. These are ignored in the modelling (not least because they depend on individuals' spending patterns so vary from person to person).

¹⁹ Centrelink considers all of sources of market income in determining a recipient's ISP payment (DHS 2014b), although compensation for lost income is assessed at a lower rate (DHS 2014a). With the exception of superannuation pensions, income tax is payable on all these sources of income (ATO 2014).

-
- The social housing tenant pays rent equal to 25 per cent of their income, or about \$5400, giving them a DIPR of about \$16 200.²⁰

The rent subsidies raise DIPR by \$3300 for the CRA recipient and \$4600 for the social housing tenant. In figure 3, this effect can be seen in the gaps between the budget constraints for each tenant ('DSP, CRA' and 'DSP, SH', respectively) and the budget constraint they would face without the subsidy ('DSP, no HA').

The tenant renting privately continues to receive the full amount of CRA until DSP is fully withdrawn — at a market income of about \$45 000. CRA is then withdrawn at a rate of 50 cents in the dollar as market income rises. It is fully withdrawn at a market income of about \$52 000. The tenant continues to receive a small amount of pension supplement up to an income of about \$54 000, and at higher incomes receives no ISPs or CRA — they have the same budget constraint as someone without DSP or CRA ('No DSP, no HA'). The social housing tenant pays more in rent as market income rises because rent is set as a percentage of income. At a market income of about \$36 000, the tenant pays market rent — the rent subsidy reaches zero. Why doesn't this occur at \$40 000, when 25 per cent of market income would be equivalent to the \$10 000 market rent? The answer lies in the fact that at a market income of \$36 000, the tenant receives an ISP of about \$4000 — which takes assessable income to \$40 000.

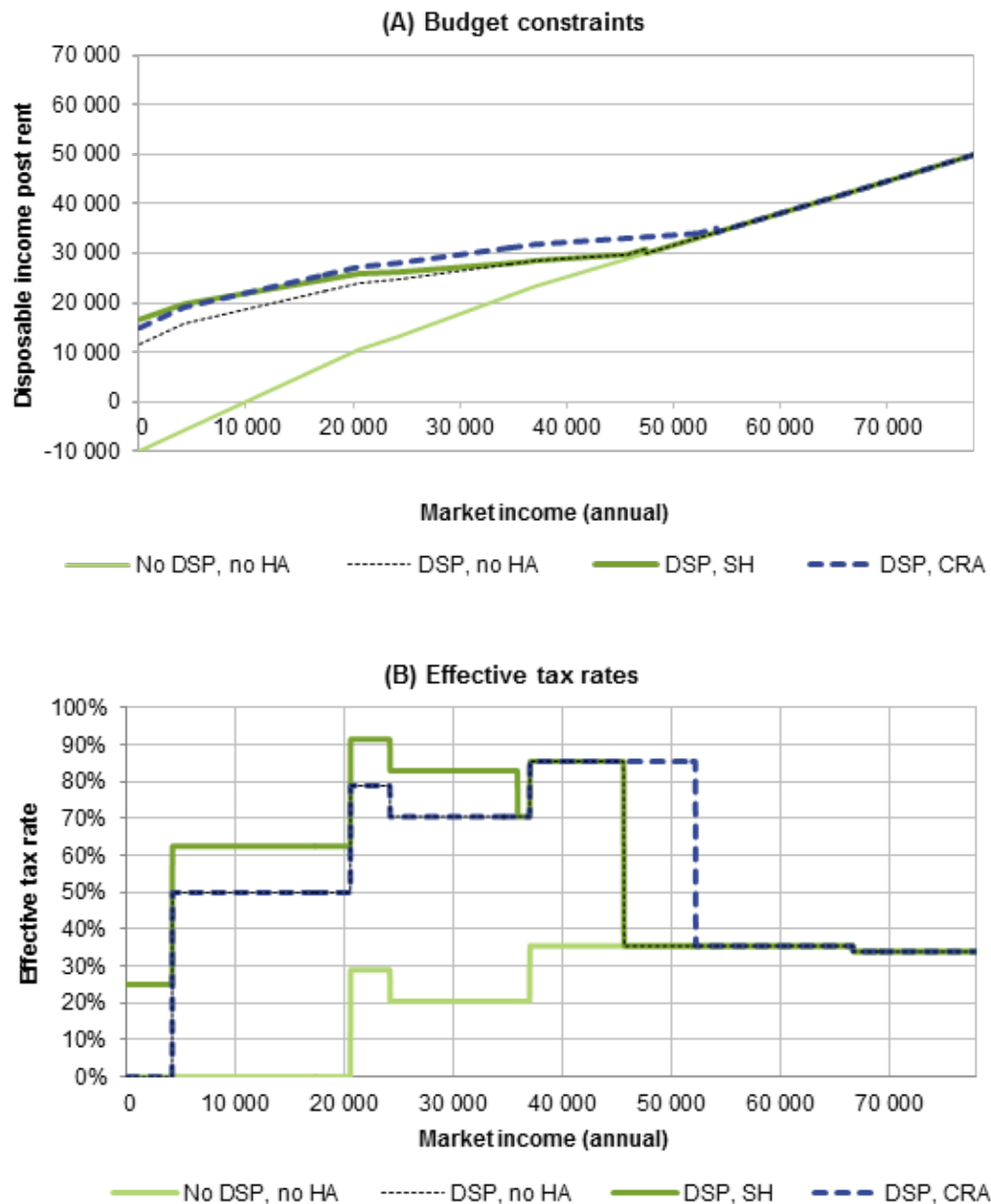
Withdrawal of DSP continues at market incomes above \$36 000, until an income of about \$44 000. At this point, the social housing tenant has the same budget constraint as someone with no DSP or HA ('No DSP, no HA').

Because this analysis relates to working age housing assistance recipients, it assumes that all sources of market income are taxable.

²⁰ In reality, DIPR is a bit higher than this because the pension supplement (about \$1600 per annum) is not included in social housing tenants' assessable income for rent setting purposes. Rent paid is therefore about \$5000 and the DIPR, \$16 600.

Figure 3 **Budget constraints and EMTRs**^{a,b,c,d}

Single, childless DSP recipient



^a Market rent is assumed to be \$10 000 per annum. ^b The small 'notches' in each budget constraint (at an income of about \$48 000 for social housing residents and \$54 000 for CRA recipients) reflect the fact that pension supplements are withdrawn at a rate of 100 per cent at those income levels. This causes the EMTRs to spike above 100 per cent at these income levels. For simplicity, this is not shown in the diagram. ^c The budget constraints include the effects of income taxes and housing assistance. ^d The small step down in the EMTR schedule at a market income of about \$67 000 reflects the point at which the low income tax offset goes to zero.

Source: Estimated from the PCTT 2014 model.

Price effects — effective marginal tax rates (EMTRs)

As market income increases, five factors can influence the share of any extra dollar earned that is retained as disposable income — withdrawal of ISPs, the low income tax offset, income taxes, the Medicare levy and reductions in housing subsidies.

Both tenants can earn about \$4000 before DSP starts to be withdrawn — at a rate of 50 cents in the dollar. Both qualify for the low income tax offset, meaning that they don't pay income tax or the Medicare levy until earning more than about \$20 500.²¹ (Other income earners face a tax free threshold of \$18 200.) From about \$20 500, the tenants pay income tax at 19 cents in the dollar and the Medicare levy is introduced. Because of their higher effective tax free threshold, the tenants initially face a relatively high Medicare levy (10 cents in the dollar). At an income of about \$24 000, the tenants' Medicare contributions are similar to other tax payers', and the levy drops back to 1.5 cents in the dollar — the marginal tax rate (MTR) due to income taxes and the Medicare levy is 20.5 cents in the dollar.²² From an income of \$37 000, income taxes are 32.5 cents in the dollar, the Medicare levy 1.5 cents and the low income tax offset is withdrawn at a rate of 1.5 cents in the dollar. The MTR due to these three factors is, therefore, 35.5 cents in the dollar within a market income range of \$37 000 to about \$67 000. At about \$67 000, the low income tax offset is completely phased out.

Withdrawal of CRA (at 50 cents in the dollar) starts once DSP payments are zero (at an income of about \$45 000). The social housing tenant pays 25 cents of each dollar of assessable income in rent.

What does this all mean? Looking at the social housing tenant first, up to a market income of about \$4000, rent payments increase by 25 cents for each dollar earned — their EMTR is 25 per cent (figure 3b). Beyond \$4000, DSP is reduced by 50 cents with each additional dollar of market income. This means that the income used in determining a tenant's rent payments ('assessable income') rises by 50 cents. Rent increases by 25 per cent of this rise — or 12.5 cents. In total, the tenant faces an EMTR of 62.5 per cent — 50 percentage points from the withdrawal of DSP and 12.5 percentage points from a higher rent payment. In other words, a tenant retains 37.5 cents of each additional dollar of market income.

From a market income of about \$20 500 to about \$24 000 (a relatively small range), the EMTR increases by the MTR, 29 per cent, to 91.5 per cent.²³ The tenant takes home less than 10 cents of each extra dollar earned. The EMTR drops back to 83 per cent at incomes

²¹ In 2013-14, the low income tax offset was \$445 and was withdrawn at a rate of 1.5 cents per dollar of income over \$37 000. It cut out at incomes above \$66 667.

²² Rates are those prevailing in financial year 2013-14.

²³ Rent payments are calculated on pre-tax income, so income tax rates do not affect the housing assistance component of the EMTR.

between about \$24 000 and \$36 000 — 62.5 percentage points from withdrawal of DSP and increasing rent payments and 20.5 percentage points from income tax and the Medicare levy.

At about \$36 000, the tenant starts paying market rent, and continues to pay this level of rent as market income increases. The contribution of housing assistance to the EMTR goes to zero, but the total EMTR remains at 70.5 per cent — 50 percentage points from withdrawal of DSP and 20.5 percentage points from income tax and the Medicare levy. With the higher marginal income tax rate (32.5 cents per dollar) and decline in the low income tax offset at incomes above \$37 000, the tenant's EMTR rises to 85.5 per cent. Once DSP is totally withdrawn (at about \$45 000), the EMTR curve summarises the effects of the income tax rate, the Medicare levy and the reduction of the low income tax offset.²⁴

In summary, the contribution of housing assistance to EMTRs affects the social housing tenant's disposable income over market incomes between zero and \$36 000 with EMTRs of over 80 per cent experienced between \$20 000 and \$36 000 market income. While the effect of housing assistance on the proportion of an extra dollar of market income retained by a tenant is smaller than the effect of the combination of DSP withdrawal and taxes, it nevertheless contributes overall to a major apparent disincentive to work.

Turning to the tenant renting privately, housing assistance makes no contribution to their EMTR until an income of about \$45 000. CRA is then withdrawn, adding to the 35.5 per cent MTR from the income tax, the Medicare levy and reduction of the low income tax offset to give a total EMTR of 85.5 per cent between about \$45 000 and \$52 000. Once CRA is totally withdrawn, disposable income is not affected by welfare support.²⁵

The contribution of CRA to the EMTR is large (50 percentage points) in comparison with the contribution of rent setting rules to a social housing tenant's EMTR (a maximum of 25 percentage points). However, it affects a recipient's disposable income over a relatively small income range and at higher levels of income.

As noted above, there is some variation in public housing rent setting across jurisdictions. The effects of this on EMTRs are described in annex D.

Income and price effects due to housing assistance for typical recipients

Income and price effects faced by the typical CRA recipients and social housing tenants listed in box 3 are presented in this section. For simplicity, only key points are illustrated.

²⁴ If the tenant had not started to pay market rent at the point at which their ISP was withdrawn, the contribution of housing assistance to their EMTR would rise to 25 per cent.

²⁵ The pension supplement that remains when CRA goes to zero is withdrawn at a rate of 100 per cent when income reaches about \$54 000. This causes a big spike in the EMTR at that rate. For simplicity, this is not shown in the diagram.

As noted above, the budget constraints and EMTR schedules underlying these points are available in the annex to this background paper.

Price effects are discussed first because they influence the summary presentation of income effects. EMTRs show how much of one more dollar earned a person keeps as disposable income, but employment offers tend to involve work that pays much more than one more dollar — for example, an extra shift a week, a job with the same hours paying more (or less) or a move from unemployment into a part-time job. In this case, it is the cumulative effect of EMTRs that is likely to influence decisions. A person will think about how their disposable income will change in total if they take up a job offer. The cumulative effects of the different factors affecting disposable income are illustrated below, and in the process, so are income effects.

For comparability, both with the preceding analysis and between ISP groups, market rent is assumed to be \$10 000 a year in these examples. This is likely to be below the level of rent paid by some single Newstart Allowees and many Parenting Payment (Single) recipients. Setting market rent at a higher level would not affect the CRA analysis (at an annual rent of \$10 000, recipients are receiving the maximum rate of CRA). It would, however, affect the range of market income over which housing assistance contributed to EMTRs for public housing tenants. In particular, if tenants were paying rent below the market level at the point at which their ISP was withdrawn, the contribution of housing assistance to their EMTR would increase to 25 per cent.²⁶

Price effects

In general, housing assistance (for both social housing and CRA recipients) is not the primary factor determining a person's EMTR, either because the corresponding EMTR is small in comparison with other factors that create a gap between market and disposable income or, where large, do not apply over a big income range. That said, the contributions of housing assistance to EMTRs, and the income ranges over which they apply, vary markedly with welfare payments.

In the case of CRA, EMTRs are relatively high for single Newstart (NWS) and single DSP recipients (60 per cent and 50 per cent, respectively) — reflecting the withdrawal rates for those payments (figure 4). The high withdrawal rates mean that CRA goes to zero reasonably quickly and clearly contributes to high EMTRs. As CRA is withdrawn last, and at a high rate, the high EMTRs apply over a relatively small income range. In contrast, CRA withdrawal rates for FTB recipients are lower (20 per cent), so the contribution of housing assistance to EMTRs applies over a wider range of income.

Similarly, EMTRs for social housing tenants depend on their ISP:

²⁶ Readers who are interested in the effects of higher market rents on EMTRs for public housing tenants could use PCTT 2014 to generate budget constraint and EMTR schedules.

- the higher an ISP, the smaller the income range over which the contribution of housing assistance to EMTRs applies. This occurs because, the higher the ISP, the more rent a tenant pays at zero market income, and so, other things equal, the tenant reaches market rent at a lower level of market income than they would if they received a lower ISP
- the higher the income threshold for withdrawal of ISPs, the smaller the total income range over which housing assistance contributes to EMTRs. This occurs because, other things equal, the higher the threshold, the larger the income range over which the tenant faces a contribution to EMTRs from housing assistance of 25 per cent (that is, before ISP withdrawal commences), and the sooner they start paying market rent
- the higher the ISP withdrawal rate, the lower the contribution of housing assistance to EMTRs and the larger the range over which those EMTRs apply. This occurs because, other things equal, a higher withdrawal rate means that assessable income rises more slowly with market income, and so, therefore, do rent payments.

The ISPs of typical social housing tenants vary markedly across household characteristics (table 4), and this variation is reflected in the contribution of housing assistance to EMTRs (figure 5). Among the typical recipients, a single parent with one child who receives Parenting Payment and FTB has the highest ISP at zero market income, the highest threshold before payments are withdrawn and the lowest withdrawal rate. Consistent with this, their EMTR goes to zero at a relatively low level of market income, is 25 per cent over a larger income threshold range and is higher when ISP withdrawals begin. They also pay the most rent at zero market income — \$5987 (information on rent paid at zero market income is presented in brackets in the legend in figure 5).

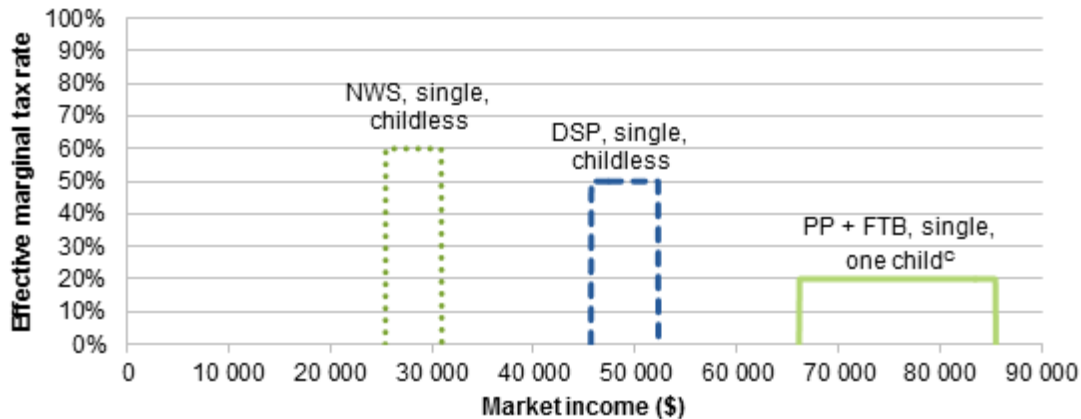
Table 4 **ISP characteristics of typical social housing tenants^{a,b,c}**

<i>Type of ISP recipient</i>	<i>Annual ISP when market income is zero</i>	<i>Market income threshold before ISP withdrawal commences</i>	<i>Rate at which ISP is withdrawn</i>
	\$	\$	Cents in the dollar
Single, childless, NWS	13 309	2 607	50 or 60
Single, childless, DSP	21 611	4 171	50
Single, one child, PP + FTB	27 518	4 813	40

DSP – Disability Support Pension; NWS – Newstart; PP – Parenting Payment; FTB – Family Tax Benefit. ^a Rates current at September 2014. ^b The ISP is assumed to include the pension supplement where applicable. Other supplements such as the Energy Supplement, Telephone Allowance and the Pharmaceutical Allowance are ignored. These payments total about \$600 annually, but only apply to some recipients. ^c A withdrawal rate of 50 cents in the dollar applies for market income between \$100 and \$250 per fortnight. At incomes above \$250, the withdrawal rate is 60 cents in the dollar.

Source: DHS (2014).

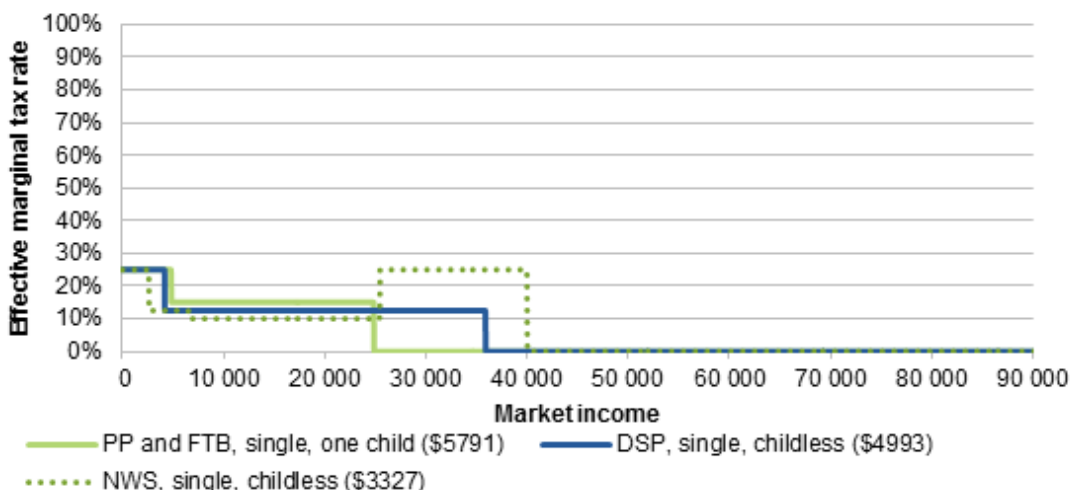
Figure 4 Contribution of CRA to EMTRs^{a,b,c,d,e}
Selected payment types



^a Market rent is assumed to be \$10 000 per annum. ^b The payments are: Newstart Allowance (NWS), Disability Support Pension (DSP), Parenting Payment (PP) and Family Tax Benefit (FTB). ^c The single parents' child is assumed to be 5 years old. In reality, at this level of income Parenting Payment is fully withdrawn. The text is included in the label to facilitate comparison with the following figure for public housing tenants. ^d The effect of pension supplement withdrawal is not shown. ^e The schedule for the PP recipient does not include the effects on disposable income of the Seniors and Pensioners Tax Offset. Inclusion of this offset has no discernible effect on the schedule.

Source: Estimated from the PCTT 2014 model.

Figure 5 Contribution of social housing rent setting to EMTRs^{a,b,c}
Selected payment types



^a Market rent is assumed to be \$10 000 per annum. ^b The payments are: Newstart Allowance (NWS), Disability Support Pension (DSP), Parenting Payment (PP) and Family Tax Benefit (FTB). ^c Rents paid at zero market income are presented in brackets in the legend for each typical ISP recipient.

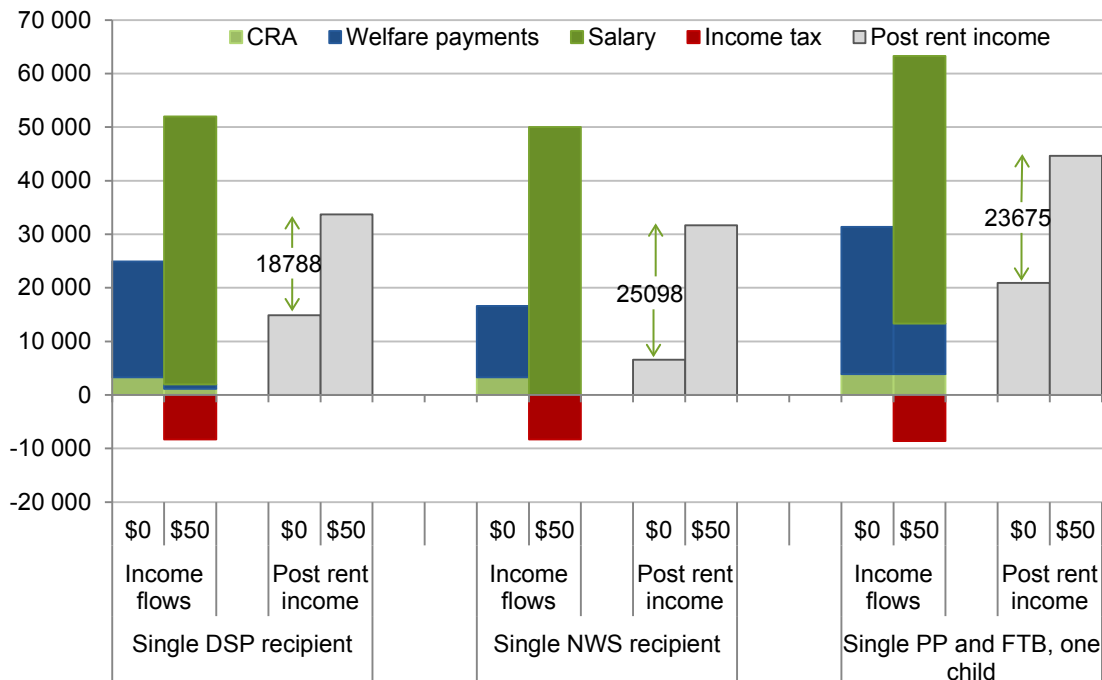
Source: Estimated from the PCTT 2014 model.

Cumulative price effects and income effects

Relative to ISPs, the income effects of CRA and social housing rent setting are not the primary driver of high EMTRs (figures 6 and 7). For example, for a single, childless DSP recipient, the effect from CRA is about \$3300 at zero market income and \$1900 at a market income of \$50 000. If the same person was in social housing, the income effect would be \$4600 at zero market income and zero at a market income of \$50 000.

Other factors that affect disposable income as market income rises, that is, price effects other than those created by housing assistance, have a much larger cumulative influence on work incentives than the withdrawal of CRA or social housing rent setting. For example, at zero market income a single, childless DSP recipient renting privately and receiving CRA has a disposable income (including rent) of about \$25 000, whereas at \$50 000 market income, their disposable income is about \$44 000. So the DSP recipient would be better off by about \$19 000 if they could take on a job paying \$50 000. At this level of income, they would have to pay income tax and would forego benefits worth nearly \$23 000 — of which CRA makes up a relatively small part (about \$1400). Altering withdrawal rates of housing assistance in isolation is unlikely to alter work incentives in this set of circumstances.

Figure 6 CRA and other transfers at different market incomes^{a,b}
Income flows and post rent income at zero and \$50 000 market income

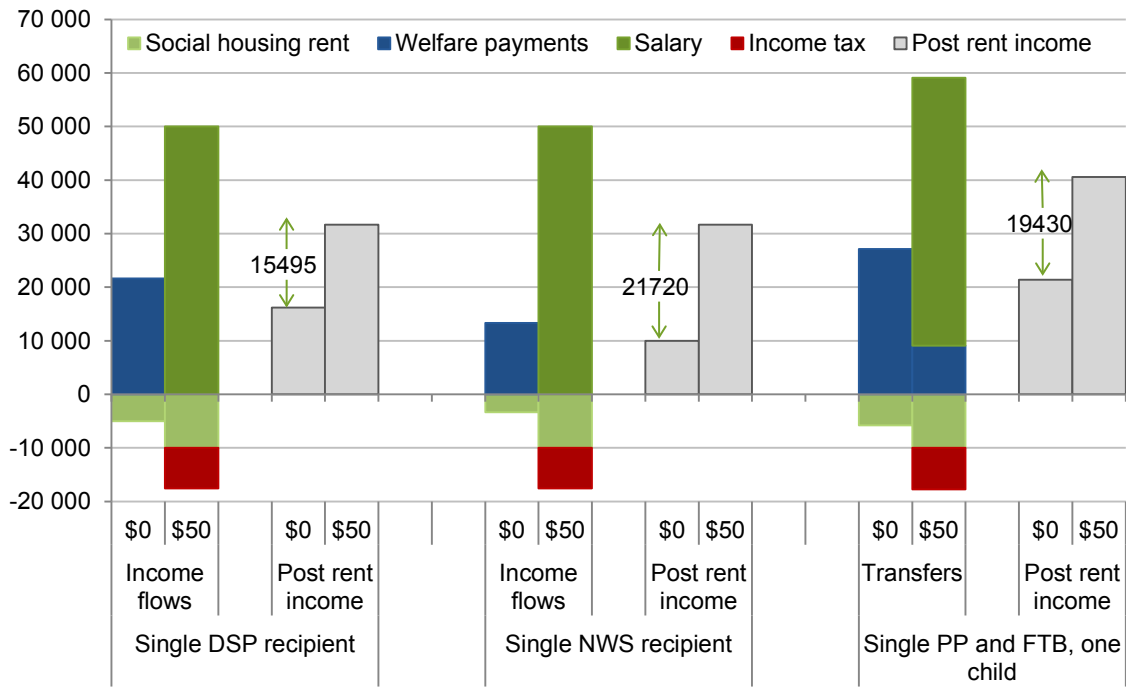


^a Market rent is assumed to be \$10 000 per annum. ^b Data for the PP recipient do not include the effects on disposable income of the Seniors and Pensioners Tax Offset. Inclusion of this offset has no discernible effect on the figure.

Source: Estimated from the PCTT 2014 model.

Figure 7 Social housing and other transfers at different market incomes^{a,b}

Income flows and post rent income at zero and \$50 000 market income



^a Market rent is assumed to be \$10 000 per annum. ^b Data for the PP recipient do not include the effects on disposable income of the Seniors and Pensioners Tax Offset. Inclusion of this offset has no discernible effect on the figure.

Source: Estimated from the PCTT 2014 model.

4 Comparing the income effects of CRA and social housing rent setting

This section compares the income effect of each form of housing assistance — or, in other words, looks at which form of housing assistance leaves a tenant with a higher DIPR. The answer depends on market rents, ISP types and market income.

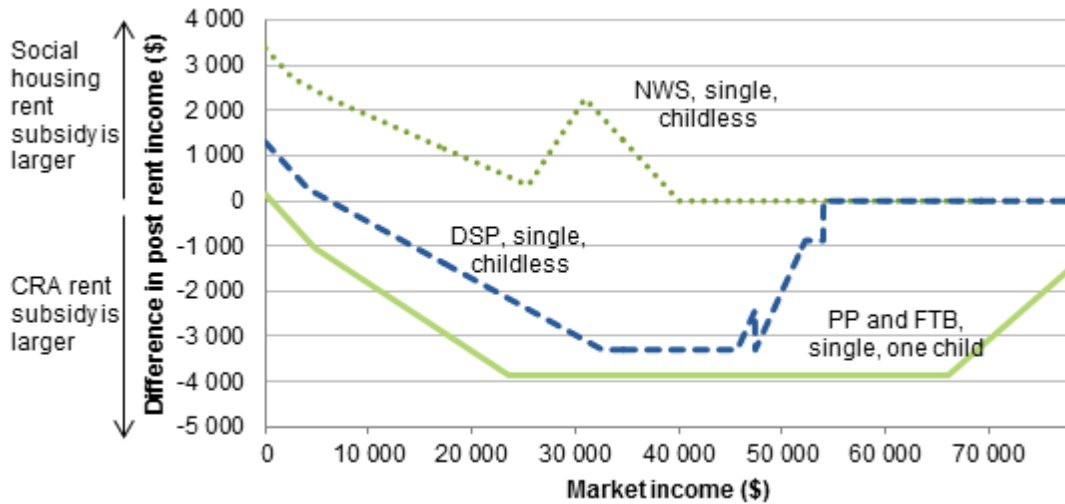
At lower market rents, some tenants who rent privately and receive CRA will have a larger DIPR than an otherwise similar social housing tenant so long as they have some income in addition to their welfare benefits (figure 8). For example, a single person with one child who:

- receives Parenting Payment and FTB
- lives in a property with an annual market rent of \$10 000 (\$192 a week)
- earns about \$10 000 a year (\$192 a week)

has about \$2000 more in DIPR per annum if they rent privately than if they live in social housing.

Figure 8 Difference in disposable income post rent (DIPR) under each housing policy^{a,b}

DIPR for a social housing tenant *minus* DIPR for a CRA recipient, \$ per annum



^a Schedules are drawn assuming a market rent of \$10 000 per annum, or \$192 a week. ^b The schedule for the PP recipient does not include the effects on disposable income of the Seniors and Pensioners Tax Offset. Inclusion of this offset has no discernible effect on the schedule.

Source: Estimated from the PCTT 2014 model.

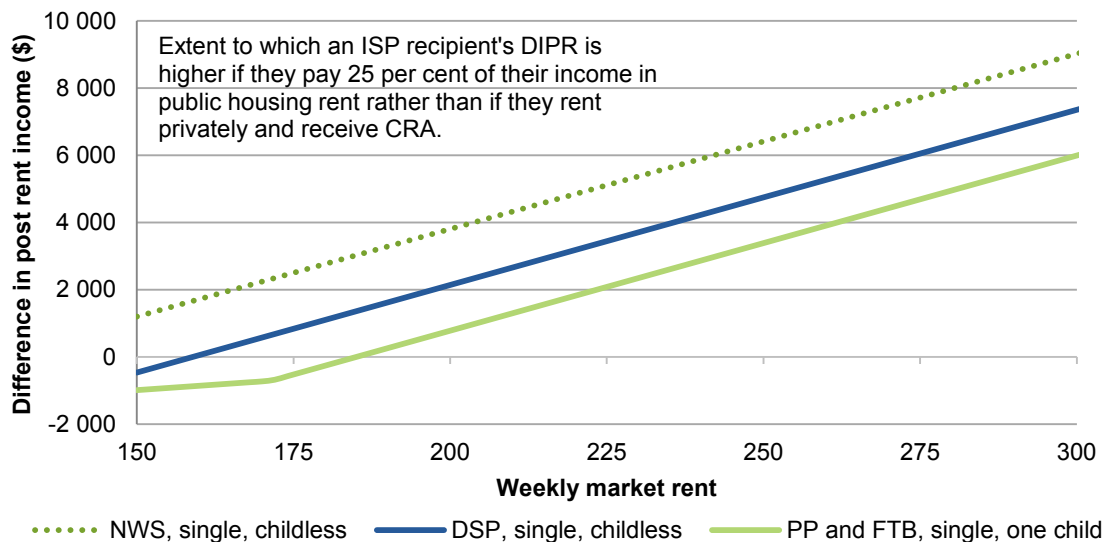
This conclusion raises some key questions:

- How low do rents have to be before the DIPR from renting privately and receiving CRA is greater than the DIPR from renting in social housing?
- Is it possible to rent at those levels in the private market?
- How many tenants have some income in addition to their ISP?

The answer to the first question is that rents have to be quite low for people with zero market income (figure 9), but can be higher for people who earn at least the median market income for their ISP group (figure 10).²⁷ For example, a single parent with one child who is receiving Parenting Payment and FTB and earning zero market income has a higher DIPR if renting privately up to a rent of about \$185 a week. With a market income of \$18 000 (the median for single parents who received Parenting Payment in 2013), they have a higher DIPR if renting privately up to a market rent of about \$250 a week.

²⁷ Median annual incomes are estimated by multiplying data for the fortnight ending 30 June 2013 by 26.

Figure 9 Post rent income under each policy at different weekly rents^{a,b}

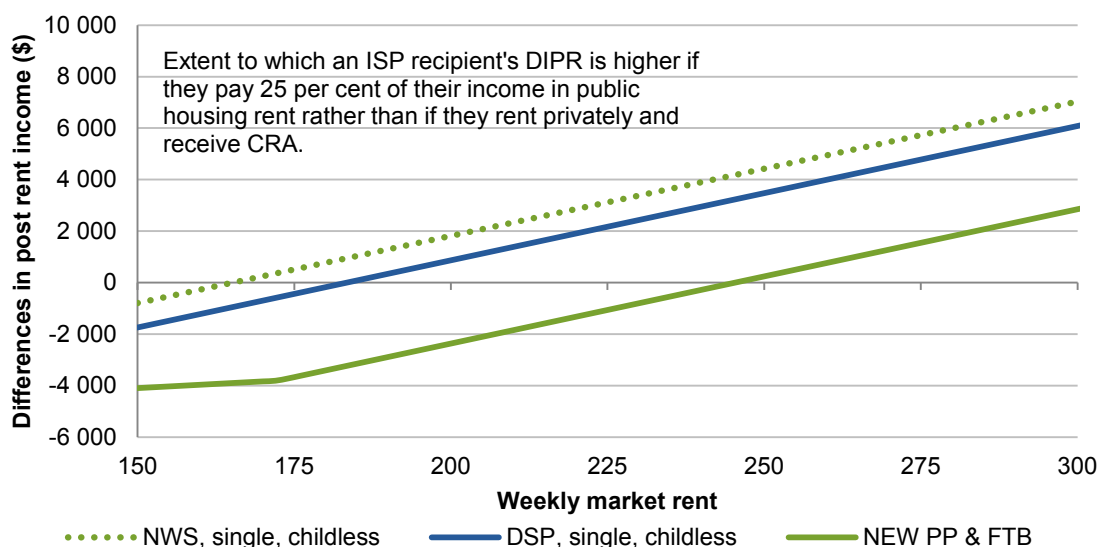


^a ISP and FTB rates as at June 2014. ^b The schedule for the PP recipient does not include the effects on disposable income of the Seniors and Pensioners Tax Offset. Inclusion of this offset has no discernible effect on the schedule.

Source: Estimated from the PCTT 2014 model.

Figure 10 Post rent income under each policy at different weekly rents^{a,b}

Median market incomes for each ISP group



^a Curves are estimates assuming a median annual market income for single Newstart recipients of \$15 000, single DSP recipients of \$6000 and Parenting Payment (Single) and FTB recipients of \$18 000. These estimates are based on data from the DHS database. ^b ISP and FTB rates as at June 2014.

Source: Estimated from the PCTT 2014 model.

So what is the answer to the second question? What proportion of tenants face private market rents that mean that their DIPR from renting privately is higher than it would be if they were living in social housing? As shown in figures 9 and 10, this depends on ISP type and market income. Estimates of rents for CRA recipients provide some insight into this question.²⁸

Assuming zero market income:²⁹

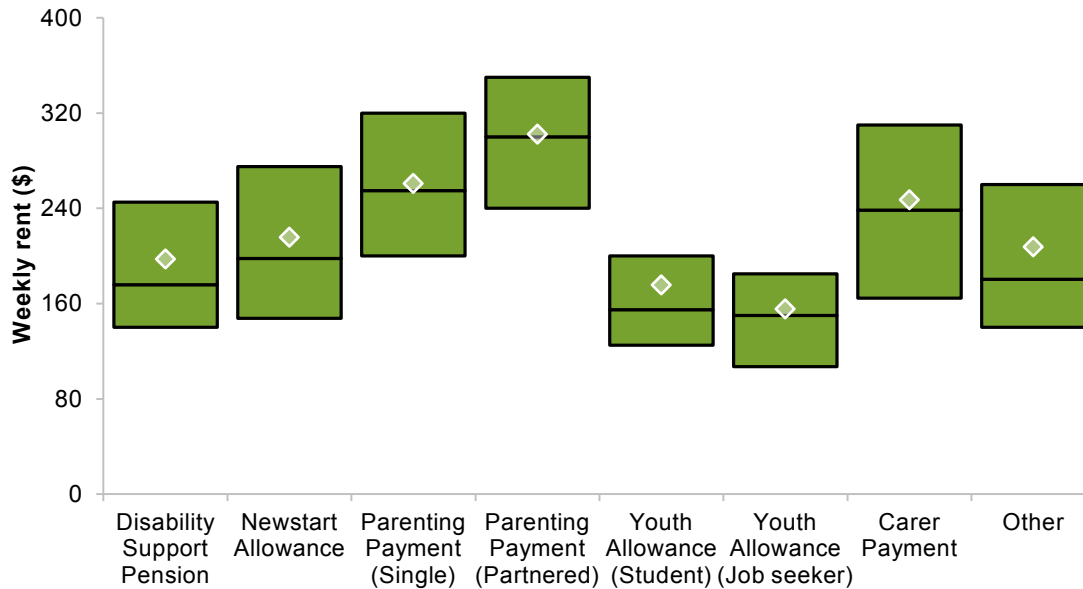
- Single DSP recipients who pay less than about \$160 a week in rent have a higher DIPR if renting privately. In 2013, it is estimated that approximately 40 per cent of all DSP recipients who rented privately and received CRA paid rent at or below this level (author estimates based on annex A, BP 3). Assuming that single DSP recipients are likely to pay more in rent than partnered DSP recipients (footnote 17), the percentage of singles paying less than about \$160 will be smaller than 40 per cent.
- Single Newstart recipients who pay less than about \$100 a week in rent have a higher DIPR if renting privately (extrapolating from the NWS series in figure 9) — but, in 2013, very few Newstart recipients who rented privately and received CRA paid rents at or below this level (figure 11).
- Single recipients of Parenting Payment who pay rent of less than about \$185 a week are financially better off renting privately. In 2013, fewer than 25 per cent of recipients who rented privately and received CRA paid rent at or below this level.

These data suggest that a majority of ISP recipients with zero market income would have a higher DIPR if they lived in social housing than if renting privately and receiving CRA.

²⁸ These rent estimates are subject to the same qualifications raised in footnote 17.

²⁹ The situation for median income earners is discussed below.

Figure 11 Rents paid by CRA recipients by ISP type — mean, median and interquartile range, at 30 June 2013^a



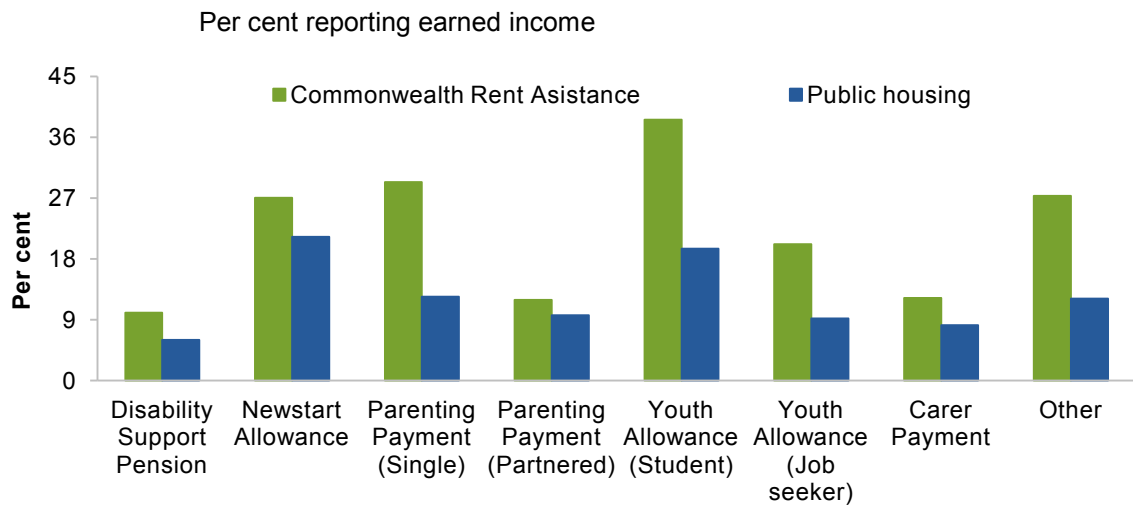
^a The lower edge of each column represents the 25th percentile of the distribution of weekly rents for an ISP group, the line across a column is the median level, the diamond shape is the mean and the top of a column, the 75th percentile.

Source: Department of Human Services, administrative data (unpublished).

Finally, how many tenants have some income in addition to their ISP?

Rates of employment vary by ISP type (figure 12) (and by housing tenure); less than 9 per cent of all DSP recipients, 26 per cent of all Newstart recipients and 27 per cent of single parents who received Parenting Payment were working in the fortnight ending 30 June 2013. It is assumed that these rates also apply to single DSP and Newstart recipients and that those in employment at 30 June earned the median annual income estimated for their ISP type. In that case, only half of the members of each these ISP groups who worked earned at least the level of market income underlying the curves shown in figure 10 (because those curves are based on the median income earner in each ISP type).

Figure 12 **Employment of housing assistance recipients by ISP type, 2013^{a,b}**



^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB(A)-only recipients of CRA. ^b Commonwealth Rent Assistance refers to CRA recipients. Public housing to public housing tenants.

Source: Department of Human Services, administrative data (unpublished).

In other words:

- less than 5 per cent of single DSP recipients are estimated to have earned at least \$6000 in 2013. At rents of up to about \$180 a week (figure 10) they would have had a higher DIPR if renting privately and receiving CRA than if living in social housing. About 50 per cent of single DSP recipients who rented privately in 2013 are estimated to have paid rent at or below this level (figure 11)
- less than 13 per cent of single Newstart recipients are estimated to have earned at least \$15 000 in 2013. At rents of up to about \$165 a week they would have had a higher DIPR if renting privately and receiving CRA. About 25 per cent of single Newstart recipients who rented privately in 2013 are estimated to have paid rent at or below this level
- less than 15 per cent of single Parenting Payment recipients earned at least \$18 000 in 2013. At rents of up to about \$250 a week, they would have had a higher DIPR if renting privately and receiving CRA. About 50 per cent of single Parenting Payment recipients who rented privately in 2013 paid rent at or below this level.

In summary, the data suggest that some people with at least the median level of market income could find properties that left them with a higher DIPR if they were renting privately and receiving CRA, compared with living in social housing.

An important qualification to this conclusion — it rests on an assumption that social housing market rents are a true reflection of a dwelling’s market price. If, for example, a

rent was set below the market price, a tenant would be receiving greater housing amenity than a peer renting in the private market.

Overall, the analysis suggests that:

- some single DSP recipients would have a higher DIPR if renting privately and receiving CRA than if living in social housing
- a very small proportion of single Newstart recipients would be in this position
- a majority of single Parenting Payment recipients are likely to have a higher DIPR if living in social housing.

This analysis has focused on financial calculations. Many other considerations influence decisions about where to live and whether to work, especially security of tenure and as well as location relative to work. In addition, decisions about where to live are constrained by the supplies of public housing, social housing and what someone might consider to be affordable housing.

References

ATO (Australian Taxation Office) 2014, *Income you must declare*, <https://www.ato.gov.au/Individuals/Income-and-deductions/Income-you-must-declare/> (accessed 27 May 2014).

CHFA (Community Housing Federation of Australia) 2014, *Allocation, Eligibility, and Rent Setting in the Australian Community Housing Sector*, April, http://chfa.com.au/sites/default/files/sites/default/files/docs/eligibility_allocation_and_rent_setting_in_ch_final_april_2014.pdf (accessed 19 June 2014).

CHFV (Community Housing Federation of Victoria) 2013, *Community Housing Rent Explained*, <http://www.chfv.org.au/database-files/view-file/?id=5810> (accessed 27 May 2014).

DHS (Department of Human Services) 2014a, *A Guide to Australian Government Payments 20 September – 31 December 2014*, <http://www.humanservices.gov.au/spw/corporate/publications-and-resources/resources/co029/co029-1409.pdf> (accessed 30 September 2014).

— 2014b, *Centrelink Compensation Recovery*, <http://www.humanservices.gov.au/customer/services/centrelink/centrelink-compensation-recovery> (accessed 18 August 2014).

— 2014c, *Income for payment rates*, <http://www.humanservices.gov.au/customer/enablers/income/> (accessed 18 August 2014).

-
- 2014d, *Income test for Family Tax Benefit Part A*, <http://www.humanservices.gov.au/customer/enablers/centrelink/family-tax-benefit-part-a-part-b/ftb-a-income-test> (accessed 18 August 2014).
- Dockery, A.M., Feeny, S., Hulse, K., Ong, R., Saugeres, L., Spong, H., Whelan, S. and Wood, G. 2008, *Housing assistance and economic participation*, Research Paper, Australian Housing and Urban Research Institute.
- DSS (Department of Social Services) 2014, *Rent assistance*, <http://www.dss.gov.au/our-responsibilities/housing-support/benefits-payments/rent-assistance> (accessed 20 June 2014).
- DVA (Department of Veterans' Affairs) 2013, *DVA Benefits and Services*, http://www.dva.gov.au/pensions_and_compensation/yandyp/Pages/ch6.aspx (accessed 21 July 2014).
- Government of South Australia 2014, *How Rent is Set for Public Housing*, <http://www.sa.gov.au/topics/housing-property-and-land/housing/renting-and-letting/renting-public-housing/being-a-public-housing-tenant/rent-water-and-other-charges/how-rent-is-set-for-public-housing> (accessed 22 January 2015).
- Housing NSW (Housing New South Wales) 2014, *Tenancy Charges and Account Management Policy Supplement*, <http://www.housing.nsw.gov.au/Forms+Policies+and+Fact+Sheets/Policies/Tenancy+Charges+and+Account+Management+Policy+Supplement.htm> (accessed 23 June 2014).
- Lovering, M. 2014, *Public housing rules limit employment*, AHURI Evidence Review, 051, Australian Housing and Urban Research Institute.
- National Commission of Audit 2014, *The Report of the National Commission of Audit - Volume 1*, March, Canberra.
- Treasury 2010, *Australia's Future Tax System: Report to the Treasurer*, Detailed Analysis, vol. 2, Canberra.

Annex A The Productivity Commission's Tax and Transfer model

The Commission's model (PCTT 2014) is coded in the language R, and contains the following features of the tax and transfer system:

- the main federal welfare payments administered through the Department of Human Services (Age Pension, Austudy, Child Care Benefit, Child Care Rebate, Disability Support Pension, Newstart Allowance, Parenting Payment, Youth Allowance and Pension Supplement)
- Family Tax Benefit parts A and B
- Commonwealth Rent Assistance
- income tests for welfare payments
- social housing rent setting rules
- income tax rates (income tax is paid on market income and government payments where relevant)
- the Medicare levy and low income tax offset.

Market incomes are assumed to be net of the 9.25 per cent superannuation contribution made by employers.

The parameters of the model were derived from various websites that describe the rules, thresholds and rates used in calculating payments and taxes at March 2014.

The model is used to produce the examples in this background paper. Since it is a program, it can be used to process many observations.

Annex B Maximum incomes for receipt of FTB A

The maximum rate of Family Tax Benefit part A (FTB A) includes CRA for families that rent in the private market. Therefore, many families that rent have a higher FTB A maximum rate (table B.1) than families that own their home but otherwise have identical characteristics, including income (table B.2).

Table B.1 Income limits at which FTB A (including CRA) stops for families renting privately^a

<i>Number of children aged 0-12</i>	<i>No. of children aged 13-15 or students aged 16-19</i>			
	<i>Nil</i>	<i>One</i>	<i>Two</i>	<i>Three</i>
Nil		101 787	137 837	174 554
One	101 787	130 779	167 494	201 692
Two	123 717	160 433	194 631	228 829
Three	153 373	187 571	221 769	255 967

^a Calculations assume that a family pays rent that would qualify them for the maximum level of CRA if their income was low enough. This gives them the highest possible maximum rate of FTB A and, therefore, a larger sum to be reduced at a rate of 20 cents in the dollar than if they received a smaller CRA payment.

Source: Author estimates based on information published on the DSS website.

Table B.2 Income limits at which FTB A stops for families that do not receive CRA

<i>Number of children aged 0-12</i>	<i>No. of children aged 13-15 or students aged 16-19</i>			
	<i>Nil</i>	<i>One</i>	<i>Two</i>	<i>Three</i>
Nil		101 787	118 552	154 359
One	101 787	113 053	147 296	183 103
Two	113 053	140 233	176 040	211 846
Three	133 171	168 977	204 784	240 590

Source: DSS 2014.

Annex C Examples of budget constraints and effective marginal tax rates

This Annex is not yet available. Pages 84 to 94 are omitted.

Annex D The effects of variation in social housing rent setting between states

As noted in section 2 of BP 2, there are three key differences in rent setting between states:

- Tasmania calculates assessable income on the basis of income net of income taxes; other jurisdictions do not
- the Northern Territory includes Family Tax Benefit (FTB) in assessable income at a lower rate than other states
- New South Wales and the Northern Territory do not set rents at 25 per cent of assessable income at all levels of income. In particular, the percentage of income charged as rent varies at higher incomes.

Effect of excluding income tax in calculating assessable income

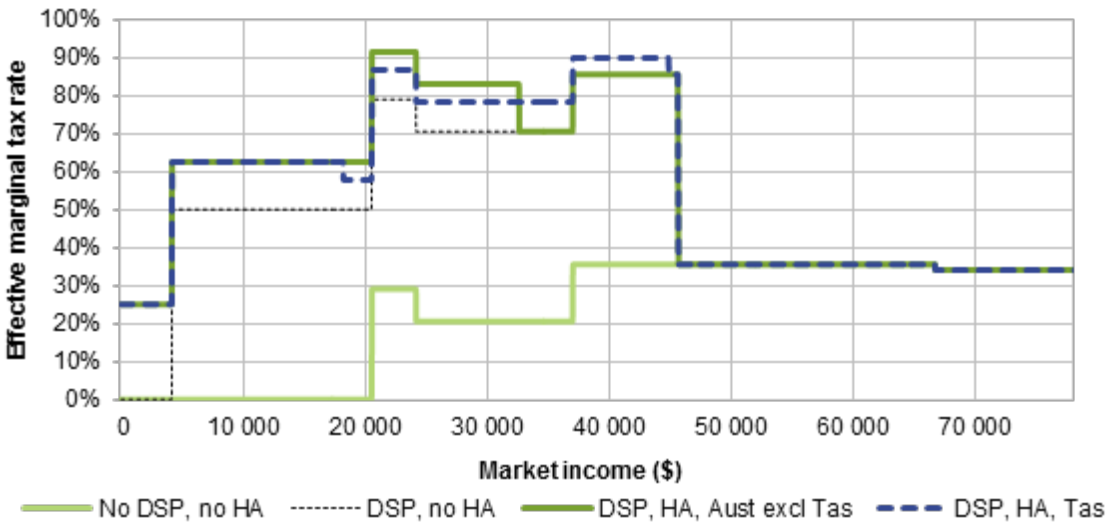
Tasmania's approach of using income net of income tax, rather than gross income, in calculating assessable incomes causes lower effective marginal tax rates (EMTRs) whenever tax is paid. It also means that the contribution of rent setting rules to EMTRs is spread over a larger income range than it is in other jurisdictions.

Consider the EMTR for a single, childless recipient of the Disability Support Pension (DSP) from a \$1 increase in income above the point at which they start to pay income tax — about \$20 500. In Tasmania, a social housing tenant's assessable income increases by \$0.71 (\$1 minus the income tax rate plus Medicare levy). In other jurisdictions, assessable income increases by \$1. In all jurisdictions, at this level of income, assessable income also reduces by \$0.50 due to the withdrawal of DSP. The net change in assessable income in Tasmania is, therefore, \$0.21, and rent increases by 25 per cent of this, or by \$0.05. The contribution of housing assistance to the EMTR is 5 per cent. In other jurisdictions, the net change in assessable income is \$0.50, rent increases by \$0.125 (25 per cent of \$0.50) and the contribution of housing assistance to the EMTR is 12.5 per cent, which adds to any effects from other parts of the tax and transfer system.

Differences between jurisdictions are illustrated for a single, childless DSP recipient living in a property with an annual market rent of \$10 000 (figure D.1). The gap between the schedules 'DSP, no HA' and 'DSP, HA...' captures the contribution to EMTRs of housing assistance. The effect of the difference in approach between Tasmania and other jurisdictions is shown by the gap between the 'DSP, HA, Aust excl Tas' and 'DSP, HA, Tas' schedules.

Although social housing residents in Tasmania face a lower contribution of housing assistance to EMTRs than tenants in other jurisdictions, they face this contribution over a larger income range. In the example below, single, childless DSP recipients around the country face the same contribution of housing assistance to EMTRs up to the point at which the tax system starts to affect disposable income—about \$18 000. Between \$18 000 and \$32 000, a tenant in Tasmania faces a lower contribution of housing assistance to their EMTR. At about \$32 000, tenants in other jurisdictions start to pay market rent. Tenants in Tasmania continue to face a contribution from housing assistance to EMTRs until a market income of about \$45 000, at which point they too are paying market rent.

Figure D.1 The effect of deducting tax on EMTRs^a
Single, childless DSP recipient



^a The small dip in the 'DSP, HA, Tas' schedule between about \$18 000 and \$20 500 is due to an assumption that the rent setting rules do not take the low income tax offset into account.

Source: Estimated from the PCTT 2014 model.

Effect of including a smaller proportion of FTB in assessable income

The Northern Territory’s approach of including a smaller proportion of FTB in calculating assessable income reduces the level of assessable income at any market income, but does not change a tenant’s EMTR. Up to the income threshold at which welfare payments are withdrawn, tenants in the Northern Territory are assumed to pay 25 cents of each additional dollar of income in rent.¹ However, the fact that assessable income is lower means that

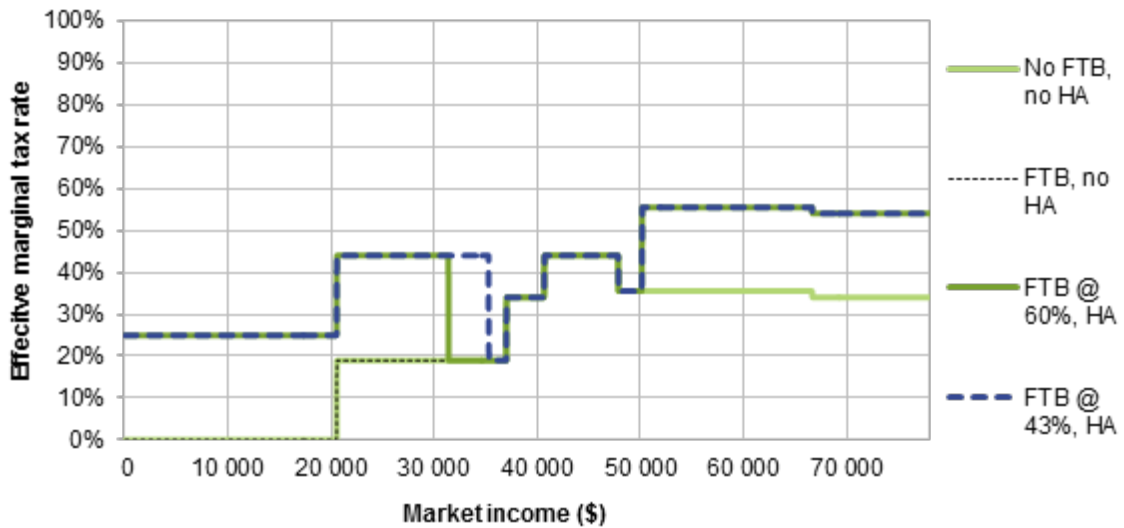
¹ In reality, in the Northern Territory, the figure is 23 cents in the dollar, but 25 cents is used in this section to simplify the comparison with other jurisdictions. The figure of 23 cents reduces EMTRs slightly and

housing assistance contributes to EMTRs over a larger range of market income. Tenants have to earn a higher level of market income to reach the level of assessable income at which they pay market rent. This is illustrated for a FTB recipient with two children who lives in a property with a market rent of \$10 000 (figure D.2).

Withdrawal of FTB doesn't start until market income reaches about \$50 000. Tenants, both in the Northern Territory and other jurisdictions, begin to pay market rent well before that income level — at about \$35 000 and \$32 000, respectively.

Figure D.2 The effect of counting FTB at a lower rate on EMTRs

FTB recipient with two children



^a For clarity, we have assumed the Northern Territory sets rent at 25 per cent of assessable income, not 23 per cent.

Source: Estimated from the PCTT 2014 model.

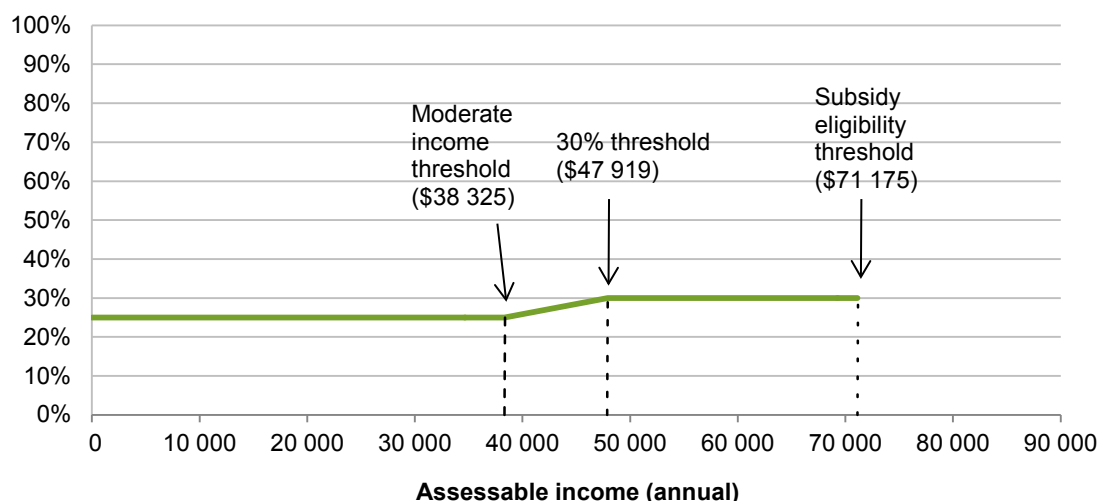
Effect of increasing the percentage of income paid in rent as income increases

In New South Wales, rents are set at between 25 and 30 per cent of assessable income (up to the point where a tenant is paying market rent). Different thresholds determine the percentage paid by a household. For example, at an assessable income of less than \$38 325 (the 'moderate income threshold'), the percentage of income charged as rent is set at 25 for a tenant living alone (figure D.3). At incomes between \$38 325 and \$47 919, the rate increases linearly from 25 per cent to 30 per cent. Above \$47 919, the tenant is charged 30

increases the income level at which a tenant pays market rent. For example, an NT tenant will pay a market rent of \$10 000 at market income of close to \$39 000 when rents are set at 23 per cent of assessable income, versus about \$35 000 when they are set at 25 per cent.

per cent of assessable income, until \$71 175 (the ‘subsidy eligibility threshold’) above which market rent is charged (if the tenant is not already paying this level of rent).

Figure D.3 Rate of assessable income charged as rent in NSW
Single person^a



^a Larger households have higher thresholds. For each additional adult, first child and additional children respectively, the moderate income threshold increases by \$10 168, \$7561 and \$5214, the 30 per cent threshold increases by \$12 723, \$9438, and \$6518, and the subsidy eligibility threshold increases by \$19 032, \$14 339 and \$9386.

Source: Housing NSW (2014).

This rent setting approach can lead to higher EMTRs than a quick glance might suggest because the increase in the percentage of income payable in rent applies to all income and not just to an additional dollar. In other words, as a tenant earns an additional dollar, they lose between 25 and 30 per cent of that additional dollar *plus* they must pay a higher rate on all existing income. This causes a jump in the contribution of housing assistance to EMTRs.

A greatly simplified example illustrates why this jump occurs. Imagine a person who:

- receives an income support payment of \$20 000
- pays rent at a rate of 25 per cent of assessable income up to a market income of \$10 000
- pays rent at a rate of 30 per cent of assessable income above a market income of \$20 000
- pays no income tax, nor faces any income support payment (ISP) withdrawal.

Between the assumed threshold market incomes of \$10 000 and \$20 000, the percentage of income paid in rent increases linearly by 5 percentage points, or 0.0005 per cent with each additional dollar earned.

At a market income of \$10 000, the person has an assessable income (including their ISP) of \$30 000, and pays 25 per cent of this, or \$7500 in rent (table D.1). Their EMTR is 25 per cent. At a market income of \$10 001, their rent is set at 25.0005 per cent of their assessable income, or \$7500.400005. Their EMTR is 40.0005 per cent. If the percentage of income paid in rent had remained at 25 per cent, their rent would have been \$7500.25 and their EMTR would have remained at 25 per cent. At a market income of \$10 002, their rent is set at 25.001 per cent of their income, and they pay \$7500.80002 in rent, and their EMTR is 40.0015 per cent. In other words, the EMTR increases with income, and with a dollar increase in market income from \$10 000, the EMTR increases from 25 to just over 40 per cent.

Table D.1 Illustrative example of the effects of NSW’s rent setting rules on EMTRs

<i>Market income</i>	<i>Rent paid at:</i>		<i>EMTR when rent paid:</i>	
	<i>a flat rate of 25 per cent of income</i>	<i>an increasing rate at market income above \$10 000</i>	<i>is a flat rate of 25 per cent</i>	<i>increases at market incomes above \$10 000</i>
\$	\$	\$	%	%
9 999	7499.75	7499.750000		
10 000	7500.00	7500.000000	25	25
10 001	7500.25	7500.400005	25	40.0005
10 002	7500.50	7500.800020	25	40.0015

A comparison of the EMTRs faced by a single, childless DSP tenant living in a property with a market rent of \$10 000 in New South Wales versus somewhere else in the country illustrates the effect of these rent setting rules (figure D.4).

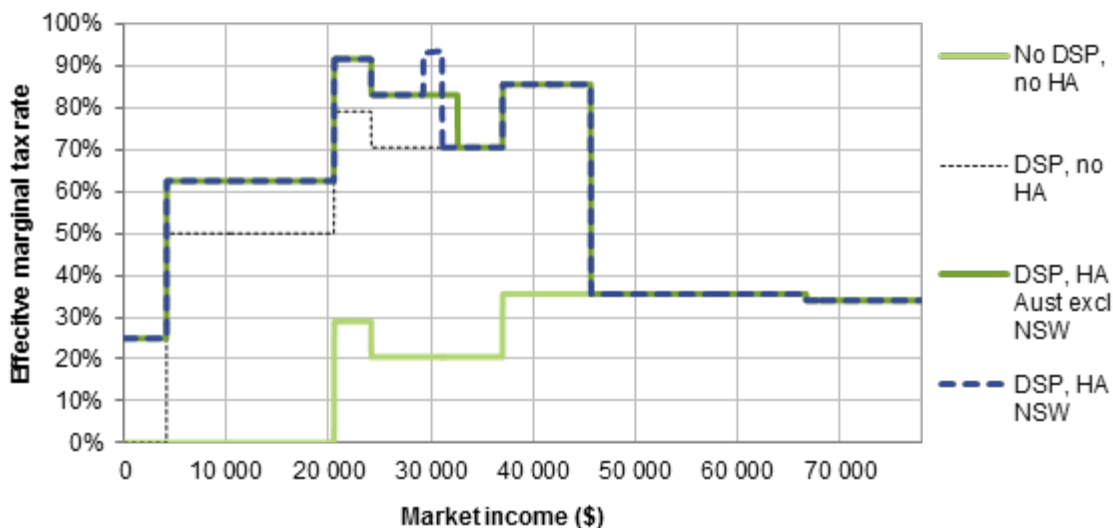
From a market income of about \$4000, a tenant in New South Wales faces a contribution from housing assistance to their EMTR of 12.5 per cent, as do their peers in other jurisdictions. From a market income of \$29 250, the contribution of housing assistance to EMTRs in New South Wales increases to over 20 per cent. The higher EMTR means that a tenant in NSW starts paying market rent sooner than their peers in other jurisdictions (at an income of about \$31 000 rather than \$32 500).

This effect is more pronounced at higher levels of market rent. In New South Wales, total EMTRs exceed 100 per cent at some incomes for a single, childless DSP tenant whose annual market rent is \$12 500 (figure D.5). In addition, the contribution of housing assistance to EMTRs increases between the moderate income and 30 per cent thresholds.

Note, the total EMTRs of more than 100 per cent illustrated in this example apply over a relatively small range of market income (from about \$37 000 to \$41 000). They would be relevant, for example, to the decisions of a tenant weighing up a job offer that would increase their market income from \$35 000 to \$40 000. (The tenant would have a drop in disposable income if they took up the offer.) But they wouldn’t be relevant if the tenant was weighing up an offer that raised their market income, for example, from \$20 000 to \$25 000. In

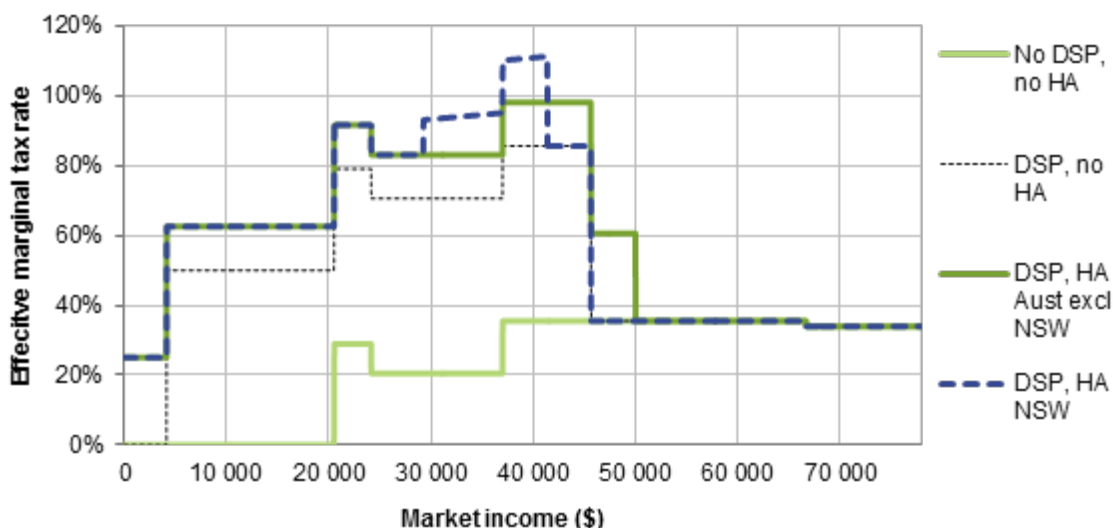
addition, tenants in New South Wales would have much the same disposable income at a market income of about \$50 000 (and higher) as tenants with similar characteristics in other jurisdictions. At this level of income, tenants face very similar cumulative EMTR effects wherever they live.

Figure D.4 The effect of NSW rent setting rules
Single, childless DSP recipient, \$10 000 market rent



Source: Estimated from the PCTT 2014 model.

Figure D.5 The effect of NSW rent setting rules with higher market rent
Single, childless DSP recipient, \$12 500 market rent



Source: Estimated from the PCTT 2014 model.

Background paper 3

A profile of working-age housing assistance recipients

Key points

- This paper profiles working-age income support payment (ISP) recipients who either lived in public housing or received Commonwealth Rent Assistance (CRA) in the years spanning 2003 to 2013. The profile is based on administrative data from the Department of Human Services (DHS) about income support and housing assistance payments — the ‘DHS data’.
- The DHS data do not cover people who received CRA because they received Family Tax Benefit part A but not an ISP, Department of Veterans’ Affairs pensioners, Age Pension recipients, or people living in public housing who did not receive an ISP.
- There were over 2.5 million ISP recipients aged between 15 and 65 in 2013 covered by the DHS data. Around 44 per cent of working-age ISP recipients and 8 per cent of the general working-age population either lived in public housing or received CRA in 2011.
- The rates of receipt of housing assistance, and other characteristics, differ considerably by ISP type. Most ISP recipients who also received housing assistance received either Disability Support Pension or Newstart Allowance payments.
- The number of people receiving CRA increased in recent years, while the number of public housing residents remained relatively constant.
- Public housing tenants had typically received ISPs for a longer period than CRA recipients on similar payment types.
- In 2013, more women received ISPs, and housing assistance, than men. Over half of all housing assistance recipients were single, with no dependent children. Compared with CRA recipients, residents of public housing tended to be older, more likely to self-report as being Indigenous, and have a preferred language other than English.
- About one in five CRA recipients and one in ten public housing residents reported earnings from work at 30 June 2013.
- Job seekers in public housing are more likely to face high barriers to employment than those living in private rentals. About 75 per cent of public housing tenants who receive Newstart Allowance or Youth Allowance (Job Seeker) have severe or significant barriers to employment. In comparison, 45 per cent of CRA recipients have similar barriers.
- Working-age ISP recipients were more likely than other Australians to live in areas of higher socioeconomic disadvantage. In 2013, lower skill employment opportunities and CRA recipients were typically concentrated in similar areas.
- Housing assistance recipients are concentrated in major cities and inner regional areas, although the spatial distribution of housing assistance varies considerably across capital cities. Working-age ISP recipients in all jurisdictions — other than the Australian Capital Territory and the Northern Territory — are far more likely to receive CRA than to reside in public housing.

1 Introduction

This background paper presents a profile of income support and housing assistance recipients at 30 June for each of the eleven years spanning 2003–2013. The profile is based on a unique dataset built from administrative records from the Centrelink payments database managed by the Department of Human Services (DHS), and is the result of collaboration between the DHS and the Productivity Commission. The dataset is referred to throughout the paper as the ‘DHS data’.

The profile presents detailed information on working-age housing assistance recipients who receive income support payments (ISPs). This departs from existing approaches to reporting on housing assistance, which focus on either households or the income units of which individuals are a part. A focus on individual recipients allows a better understanding of the individual characteristics that are likely to affect ISP recipients’ likelihood of employment. The use of administrative records supports a detailed and comprehensive description of the working-age population of ISP recipients.

The profile provides a brief description of the DHS data, followed by a series of figures that describe broad trends in housing assistance and the diverse population of working-age people who receive both housing assistance and income support. An annex containing detailed tables drawn from the DHS data supports this profile. Background paper 1 provides detail on the operation of different types of housing assistance.

2 The data used in this profile

The administrative records underlying the DHS data contain information about people’s eligibility for ISPs, the types and levels of assistance they receive and the demographic characteristics necessary to identify them and deliver payments. The records were created when ISP recipients and Centrelink customer support officers filled out relevant documentation, and when the DHS made payments. The dataset built from these records includes information for the fortnight preceding the 30th of June of each year. The data underlying the profile are de-identified, that is, information that could be used to identify an individual, like their name and address, has been removed.

While the DHS data cover all people receiving an ISP at the end of each financial year, people who were aged less than 15, or more than 65, or who were receiving the Age Pension were excluded, to focus on working-age people.¹ Variables were included in the database to provide information about the relationship between income support, housing assistance and employment. They include information about recipients’ ISP types, demographic characteristics, location, income and employment, and time spent on income support.

¹ The data cover all ISPs administered by the DHS. Recipients of payments made by the Department of Veterans’ Affairs are not included in the data.

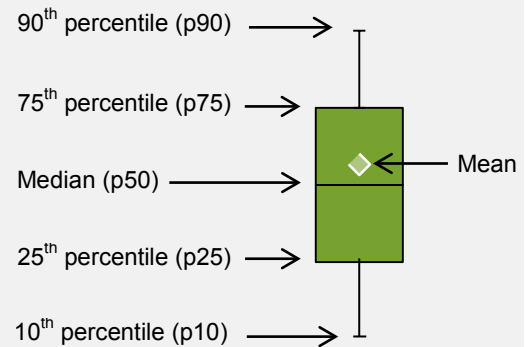
Where information about a continuous variable — such as earned income — is presented in the profile, ‘box and whisker’ plots are used to summarise the distribution of that variable over a group of people (box 1).

Box 1 Interpreting ‘box and whisker’ plots

‘Box and whisker’ plots can be used to summarize the distribution of an indicator over a particular group of housing assistance recipients; such as the time they have spent receiving income support.

The line in the middle of the box to the right represents the median value of the indicator, while the diamond shows the mean value. The outer edges of the box represent the interquartile range — the gap between the 25th and 75th percentiles — so 50 per cent of observations fall within the box. The whiskers extending out from the box show values of the indicator at the 10th and 90th percentiles.

Source: Williamson et al. (1989).



Counting recipients of housing assistance

The DHS data represent a subset of all Australians who receive housing assistance (figure 1). It is not possible to report the exact number of Australians who receive housing assistance, due to differences in units of measurements (persons, income units, households) used in the reporting on different types of assistance (AIHW 2014). Information about people receiving multiple forms of assistance, such as those simultaneously receiving Commonwealth Rent Assistance (CRA) and living in community housing, is also limited.

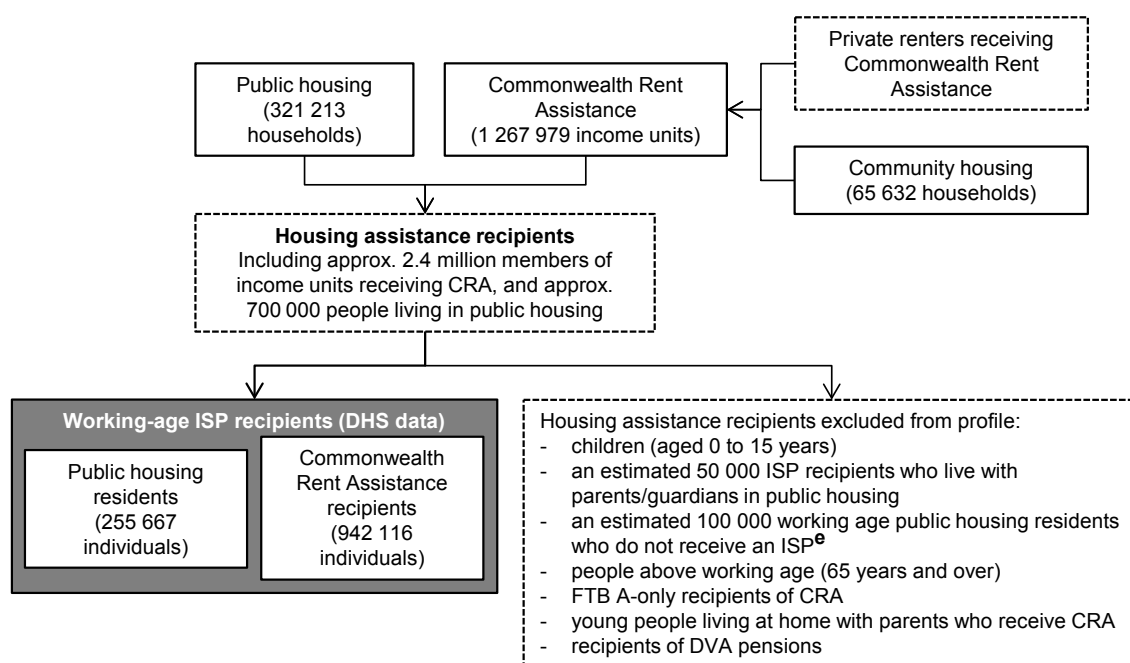
- Public housing is typically counted in terms of numbers of households — a household is considered to be a person living alone, or a group of people who usually live in the same dwelling.
- CRA statistics are typically presented for ‘income units’, where an income unit consists of a person, their partner (if they have one), and any dependent children for whom they (or their partner) receive Family Tax Benefit part A (FTB A) (AIHW 2014). A non-dependent child living at home, including one who is receiving an ISP in their own right, is regarded as a separate income unit. Similarly, non-related adults sharing accommodation are counted as separate income units.

Where an ISP recipient does not receive CRA, but is the partner of an ISP recipient who does, both are identified as recipients of CRA in the DHS data. Any children aged between

15 and 19, and who are part of an income unit that receives CRA, are identified as not paying rent (and included in an ‘other’ tenure category).²

If an ISP recipient’s partner does not receive an ISP, but receives CRA by virtue of their receipt of FTB A, the ISP recipient is not recognised as receiving CRA in the DHS data.³ This is because the DHS data does not include the information that their partner receives FTB A, and therefore CRA. This is estimated to have affected less than 11 500 ISP recipients (around 1.2 per cent of all recipients of CRA) in 2013.

Figure 1 Recipients of housing assistance in Australia, 2013^{a,b,c,d,e}
Analysis in this paper covers the population in the grey box



^a Boxes with dashed edges represent knowledge gaps, where a precise number of housing assistance recipients is not known. ^b The total numbers of people living in households receiving housing assistance are estimates based on assumed numbers of people living in households receiving different types of assistance. ^c Residents of State-owned and managed Indigenous housing are not separately identified in the DHS data. ^d Housing assistance measures such as one-off bond payments are not included. ^e Comparisons of administrative and Census data for South Australia and Western Australia suggest that between 5 and 10 per cent of working-age public housing residents are not reported to state housing authorities. The majority of under-reporting appear to be people who are not income support recipients.

Sources: AIHW (2014); SCRGSP (2014); ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); DHS (unpublished).

² This approach reflects an assumption that a person’s employment decisions will be influenced by both their own and their partners’ unearned income, but that this income typically does not affect a child’s employment decisions.

³ The DHS data arise from the administration of the Social Security Act. People who receive an ISP and CRA are paid CRA under the Social Security Act. People who receive FTB (A) and CRA, but do not receive an ISP, are paid under the Family Assistance Act.

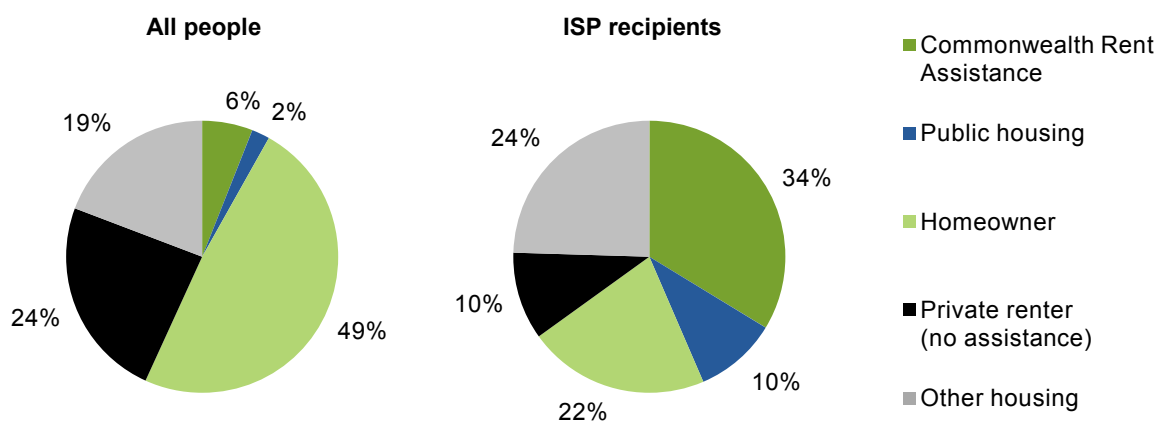
Limitations of the DHS data

The administrative records are a rich source of information about housing assistance recipients because many also receive ISPs administered by DHS. However, the DHS data have some limitations. Most importantly, because they do not include all housing assistance recipients (figure 1), inferences are limited to those in receipt of an ISP. In particular, employment rates among housing assistance recipients are likely to be underestimated because some CRA recipients and public housing residents who may be employed are not included in this data — as their earnings preclude their receipt of an ISP.

3 What are the dimensions of housing assistance?

Around 44 per cent of working-age ISP recipients received housing assistance in 2011 ...

Figure 2 **Housing tenures among working-age people by ISP status, 2011-12^a**

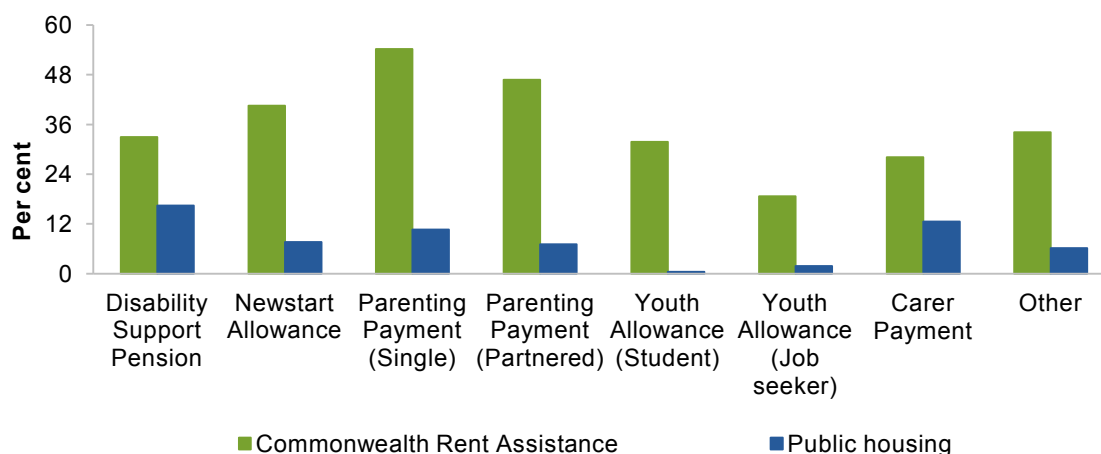


^a Data for 'All people' are from the ABS Survey of Income and Housing 2011-12, and include people aged 15 to 64. Data for ISP recipients are from the DHS data, and include all ISP recipients aged 15–65, but exclude FTB A-only recipients of CRA. Residents of public housing are people who rent from a State or Territory Housing Authority. People who neither rent nor own their own home are classified as 'Other'. This includes people living rent free, some of whom are the working-age children of ISP recipients in other tenures.

Sources: ABS (Survey of Income and Housing, 2011-12, Cat no. 4130.0); Department of Human Services, administrative data (unpublished).

... although the rates of receipt of housing assistance differed considerably by ISP type.

Figure 3 Housing assistance by ISP type, 2013^a
ISP recipients within a payment type receiving housing assistance

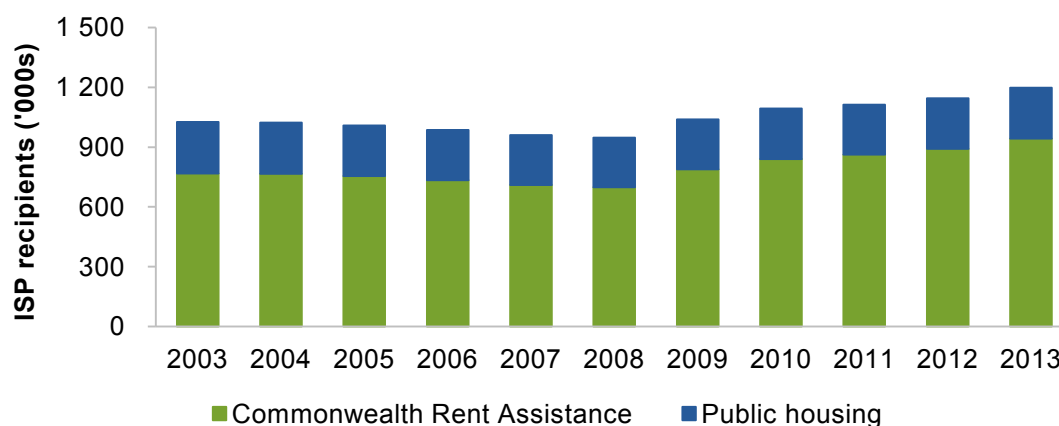


^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA, or working-age children living at home who are not specifically identified as receiving housing assistance.

Source: Department of Human Services, administrative data (unpublished).

The number of working-age ISP recipients receiving CRA has increased over recent years, while the number of public housing residents has remained relatively constant.

Figure 4 Number of working-age housing assistance recipients, 2003 to 2013^a



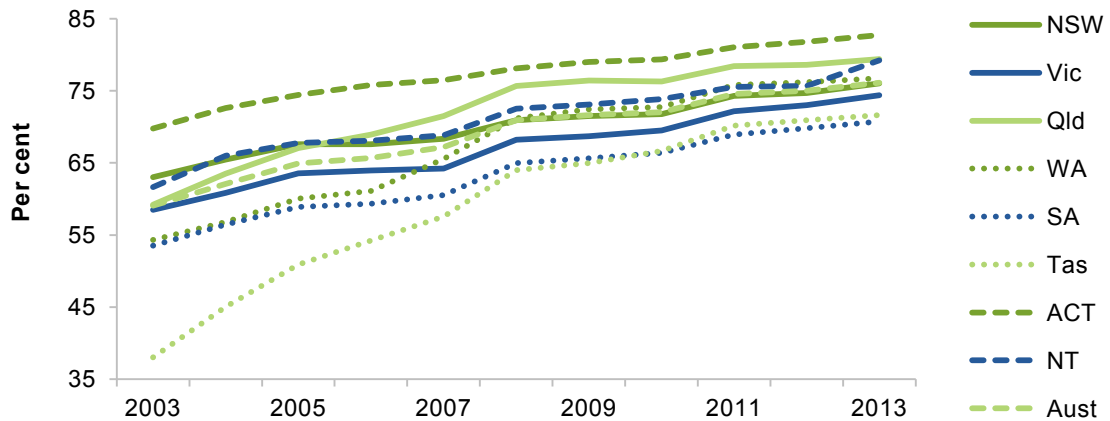
^a ISP recipients aged 15–65 at 30 June of each year. This figure does not include FTB A-only recipients of CRA.

Source: Department of Human Services, administrative data (unpublished).

How has the demand for assistance changed?

The share of income units eligible for the maximum amount of CRA has been increasing ...

Figure 5 Income units receiving CRA who pay enough rent to be eligible for the maximum rate of CRA, 2003 to 2013^{a,b,c}
Per cent

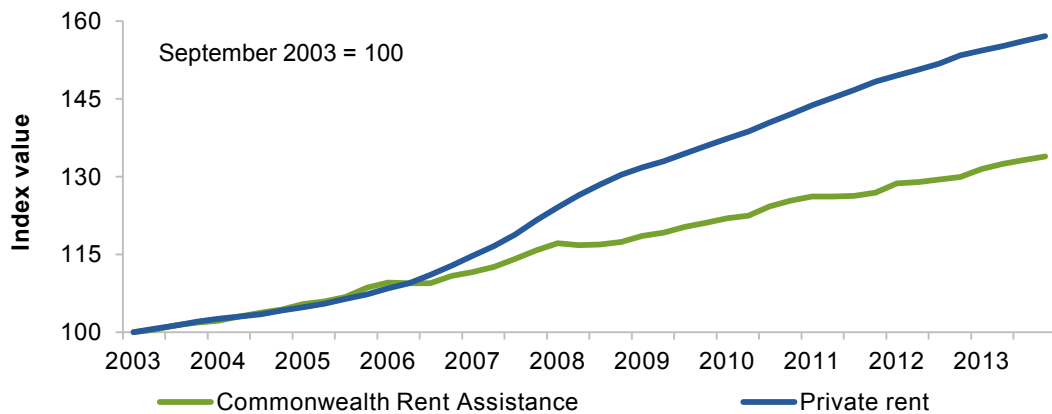


^a Income units are formed either by couples or singles, with or without dependent children, living within a household. Income units differ from families in that related, non-dependent individuals form separate income units (ABS 2005). ^b This figure is not based on DHS data, and includes FTB A-only recipients. ^c Some income units paying enough rent to be entitled to the maximum rate only receive a partial rate of assistance because of the income/asset test applying to their main benefit.

Sources: SCRGSP (2008, 2009, 2014).

... because private rents have increased faster than the maximum CRA amount, which is indexed to the Consumer Price Index.

Figure 6 Change in private rents and CRA, 2003 to 2013^a



^a The maximum CRA amount is indexed to the Consumer Price Index.

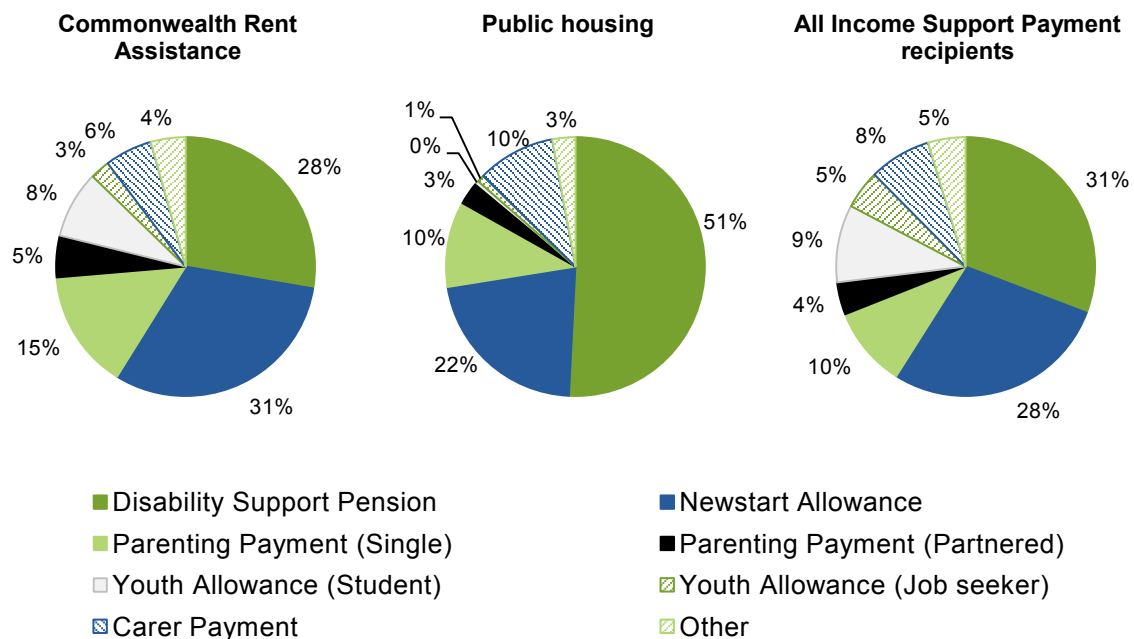
Source: ABS (*Consumer Price Index*, Cat no. 6401.0).

4 Who receives housing assistance?

What ISPs do housing assistance recipients receive?

The share of each type of income support differs between public housing residents and CRA recipients, with over 50 per cent of working-age public housing residents receiving the Disability Support Pension.

Figure 7 ISP types of housing assistance recipients, 2013^{a,b}



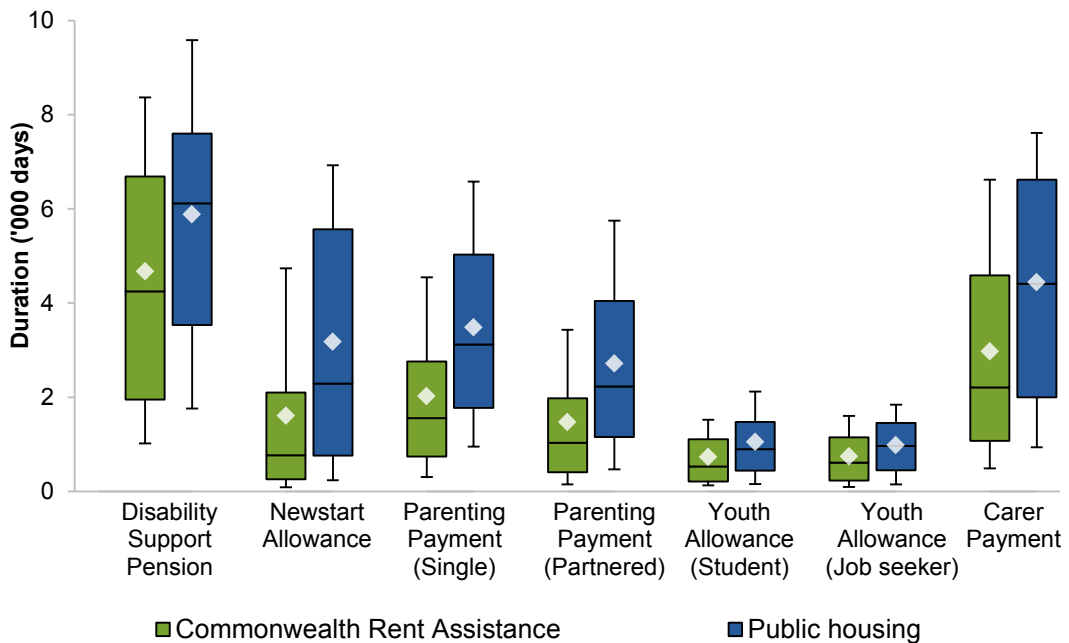
^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA. Labels are rounded. ^b Other payments include a range of less common ISPs, including Bereavement Allowance, Wife’s Pension, Wife’s Disability Support Pension, Austudy, Partner Allowance, Sickness Allowance, Special Benefits, Widow Allowance and Abstudy.

Source: Department of Human Services, administrative data (unpublished).

Are CRA receipt and public housing tenancy associated with different lengths of time on income support?

Public housing tenants have typically received ISPs for a longer period of time than CRA recipients on similar payments.

Figure 8 Duration of ISP receipt, by ISP and housing assistance, 2013^a
P10, P90, interquartile range, median and mean



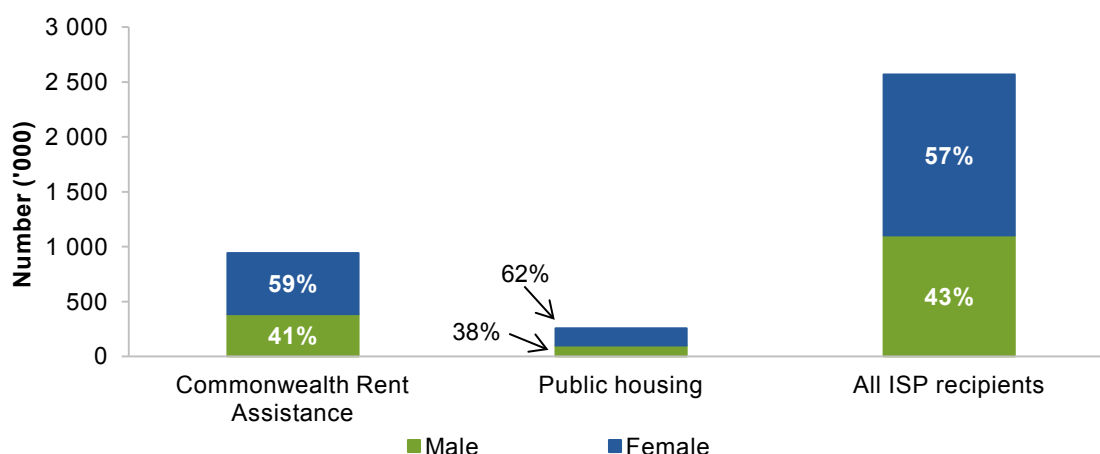
^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA. Other payments have not been included in this figure.

Source: Department of Human Services, administrative data (unpublished).

What are the demographic characteristics of housing assistance recipients?

More women receive ISPs and housing assistance than men.

Figure 9 **Gender of housing assistance recipients, 2013^a**

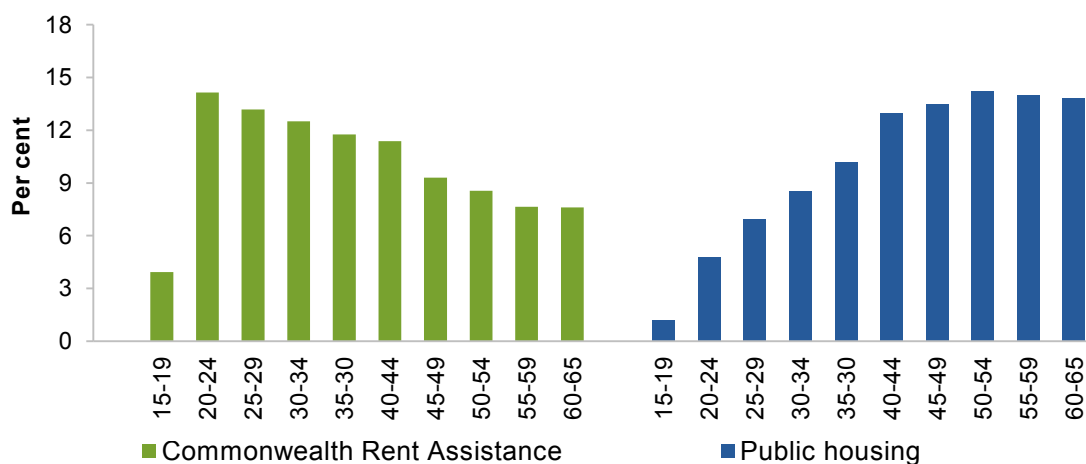


^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA.
 Source: Department of Human Services, administrative data (unpublished).

Residents of public housing tend to be older than recipients of CRA ...

Figure 10 **Age profile of housing assistance recipients, 2013^a**

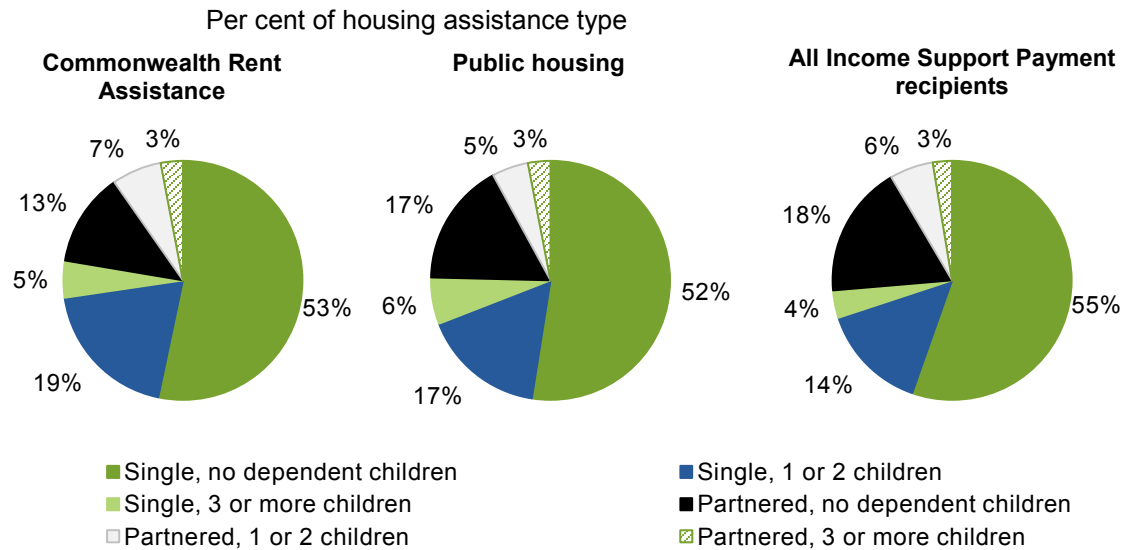
Per cent of housing assistance type in each age group



^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA.
 Source: Department of Human Services, administrative data (unpublished).

... and over half of all housing assistance recipients are single, with no dependent children, regardless of the type of assistance they receive.

Figure 11 **Housing assistance recipients by household type, 2013^a**

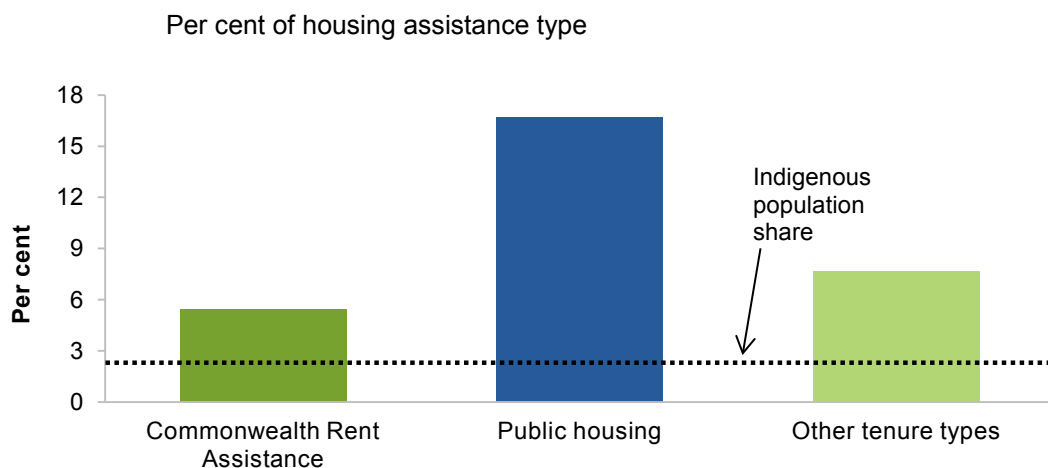


^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA.

Source: Department of Human Services, administrative data (unpublished).

Public housing residents are much more likely than other working-age ISP recipients to self-report as being Indigenous Australians ...

Figure 12 **Housing assistance recipients who self-report as Indigenous Australians, 2013^{a,b}**

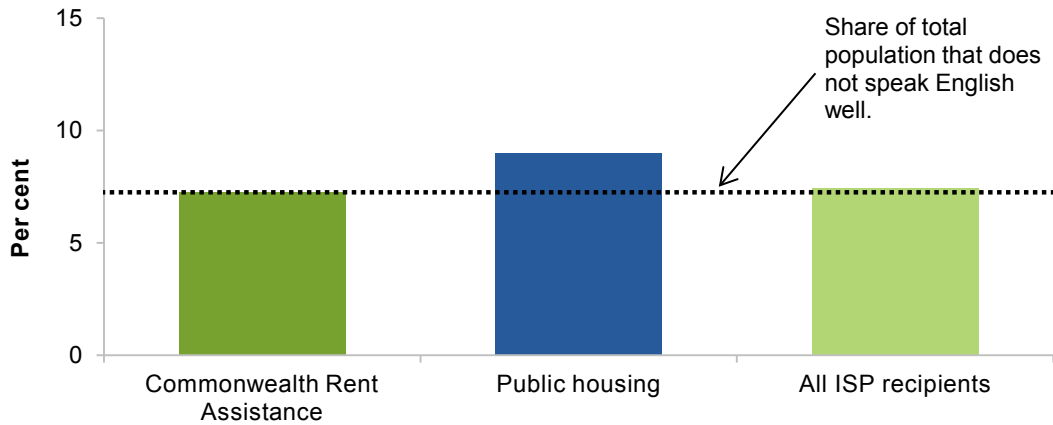


^a The dotted line represents the proportion of the total population aged 15–65 that identified as being Indigenous at the 2011 Census. ^b ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA.

Sources: ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); Department of Human Services, administrative data (unpublished).

... and a higher proportion of public housing residents than CRA recipients have a preferred language other than English.

Figure 13 **Housing assistance recipients with a preferred language other than English, 2013^{a,b}**
Per cent of housing assistance type



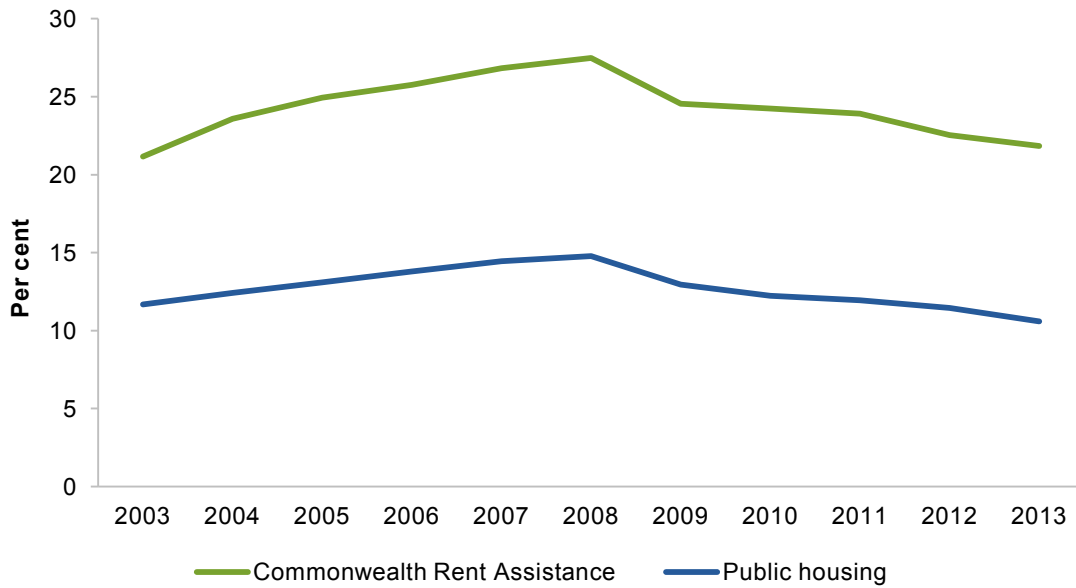
^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA. ^b The dotted line represents the proportion of the total population aged 15–65 that did not speak English either very well or well, and also did not speak only English at home, at the time of the 2011 Census. People who did not state either their language spoken at home or did not state their English proficiency are treated as not speaking English well.

Sources: ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); Department of Human Services, administrative data (unpublished).

Are housing assistance recipients' labour market activities different?

Although their employment rates decreased from 2008, reflecting general trends in employment, about one in five CRA recipients and one in ten public housing residents reported earnings from work at 30 June 2013.

Figure 14 **Employment of housing assistance recipients, 2003 to 2013^a**
Per cent reporting earned income



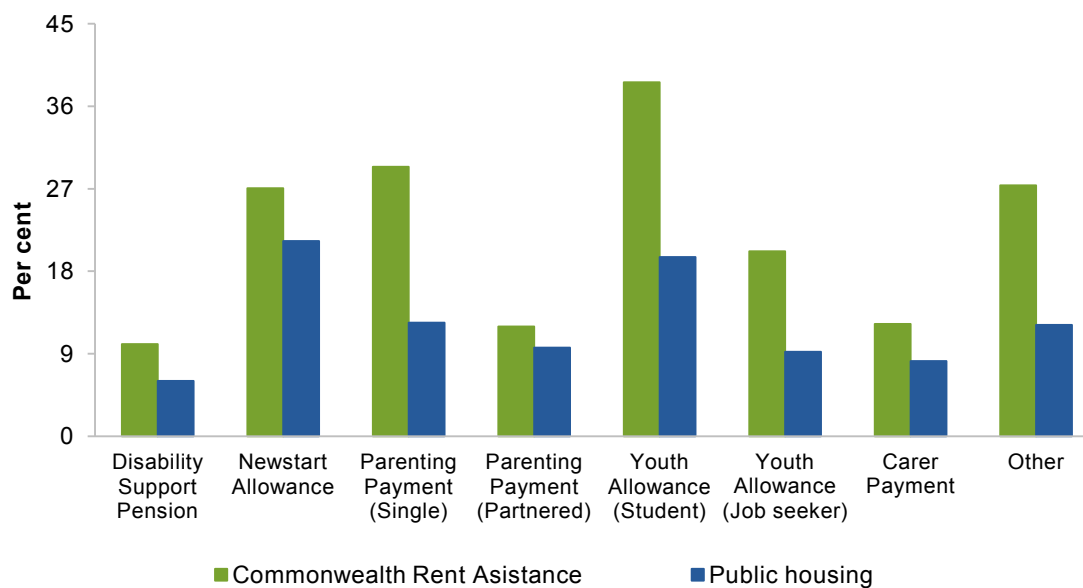
^a ISP recipients aged 15–65 at 30 June of each year. This figure does not include FTB A-only recipients of CRA.

Source: Department of Human Services, administrative data (unpublished).

The difference in employment rates between housing assistance types was evident for all ISP types, although the gap differs in size with recipients of Youth Allowance and Parenting Payment (Single) having the greatest gap.

Figure 15 **Employment of housing assistance recipients by ISP type, 2013^{a,b}**

Per cent reporting earned income



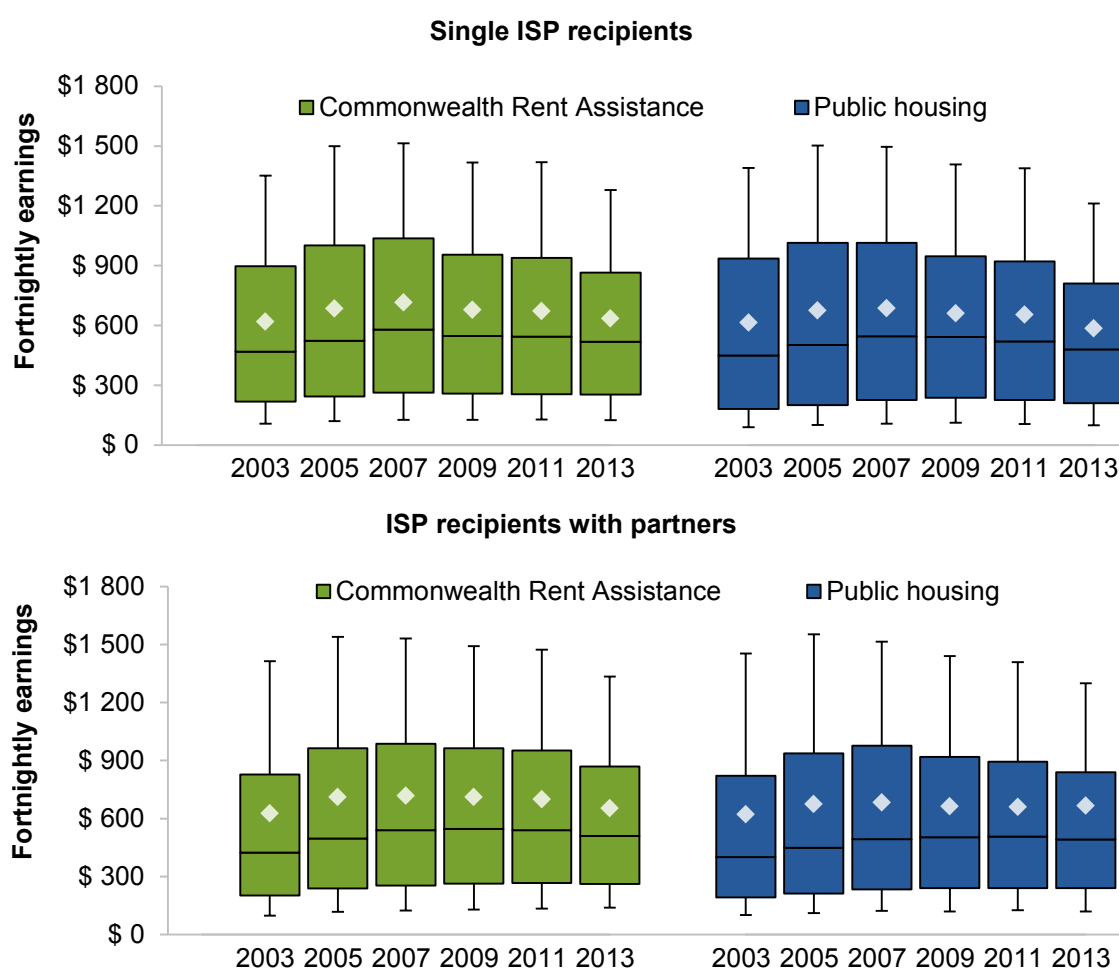
^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA. ^b Other payments include a range of less common ISPs, including Bereavement Allowance, Wife’s Pension, Wife’s Disability Support Pension, Austudy, Partner Allowance, Sickness Allowance, Special Benefits, Widow Allowance and Abstudy.

Source: Department of Human Services, administrative data (unpublished).

There was little difference in the average earnings reported by CRA recipients and public housing residents who were employed. Median earnings for single ISP recipients increased between 2003 and 2007, but have declined by about 1.8 per cent since.

The decline in median earnings for ISP recipients with partners is not as apparent, but is evident at the 75th and 90th percentiles.

Figure 16 **Real earned income, by housing assistance status, 2013^{a,b}**
P10, P90, interquartile range, median and mean (2013 dollars)



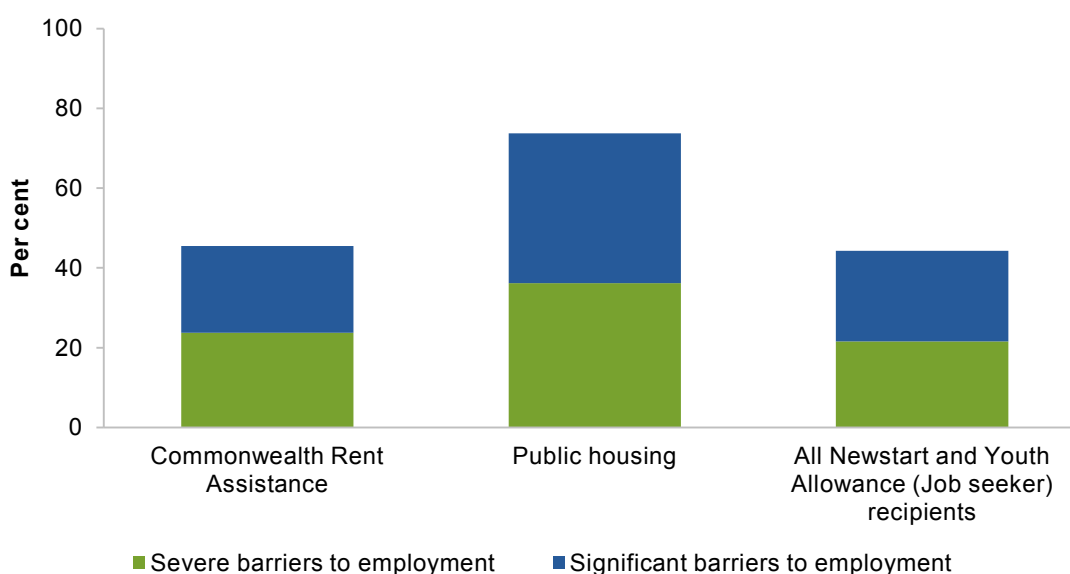
^a ISP recipients aged 15–65 reporting earned income at 30 June 2013. ^b Earnings values have been inflated to 2013 values using the Wage Price Index (ABS Cat. no. 6345.0).

Source: Department of Human Services, administrative data (unpublished).

Nearly three out of every four Newstart and Youth Allowance (Job seeker) recipients living in public housing have been assessed as having severe or significant barriers to employment. About two of every five CRA recipients receiving either Newstart or Youth Allowance (Job seeker) payments were considered to face similar barriers.

Figure 17 Assessment of employment barriers by housing assistance type, 2013^{a,b}

Per cent, Newstart and Youth Allowance (Job seeker) recipients only



^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA. ^b Barriers to employment are only assessed for those ISP recipients required to undertake an activity test, such as those receiving Newstart or Youth Allowance (Job Seeker). Barriers to employment may include problems such as: mental illness; family and domestic violence; family and relationship issues; financial management difficulties; social isolation; language and communication difficulties; drug, alcohol and gambling addictions; and homelessness or unstable accommodation. People with severe barriers to employment are the most disadvantaged job seekers and require integrated, intensive assistance to overcome multiple vocational and non-vocational barriers to employment (JSA 2013).

Source: Department of Human Services, administrative data (unpublished).

What does the work capacity of public housing tenants look like?

One individual characteristic that is highly relevant to employment outcomes is a person's capacity to work. The administrative data do not provide this information. The calculations in this section are based on a variety of sources and assumptions to estimate the potential pool of public housing tenants who might have the capacity to work, given the right support. Given the uncertainties about the data and assumptions made, the calculations in this section are presented in the form of ranges.

Since 2006, applicants for the Disability Support Pension (DSP) who are not profoundly disabled or terminally ill have had to undertake job capacity assessments (box 2). The work capacity of Newstart and Youth Allowance (job seeker) applicants is also assessed, with applicants classified into one of four streams depending on the degree of support that they need to find work. This information, plus assumptions about the work capacity of other ISP recipients, was used to estimate work capacity among all working-age public housing tenants.

On these estimates, the majority of working-age public housing tenants has some work capacity (table 1). In fact, the number who might be thought to have higher work capacity (about 70 000) is larger than the number in employment on 30 June 2013 (about 40 000).⁴

Box 2 Work capacity assessments for DSP recipients

Prior to the Welfare to Work reforms (which commenced on 1 July 2006), people with disability who applied for income support were eligible for DSP if they were assessed as having a work capacity of less than 30 hours a week (for at least the following two years). From 1 July 2006, the threshold was reduced to 15 hours, and people with disability who have a work capacity of more than 15 hours a week have been assessed for alternative payments — usually Newstart or Youth Allowance. People on DSP at May 2005 were grandfathered, and a mix of the pre- and post-Welfare to Work arrangements applied to people assessed between May 2005 and July 2006. People who are clearly eligible because of terminal illness or profound disability receive DSP without a job capacity assessment (JCA). Initially, employment service providers undertook JCAs. From July 2011, they have been undertaken by Centrelink or CRS Australia (formerly the Commonwealth Rehabilitation Service).

People who are assessed as eligible for DSP are classified as capable of either 0–7 or 8–14 hours of work a week. (People assessed between May 2005 and July 2006 can have a work capability of 15 or more hours).

A larger share of public housing tenants than CRA recipients on DSP are on grandfathered arrangements (47 versus 37 per cent). This suggests that work capacity might be higher among public housing tenants (because a larger share would have a work capability of more than 15 hours). On the other hand, among ISP recipients assessed for DSP since July 2006, 62 per cent of public housing tenants are in the lower hours (0–7) category, in comparison with 57 per cent of CRA recipients.

Sources: DEEWR (2008); Welfare Rights Centre (2011); Author estimates from the Research and Evaluation Database (unpublished).

⁴ The number of tenants who had employment at some point over the past six months would be larger.

Table 1 Estimates of the work capacity of public housing tenants

<i>Income support payment type</i>	<i>Estimated population^a</i>	<i>Employed</i>	<i>Not working</i>	<i>Work capacity of those not working</i>		
				<i>Higher</i>	<i>Lower</i>	<i>None</i>
Disability support pension ^b	149 500	9 000	140 500	52 000	83 900	
(Grandfathered recipients)	69 700					
Profoundly disabled	4 600					4 600
Work capacity bandwidth						
0–7	85 300	1 400	83 900		83 900	
8–14	43 400	3 100	40 300	40 300		
15–29	16 200	4 500	11 700	11 700		
Newstart allowance ^c	62 900	13 300	49 600	8 700	40 900	
Jobseeker classification						
Stream 1 & 2	18 700	10 000	8 700	8 700		
Stream 3	22 500	2 000	20 500		20 500	
Stream 4	21 700	1 300	20 400		20 400	
Parenting payment (Single) ^d	33 800	5 200	28 600	5 300	11 650	11 650
Parenting payment (Partnered) ^d	7 400	700	6 700	200	3 250	3 250
Youth allowance (Student) ^e	10 900	3 600	7 300			7 300
Youth allowance (Job seeker)	10 900	3 200	7 700	3 000	4 700	
Jobseeker classification ^f						
Stream 1 & 2	5 400	2 400	3 000	3 000		
Stream 3	2 800	500	2 300		2 300	
Stream 4	2 700	300	2 400		2 400	
Carer payment ^g	28 500	2 300	26 200	1 500	6 175	18 525
Other ^g	8 800	1 100	7 700	700	1 750	5 250
Total	312 700	38 400	274 300	71 400	152 325	50 575

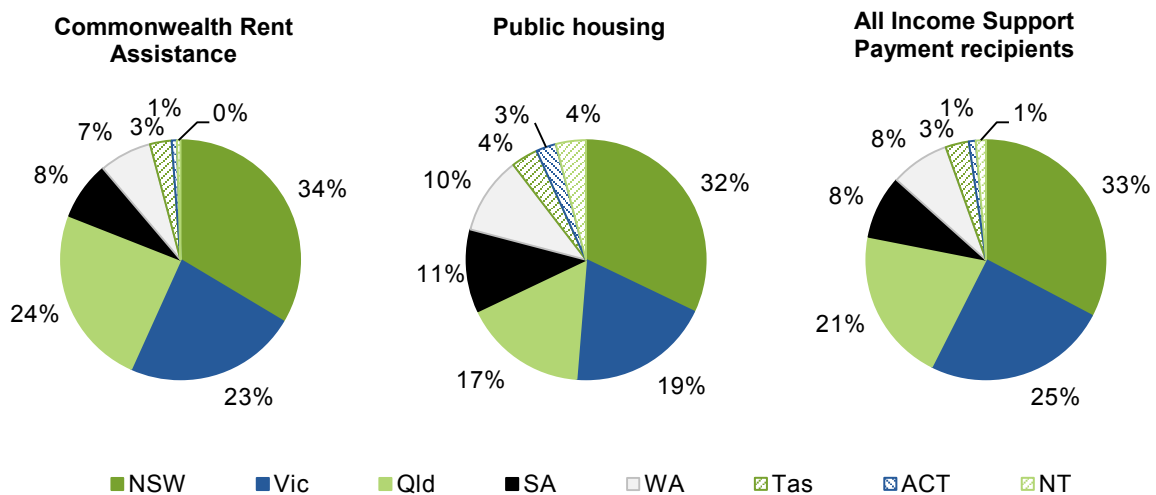
^a Estimates are based on a combination of data from the DHS (for 2013) and the ABS Survey of Income and Housing (SIH) 2011-12. SIH was used for estimates of working-age people living with parents or guardians (WPLPs) in public housing because these ISP recipients are not identified as public housing residents in the DHS data. All figures have been rounded. The total is higher than the 300 000 income support recipients figure in the text above because visitors can not be identified (and, therefore, excluded) in the SIH data for WPLPs. ^b Work capacity data for DSP recipients assessed from May 2005 onwards are from the Research and Evaluation Database (RED). In estimating the potential work capacity of people on grandfathered arrangements, it was assumed (on an ad hoc basis) that 20 per cent would be assessed as being able to work 15 or more hours. Information from RED on the work capacities of DSP recipients assessed from May 2005 was used to pro rate other people on grandfathered arrangements across the other work capacity categories. ^c The DHS data include jobseeker classifications for ISP recipients by tenure type, but excluding WPLPs. For WPLPs living in public housing, it was assumed that the distribution of classifications within the total ISP recipient population applies. That distribution includes a higher proportion of stream 1 and 2 Newstart allowees (NAs) than does the distribution for public housing tenants — and it was assumed that WPLPs living in public housing are more likely than their parents/guardians to be in these higher level streams. The DHS data do not separately identify jobseeker classifications for people in employment. It was assumed (on an ad hoc basis) that 75 per cent of employed NAs are streams 1 and 2, 15 per cent are stream 3 and 10 per cent are stream 4. For simplicity, the WPLPs' employment rate was assumed to be the same as their parents'/guardians'. Intuitively, it is likely to be higher but, given the small numbers of WPLPs on Newstart, this assumption has little effect on the overall estimates for NAs. ^d The estimate of the number of Parenting Payment (PP) recipients with higher work capacity was generated by assuming that public housing tenants on this payment could relatively easily achieve the same employment rate as PP recipients overall. If that were the case, for example, an additional 6800 single parents in public housing would be working. The estimate for PP recipients with lower work capacity was generated by assuming that they represent half of the group that is not working less those assumed to have higher work capacity — an ad hoc decision. ^e Detail on whether Youth Allowance (YA) recipients are students or jobseekers is not available in the SIH. It was assumed that YA recipients who are studying full time are receiving the student payment. And it was assumed that none of this group currently has work capacity (although some are likely to be working, at least part time). ^f Most YA jobseekers are WPLPs. As for NA WPLPs, it was assumed that YA jobseekers are distributed across streams in the same proportions as all ISP recipients. ^g Estimates of the numbers of Carer Payment and Other payment recipients with higher work capacity were generated using the same approach as was used for PP recipients. Estimates of lower work capacity were also derived using a similar approach to that used for PP, except that the percentage of the 'remainder' assumed to have work capacity was set at 25 rather than 50.

Sources: Author estimates based on: Department of Human Services, administrative data (unpublished); Research and Evaluation Database (unpublished); ABS (Microdata: Income and Housing, Australia, 2011-12).

Where do housing assistance recipients live?

The majority of housing assistance recipients lives in either New South Wales or Victoria.

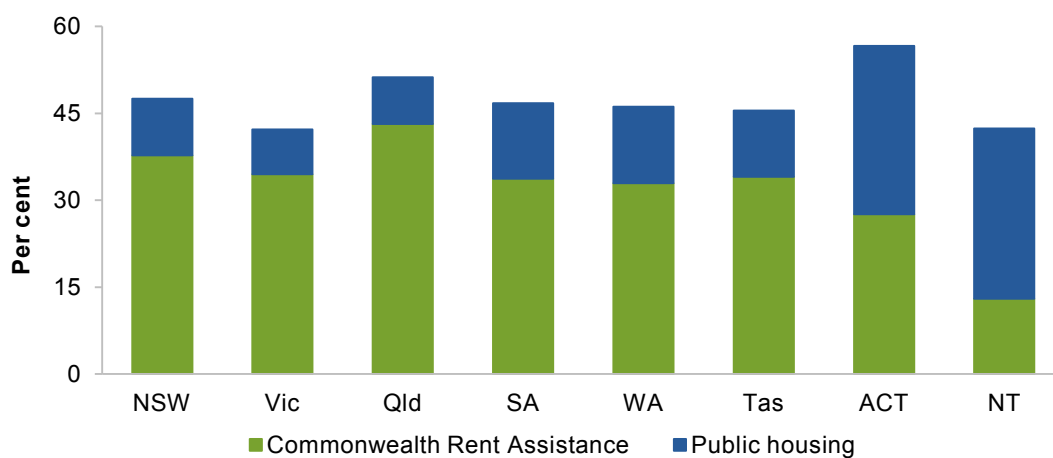
Figure 18 Housing assistance recipients by state or territory, 2013^a
Per cent in each state or territory



^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA.
Source: Department of Human Services, administrative data (unpublished).

The mix of housing assistance differs between states and territories, with working-age ISP recipients in all jurisdictions — other than the Australian Capital Territory and the Northern Territory — more likely to receive CRA than to reside in public housing.

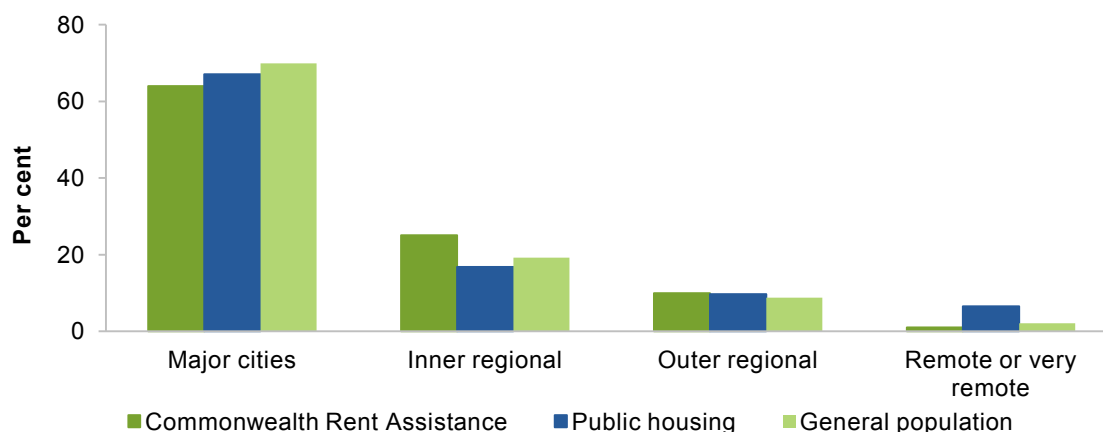
Figure 19 ISP recipients receiving housing assistance, by state or territory, 2013^a



^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA.
Source: Department of Human Services, administrative data (unpublished).

Housing assistance recipients are concentrated in major cities and inner regional areas ...

Figure 20 Income support payment recipients by region and tenure type, 2013^{a,b}



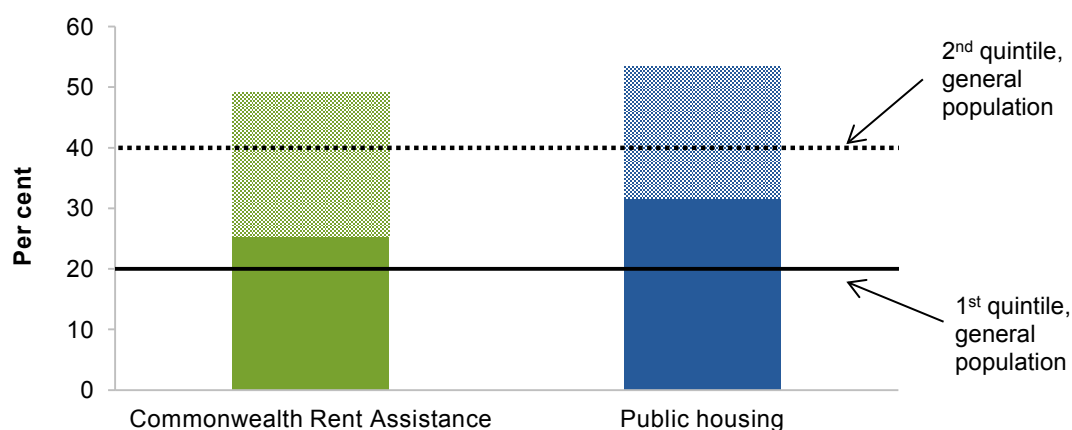
^a ISP recipients aged 15–65 at 30 June 2013. This figure does not include FTB A-only recipients of CRA. ^b Figures for the general population are from the 2011 Census.

Sources: Department of Human Services, administrative data (unpublished); 2011 Census of Population and Housing.

... and in areas of higher socioeconomic disadvantage.

Figure 21 Housing assistance recipients living in areas of high disadvantage, 2011^a

Per cent in bottom quintile (dark shading) and second quintile (light shading) of the Index of Relative Socioeconomic Disadvantage



^a ISP recipients aged 15–65 at 30 June 2011. This figure does not include FTB A-only recipients of CRA.

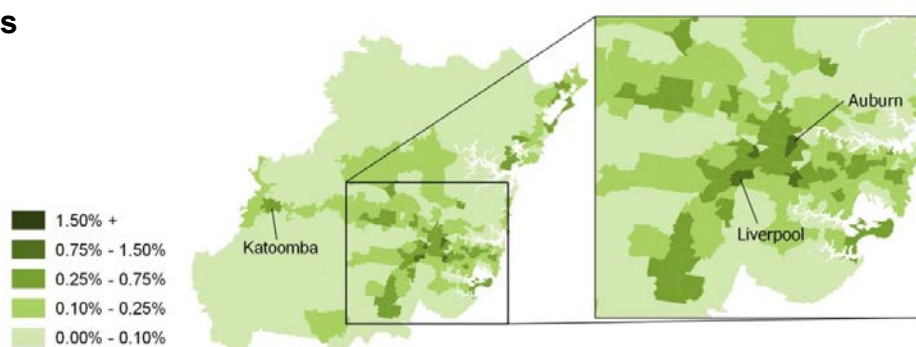
Sources: ABS (Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), 2011, Cat no. 2033.0.55.001); Department of Human Services, administrative data (unpublished).

CRA recipients are spread in a broad range of locations across all capital cities and are often found in areas that provide opportunities for employment. In contrast, public housing residents are often located in areas with fewer low skilled jobs.

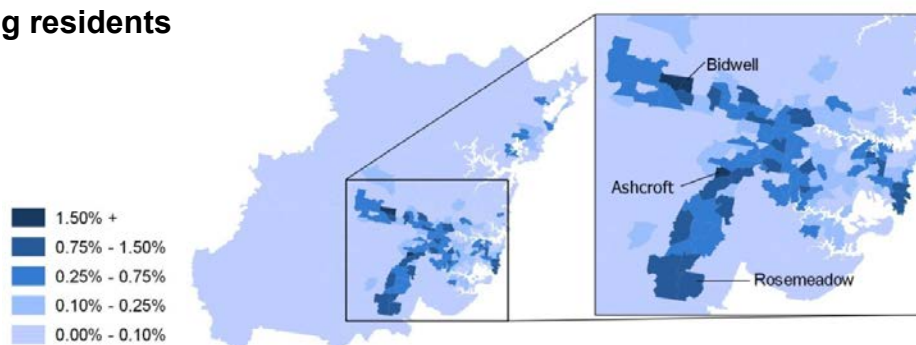
In Sydney, public housing tenants and CRA recipients tend to live in different areas, and in comparison to other major cities, public housing tenants and CRA recipients are located in areas with fewer low skill jobs.

Figure 22 **Housing assistance and lower skill jobs around Sydney^{a,b,c}**
Per cent located in each SA2 area, 2011

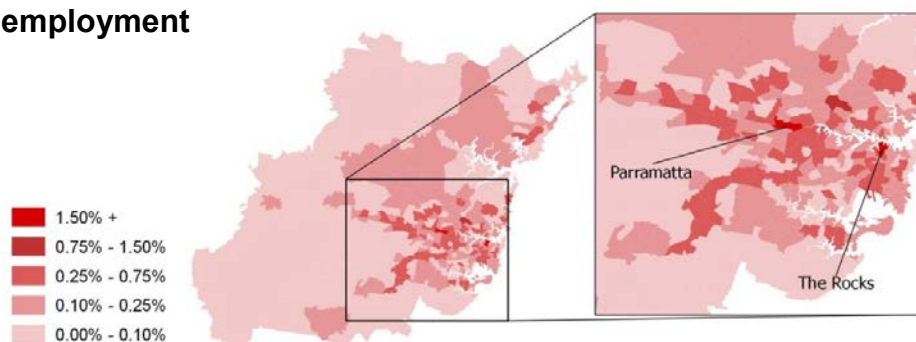
CRA recipients



Public housing residents



Lower skilled employment



^a ISP recipients aged 15–65 at 30 June 2011. CRA recipients do not include FTB A-only recipients of CRA. ^b Lower skilled employment refers to people in jobs classified as ANZSCO skill level 4 or 5. ^c SA2s are an ABS-defined medium-sized geographic unit that includes an average of around 10 000 people.

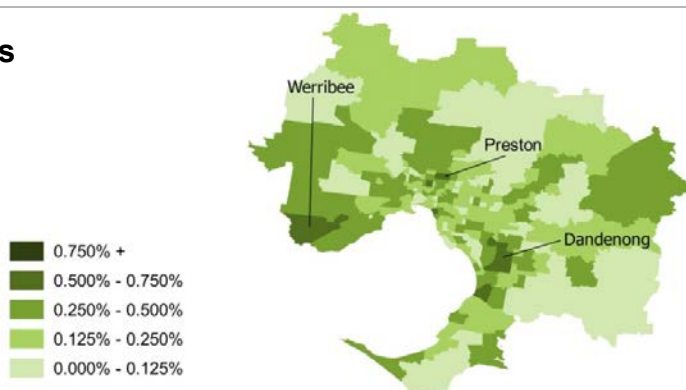
Sources: ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); Department of Employment, Research and Evaluation Database.

Public housing tenants in Melbourne are centrally located. CRA recipients in Melbourne are distributed more widely and are more likely than public housing tenants to live in areas with low skilled jobs.

Figure 23 Housing assistance and lower skill jobs around Melbourne^{a,b,c}

Per cent located in each SA2 area, 2011

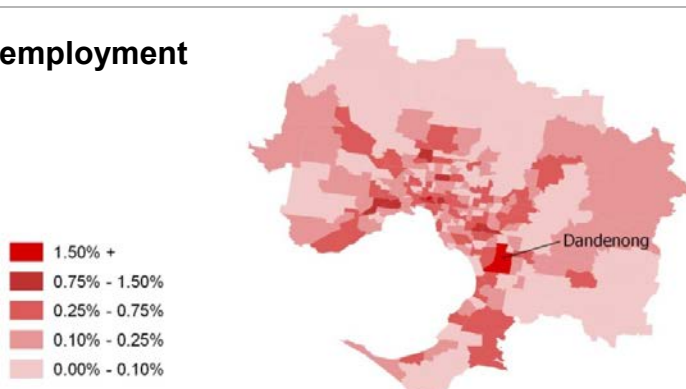
CRA recipients



Public housing residents



Lower skilled employment

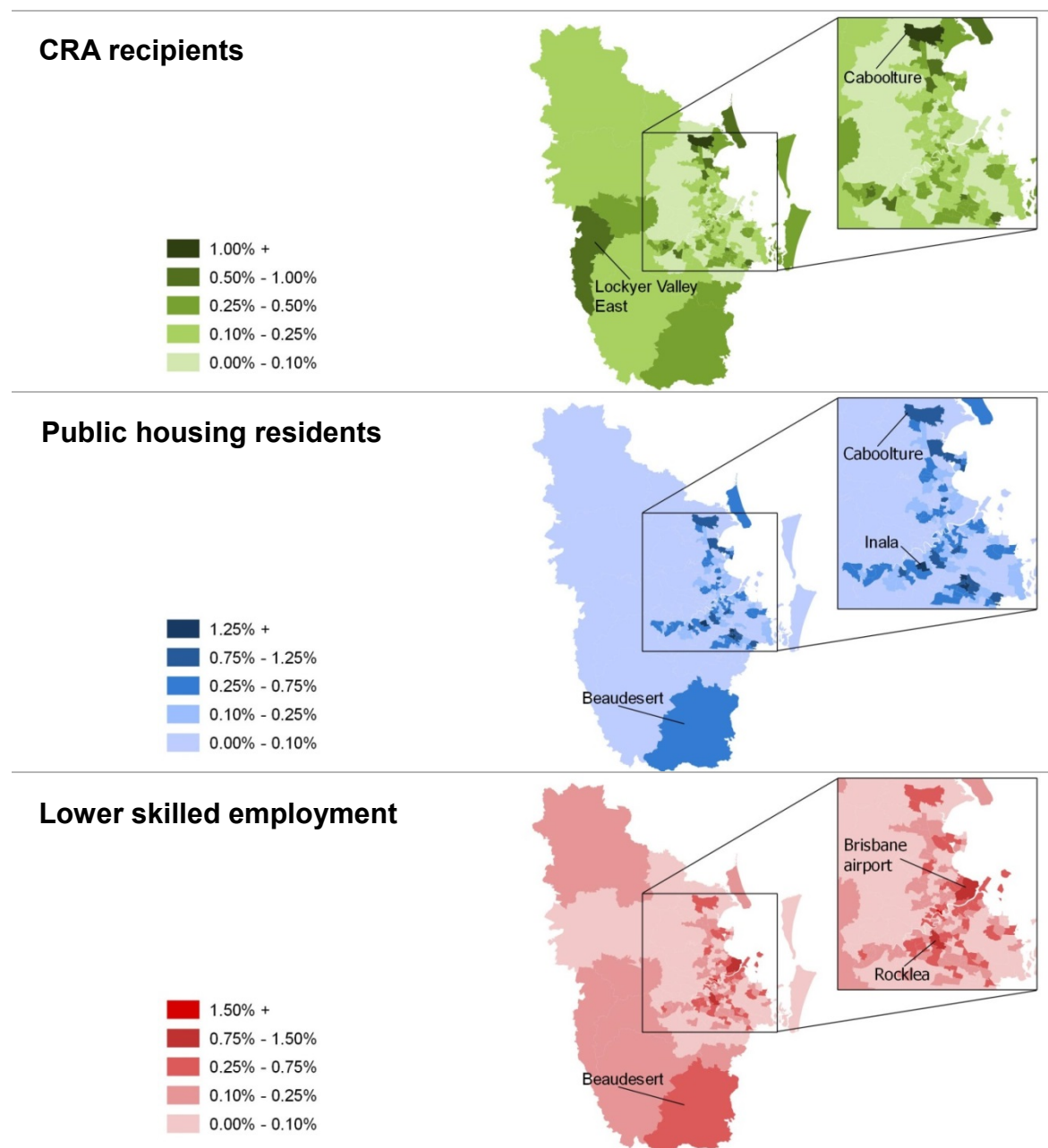


^a ISP recipients aged 15–65 at 30 June 2011. CRA recipients do not include FTB A-only recipients of CRA. ^b Lower skilled employment refers to people in jobs classified as ANZSCO skill level 4 or 5. ^c SA2s are an ABS-defined medium-sized geographic unit that includes an average of around 10 000 people.

Sources: ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); Department of Employment, Research and Evaluation Database.

In Brisbane CRA recipients and public housing tenants live in similar areas and so have a similar exposure to low skilled jobs.

Figure 24 Housing assistance and lower skill jobs around Brisbane^{a,b,c}
Per cent located in each SA2 area, 2011



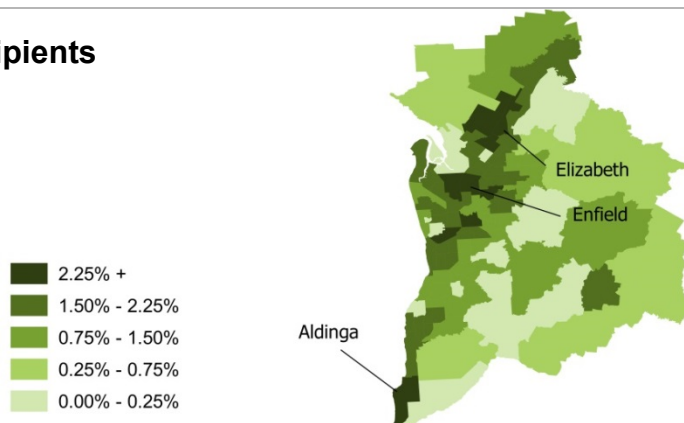
^a ISP recipients aged 15–65 at 30 June 2011. CRA recipients do not include FTB A-only recipients of CRA. ^b Lower skilled employment refers to people in jobs classified as ANZSCO skill level 4 or 5. ^c SA2s are an ABS-defined medium-sized geographic unit that includes an average of around 10 000 people.

Sources: ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); Department of Employment, Research and Evaluation Database.

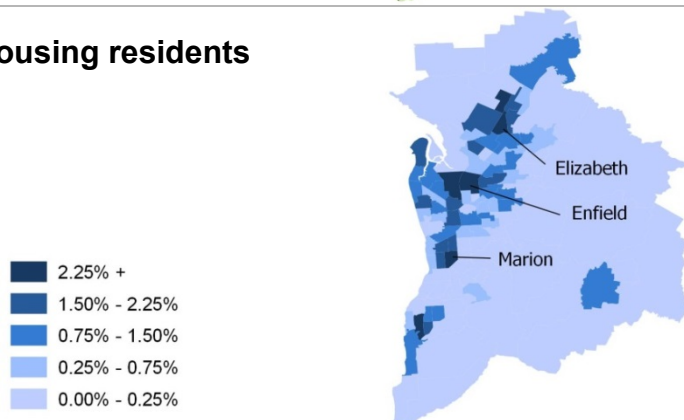
As with Brisbane, in Adelaide public housing tenants and CRA recipients live in similar areas and have similar access to low skilled jobs.

Figure 25 **Housing assistance and lower skill jobs around Adelaide^{a,b,c}**
Per cent located in each SA2 area, 2011

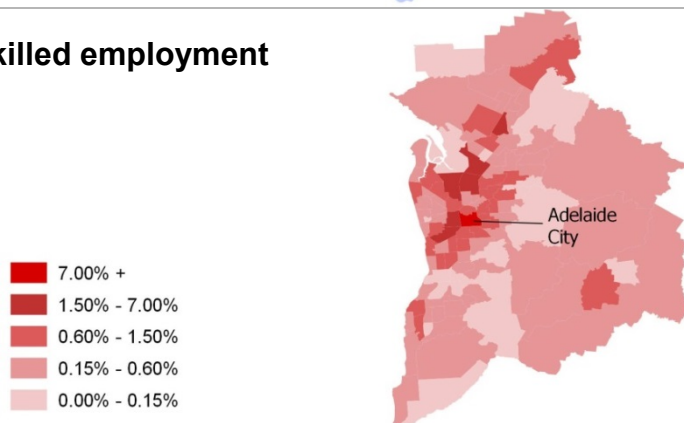
CRA recipients



Public housing residents



Lower skilled employment



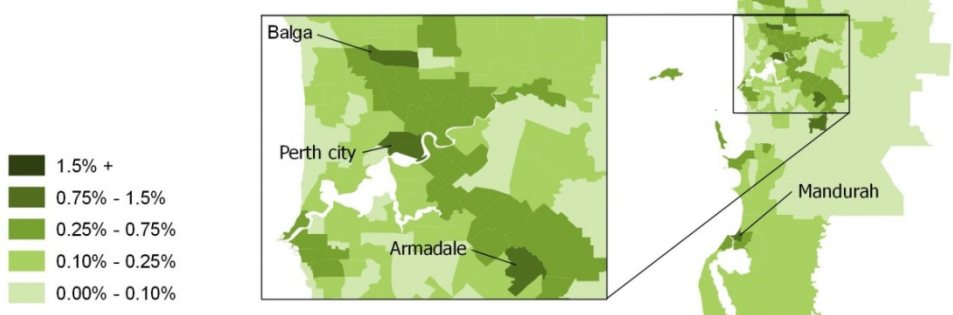
^a ISP recipients aged 15–65 at 30 June 2011. CRA recipients do not include FTB A-only recipients of CRA. ^b Lower skilled employment refers to people in jobs classified as ANZSCO skill level 4 or 5. ^c SA2s are an ABS-defined medium-sized geographic unit that includes an average of around 10 000 people.

Sources: ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); Department of Employment, Research and Evaluation Database.

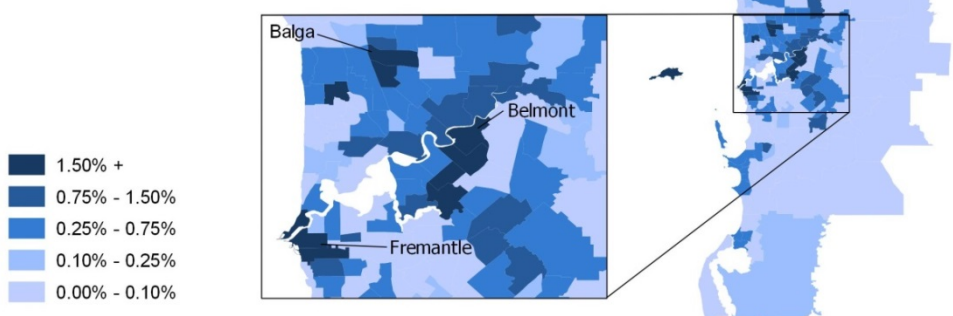
Public housing tenants in Perth are more likely to reside on the urban fringe. This is also where CRA recipients tend to live, and where low skill jobs are found.

Figure 26 **Housing assistance and lower skill jobs around Perth^{a,b,c}**
Per cent located in each SA2 area, 2011

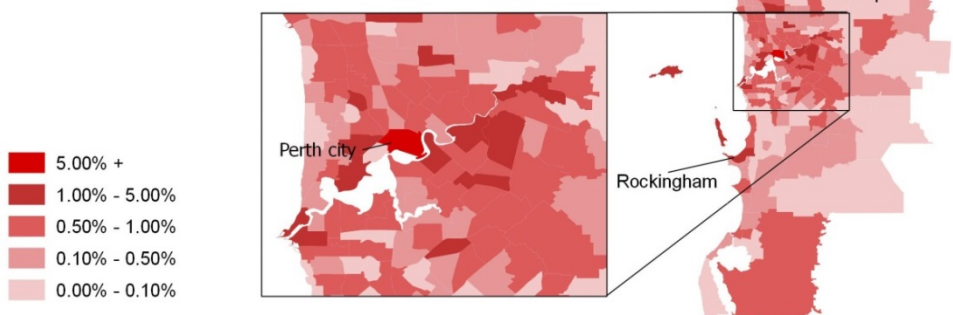
CRA recipients



Public housing residents



Lower skilled employment



^a ISP recipients aged 15–65 at 30 June 2011. CRA recipients do not include FTB A-only recipients of CRA. ^b Lower skilled employment refers to people in jobs classified as ANZSCO skill level 4 or 5. ^c SA2s are an ABS-defined medium-sized geographic unit that includes an average of around 10 000 people.

Sources: ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); Department of Employment, Research and Evaluation Database.

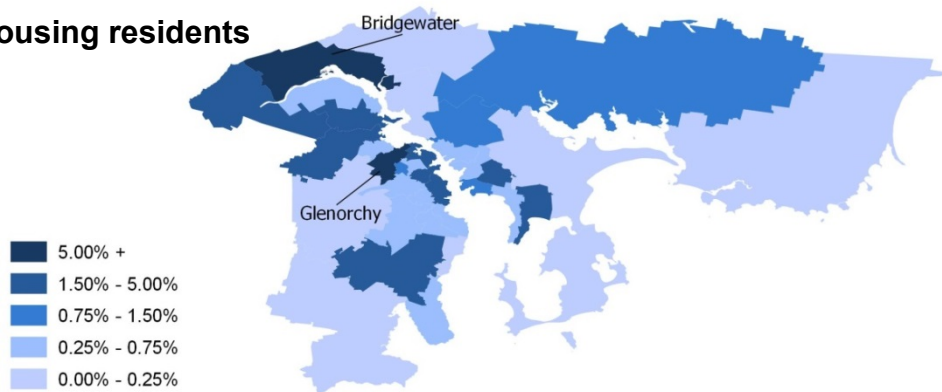
In Hobart, CRA recipients and public housing tenants live in similar areas, which are also where many low skill jobs are found.

Figure 27 Housing assistance and lower skill jobs around Hobart^{a,b,c}
Per cent located in each SA2 area, 2011

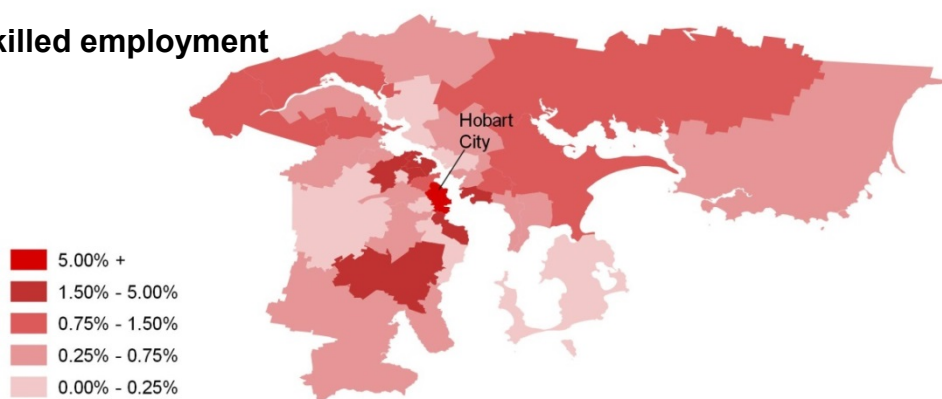
CRA recipients



Public housing residents



Lower skilled employment



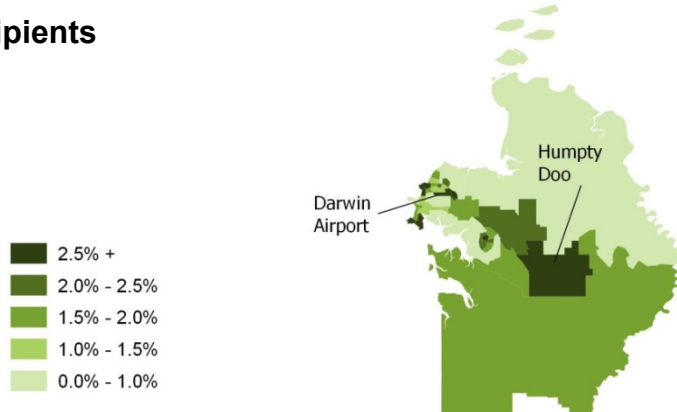
^a ISP recipients aged 15–65 at 30 June 2011. CRA recipients do not include FTB A-only recipients of CRA. ^b Lower skilled employment refers to people in jobs classified as ANZSCO skill level 4 or 5. ^c SA2s are an ABS-defined medium-sized geographic unit that includes an average of around 10 000 people.

Sources: ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); Department of Employment, Research and Evaluation Database.

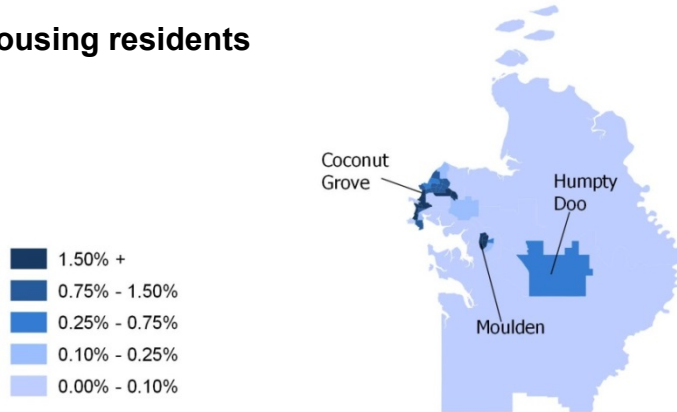
CRA recipients in Darwin are spread in a range of locations. In contrast with public housing tenants, the areas that CRA recipients live in are likely to be areas with low skilled jobs.

Figure 28 Housing assistance and lower skill jobs around Darwin^{a,b,c}
Per cent located in each SA2 area, 2011

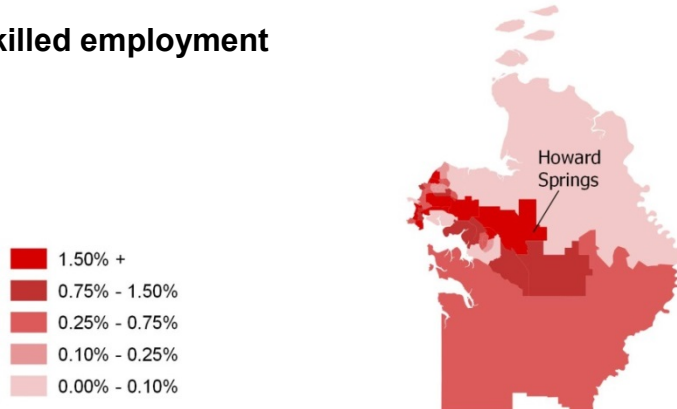
CRA recipients



Public housing residents



Lower skilled employment



^a ISP recipients aged 15–65 at 30 June 2011. CRA recipients do not include FTB A-only recipients of CRA. ^b Lower skilled employment refers to people in jobs classified as ANZSCO skill level 4 or 5. ^c SA2s are an ABS-defined medium-sized geographic unit that includes an average of around 10 000 people.

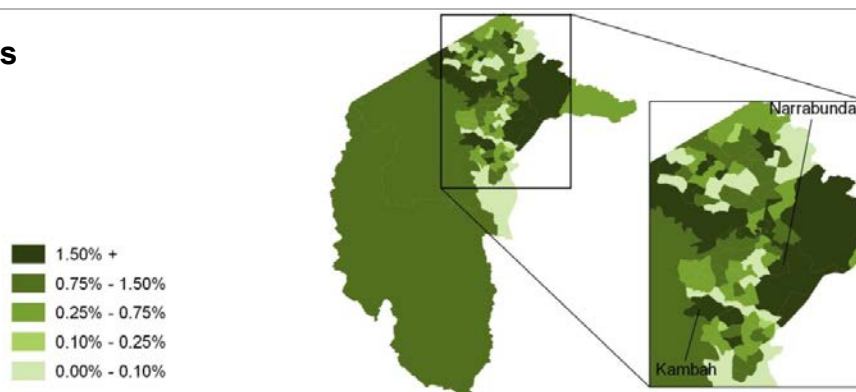
Sources: ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); Department of Employment, Research and Evaluation Database.

Public housing tenants in the Australian Capital Territory live in similar areas to CRA recipients. In contrast to other major cities, both public housing tenants and CRA recipients live in areas where there are relatively few low skilled jobs.

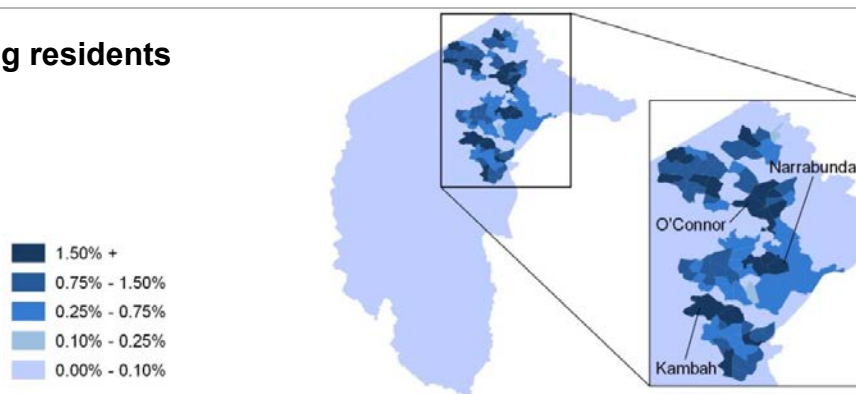
Figure 29 Housing assistance and lower skill jobs around the Australian Capital Territory^{a,b,c}

Per cent located in each SA2 area, 2011

CRA recipients



Public housing residents



Lower skilled employment



^a ISP recipients aged 15–65 at 30 June 2011. CRA recipients do not include FTB A-only recipients of CRA. ^b Lower skilled employment refers to people in jobs classified as ANZSCO skill level 4 or 5. ^c SA2s are an ABS-defined medium-sized geographic unit that includes an average of around 10 000 people.

Sources: ABS (*TableBuilder Pro*, 2011, Cat. no. 2073.0); Department of Employment, Research and Evaluation Database.

References

- AIHW (Australian Institute of Health and Welfare) 2014, Centrelink income unit — Commonwealth Rent Assistance amount, Meteor Metadata Online Registry.
- DEEWR (Department of Education, Employment and Workplace Relations) 2008, Welfare to Work Evaluation Report, DEEWR, Canberra.
- JSA (Job Services Australia) 2013, Job Services Australia Overview for RTOs.
- SCRGSP (Steering Committee for the Review of Government Service Provision) 2008, Report on Government Services 2008, Productivity Commission.
- 2009, Report on Government Services 2009, Productivity Commission.
- 2014, Report on Government Services 2014, Productivity Commission.
- Welfare Rights Centre 2011, Job Capacity Assessments, Welfare Rights Centre, Brisbane.
- Williamson, D.F., Parker, R.A. and Kendrick, J.S. 1989, 'The Box Plot: A Simple Visual Method to Interpret Data', *Annals of Internal Medicine*, vol. 110, no. 11, pp. 916–921.

Annex A A profile of working-age housing assistance recipients

See Excel workbook available online.

Background paper 4

A profile of public housing applicants and tenants in South Australia and Western Australia

Key points

- Between 2004 and 2013, waiting list numbers for public housing declined in South Australia but doubled in Western Australia. Waiting times have increased in both states, but remain shorter for households in greatest need, compared with other applicants.
- The number of households in public housing fell in South Australia but grew in Western Australia between 2004 and 2013. Tenancy durations grew in both states.
- South Australia has the highest income eligibility limits for entry to public housing among Australian jurisdictions, with allocations linked closely to urgency of need. Western Australia has the lowest income eligibility limits. Public housing tenants in Western Australia have also had to comply with relatively low income eligibility thresholds since 2006. No ongoing income eligibility requirements apply for public housing tenants in South Australia.
- Applicants for public housing are more likely to be of working age than tenants. Tenants tend to age in public housing rather than move out.
- Compared with the general population, applicants and tenants are more likely to be female, Indigenous, Australian-born, from single-person households and to have a disability.
- The limited availability of single-bedroom properties means that many single households occupy larger properties than needed and so receive larger rent subsidies.
- Tenants have higher employment rates and incomes than applicants, but employment among both groups is low compared with the general population.
 - In South Australia, 6 per cent of the most disadvantaged working-age applicants were in employment at 30 June 2013. In contrast, about 20 per cent of tenants, as well as applicants experiencing lower levels of disadvantage, were employed. In comparison, 71 per cent of the overall South Australian working-age population was employed in 2013.
 - In Western Australia, about 8 per cent of priority applicants were employed in 2013, whereas the employment rate of wait-turn applicants was about 14 per cent. Of tenants, 22 per cent were employed in 2013. These employment rates are much lower than the general employment rate in Western Australia, which was 75 per cent for working-age people in 2013.

Key points (continued)

- Low income eligibility limits for public housing potentially create ‘welfare locks’, that is, an incentive for applicants to avoid employment in order to remain eligible for a property. To the extent that income limits also apply for tenants, as in Western Australia, welfare locks potentially exist for them too. For some tenants, the stable address and living arrangements that come with a move into public housing might facilitate employment (a stability effect).
 - A simple comparison of employment rates before and after a move into public housing shows that employment rates increased both while applicants were on the waiting list and following a move into public housing. Overall, the simple analysis is more consistent with a stability effect for tenants rather than a welfare lock for applicants.
 - A simple comparison of employment rates for single tenants in Western Australia and South Australia reveals that they are similar, suggesting that welfare locks do not apply for tenants in Western Australia.

1 Introduction

This background paper looks at the characteristics of public housing applicants and tenants in South Australia¹ and Western Australia² using data from administrative records provided by the Housing SA division of the Department for Communities and Social Inclusion in South Australia and the Department of Housing in Western Australia.³ The Commission gratefully acknowledges the help that these agencies have provided to the project.

Most of the descriptive statistics presented are based on administrative records from 2004 to 2013.⁴ The paper complements the multivariate analysis of employment outcomes in BP 6,⁵ so particular attention is paid to the characteristics of working-age applicants and tenants. Furthermore, because the relationship between housing assistance and employment is the focus of this project, the characteristics considered in this paper are those typically found by researchers to be related to whether a person works — age, gender, Indigeneity, disability, country of birth and household composition. Some important influences on employment are not captured in the data, including educational attainment and work experience.

¹ The South Australian records also include state owned and managed Indigenous housing (SOMIH), which is public housing specifically for Indigenous people. In this paper, all statistics reported for public housing in South Australia include SOMIH.

² The Western Australian records also include some properties owned by the housing department that are externally managed. In this paper, all statistics reported for public housing in Western Australia include these externally managed households.

³ The Productivity Commission requested data from New South Wales, Victoria, South Australia, Western Australia and Tasmania. Given the timelines of the project, only South Australia and Western Australia were able to provide data.

⁴ See BP 6 annex A for a description of the administrative records and the data processing steps applied in turning the records into datasets suitable for analysis.

⁵ Throughout this paper, BP refers to ‘background paper’.

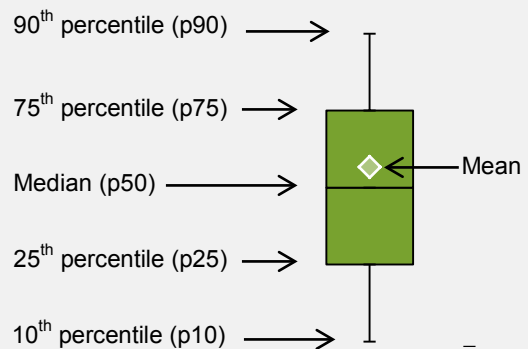
Annex A contains tables of data for public housing applicants and tenants. Figures included in the paper are drawn from those tables unless otherwise indicated. Most of the figures are column charts, but a number use box plots to summarise the distribution of a variable of interest. As the latter are seen less frequently in descriptive analyses, an explanation is presented in box 1.

Box 1 Interpreting ‘box and whisker’ plots

‘Box and whisker’ plots can be used to summarise the distribution of an indicator, such as the time tenants have spent in public housing.

The line in the middle of the box to the right represents the median value of the indicator, whereas the diamond shows the mean value. The outer edges of the box represent the interquartile range — the gap between the 25th and 75th percentiles — so 50 per cent of observations fall within the box. The whiskers extending out from the box show values of the indicator at the 10th and 90th percentiles.

Source: Williamson et al. (1989).



The welfare lock hypothesis — broader context for the analysis

The profile of applicants and tenants presented in this paper sets the scene for the analysis of the ‘welfare lock’ hypothesis. At the time they apply, applicants for public housing must meet a set of eligibility criteria, including an income limit based on household composition.⁶ An applicant household’s⁷ income must be below the income limit before being placed on a waiting list and before an offer of housing can be made.⁸ Because of these income eligibility limits, public housing applicants might choose to remain unemployed, or restrict their employment, to avoid the risk of exceeding the limit and thus not receiving an offer of housing. This disincentive to work is known as a ‘welfare lock’.

⁶ Additional eligibility criteria include Australian and State residency, asset limits and non-ownership of residential property. People who do not meet the criteria but have special circumstances may still apply.

⁷ The term ‘applicant household’ is used throughout the paper to describe a household on the waiting list, whereas the term ‘applicant’ is used to describe a member of a household on the waiting list. ‘Head applicant’ refers to the main person responsible for the application. Similarly, ‘tenant household’ describes a household in public housing, ‘tenant’ describes a member of a tenant household and ‘head tenant’ describes the main person responsible for the tenancy.

⁸ Households that exceed the South Australian income limits may still be eligible for public housing if they have a specific and verified housing need that cannot be met by other forms of accommodation.

The potential for tenants to face welfare locks also exists if ongoing tenancy is conditional on not exceeding an income threshold or if tenants have fixed lease terms and need to remain eligible for their tenancy to be extended.

The question of whether welfare locks exist for applicants and tenants in South Australia and Western Australia is examined briefly in this paper and further assessed in BP 6. A summary of the evidence is presented in chapter 4 of the main report.

2 SA public housing waiting lists, entrants and exits

Setting the scene — the SA economy in the decade to 2013

The broader context of the state economy is likely to affect both demand for public housing and the employment rates of tenants and applicants. South Australia's economy grew moderately between 2004 and 2013 (figure 1), reflecting its reliance on declining industry sectors, such as manufacturing. Whereas the increase in total earnings⁹ was slightly higher than the national rate of growth, wage income for full-time workers grew at a slower rate than the national average (ABS 2014a). In addition, the state's population — and in particular its working-age population — grew more slowly than the national population. Rents in Adelaide increased at a slower rate than in the other capital cities. However, rents increased at a faster pace than wages and income support payments, which may have led to more households seeking housing assistance.

Waiting list categories are based on housing needs

Since 2000, households applying for public housing in South Australia have been placed on a waiting list in one of four needs-based categories, with priority being given to those in lower-numbered categories (Legal Services Commission SA 2014):¹⁰

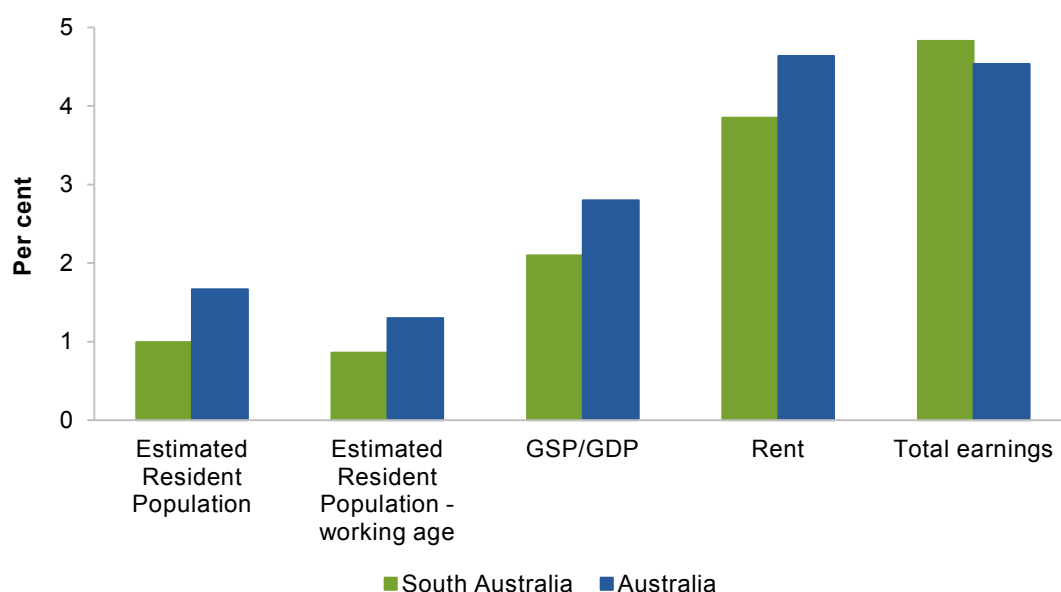
- Category 1 applicant households are in urgent need of housing and unable to access private rental accommodation. Reasons for urgently requiring housing can include homelessness, domestic violence and long-term medical conditions (Government of SA 2014a). Tenant households that have an urgent reason for requiring a transfer between public housing dwellings may also be placed in this category.
- Category 2 applicant households do not have an urgent need for housing but face long-term barriers to accessing suitable housing in the private rental market or other housing options. Tenant households applying for a transfer may be placed in this category if their current housing is unsuitable in the long-term.

⁹ Total earnings are equal to weekly ordinary time earnings plus weekly overtime earnings (ABS 2014a).

¹⁰ A small number of new applicants are placed in a fifth category — low demand housing. These applicants do not meet the income and/or assets tests, nor the needs tests, to be eligible for public housing, but wish to be considered for housing in low demand areas. In 2013, there were 40 applicants for low demand housing, a fall from 152 in 2004.

- Category 3 applicant households meet the income and assets tests but do not have a high enough housing need to be placed in categories 1 or 2.
- Category 4 applicant households are tenant households that have been in public housing for at least three years and are requesting a transfer to another public housing property because of personal preferences, including relocating for work.

Figure 1 The South Australian economy — key indicators^a
Annual compound growth rate, 2004 to 2013



^a Rent data refer to the change in the rent component in the consumer price index for Adelaide. National rents reflect a weighted average of data for the eight capital cities.

Sources: ABS (*Australian Demographic Statistics*, Cat. no. 3101.0; *Australian National Accounts: State Accounts*, Cat. no. 5220.0; *Consumer Price Index, Australia*, Cat. no. 6401.0; *Average Weekly Earnings, Australia*, Cat. no. 6302.0).

Income limits in South Australia

Income limits for public housing applicants in South Australia are currently the highest across Australia — a single person household is allowed an income of up to \$970 a week before they are no longer eligible for public housing (Government of SA 2014c). These income eligibility rules allow applicants to have relatively high earned incomes, implying that they are more likely to be employed while waiting for public housing than applicants in other jurisdictions.

That said, allocations to category 1 and 2 applicants are based primarily on need. Over the period 2004 to 2013, about one per cent of applicants with high or urgent needs for housing exceeded the income limits at entry to the waiting list.¹¹

Tenants face no ongoing income eligibility requirements. Fixed-term leases were introduced for tenants who entered public housing from October 2010 and, so long as tenants comply with the conditions of their lease, they are offered further fixed-term leases.

Waiting list numbers have declined as waiting times have grown

There was a marked decline in the number of households waiting to access public housing over the ten years to 2013 (from 27 000 to 21 000) (figure 2). This was driven mainly by a fall in the number of new category 3 households, as well as more category 3 exits from the waiting list than entries (figure 3).¹² The share of new applicant households in category 1 increased over the same period (from 4 per cent to 12 per cent), as did the share in category 2 (from 19 per cent to 30 per cent). The large number of category 1 transfers reflects a number of factors, including inappropriate housing (due to disability or overcrowding), domestic violence and relocation for redevelopments.

Despite the decline in waiting list numbers, the number of households waiting for public housing in 2013 was equal to just over half the number of tenanted public housing properties (about 40 500 in June 2013).

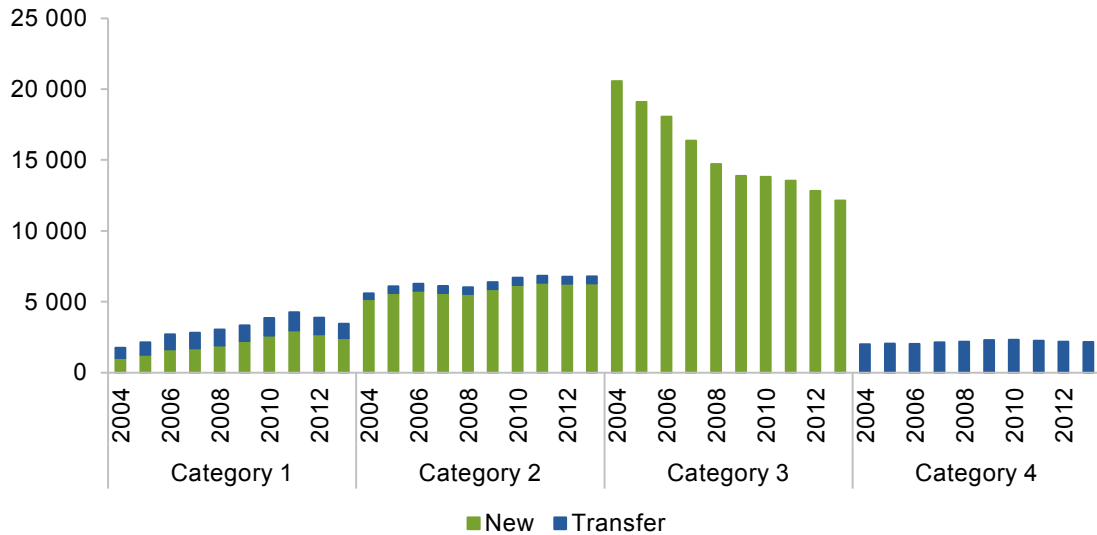
The elapsed waiting time for applicants who were still on the waiting list at 30 June increased steadily over the decade to 2013, although waiting times for category 1 households remain much shorter than for other categories (figure 4). The total length of an applicant's wait before entry to public housing depended on the location that they applied for. The median total waiting time until allocation for category 1 households that were allocated housing in 2012-13 was about 250 days, up from about 160 days in 2004-05.¹³

¹¹ According to Housing SA policy, category 1 and 2 applicants remain eligible if they meet the housing needs criteria, regardless of their income or assets. However, all applicants' incomes are still assessed and, in general, they are not explicitly told that their income does not matter. Because applicants could still believe that their income affects their eligibility for public housing, it is likely that welfare locks impact the employment decisions of prospective tenants in these categories.

¹² Prior to 2000, applicant households were housed on a wait-turn basis. After the introduction of the categorised waiting list, many existing households on the waiting list were placed in category 3. Because the chances of being housed from category 3 are low, category 3 households have removed themselves from the waiting list over time and fewer new applicant households have applied for category 3.

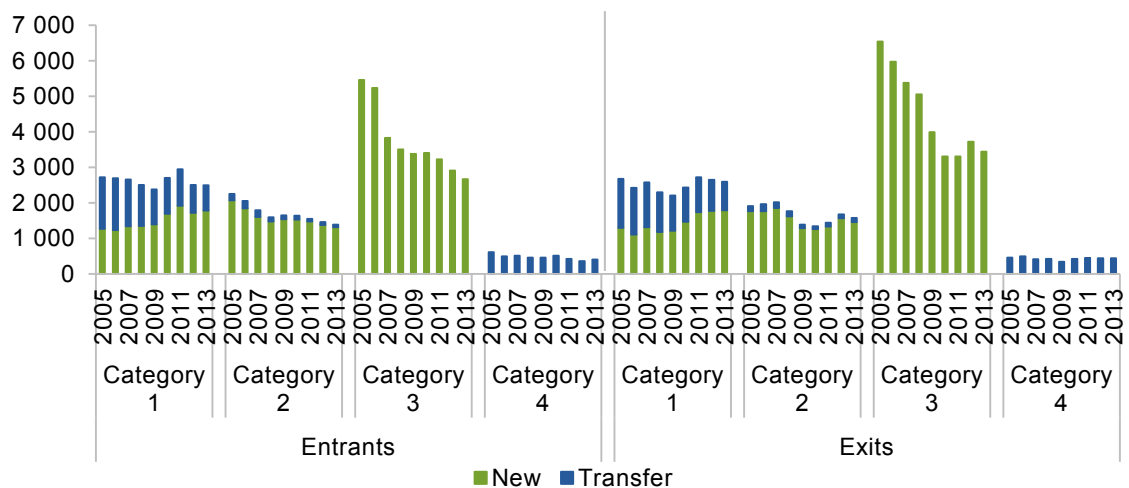
¹³ Total waiting times are calculated as the time between application and allocation dates. Applicant households that have changed waiting list category have had their entire time on the waiting list included because the date of last category change was not available for all households that were allocated public housing.

Figure 2 Waiting list applicant households by category, at 30 June 2004 to 2013



Source: DCSI, Housing SA, administrative data (unpublished).

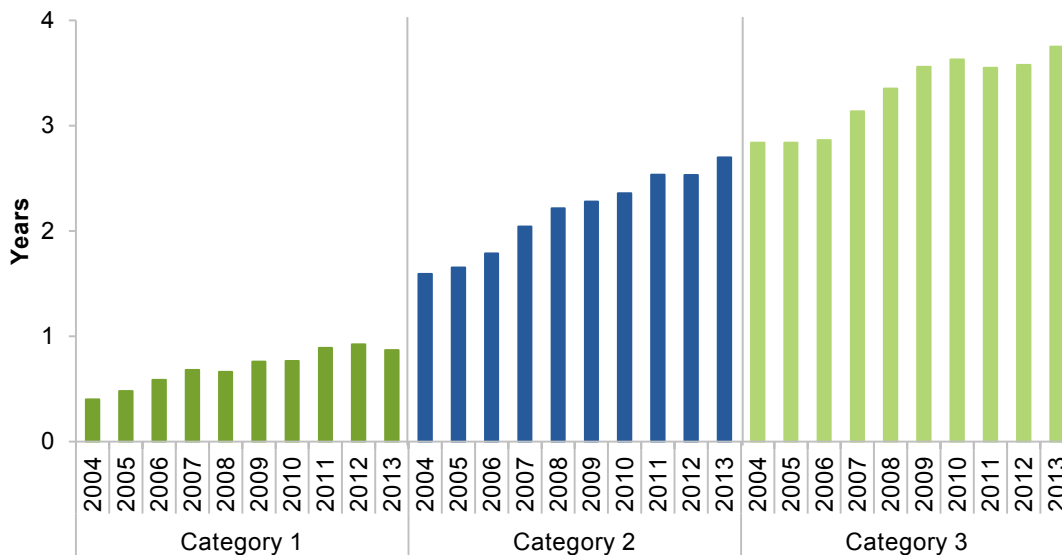
Figure 3 Waiting list entrants and exits by category, 2004-05 to 2012-13^{a,b,c}



^a Entrants include applications that were previously deferred by Housing SA (due to the household not responding to a waiting list review) but then later reinstated. ^b Exits include households that exited for any reason, for example if they were allocated housing, their application was deferred (due to no contact for at least 12 months) or if their application was removed from the waiting list at the household's request. ^c Entrants and exits cannot be calculated for 2003-04 because data are not available for applicant households in 2003.

Source: DCSI, Housing SA, administrative data (unpublished).

Figure 4 **Median elapsed waiting time for applicant households by category, at 30 June 2004 to 2013^{a,b}**



^a Median waiting times are calculated as elapsed waiting times for households that are on the waiting list at 30 June, starting from the date of their last category change. ^b Transfer applications are not included.

Source: DCSI, Housing SA, administrative data (unpublished).

Homelessness is a factor in many applications

Households placed in category 1 are assessed as either homeless or at risk of homelessness.¹⁴ Most households placed in category 2 fulfil ‘auto entry criteria’, meaning that they were automatically placed in the category because they received the Disability Support Pension (DSP) or a Totally and Permanently Incapacitated Pension, had been a refugee in Australia for less than two years, or had exited the direct lease public housing program for young people aged 16 to 25 years.

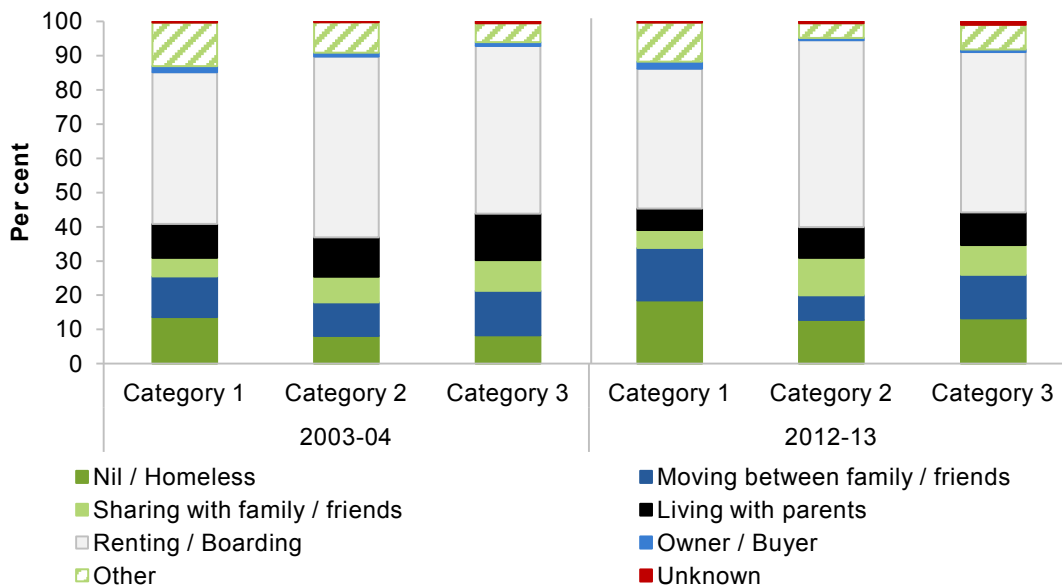
About a third of new category 1 applicant households in 2013 described their living arrangements as either homeless or moving between family and friends (figure 5).¹⁵ This is a slight increase compared with category 1 households in 2004. A reasonably large proportion of households assigned to categories 2 and 3 also reported these living

¹⁴ In the housing needs assessment, a person is deemed to be homeless if they do not have access to safe, secure and adequate housing. Housing that is not safe, secure and adequate includes housing that could damage health or threaten safety, does not have adequate amenities or economic and social supports, and has no security of tenure (Government of SA nd).

¹⁵ Transitions between temporary forms of shelter can be classified as secondary homelessness (Chamberlain and MacKenzie 2008). More broadly, the ABS considers a person to be homeless if they do not have suitable alternatives for accommodation and, among other factors, their current living arrangements come with a short tenure (ABS 2012).

arrangements, but they did not meet the housing needs assessment criteria to be placed in category 1.¹⁶

Figure 5 Current living arrangements by category^a
Households that applied in 2003-04 and 2012-13



^a Living arrangements are self-reported. Applicant households that did not state a current living arrangement are placed in the 'unknown' category.

Source: DCSI, Housing SA, administrative data (unpublished).

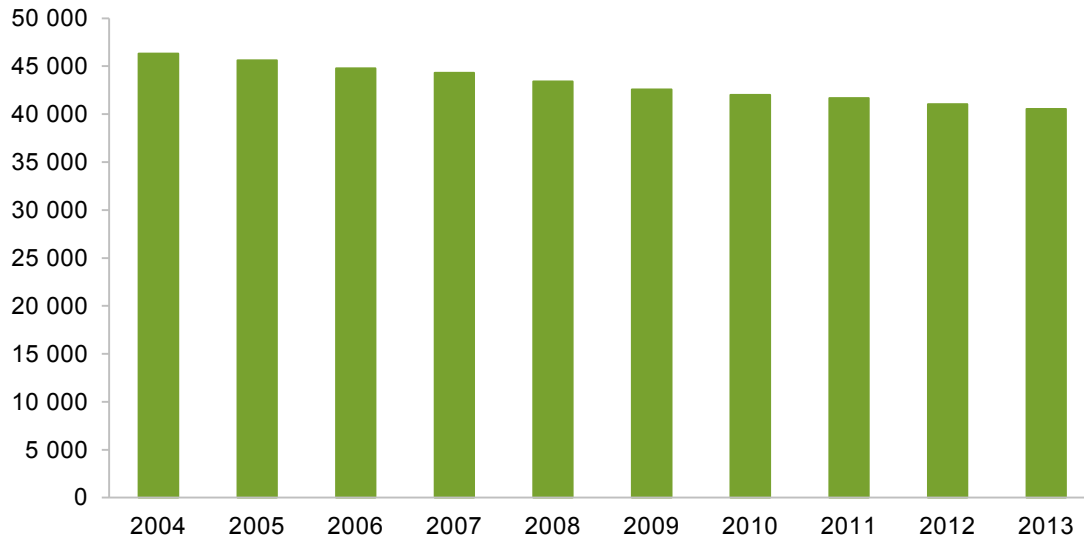
A smaller public stock is increasingly housing people in greater need

Over the decade to 2013, the number of households in public housing in South Australia fell by over 10 per cent (from about 46 000 in 2004 to 41 000 in 2013) (figure 6). This was due to a number of factors, including sales of dwellings to tenants and the transfer of some stock to community housing.¹⁷ The downward trend is consistent with falling total stock numbers in Australia (SCRGSP 2014).

¹⁶ Applicant households need to provide supporting documents from a doctor or support worker to confirm they have an urgent housing need.

¹⁷ The number of households in community housing increased in South Australia (from 3800 to 5700) between 2004 and 2013, which was lower than the fall in the number of households in public housing (SCRGSP 2006, 2014).

Figure 6 Households in public housing in South Australia, at 30 June 2004 to 2013^a



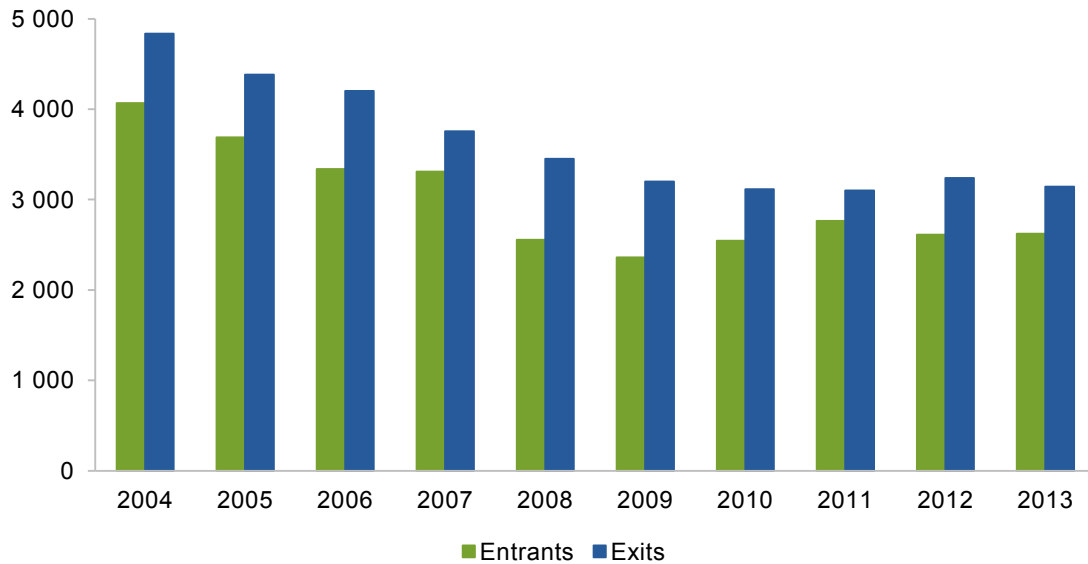
^a Includes state owned and managed Indigenous housing.

Source: DCSI, Housing SA, administrative data (unpublished).

Consistent with the fall in the number of households in public housing, the number of exiting households was higher than the number of new entrants (figure 7). Stock turnover also fell slightly. In 2004-05, about 9 per cent of tenant households exited public housing. In 2012-13, this figure had fallen to 8 per cent. Allocations to new tenant households represented about 9 per cent of the total number in public housing in 2003-04, and fell to 6 per cent in 2012-13. Both lower exit and entry rates would have contributed to the rise in durations in public housing (figure 9).

About 85 per cent of new public housing allocations go to category 1 households (figure 8). This is consistent with the changes in the composition of the waiting list over time (figure 2), as well as a fall in the stock of dwellings (figure 6).

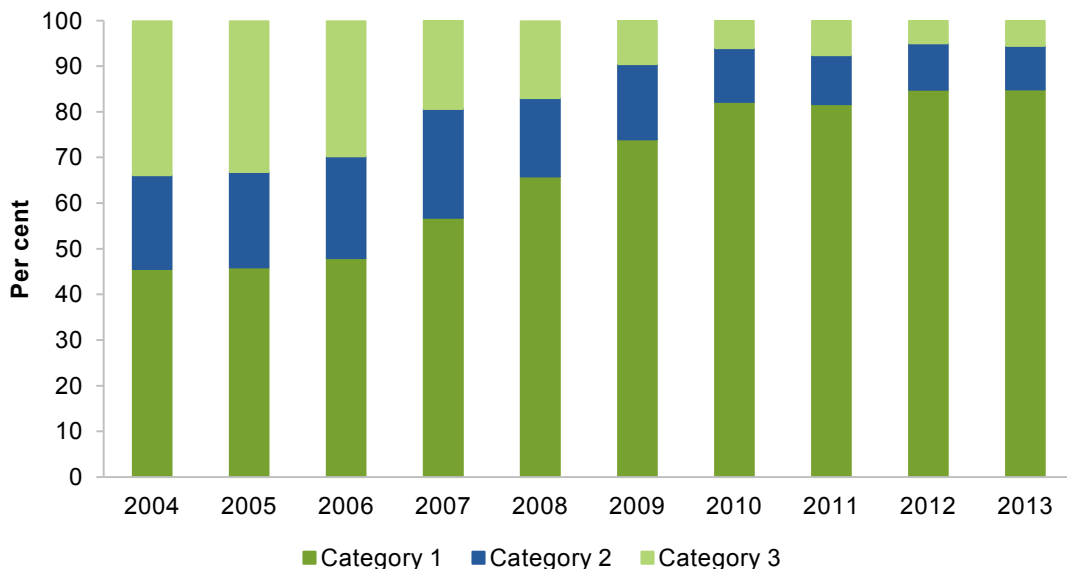
Figure 7 Public housing entrants and exits, 2003-04 to 2012-13^a



^a Excludes households transferring between public housing properties.

Source: DCSI, Housing SA, administrative data (unpublished).

Figure 8 Housing allocations by category, 2003-04 to 2012-13^{a,b}



^a Excludes households transferring between public housing properties. ^b Excludes applicant households in the 'low demand' category and those for which category was unknown (less than one per cent).

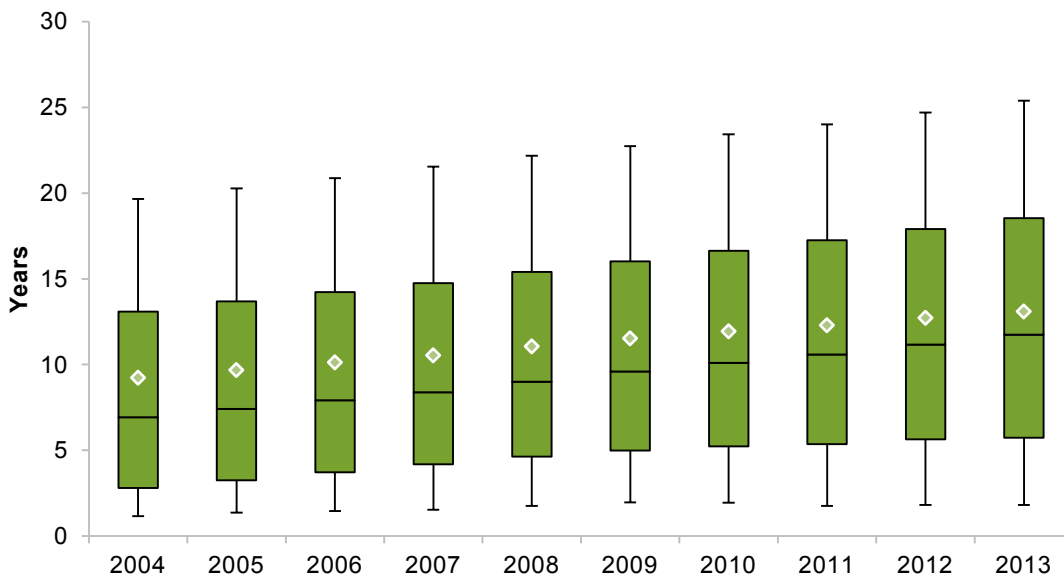
Source: DCSI, Housing SA, administrative data (unpublished).

Tenants are staying longer in public housing

As noted above, in South Australia, once tenants are in public housing, they are not required to meet ongoing income eligibility criteria. There are also few fixed-term lease agreements — historically all households were on ongoing leases, but renewable fixed-term leases (ranging in length from one to ten years) were introduced for new tenant households from October 2010. Reviews at the end of fixed-term leases allow the housing department to inspect the property and check that all conditions of the lease agreement are met. Leases may not be renewed if tenants have serious breaches of their lease agreements (Government of SA 2014d).

Between 2004 and 2013, the median length of tenancies grew from 7 to 12 years (figure 9).¹⁸ About 55 per cent of head tenants in 2004 were also head tenants in 2013.

Figure 9 Public housing tenancy durations, at 30 June 2004 to 2013^a



^a Transfers are taken into account. For households that began occupying public housing before 2004 and also transferred before 2004, their tenancy duration starts from the date of first observed transfer.

Source: DCSI, Housing SA, administrative data (unpublished).

¹⁸ In comparison, the median completed tenancy length of bond assistance recipients (low-income private renters) was about 1.1 years in South Australia in 2012-13 (unpublished data from Housing SA). The median completed tenancy length in the private rental market was about 1.3 years in Victoria in 2013 (DHS Victoria 2013).

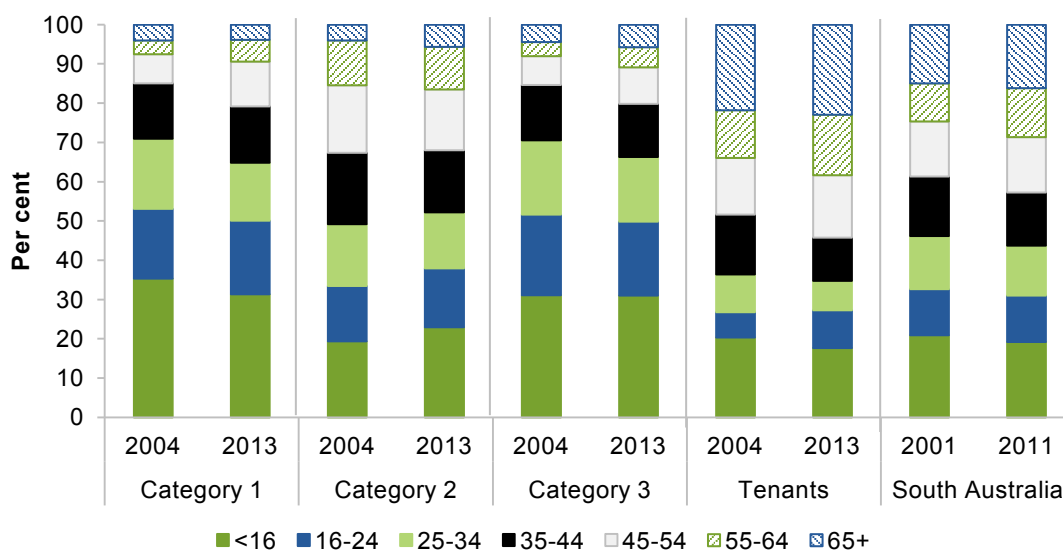
3 Demographic characteristics of SA applicants and tenants^{19,20}

Applicants are more likely to be of working age than tenants

The population waiting to access public housing is younger than South Australians in general, and the population living in public housing is older (figure 10). The median age of all applicants was 27 and that of all tenants was 47 in 2013. In comparison, the median age of the general South Australian population in 2011 was 35. Close to one third of the applicant population are children (aged under 16 years), and about one in ten are nearing or past retirement age (55 years or older). Among tenants, less than 20 per cent are children and over one third are nearing or past retirement age. Less than half of public housing tenants are aged between 16 and 54 years — ages at which employment is more likely.

Changes in the age composition of each of the applicant, tenant and general South Australian populations were not large between 2004 and 2013, but each population aged over these years.

Figure 10 Ages of applicants and tenants, at 30 June 2004 and 2013



Sources: ABS (*Basic Community Profile, South Australia*, Cat. no. 2001.0); DCSI, Housing SA, administrative data (unpublished).

¹⁹ Data used in generating applicants' characteristics exclude applicants seeking to transfer between public housing dwellings.

²⁰ Data on household composition for tenants are valid at the date they exited public housing or at 30 June 2013 for tenants who were residents at that date. It is assumed that a household's membership did not change during their tenancy, apart from households who have had additional children. The children are added to the number of household members from their date of birth.

A comparison of the age profiles of people entering and exiting public housing suggests that tenants are older than applicants mainly because they have aged within the tenure, rather than because of an allocation of housing to older applicants (figure 11). However, comparison of the age profiles of entrants and category 1 applicants shows that entrants are slightly more likely to be older (55 years or more) than applicants. Those who exit public housing tend to be younger than remaining tenants, consistent with the finding that housing mobility is greater among people in younger age groups (ABS 2009).

Figure 11 Age of tenants who entered and exited public housing, 2003-04 and 2012-13^a



^a It is assumed that all household members entered and exited public housing on the same date as the head tenant, who is the main person responsible for the tenancy. The data reflect all members within the households (not only head tenants).

Source: DCSI, Housing SA, administrative data (unpublished).

Applicants and tenants are more likely to be female, Indigenous and Australian-born than other South Australians

Women make up just over half of both working-age head applicants and head tenants²¹ — a slightly higher proportion than in the South Australian population (table 1). Furthermore, both applicants and tenants are much more likely to be Indigenous Australians. An increasing proportion of applicants is coming from countries in which English is not the main language. Nevertheless, people born in Australia are more likely than other South Australians to either live in public housing or apply for tenancy.

²¹ In South Australia, each household contains a nominated household head who is responsible for the application or the tenancy.

Table 1 Head applicant and head tenant demographics, 2004 and 2013^a

Per cent

	<i>Applicants</i>		<i>Tenants</i>		<i>South Australia</i>	
	<i>2004</i>	<i>2013</i>	<i>2004</i>	<i>2013</i>	<i>2001</i>	<i>2011</i>
Working-age household heads						
Women	57	56	60	59	50	50
Indigenous ^b	9	15	7	10	1	2
Australian-born ^c	81	77	82	82	74	73
NESB ^{c,d}	12	18	9	11	15	18

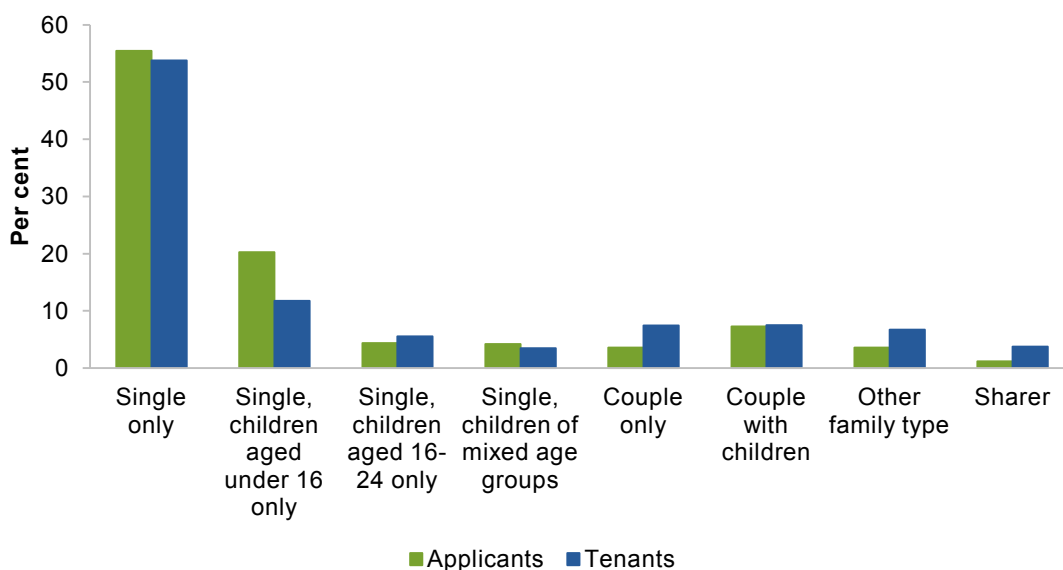
^a Data for tenants and applicants are for household heads aged 16 to 64 years. Data for the whole population are for all people aged 15 to 64 years. ^b Indigenous status is self-reported. There has been an increase in identification between 2004 and 2013, so it is unclear if any growth in the share of Indigenous Australians in the applicant and tenant populations is due to a change in composition or an increase in self-reporting. ^c Statistics exclude people whose country of birth is unknown. (For applicants, this constituted about 1 per cent in 2004 and 2 per cent in 2013, and for tenants it was 26 per cent in 2004 and 16 per cent in 2013.) ^d Non-English speaking background country of birth.

Sources: ABS (*Basic Community Profile, South Australia*, Cat. no. 2001.0; *Expanded Community Profile, South Australia*, Cat. no. 2005.0; *Indigenous Profile, South Australia*, Cat. no. 2002.0); DCSI, Housing SA, administrative data (unpublished).

Applicants and tenants are mostly single

Over half of all working-age household heads live in single-person households (figure 12). This reflects the profile of income support recipients (BP 3, figure 11). The proportion of single households is slightly higher for applicants in categories 1 and 2 than for tenants and applicants in category 3 (annex A, table SA.12).

Figure 12 Working-age household type, at 30 June 2013^{a,b,c,d}



^a Statistics generated from households with a working-age head applicant or tenant. ^b Children aged under 16 include any person in the household aged under 16. Children aged 16 to 24 only include sons, daughters or legal guardianships of the head tenant. ^c Other family types include tenants living with children aged 25 and over, grandparents, cousins or other relatives. ^d Sharer households include any household living with a non-relative.

Source: DCSI, Housing SA, administrative data (unpublished).

Many applicants and tenants report a disability or receive the DSP

The share of working-age head applicants who self-report having a disability nearly doubled over the ten years to 2013, to just over 30 per cent (figure 13). A similar proportion receive the DSP. These proportions are much higher than the 15 per cent of South Australians aged up to 64 years who reported a disability in 2012 (ABS 2013b).²² The proportions of working-age head tenants and applicants who self-report having a disability are similar. However, the proportion of tenants receiving DSP is much higher, at just over half.

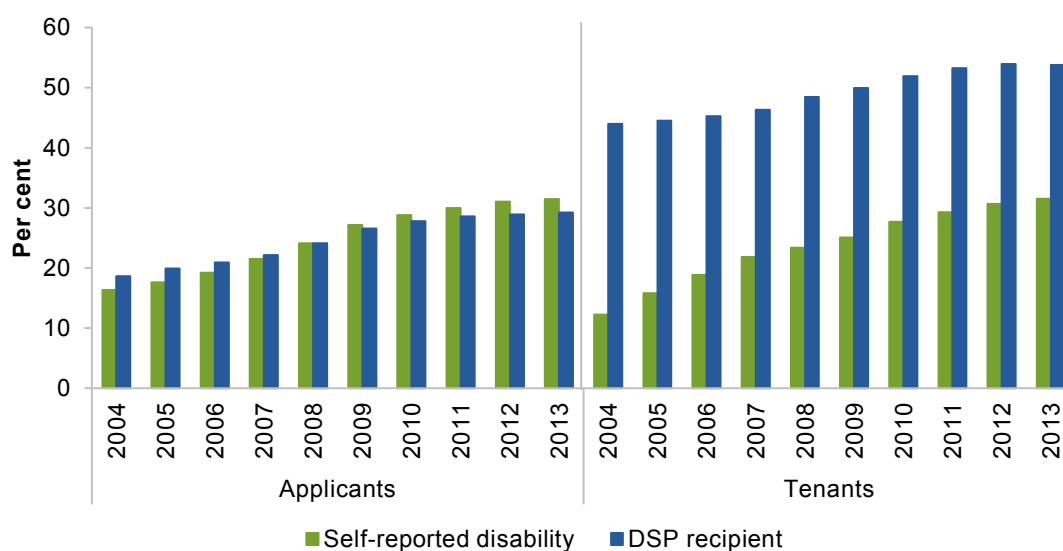
The large difference between self-reported disability and DSP receipt for tenants could partly arise from applicants having a greater incentive to self-report a disability if they have one, as it may help demonstrate an urgent or high housing need. Applicants can provide information about their disability status on entry to the waiting list. Disability information can also be provided to the department at other times, including when applying for services other than housing. For example, tenants requiring a property modification or

²² The ABS figure includes children. ABS data are not separately available for working-age South Australians who reported disability. About 14 per cent of 15-64 year olds in Australia reported a disability.

transfer after developing a disability would have an incentive to update the housing department. However, the majority of tenants who developed disability after moving into public housing may not have alerted the housing department and any tenant disability updates may not be recorded in data systems, which may explain the relatively low rates of self-reported disability among tenants.

Mental and physical disabilities were the most frequently self-reported disabilities (at 16 per cent and 9 per cent respectively for applicants and 13 per cent and 12 per cent respectively for tenants in 2013), and reports of physical disability were more common among tenants than among applicants.²³

Figure 13 Proportion of working-age head applicants and head tenants with a disability, at 30 June 2004 to 2013^{a,b}



^a Physical, mental and other disabilities (including intellectual, brain injury, hearing impairment and visual impairment) are self-reported. People who have identified to Housing SA as having a disability do not require a medical confirmation. ^b Some people who self-report as having a disability do not receive a DSP, and some who receive a DSP have not reported having a disability. Of the applicants who either had a self-reported disability or received DSP, about 51 per cent had both. For tenants, the degree of overlap was 44 per cent.

Source: DCSI, Housing SA, administrative data (unpublished).

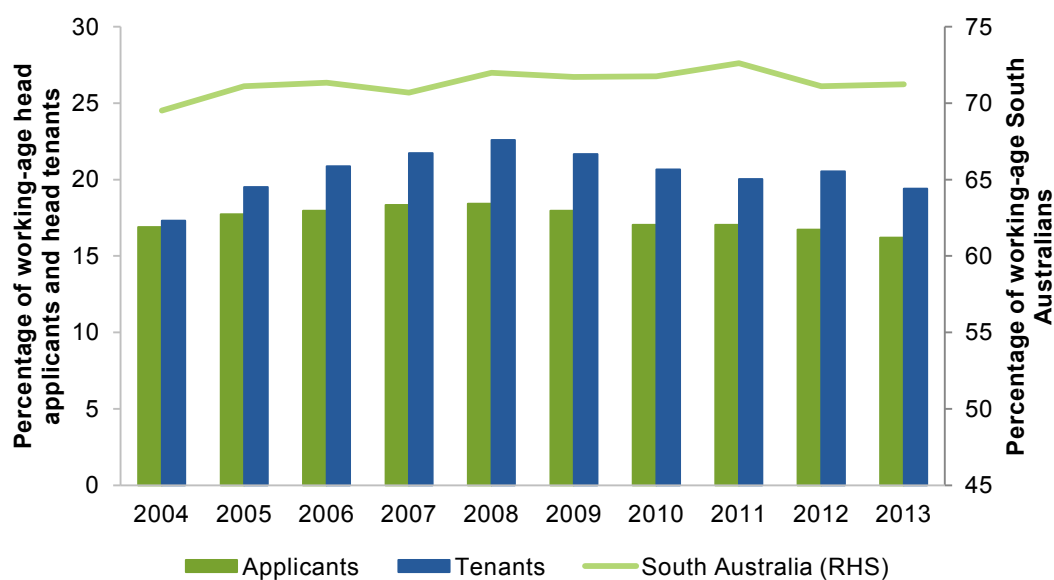
²³ People can report more than one type of disability. Physical disability affects a person’s physical functioning, including their mobility, dexterity or stamina.

4 Employment among SA applicants and tenants

On average, working-age head applicants are somewhat less likely to be in employment than working-age head tenants (figure 14), but the average for applicants masks large differences between waiting list categories (figure 15).²⁴ Very few working-age category 1 applicants were in employment at 30 June 2013, in contrast with about 1 in 5 applicants from category 3. Employment rates for both applicants and tenants are much lower than the rate for the overall South Australian working-age population, which was 71 per cent in 2013 (ABS 2014b).

Employment among tenants is relatively high, considering that public housing is mainly allocated to applicants from categories 1 and 2 who typically have very low employment rates. However, some tenants may have been housed before needs-based allocations were introduced in 2000. Among head tenants who were housed before 2000, the employment rate was 28 per cent in 2013. In comparison, the employment rate among head tenants housed in or after the year 2000 was about 16 per cent, which is still higher than employment rates of people in category 1 or 2 on the waiting list. Applicant employment rates could be understated to the extent that they do not update their income.

Figure 14 **Proportion of working-age head applicants and head tenants employed, at 30 June 2004 to 2013**

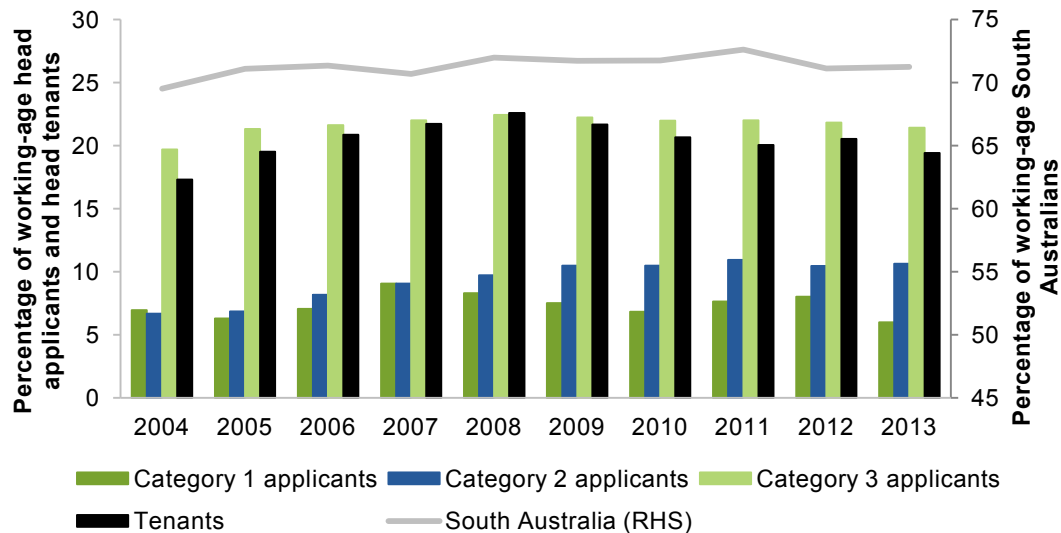


Sources: ABS (*Labour Force, Australia*, Cat. no. 6202.0); DCSI, Housing SA, administrative data (unpublished).

²⁴ Although the employment status of applicants and tenants cannot be directly observed, it has been inferred from receipt of employment income.

Figure 15 **Proportion of working-age head applicants and head tenants employed, at 30 June 2004 to 2013**

Applicants by category



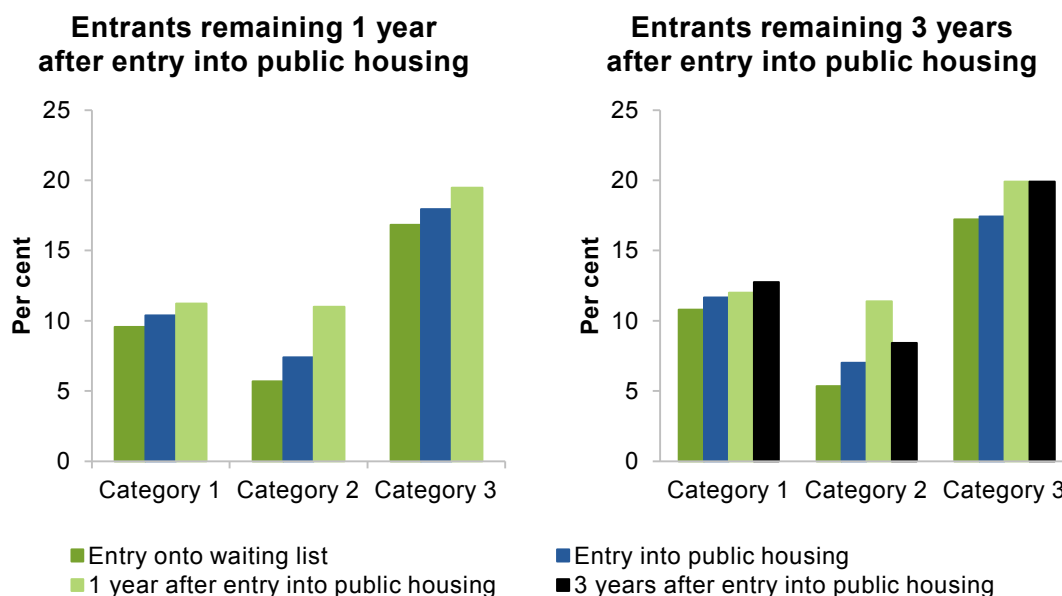
Sources: ABS (*Labour Force, Australia*, Cat. no. 6202.0); DCSI, Housing SA, administrative data (unpublished).

Greater insight into the relationship between public housing and employment is gained by comparing employment rates for entrants before and after a move into public housing (figure 16). Looking at the sample of entrants who were still in public housing one year after entry, the data reveal that employment rates were higher at entry into public housing than at entry onto the waiting list for all categories of applicants. This suggests that applicants do not avoid employment while waiting for public housing. Employment rates also increased in the year following entry into public housing, although not markedly. This could suggest evidence of a welfare lock for a few applicants. Overall, however, the patterns of employment change from entry to the waiting list to the end of the first year of residence are not consistent with applicants in general avoiding employment to remain eligible for public housing. The data are not strongly suggestive of welfare locks in South Australia.

The increase in employment in the years following entry into public housing might reflect the impact of increased housing stability on employment for some applicants. Changes in employment for entrants still in public housing three years after entry provide more insight into a potential role for housing stability in tenants' employment outcomes. Among category 1 entrants, employment continued to increase in the years after they gained a tenancy. Among category 2 entrants, employment rates were also higher three years after entry.

The issue of welfare locks and stability effects is analysed in more detail in BP 6.²⁵

Figure 16 Employment rates pre and post a move into public housing^{a,b}



^a Observations include working-age household heads who are observed both as an applicant and a tenant between 2004 and 2013. The analysis also only considers people whose category did not change while on the waiting list. (It is assumed that applicants who were housed within the same financial year they entered the waiting list did not change category.) Category changes mainly apply to category 1 entrants — nearly 30 per cent were initially in a different category when they entered the waiting list. ^b Employment rates at ‘1 year after entry into public housing’ are inferred from the first income observation more than ten months after entry into housing. Employment rates at ‘3 years after entry into public housing’ are inferred from the first income observation more than two years and ten months after entry into housing. Tenant income assessments are conducted every six months.

Source: DCSI, Housing SA, administrative data (unpublished).

Turning to incomes, in 2013, the average weekly personal income (from all sources) of working-age head applicants was \$440 — slightly higher than the average income of working-age head tenants of \$430 (figure 17).²⁶ However, as applicants who are renting in the private market can receive Commonwealth Rent Assistance (CRA), which is not available to public housing tenants, the income of applicants net of CRA is likely to be lower. After removing CRA from applicants’ incomes, their average weekly income falls

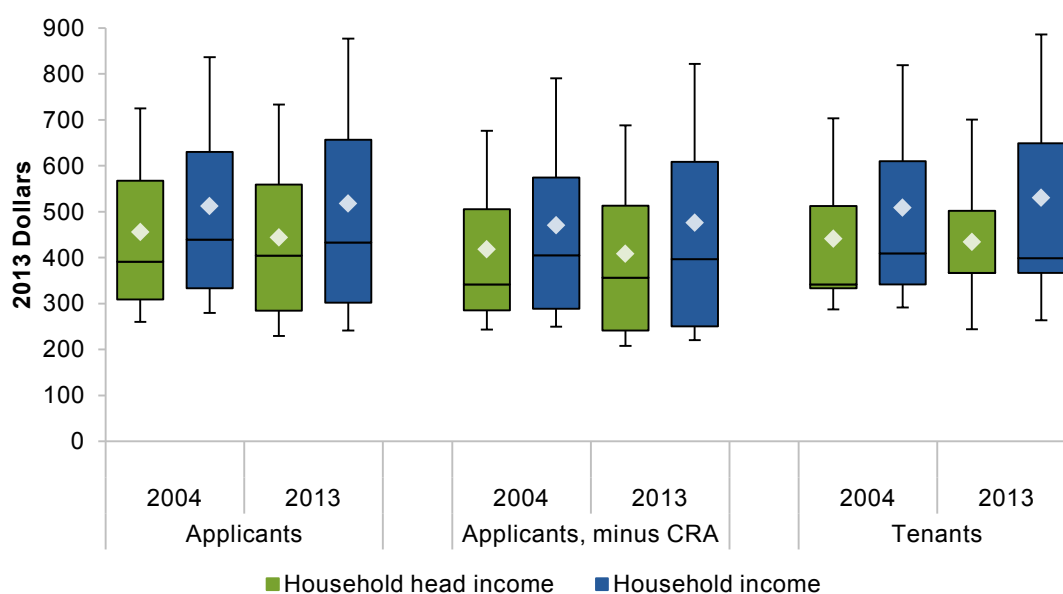
²⁵ Other possible explanations for the observed increases in employment are policy changes and increases in general employment rates over time. However, discussions with state housing authorities did not suggest there was a change in local approaches to supporting tenants, and employment patterns for income support recipients receiving housing assistance do not suggest that national policy changes led to consistent increases in employment rates across the decade (BP 3). Changes in general employment rates over time also do not fully explain the increases in employment among people who moved into public housing.

²⁶ These data must be interpreted with caution. Income data for some applicants have not been updated over their time on the waiting list. Although available information has been converted to 2013 dollars, the resulting estimates might not be an accurate reflection of those applicants’ current incomes.

to about \$410 — lower than that of tenants. These incomes are well below the lowest public housing income eligibility limit for singles. Household incomes are only slightly higher than incomes of household heads because many applicants and tenants are from single-person households.²⁷

Real incomes in 2004 (adjusted for changes in average weekly earnings in South Australia), were about the same in 2013 for both applicants and tenants. This reflects the fact that income eligibility thresholds for public housing are indexed to male average weekly earnings in South Australia. This means that, over time, people with higher nominal incomes (but the same real incomes) have been able to apply for and potentially enter public housing in South Australia.

Figure 17 Real income per week, at 30 June 2004 and 2013^{a,b,c}



^a Converted to 2013 dollars using average weekly earnings in South Australia. ^b 'Household head income' is the individual income of working-age household heads. 'Household income' is the total income of households with a working-age household head. ^c Excludes individual incomes over \$2000 a week or less than youth allowance.

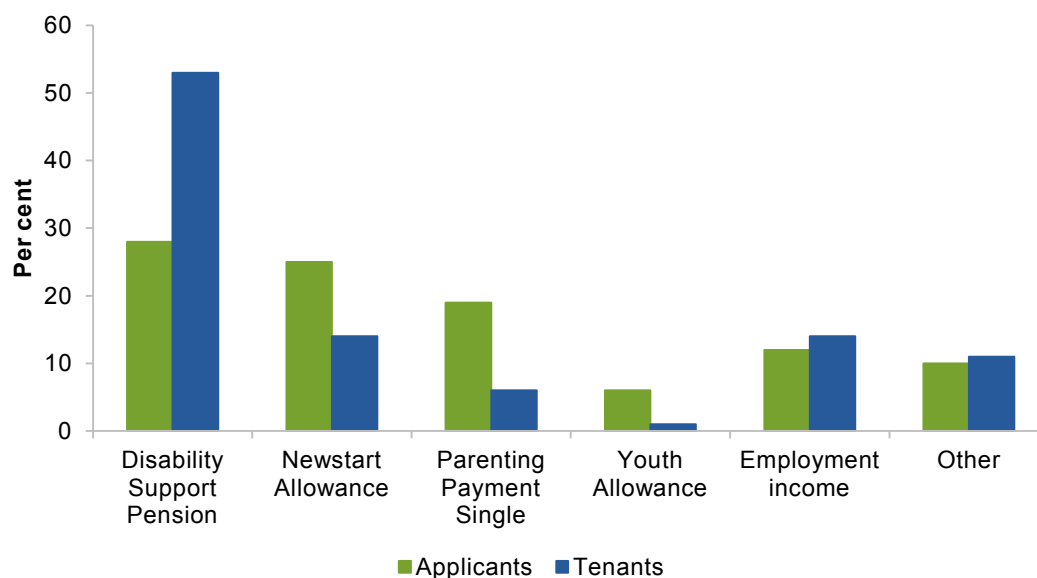
Source: DCSI, Housing SA, administrative data (unpublished).

Although applicants and tenants have similar real incomes, the main sources of incomes for the two groups are somewhat different (figure 18). In 2013, DSP (which is paid at a higher rate than allowances such as Newstart Allowance and indexed to average weekly earnings rather than the Consumer Price Index) was the main source of income for over half of tenants, followed by Newstart Allowance and employment income at 14 per cent

²⁷ The average applicant or tenant household would fit into the second decile of gross household income, based on the income deciles calculated by the ABS (ABS 2013a).

each. In contrast, less than 30 per cent of applicants had DSP as their main source of income. Employment income was the main income source for 12 per cent of applicants.

Figure 18 **Main source of income for working-age head applicants and head tenants, at 30 June 2013^{a,b}**



^a Employment income includes wages, salaries and self-employment income. ^b Other includes income from all other sources, including other income support payments, interest and foreign pensions.

Source: DCSI, Housing SA, administrative data (unpublished).

The relatively high income eligibility threshold to enter public housing in South Australia raises the possibility that applicants perhaps restrict their hours of work while on the waiting list, rather than whether they work. If that was the case, it might be expected that average income from employment among those who work would increase markedly following entry into public housing. That is not the case for category 1 or 3 applicants (table 2). The pattern for category 2 applicants is consistent with hours increases following entry into public housing. There is no apparent reason for category 2 applicants to behave differently from category 1 and 3 applicants. It is suspected that the result reflects a quirk in the data, rather than being evidence of a welfare lock. In particular, it is possible that the category 2 applicants who entered employment during their first year of tenancy were more highly paid on average, than their peers who were employed while on the waiting list.

Among those who were employed, real employment incomes were less than half of the average weekly earnings for people in South Australia, which were \$980 in May 2013 (ABS 2014a), and less than the \$606 in income that a minimum wage employee working 38 hours a week would have earned (Fair Work Commission 2013).

Table 2 Real income per week pre and post a move into public housing^{a,b}
2013 dollars

	<i>Entry onto waiting list</i>	<i>Entry into public housing</i>	<i>1 year after entry into public housing^c</i>
Average income excluding CRA^d			
All	390	386	394
Category 1	399	395	400
Category 2	350	347	364
Category 3	393	396	408
Employment income^e			
All	417	409	396
Category 1	438	427	410
Category 2	262	251	300
Category 3	427	450	436

^a Observations include working-age household heads who are observed both as an applicant and a tenant between 2004 and 2013. The analysis also only considers people whose category did not change while on the waiting list. (It is assumed that applicants who were housed within the same financial year they entered the waiting list did not change category.) Category changes mainly apply to category 1 entrants — nearly 30 per cent were initially in a different category when they entered the waiting list. ^b Excludes incomes greater than \$2000 a week or less than \$50 a week. ^c Income at '1 year after entry into public housing' is from the first income observation more than ten months after entry into housing. Tenant income assessments are conducted every six months. ^d Converted to 2013 dollars using average weekly earnings in South Australia. ^e Employed people only. Converted to 2013 dollars using minimum wage changes.

Source: DCSI, Housing SA, administrative data (unpublished).

5 Larger subsidies go to single adult households

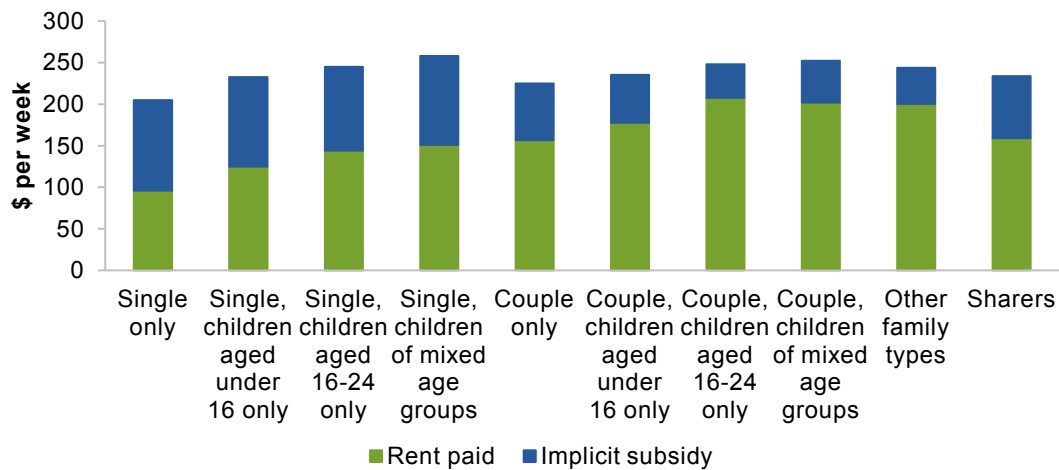
Public housing tenants pay about 25 per cent of assessable income in rent (or market rent, if it is less than or equal to 25 per cent of their income).²⁸ The difference between rent paid and market rent is the implicit rent subsidy received by tenants. As discussed in BP 2, rent subsidies have the potential to create a disincentive for recipients to take up employment.

Implicit subsidies are larger for singles and sole parents than other household types (figure 19). For singles, this is likely because of the mismatch between the profile of public housing tenants and the housing stock, resulting in properties being under-occupied (figure 20). Close to half of the stock consists of three-bedroom properties, whereas over half of all households are made up of singles. Due to the limited availability of

²⁸ Public housing rents are usually set at 25 per cent of gross household income, but some exceptions apply. For example, Family Tax Benefit payments and income received by children aged 16 to 20 years are assessed at 15 per cent. Some forms of income, such as the pension supplement, are not assessable. Rents in cottage flats range from 19 to 25 per cent of gross household income. (See BP 1 and BP 2 for more detail.) Market rents are based on information provided by the Valuer General (Government of SA 2014b).

single-bedroom properties (just over 10 per cent of the stock), occupancy standards that allow single people to occupy two-bedroom properties and ageing tenants who stay in larger properties after changes to their household composition, many single-person households occupy two- or three-bedroom properties.

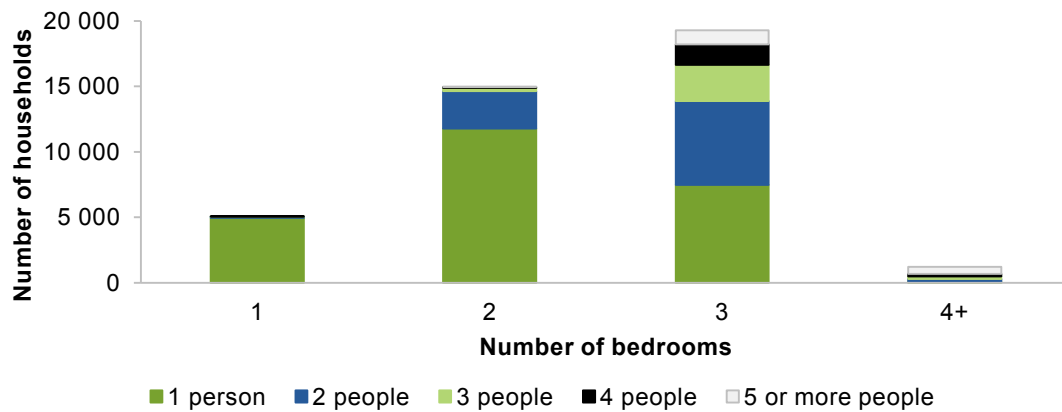
Figure 19 **Mean weekly rents and implicit subsidies, at 30 June 2013^{a,b,c,d}**



^a The rent paid plus the implicit subsidy is equal to market rent. ^b Children aged under 16 include any person in the household aged under 16. Children aged 16 to 24 only include sons, daughters or legal guardianships of the head tenant. ^c Other family types include tenants living with children aged 25 and over, grandparents, cousins or other relatives. ^d Sharer households include any household living with a non-relative.

Source: DCSI, Housing SA, administrative data (unpublished).

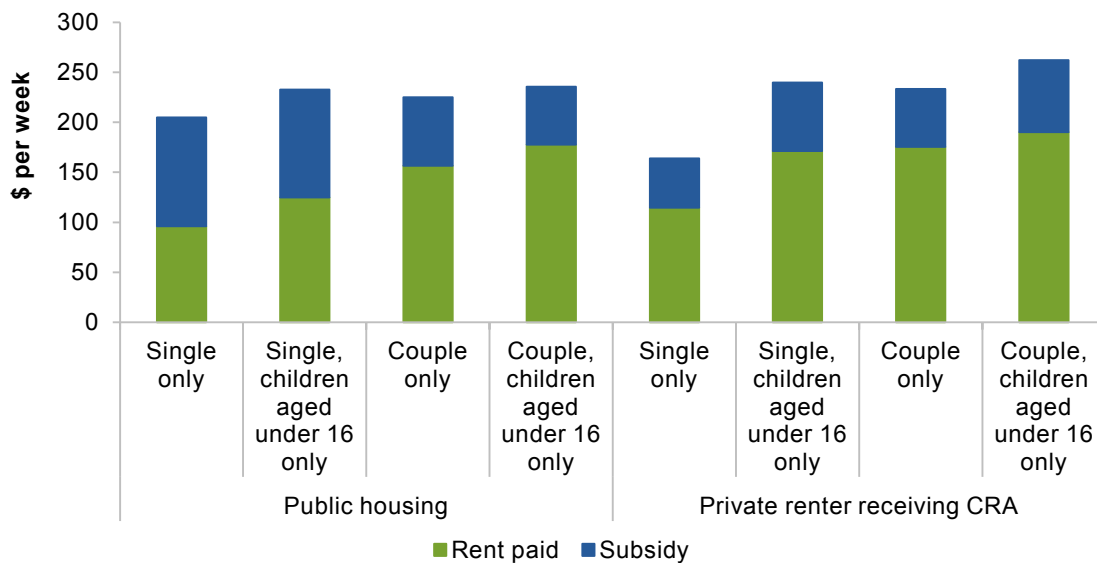
Figure 20 **Number of bedrooms by number of people in household, at 30 June 2013**



Source: DCSI, Housing SA, administrative data (unpublished).

Implicit subsidies for many public housing tenants are larger than the subsidies received by CRA recipients in similar household types (figure 21). As a consequence, many tenants would face higher housing costs if renting privately (BP 2) — a disincentive to exiting public housing. However, it may not be a disincentive to the extent that the higher subsidy is due to a stock mismatch.

Figure 21 Subsidies tend to be larger in public housing^{a,b,c,d,e,f,g}
 Mean rents in South Australia, 30 June 2013, selected household types



^a The rent subsidy received by public housing tenants is implicit — tenants do not actually receive a payment. The subsidy is the difference between the market rent for their property and the rent that they pay. ^b CRA recipients pay market rents and receive CRA (the subsidy) as a payment to offset the cost. ^c Children aged under 16 include any person in the household aged under 16. ^d Subsidy figures for public housing are calculated as the difference between mean market rents and mean rents paid by households within each household type, rather than the mean subsidy received by households with market rents equal to the mean market rent. (This approach was adopted because there are relatively few households in properties with exactly the mean market rent. A check of the data showed that households in properties with market rents in the vicinity of the mean market rent typically pay rents that are close to the mean rent paid.) ^e Mean rents for single, childless renters receiving CRA are for all singles, that is, both those who share housing and those who live alone. The CRA subsidy presented in the figure is the maximum rate for singles who live alone. (Sharers receive a lower rate.) ^f The CRA subsidies presented for singles and couples with children aged under 16 years only are the rates for families with less than three children. ^g The CRA subsidy presented for couples only is the rate for people who are not temporarily separated.

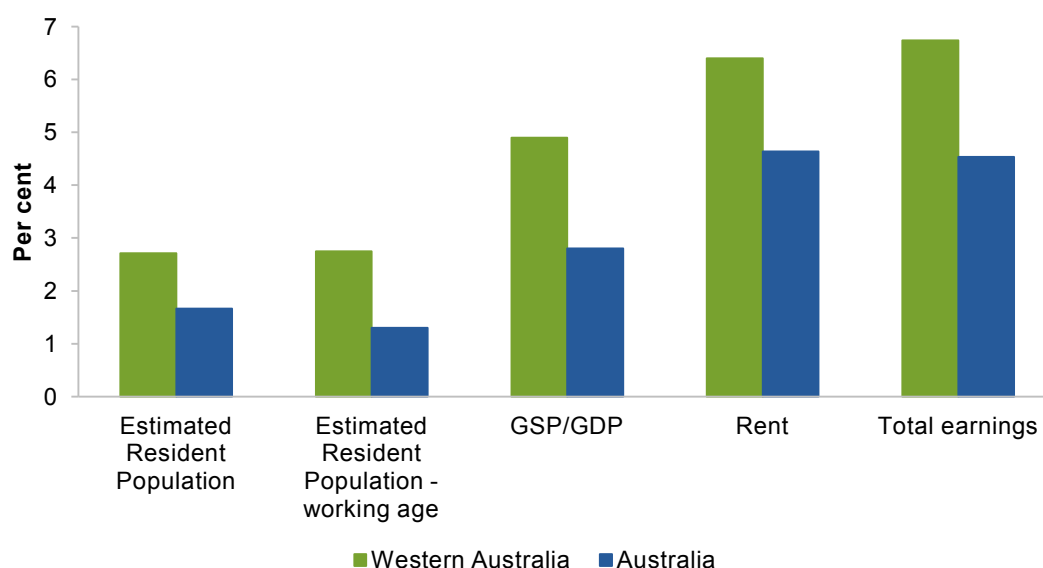
Sources: Public housing — DCSI, Housing SA, administrative data (unpublished); CRA — Author estimates based on unpublished data from the Research and Evaluation Database.

6 WA public housing waiting lists, entrants and exits

Setting the scene — the WA economy in the decade to 2013

The Western Australian economy grew very strongly between 2004 and 2013. The mining boom contributed to strong economic growth and an increase in wages, as well as an influx of population into the state. These factors contributed to a substantial increase in rents (figure 22). Although the state's strong economy and additional employment opportunities may have encouraged some public housing tenants to take up employment and move to private rental or other forms of accommodation, rising rents may have led to higher demand for more affordable types of tenure, such as public housing.

Figure 22 **The Western Australian economy — key indicators^a**
Annual compound growth rate, 2004 to 2013



^a Rent data refer to the change in the rent component in the consumer price index for Perth. National rents reflect a weighted average of the eight capital cities.

Sources: ABS (*Australian Demographic Statistics*, Cat. no. 3101.0; *Australian National Accounts: State Accounts*, Cat. no. 5220.0; *Consumer Price Index, Australia*, Cat. no. 6401.0; *Average Weekly Earnings, Australia*, Cat. no. 6302.0).

Waiting list categories are based on housing needs

Households applying for public housing in Western Australia are placed in one of two categories:

- Priority applicant households are in urgent need for housing. Factors that contribute to having an urgent housing need include homelessness, medical conditions that are

aggravated by a person's existing accommodation, domestic violence and racial harassment (Department of Housing WA 2011).

- Wait-turn applicant households do not have an urgent need for housing but meet the eligibility criteria for public housing.²⁹

Income limits in Western Australia

The income limits for households applying for public housing in metro and some country areas of Western Australia are the lowest in Australia. A single-person household is ineligible when income exceeds \$430 a week — less than half of the income limit in South Australia. However, income limits are higher for those applying for housing in the north-west or remote areas of the state (\$610 a week for a single, unless they have a disability); and people with a disability (\$540 for a single person with a disability applying in metro and country areas, and \$760 for a single person with a disability applying for north-west or remote areas) (Department of Housing WA 2014).

Since 2006, income limits have also applied for tenants. The limits have not been adjusted since they were introduced, and are relatively low. For example, the limit for single tenants without disability is the same as for applicants (\$430 a week).

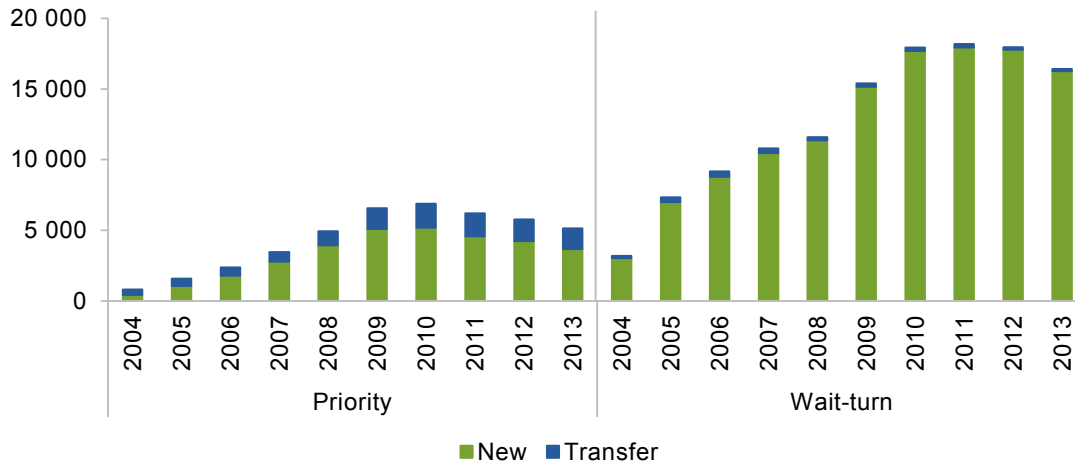
Waiting list numbers have doubled in Western Australia

The number of households on public housing waiting lists in Western Australia grew quickly during the second half of the 2000s, but has slightly declined since 2010 (figure 23). In 2013, the total number of households on the waiting list was over half the number in public housing. The increase in the size of the list reflects the fact that the number of entrants onto the waiting list tended to exceed the number of exits, particularly for wait-turn households (figure 24). Large rent rises over the period (figure 21) could explain these increases in demand for public housing.

As might be expected, elapsed waiting times for priority applicant households are shorter than for wait-turn applicant households. The median elapsed waiting time for priority households on the waiting list at 30 June 2013 was about 1.7 years, compared with 2.3 years for wait-turn households (figure 25). For households that were allocated housing in 2012-13, the median waiting time to allocation was about 500 days.

²⁹ To be eligible, applicants must be Australian citizens or permanent residents, aged over 16 and living in Western Australia. Their income and assets must be below the limits set by the Department of Housing (BP 1).

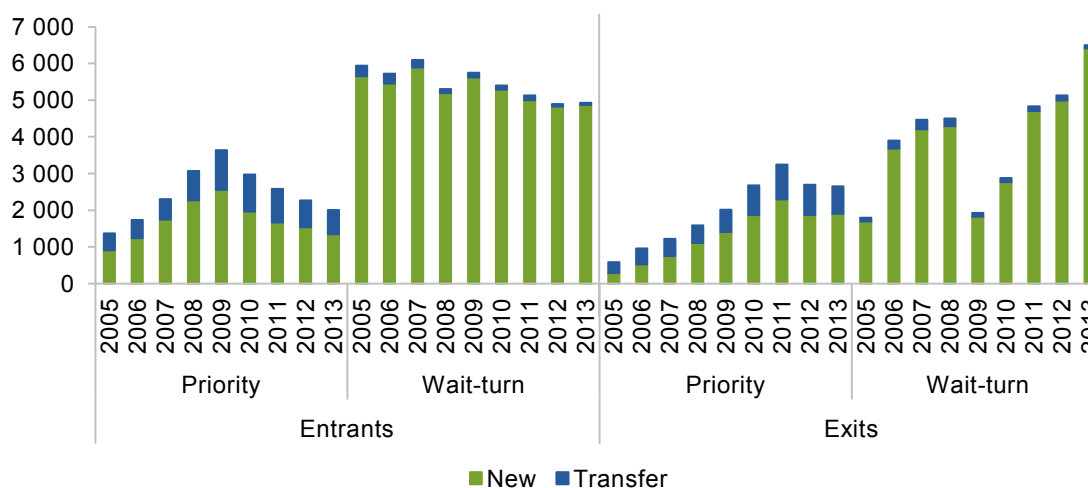
Figure 23 Waiting list applicant households by category, at 30 June 2004 to 2013^a



^a The administrative records provided do not include applicants who entered the waiting list prior to 2004. Comparisons with data from SCRGSP (2014) indicate that the data from 2006 onwards are likely to include the majority of waiting lists members.

Source: Department of Housing (WA), administrative data (unpublished).

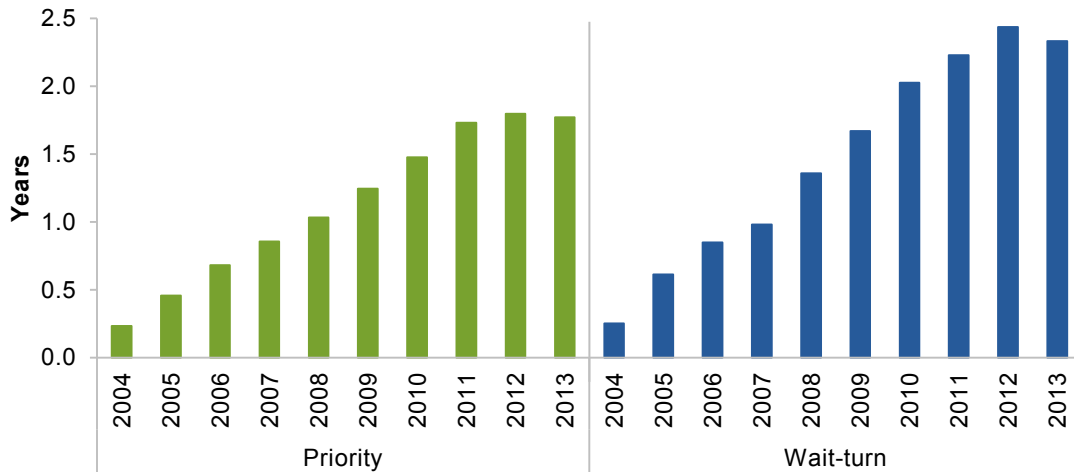
Figure 24 Waiting list entrants and exits by category, 2004-05 to 2012-13^{a,b,c}



^a New applicant households include applications for emergency accommodation and remote Indigenous housing. ^b Entrants include only applicant households that entered the waiting list within the financial year and were still on the list at the end of the financial year. Applications that were previously deferred but then reinstated are also included in entrants. ^c Exits include applicant households that were on the waiting list at the start of the financial year and exited for any reason, for example if they were allocated housing or if their application was deferred.

Source: Department of Housing (WA), administrative data (unpublished).

Figure 25 **Median elapsed waiting time for applicant households by category, at 30 June 2004 to 2013^{a,b}**



^a Median waiting times are calculated as elapsed waiting times for applicant households that applied from 2004 onwards and that were on the list at 30 June. ^b Transfer applications are not included.

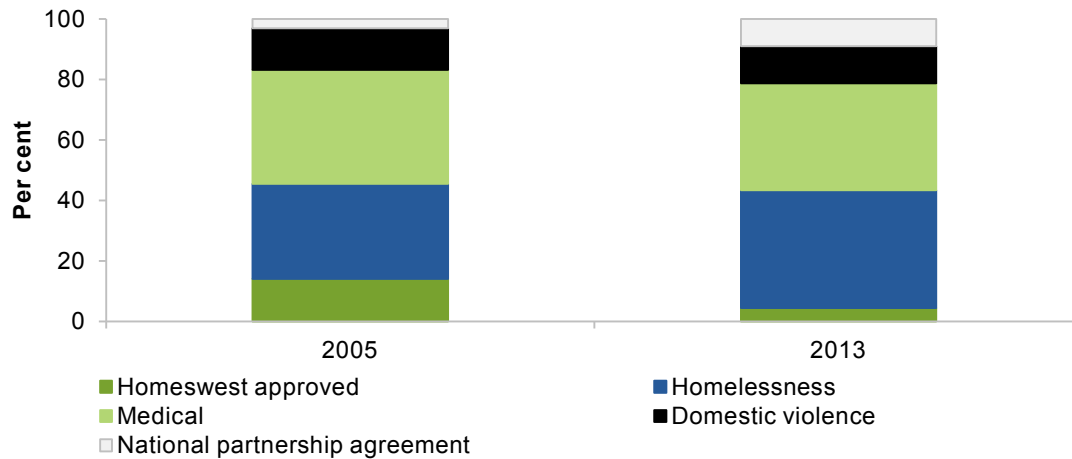
Source: Department of Housing (WA), administrative data (unpublished).

Homelessness and medical conditions are factors in many applications

Nearly 40 per cent of all new priority applicant households are on the priority list because they are experiencing some form of homelessness, and another third are on the list for medical reasons (figure 26). Homelessness became an increasingly important reason for placement on the priority list between 2005 and 2013, although the share fluctuates between these years.

Figure 26 Primary reason for being placed in the priority category^a

Applicants who applied in 2004-05 and 2012-13



^a 'Homelessness' includes primary homelessness (rough sleeping), secondary homelessness (moving between temporary forms of shelter) and tertiary homelessness (living in single rooms in private boarding houses without own bathroom, kitchen or security of tenure) (Chamberlain and MacKenzie 2008). 'National partnership agreement' refers to people placed in the priority category due to their eligibility under the National partnership agreement on homelessness. 'Homeswest approved' is a generic category used by Department of Housing staff, which also includes emergency housing and other minor categories (Department of Housing WA, pers. comm., 16 December 2014).

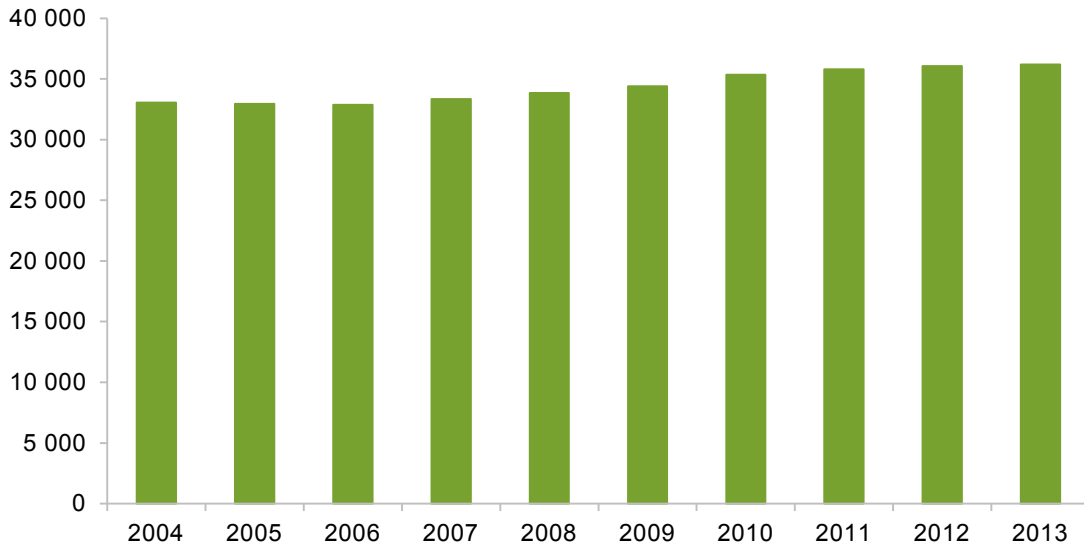
Source: Department of Housing (WA), administrative data (unpublished).

Public housing has grown; the share of priority allocations has been stable

The number of Western Australian households in public housing increased by nearly 10 per cent over the decade to 2013 (figure 27). Consistent with this rise, the number of households entering public housing exceeded the number of exits between 2007 and 2013 (figure 28). The introduction of tenant income limits in 2006 do not appear to have had a large impact on the number of households exiting public housing across the years. In 2005 and 2006, exits from public housing exceeded the number of entrants, which could partly be because the mining boom created employment opportunities that helped people exit into private accommodation.

Turnover rates have been reasonably stable in recent years at about 10 per cent (slightly higher than the turnover rate in South Australia). The proportion of allocations made to priority applicant households has also been fairly stable in the past five years — at about 50 per cent (figure 29).

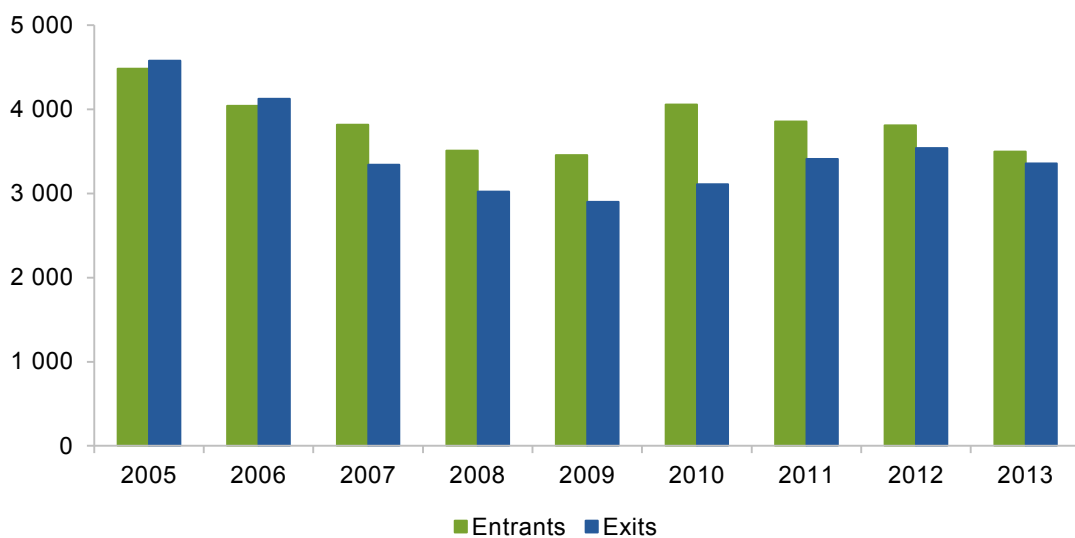
Figure 27 Households in public housing in Western Australia, at 30 June 2004 to 2013^a



^a Includes properties owned by the Department of Housing that are externally managed.

Source: Department of Housing (WA), administrative data (unpublished).

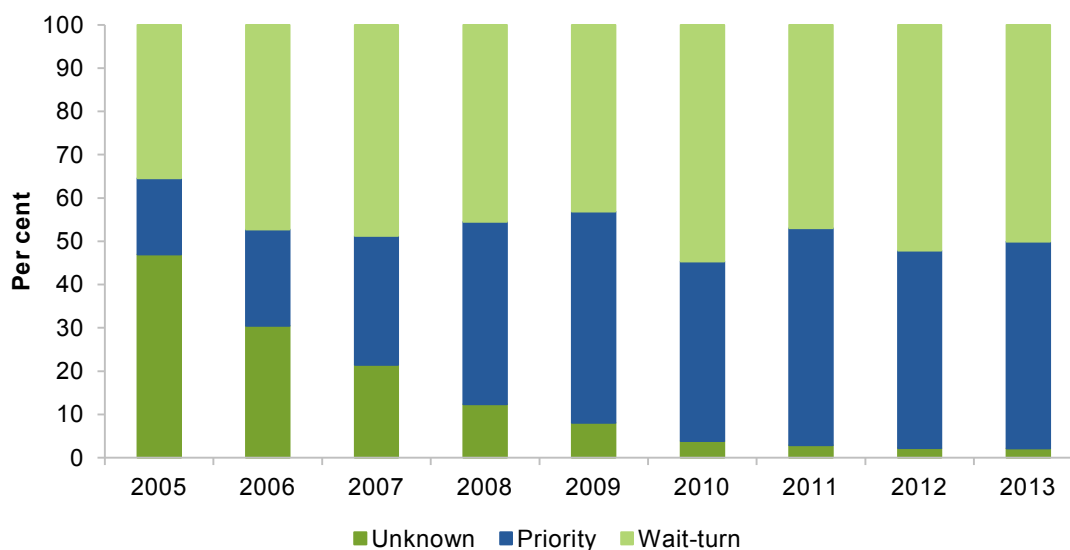
Figure 28 Public housing entrants and exits, 2004-05 to 2012-13^a



^a Excludes households known to be transferring between public housing properties but those that applied for a transfer before 2004 are counted. It includes those moving in and out of dwellings owned by the Department of Housing that are externally managed.

Source: Department of Housing (WA), administrative data (unpublished).

Figure 29 **Housing allocations by category, 2004-05 to 2012-13^{a,b,c}**



^a Excludes households known to be transferring between public housing properties but those that applied for a transfer before 2004 are counted. ^b Households with an unknown waiting list category likely applied for housing before 2004. ^c Does not include entries and exits within the same financial year.

Source: Department of Housing (WA), administrative data (unpublished).

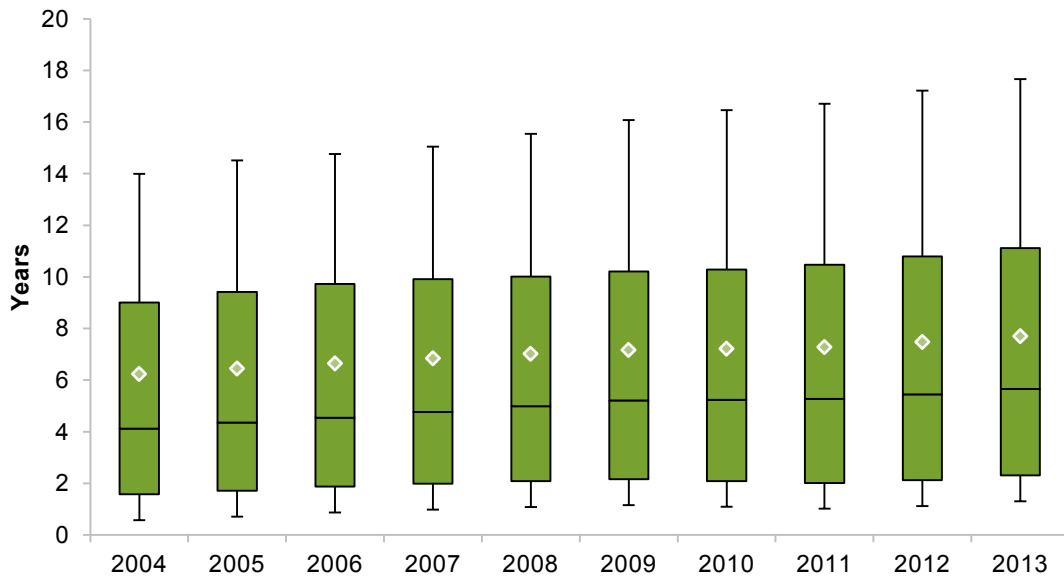
WA tenants are staying longer in public housing

As noted above, unlike in South Australia, income eligibility limits have applied for tenants in Western Australia since 2006. The limits apply to all tenants, both those who were resident in public housing in 2006, and those who have entered since. Tenant households that are no longer eligible for public housing are usually given a period of six to 24 months to find alternative accommodation. Only a small number of tenants have been evicted due to a loss of eligibility since the limits were introduced in 2006 (Department of Housing WA, pers. comm., 16 December 2014). In 2013-14, 104 ineligible tenants were transitioned into other affordable housing options (Government of WA 2014).

Between 2004 and 2013, the median tenancy length grew from about 4 to 6 years (figure 30).³⁰ This is markedly lower than the tenancy length of South Australian public housing tenant households (12 years in 2013). Given that the number of entrants to public housing was higher than the number of exits (which would bring median tenancy lengths down), this suggests that some households may be entering and exiting public housing relatively quickly, whereas others are more entrenched. About a quarter of tenant households had been in public housing for more than 11 years, and 36 per cent of households that were living in public housing in 2004 were in the same property in 2013.

³⁰ Tenancy lengths are likely to be understated for Western Australia because transfers could not be taken into account.

Figure 30 Public housing tenancy durations, at 30 June 2004 to 2013^a



^a Transfers are counted as a new tenancy. Therefore the median lengths of tenancy are understated.
 Source: Department of Housing (WA), administrative data (unpublished).

7 Demographic characteristics of WA applicants and tenants³¹

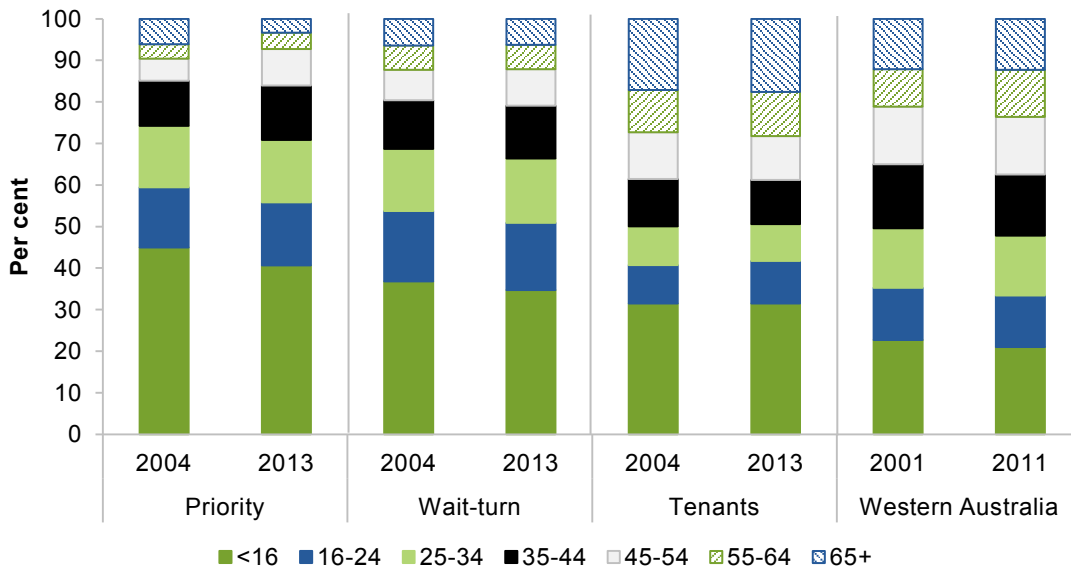
Applicants are more likely to be of working-age than tenants

Both the applicant population and public housing residents in Western Australia are relatively young (figure 31). In 2013, the median age of applicants was 23 and that of tenants was 34. In comparison, the median age of the general Western Australian population in 2011 was 35. Forty per cent of people on the priority list in 2013, and nearly one third of public housing residents, were children (aged less than 16 years). In contrast, less than 20 per cent of South Australian public housing residents were children. Relatively few public housing tenants are of working-age — just over 40 per cent in 2013, in comparison with about two-thirds of the broader population (in 2011).

The ages of people who are allocated housing broadly reflect the age profile of those who are on the waiting list (figure 31 and figure 32). Similar to South Australia, those who exit public housing tend to be younger than remaining tenants.

³¹ Data used in generating applicants' characteristics exclude applicants seeking to transfer between public housing dwellings.

Figure 31 Ages of applicants and tenants, at 30 June 2004 and 2013



Sources: ABS (*Basic Community Profile, Western Australia*, Cat. no. 2001.0); Department of Housing (WA), administrative data (unpublished).

Figure 32 Age of tenants who entered and exited public housing, 2004-05 and 2012-13



Source: Department of Housing (WA), administrative data (unpublished).

Applicants and tenants are more likely to be female and Indigenous than other Western Australians

As in South Australia, women make up over half of both working-age applicants and tenants in Western Australia (table 3). Both applicants and tenants are also much more likely to be Indigenous Australians than other Western Australians. Close to one third of tenants self-identify as Indigenous Australians.

Table 3 Applicant and tenant demographic characteristics^{a,b}
Per cent

	<i>Applicants</i>		<i>Tenants</i>		<i>Western Australia</i>	
	<i>2004</i>	<i>2013</i>	<i>2004</i>	<i>2013</i>	<i>2001</i>	<i>2011</i>
Working-age individuals						
Women	61	56	61	60	50	49
Indigenous ^c	19	17	26	31	3	3

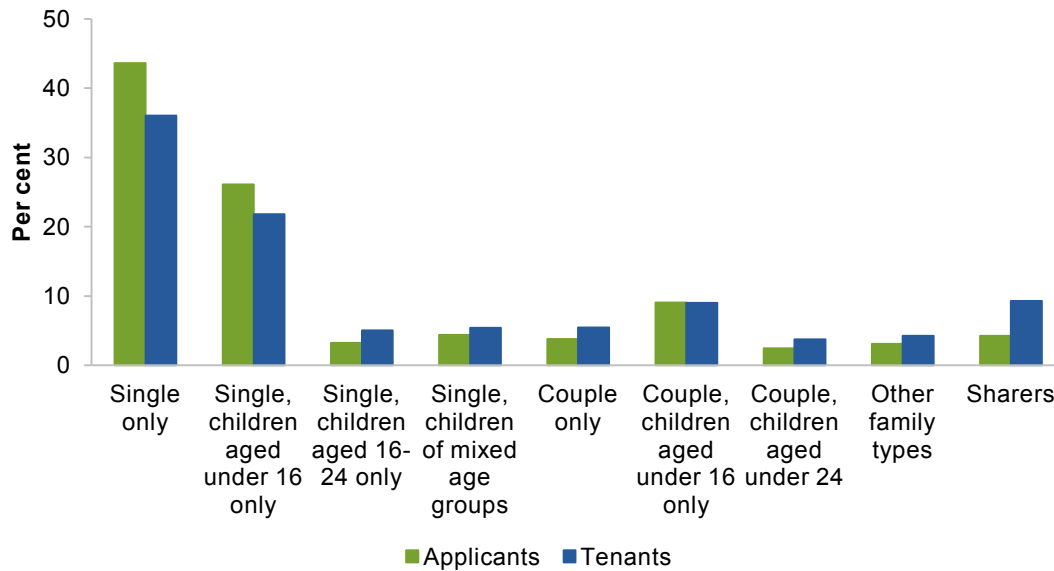
^a Data for tenants and applicants are for people aged 16 to 64 years. Data for the whole population are for all people aged 15 to 64 years. ^b Country of birth statistics are not reported because it is unknown for over 70 per cent of applicants and over 80 per cent of tenants. ^c Indigenous status is self-reported.

Sources: ABS (*Basic Community Profile, Western Australia*, Cat. no. 2001.0; *Indigenous Profile, Western Australia*, Cat. no. 2002.0); Department of Housing (WA), administrative data (unpublished).

Applicants and tenants are mainly single

Nearly half of all applicant households that include at least one working-age member are single-person households and about a third are single parent households (figure 33). There are more single households on the waiting list than there are in public housing. Reflecting the age profile of the tenant population, about one third of households in public housing include at least one child aged under 16 years.

Figure 33 Working-age household type at 30 June 2013^{a,b,c,d}



^a Households that have a working-age applicant or tenant. ^b Children aged under 16 includes any person in the household aged under 16. Children aged 16 to 24 only includes people described as children or dependents. ^c Other family types include tenants living with children aged 25 and over and grandparents. ^d Sharer households include households that consist of all single adults, or those that are identified as having more than one family group.

Source: Department of Housing (WA), administrative data (unpublished).

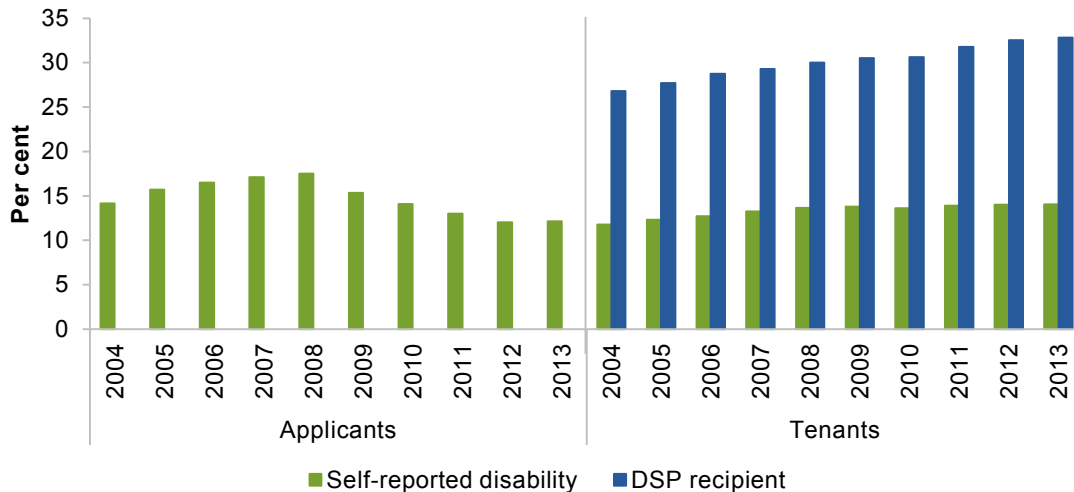
Applicants and tenants are more likely to have a disability than other Western Australians

The percentage of working-age tenants with a disability recorded with the Department of Housing increased slightly over the decade to 2013, from 12 to 14 per cent (figure 34).³² The self-reported disability figures are similar to the 11 per cent of Western Australians aged up to 64 years who reported a disability in 2012 (ABS 2013b). However, the self-reported disability figures for tenants are likely to be understated because this information is usually only recorded if the disability affects housing. The percentage of working-age tenants who receive DSP is three times as high, at about 33 per cent. Applicants report disability at about the same rate as tenants.³³ Rates of DSP receipt among tenants were markedly lower than in South Australia.

³² The date at which disability was reported is not included in the data. This has implications for comparisons over time. For example, if someone on the waiting list initially had no disability but developed one later (either as an applicant or as a tenant), they will be counted as having a disability for all years they were on the waiting list.

³³ Data on DSP receipt for applicants are not presented because income support payment type is recorded under a 'high level pension' category for many applicants; the exact payment is not identified.

Figure 34 **Proportion of working-age applicants and tenants with a disability, at 30 June 2004 to 2013^{a,b,c,d}**



^a Self-reported disability types include physical, mental, cognitive, intellectual, neurological and sensory. It does not require a medical confirmation. ^b DSP is not listed for applicants because in many cases it is not separately identified in the income data for applicants. ^c Some people who self-report as having a disability do not receive a DSP, and some who receive a DSP have not reported having a disability. For tenants, the degree of overlap is 33 per cent. ^d The decline in the proportion of applicants with a disability since 2008 may reflect an increase in the number of people without disability applying to public housing following the global financial crisis, as well as improvements in the quality of data collected by the Department of Housing.

Source: Department of Housing (WA), administrative data (unpublished).

The large difference between self-reported disability and DSP receipt for tenants (which also occurs in South Australia) might reflect a tendency for disabilities to be reported by tenants or recorded in the data only if the disabilities are likely to affect their housing.

Physical disability is the most commonly reported disability type, being reported by 8 per cent of working-age applicants (63 per cent of those who reported any disability) and 10 per cent of tenants (69 per cent of those who reported any disability) in 2013. In comparison, only 5 per cent of working-age applicants and tenants in Western Australia were self-reported as having a mental disability in 2013.³⁴

8 Employment among WA applicants and tenants

Employment rates among public housing tenants in Western Australia are higher than among applicants but the difference narrowed markedly post 2007 (figure 35).³⁵ This was due to a

³⁴ People can report more than one type of disability.

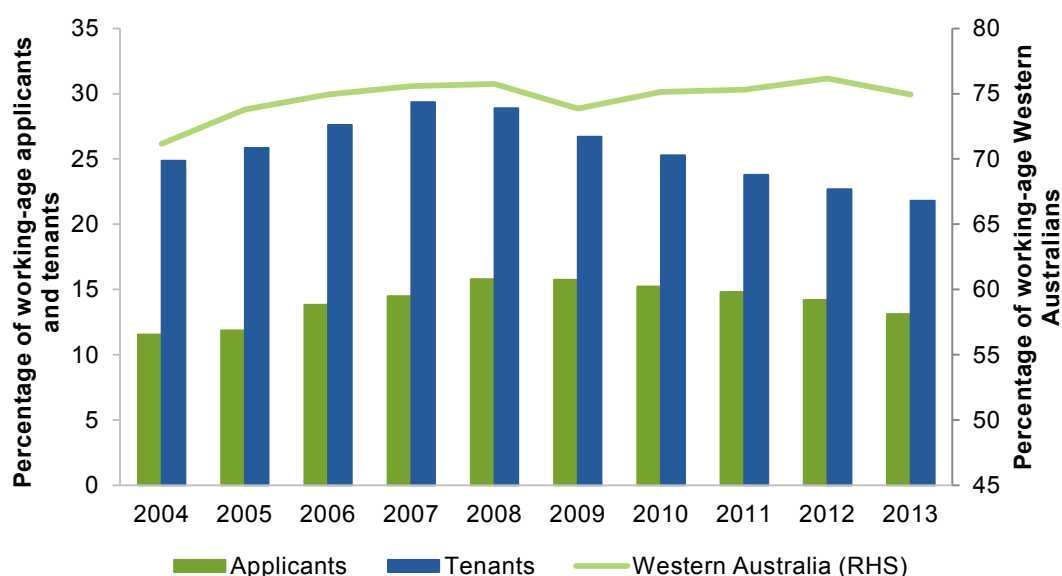
³⁵ Although the employment status of applicants and tenants cannot be directly observed, it has been inferred from receipt of wage and salary income.

fall in employment rates among tenants. Employment rates in the general Western Australian population and among applicants were reasonably stable post 2007.

The decline in tenant employment rates post 2007 may reflect a compositional effect (tenants who are able to find employment may have left public housing because they are no longer eligible), although, as noted above, very few tenants have been evicted due to a loss of eligibility since the limits were introduced (Department of Housing WA, pers. comm., 16 December 2014). Neither can the fall be attributed to new tenants who entered in the second half of the decade being less likely to work than those who exited — employment rates of tenants who lived in public housing for the whole period, 2007 to 2013, also fell (by 3.4 percentage points).

It is possible that the data reflect the introduction of income eligibility limits for tenants (Department of Housing WA, pers. comm., 16 December 2014). To the extent that this is the case, the fall in employment rates would be consistent with a welfare lock for tenants. The possibility of welfare locks among tenants is revisited below.

Figure 35 Proportion of applicants and tenants employed, at 30 June 2004 to 2013

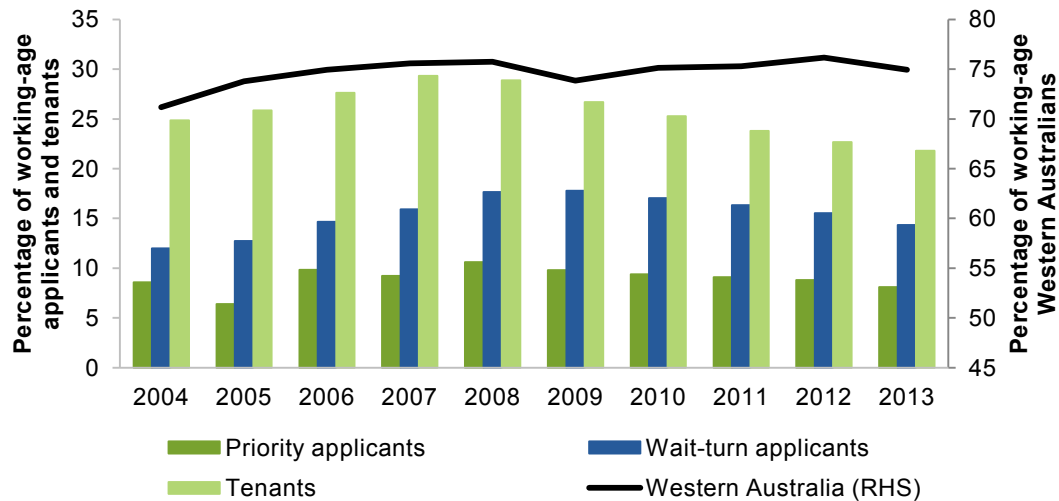


Sources: ABS (*Labour Force, Australia*, Cat. no. 6202.0); Department of Housing (WA), administrative data (unpublished).

Employment rates also differ markedly between working-age applicants from different waiting list categories (figure 36). Less than 10 per cent of priority applicants were employed in 2013, whereas the employment rate of wait-turn applicants was nearly twice as high.

Figure 36 **Proportion of applicants and tenants employed at 30 June 2004 to 2013**

Applicants by category



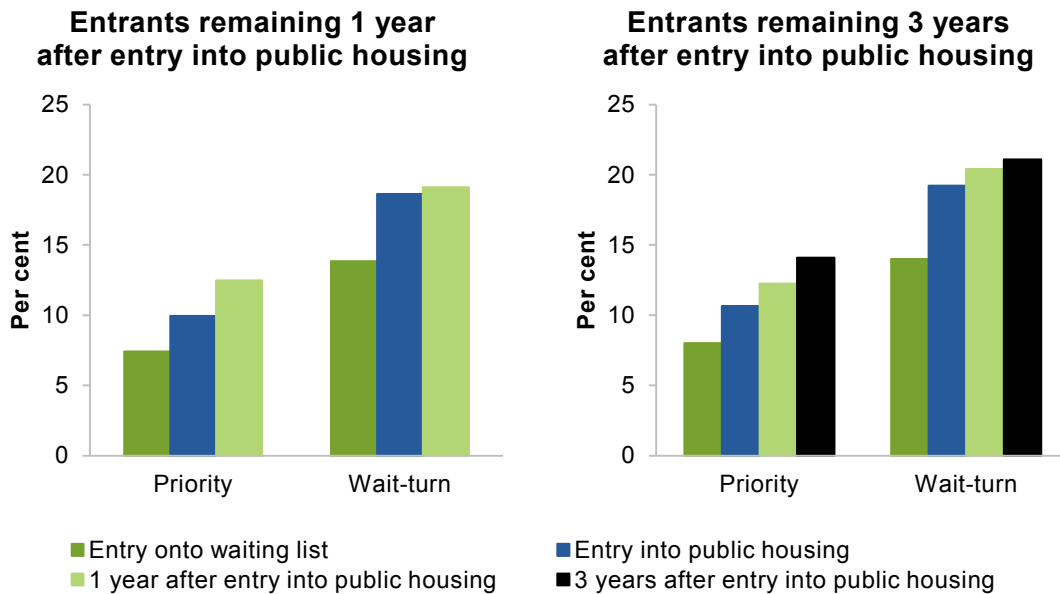
Sources: ABS (*Labour Force, Australia*, Cat. no. 6202.0); Department of Housing (WA), administrative data (unpublished).

Comparison of employment rates pre and post entry into public housing sheds more light on the relationship between public housing residence and employment (figure 37). As in South Australia, increases in employment are observed between entry onto the waiting list and entry into public housing, suggesting that applicants do not avoid employment while waiting for public housing (in contrast with the welfare locks hypothesis). A larger increase in employment is observed for wait-turn applicants, which could reflect their longer waiting times or better employment prospects.

After entry into public housing, there is an increase in the likelihood of employment, which is consistent both with welfare locks for applicants and a stability effect for tenants. That said, if a person faces the same income eligibility thresholds as a tenant as while an applicant, it might be argued that they would manage their employment both before and after entry to retain eligibility. If that were the case, the increased likelihood of employment following entry into public housing might be interpreted as the effect of greater housing stability.³⁶

³⁶ Other possible explanations for the observed increases in employment are policy changes and increases in general employment rates over time. However, discussions with state housing authorities did not suggest there was a change in local approaches to supporting tenants, and employment patterns for income support recipients receiving housing assistance do not suggest that national policy changes led to consistent increases in employment rates across the decade (BP 3). Changes in general employment rates over time also do not fully explain the increases in employment among people who moved into public housing.

Figure 37 **Employment rates pre and post a move into public housing^{a,b}**



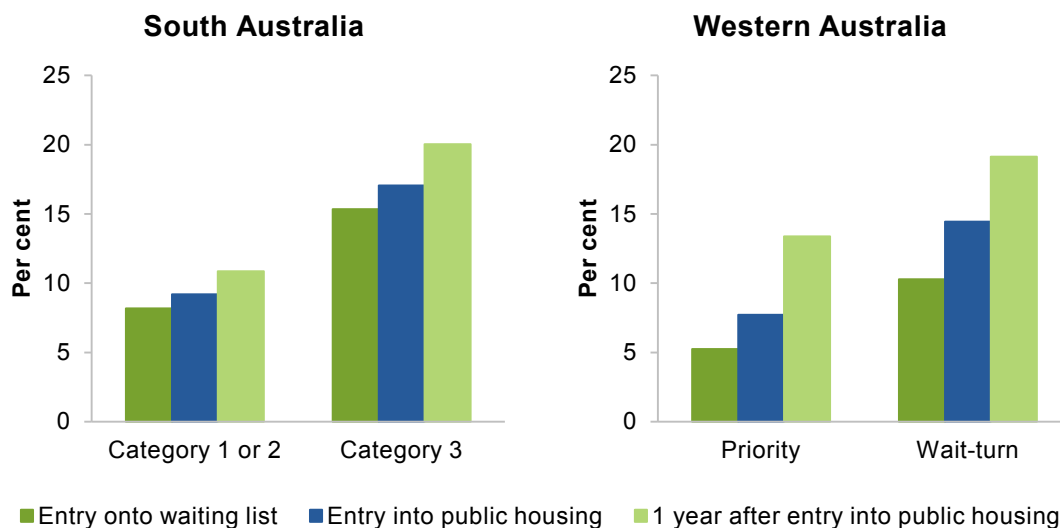
^a Observations include working-age individuals who are observed both as an applicant and a tenant between 2004 and 2013. The analysis also only considers people whose waiting list category did not change more than one month after entering the waiting list — 70 per cent of priority entrants were initially wait-turn applicants when they entered the waiting list. ^b Employment rates at '1 year after entry into public housing' are inferred from the first income observation more than ten months after entry into housing. Employment rates at '3 years after entry into public housing' are inferred from the first income observation more than two years and ten months after entry into housing. Tenant income assessments are conducted yearly.

Source: Department of Housing (WA), administrative data (unpublished).

If income eligibility limits for tenants in Western Australia do create welfare locks, then it might be expected that employment rates among Western Australia tenants would be substantially lower than those of South Australian tenants, who are not subject to income limits while in public housing. To facilitate a comparison between South Australia and Western Australia, the investigation of employment before and after entry into public housing was restricted to single-person households to remove differences resulting from the analysis of head tenants in South Australia and all tenants in Western Australia. Data for category 1 and 2 applicants in South Australia were also combined for comparison with priority applicants in Western Australia, whereas category 3 applicants in South Australia were compared with wait-turn applicants in Western Australia (figure 38). The results show that employment rates among Western Australian tenants were not markedly lower than in South Australia, suggesting that welfare locks among tenants are not an issue.³⁷

³⁷ The better employment opportunities in Western Australia could boost employment rates among tenants in Western Australia to an extent. However, if welfare locks were an issue for Western Australian tenants, it is unlikely that employment opportunities would fully offset the welfare lock effect. It is expected that their employment rates would still be markedly lower than in South Australia.

Figure 38 **Employment rates pre and post a move into public housing^{a,b}**
Single-person households



^a Observations include working-age individuals who are observed both as an applicant and a tenant between 2004 and 2013, whose category did not change while on the waiting list, and who were still in public housing one year after entry. ^b Employment rates at '1 year after entry into public housing' are inferred from the first income observation more than ten months after entry into housing.

Sources: DCSI, Housing SA, administrative data (unpublished); Department of Housing (WA), administrative data (unpublished).

Average real incomes (adjusted using changes in average weekly earnings) for both applicants and tenants declined between 2004 and 2013 (unlike in South Australia where there was little change), which can be explained by the fact that income eligibility limits in Western Australia did not grow by as much as average weekly earnings over the period (figure 39).³⁸ This means that, over time, only people with lower real incomes have been eligible to enter the waiting list and/or remain in public housing.

In 2013, average weekly income was about \$370 for applicants and \$490 for tenants. The average income received by applicants in Western Australia is much closer to the public housing income limit (\$430 for a single applicant without disability in a metro or country area) than it is in South Australia, which is not surprising given the higher income limits in South Australia.³⁹ Average tenant incomes exceeded the limit for singles without disability, but were within the income limit for singles with a disability (\$540 in a metro or

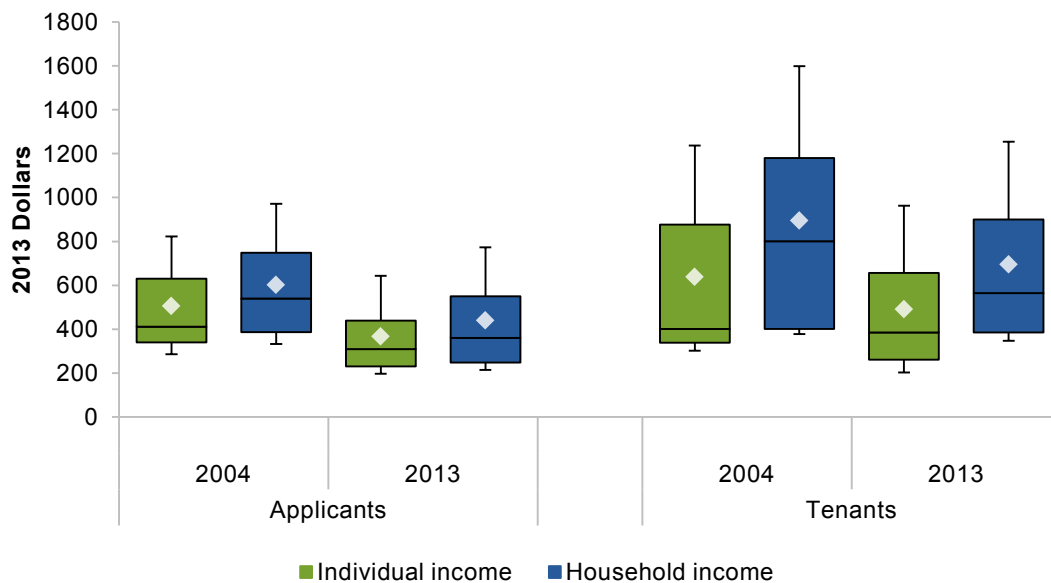
³⁸ These data must be interpreted with caution. Income data for some applicants have not been updated over their time on the waiting list. Although available information has been converted to 2013 dollars, the resulting estimates might not be an accurate reflection of those applicants' current incomes.

³⁹ Differences between household incomes for applicants and tenants could also be due to differences in the completeness of income data for applicants and tenants. For application purposes, only the main applicant, partner and any co-applicant's incomes are assessed. Once tenanted, all incomes (of tenants aged 16 and over) are taken into consideration for rent calculation purposes.

country area) and within that for singles in north west or remote areas (\$610 for those without a disability and \$760 for those with a disability).

Household incomes exceed individual incomes by a greater amount than South Australian tenants because of the larger households in Western Australia.

Figure 39 Real income per week, at 30 June 2004 and 2013^{a,b,c,d}



^a Converted to 2013 dollars using the average weekly earnings in Western Australia. ^b 'Individual income' is calculated for all working-age individuals. 'Household income' is calculated for households that contain a person who is of working-age. ^c Excludes individual incomes over \$2000 a week or less than youth allowance. ^d Few people are recorded as receiving CRA in the data. It is likely that CRA is included in the high level 'pension' category for most applicants, so is not separately identifiable.

Source: Department of Housing (WA), administrative data (unpublished).

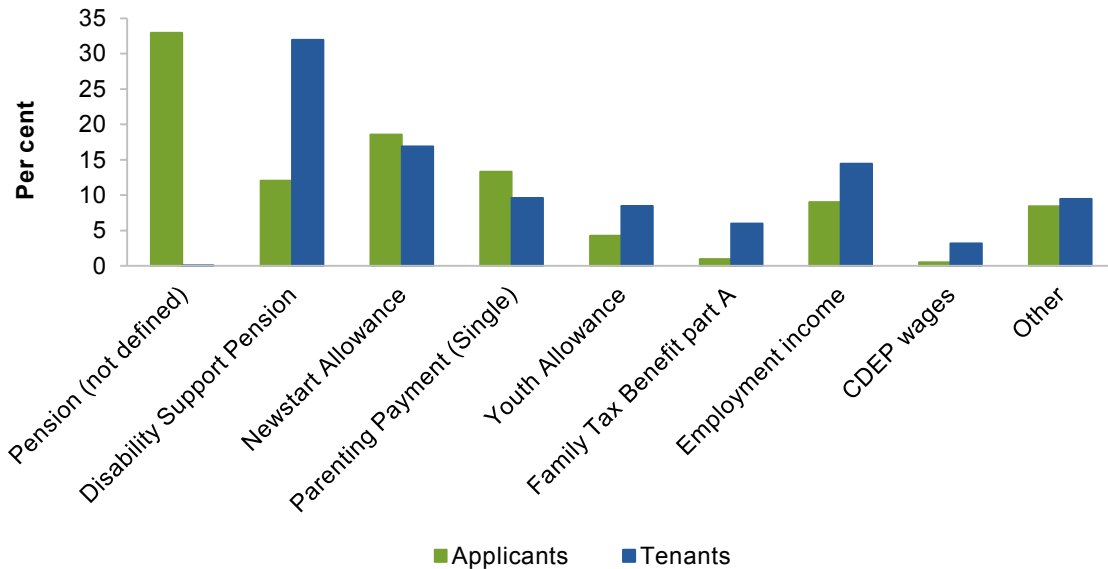
In 2013, the most common main source of income for working-age tenants was DSP (32 per cent), followed by Newstart Allowance (17 per cent) and employment income (14 per cent) (figure 40).⁴⁰ For 33 per cent of applicants, the main source of income was 'pensions' (a high level category that includes a variety of income support payments).⁴¹ Other common sources of income were Newstart Allowance (19 per cent), Parenting Payment Single (13 per cent) and DSP (12 per cent). Employment income was the main income source for only 9 per cent of applicants.⁴²

⁴⁰ Employment income includes wages and salaries and self-employment income. An additional 3 per cent of tenants received CDEP (community development employment projects, a government funded employment scheme primarily for Indigenous people) wages and salary.

⁴¹ Some income support recipients are included in this category, whereas others are included in the separate categories for each payment. This is based on an allocation criteria used by the Department of Housing WA.

⁴² An additional 1 per cent of applicants received CDEP wages and salary.

Figure 40 **Main source of income for working-age applicants and tenants, at 30 June 2013^{a,b}**



^a Employment income includes wages, salaries and self-employment income. ^b Other includes income from all other sources, including other income support payments, interest and foreign pensions.

Source: Department of Housing (WA), administrative data (unpublished).

9 Larger subsidies go to single adult households

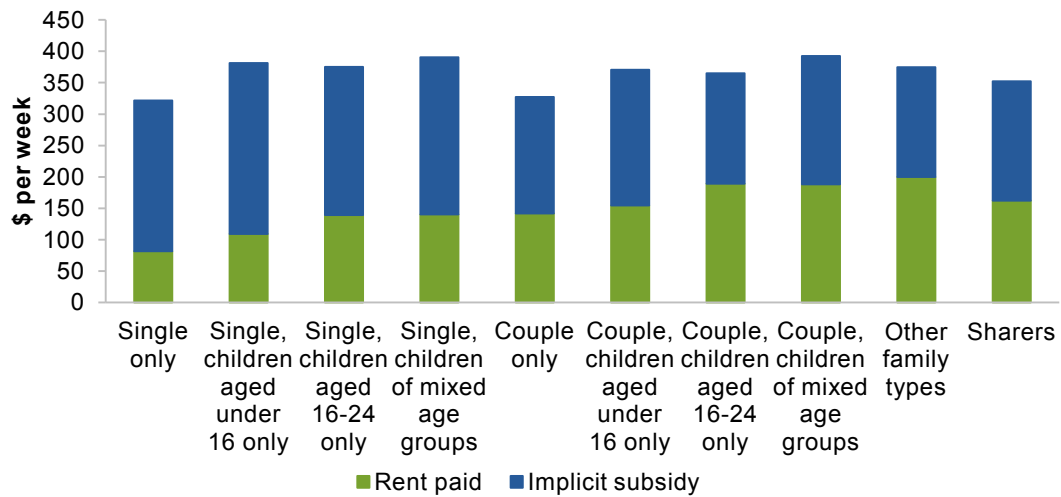
Rent-setting arrangements in Western Australia are similar to those in South Australia — tenants pay up to 25 per cent of assessable income in rent, with a maximum rent payment equal to the market rent.⁴³

As in South Australia, single people and singles with children receive a larger implicit subsidy than other household types (figure 41) due to a mismatch between the housing stock and the needs of tenants (figure 42). Furthermore, although tenants in Western Australia pay similar levels of rent to those in South Australia, Western Australian subsidies are larger because of much higher market rents.

High market rents also contribute to much larger subsidies for public housing tenants compared with CRA recipients in similar household types (figure 43).

⁴³ Tenants pay 25 per cent of gross household assessable income in rent. Some income types are not assessable (such as pharmaceutical allowance) and others are assessed at lower rates (such as Family Tax Benefits). In general, dependents aged 16 to 20 have their income assessed at 10 per cent for rent. An amount is deducted for all working tenants before rent is calculated (known as a working allowance). Market rents are based on information supplied by the Valuer General (Department of Housing WA 2015).

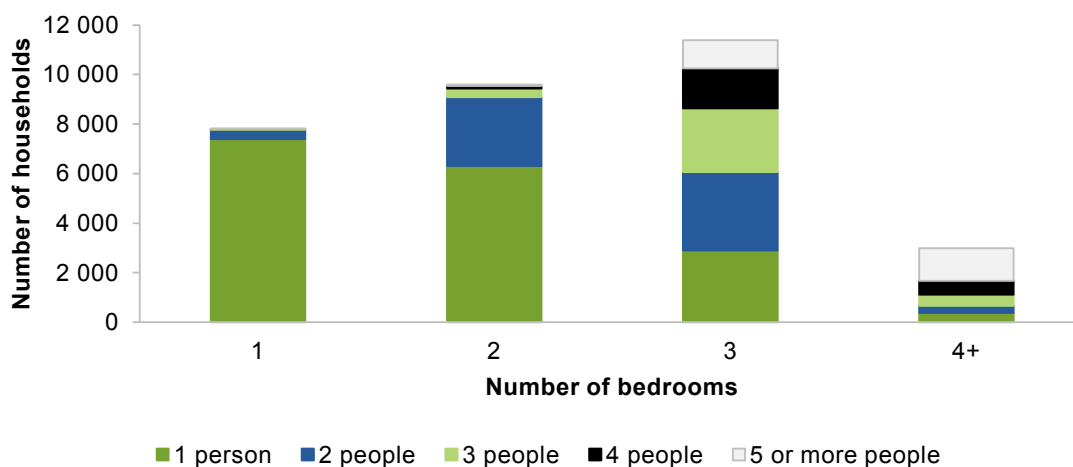
Figure 41 **Mean weekly rents and implicit subsidies, at 30 June 2013^{a,b,c,d,e}**



^a The rent paid plus the implicit subsidy is equal to market rent. Market rents in the data are based on rent valuations in the second half of 2014. Valuation methods were revised from previous years, hence average subsidies displayed here are larger than in the data in SCRGSP (2014). ^b Statistics exclude tenants whose rent or market rent data are not available, who have market rents greater than \$1500 per week or who have negative rent or implicit subsidy. ^c Children aged under 16 include any person in the household aged under 16. Children aged 16 to 24 only include people described as children or dependents. ^d Other family types include tenants living with children aged 25 and over and grandparents. ^e Sharer households include households that consist of all single adults, or those that are identified as having more than one family group.

Source: Department of Housing (WA), administrative data (unpublished).

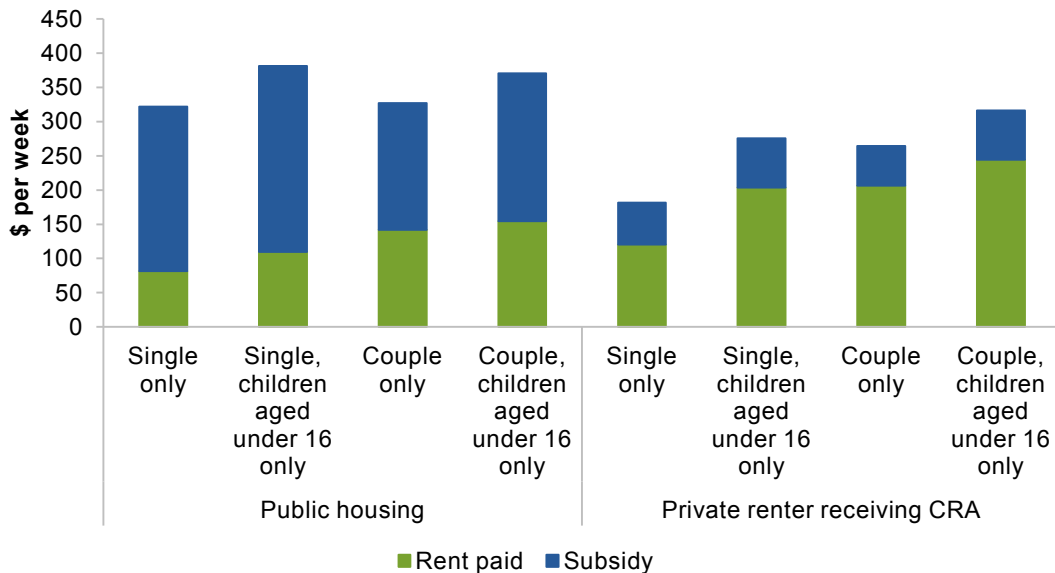
Figure 42 **Number of bedrooms by number of people in household, at 30 June 2013**



Source: Department of Housing (WA), administrative data (unpublished).

Figure 43 **Subsidies tend to be much larger in public housing^{a,b,c,d,e,f,g}**

Mean rents in Western Australia, 30 June 2013, selected household types



^a The rent subsidy received by public housing tenants is implicit — tenants do not actually receive a payment. The subsidy is the difference between the market rent for their property and the rent that they pay. ^b CRA recipients pay market rents and receive CRA (the subsidy) as a payment to offset the cost. ^c Children aged under 16 include any person in the household aged under 16. ^d Subsidy figures for public housing are calculated as the difference between mean market rents and mean rents paid by households within each household type, rather than the mean subsidy received by households with market rents equal to the mean market rent. (This approach was adopted because there are relatively few households in properties with exactly the mean market rent. A check of the data showed that households in properties with market rents in the vicinity of the mean market rent typically pay rents that are close to the mean rent paid.) ^e Mean rents for single, childless renters receiving CRA are for all singles, that is, both those who share housing and those who live alone. The CRA subsidy presented in the figure is the maximum rate for singles who live alone. (Sharers receive a lower rate.) About 17 per cent of single CRA recipients in Western Australia live in share accommodation (author estimate based on SCRGSP (2014)). ^f The CRA subsidies presented for singles and couples with children aged under 16 years only are the rates for families with less than three children. ^g The CRA subsidy presented for couples only is the rate for people who are not temporarily separated.

Sources: Public housing — Department of Housing (Western Australia), administrative data (unpublished); CRA — Author estimates based on unpublished data from the Research and Evaluation Database.

References

- ABS (Australian Bureau of Statistics) 2009, *Housing Mobility and Conditions, 2007-08*, Cat. no. 4130.0.55.002, Canberra.
- 2012, *A Statistical Definition of Homelessness, 2012*, Cat. no. 4922.0, ABS, Canberra, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/4922.0Main%20Features22012?opendocument&tabname=Summary&prodno=4922.0&issue=2012&num=&view=> (accessed 1 March 2015).
- 2013a, *Australian Health Survey: Users' Guide, 2011-13 - Appendix 5: Income deciles*, Cat. no. 4363.0.55.001, ABS, Canberra, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4363.0.55.001Appendix502011-13> (accessed 6 October 2014).
- 2013b, *Disability, Ageing and Carers, Australia: Summary of Findings, 2012*, Cat. no. 4430.0, ABS, Canberra.
- 2014a, *Average Weekly Earnings, Australia, Nov 2013*, Cat. no. 6302.0, ABS, Canberra.
- 2014b, *Labour Force, Australia, Aug 2014*, August, Cat. no. 6202.0, ABS, Canberra.
- Chamberlain, C. and MacKenzie, D. 2008, *Counting the Homeless 2006*, Cat. No. 2050.0, ABS, Canberra.
- Department of Housing WA (Department of Housing, Western Australia) 2011, *Priority Public Housing Assistance*, <http://www.housing.wa.gov.au/housingoptions/rentaloptions/publichousing/priority/Pages/default.aspx> (accessed 12 September 2014).
- 2014, *Income Limits*, http://www.dhw.wa.gov.au/HousingDocuments/Public_Housing_Income_Limits.pdf (accessed 23 June 2014).
- 2015, *Rental Policy Manual*, Government of Western Australia, http://www.dhw.wa.gov.au/HousingDocuments/Rental_Policy_Manual.pdf (accessed 22 January 2015).
- DHS Victoria (Department of Human Services, Victoria) 2013, *Rental Report - March Quarter 2013*, http://www.dhs.vic.gov.au/__data/assets/pdf_file/0011/838352/March-quarter-2013.pdf (accessed 30 September 2014).
- Fair Work Commission 2013, *Annual Wage Review 2012-13*, <https://www.fwc.gov.au/documents/sites/wagereview2013/decisions/2013fwcfb4000.pdf> (accessed 10 March 2015).
- Government of SA (Government of South Australia) 2014a, *Demonstrating Special Circumstances to Housing SA*, Collection, <https://www.sa.gov.au/topics/housing-property-and-land/housing/renting-and-letting/renting-public-housing/waiting-list/demonstrating-special-circumstances-to-housing-sa> (accessed 22 September 2014).
- 2014b, *How Rent is Set for Public Housing*, Collection, <http://www.sa.gov.au/topics/housing-property-and-land/housing/housing-sa-customers/tenants/rent-water-and-other-charges/how-rent-is-set-for-public-housing#title0> (accessed 1 October 2014).

-
- 2014c, *Income and Asset Eligibility Limits for Housing SA Services*, Collection, <https://www.sa.gov.au/topics/housing-property-and-land/housing/renting-and-letting/renting-public-housing/waiting-list/income-and-asset-eligibility-limits-for-housing-sa-services> (accessed 23 June 2014).
- 2014d, *Lease Agreements in Public Housing*, Collection, <https://www.sa.gov.au/topics/housing-property-and-land/housing/renting-and-letting/renting-public-housing/being-a-public-housing-tenant/lease-agreements-for-public-housing-properties/lease-agreements-in-public-housing> (accessed 22 September 2014).
- nd, *Housing Needs Report Form*, https://www.sa.gov.au/__data/assets/pdf_file/0020/14582/Housing_needs_report_form.pdf (accessed 17 October 2014).
- Government of WA (Government of Western Australia) 2014, *Housing Authority Annual Report 2013-14*, East Perth, http://www.dhw.wa.gov.au/HousingDocuments/housing_authority_annual_report-2013-14.PDF (accessed 13 February 2015).
- Legal Services Commission SA (Legal Services Commission of South Australia) 2014, *The Waiting List*, <http://www.lawhandbook.sa.gov.au/ch23s04s01.php> (accessed 9 September 2014).
- SCRGSP (Steering Committee for the Review of Government Service Provision) 2006, *Report on Government Services 2006*, Productivity Commission.
- 2014, *Report on Government Services 2014*, Productivity Commission.
- Williamson, D.F., Parker, R.A. and Kendrick, J.S. 1989, 'The Box Plot: A Simple Visual Method to Interpret Data', *Annals of Internal Medicine*, vol. 110, no. 11, pp. 916–921.

Annex A A profile of public housing applicants and tenants in South Australia and Western Australia

See Excel workbook available online.