

3 Assistance for housing

3.1 Introduction

This chapter examines current information on housing assistance: household types, characteristics of the recipients of housing assistance, the nature of assistance, and government expenditure. The aim of housing assistance is to overcome the problems that households face in obtaining or retaining suitable accommodation whether due to cost, availability or adequacy and to provide households with the flexibility to meet changing demand.

Housing assistance is an important element of Commonwealth, State and Territory Governments social policy and welfare frameworks. The Commonwealth and the States and Territories have developed and implemented strategies aimed at providing housing assistance to people on low incomes or with special needs, and at preventing and reducing homelessness. These include the Commonwealth—State Housing Agreement, the Stronger Families and Communities Strategy, the National Homelessness Strategy, and the Building a Better Future: Indigenous Housing to 2010 statement.

Governments provide a broad range of assistance across tenure types (see Table 3.1). All States and Territories provide assistance across all tenure types, although because of different social or economic needs, there is great variation between jurisdictions in the composition and range of assistance. Currently, the major forms of direct assistance are rent assistance in the private rental market, rent rebates in public housing and deposit assistance schemes for first home buyers. The major forms of indirect assistance are concessions to owner—occupiers. The non-taxation of capital gains on the family home is an example of a tax expenditure or tax concession. Changes to housing assistance in Australia in recent years have been characterised by growth in the extent of government assistance for households renting in the private market and reforms to public and community housing assistance.

Home ownership has been seen as an integral component of Australia's welfare system. Tax concessions to owner—occupiers have greatly contributed to home ownership rates at the later stages of the life-cycle, and hence to the affordability of housing for older people. As a result, considerable pressure has been taken off the age pension system and Commonwealth rent assistance payments.

The cost of housing is seen as an important issue in relation to poverty and social exclusion. In 1999, over 40% of Australians perceived poverty to be not having enough to buy basics like food, housing and clothing (Saunders 2001). Housing assistance can play an important role in addressing basic living costs by reducing the proportion of a household's budget that has to be spent on housing.

Table 3.1: Types of government housing assistance across tenure types

Tenure type	Government outlay (recurrent and capital)	Taxation	Government regulations and standards	Other
Home purchase/ ownership	First home owner grant Home purchase schemes	Non-taxation of imputed rent from owner occupation Rates and land tax concessions Capital gain and stamp duty exemptions	Financial regulations	Home purchase advisory and counselling services
Private rental	Assistance to pay rent Bond and relocation assistance	Negative gearing incentives for investors	Residential tenancy legislation Affordable housing planning regulations ^(a)	Automatic rent deductions for pension and benefits Advice services
Public rental	Rebate/subsidised rent Repairs, maintenance and upgrade Housing modification Construction and purchase		Appeals mechanisms Regulations aimed at ensuring only low-income households access low-income rental housing Allocations policy	Priority allocation and relocation Coordination of support services
Mainstream community housing	Rebate/subsidised rent Access to Commonwealth Rent Assistance Repairs, maintenance and upgrade Recurrent funding of organisations	Charitable tax status for organisations	Skills development Accreditation Regulations aimed at ensuring only low-income households access low-income rental housing Associations incorporation legislation	Sector coordination Partnerships and incentives Coordination of support services
Indigenous community housing	Capital funding for dwelling and infrastructure construction Access to Commonwealth Rent Assistance Recurrent funding of organisations	Charitable tax status for organisations	Skills development Accreditation Development of specific building guidelines Associations incorporation legislation	Sector coordination Provision of training in housing management Coordination of support services Community Development Employment Program
Crisis/transitional housing	Rebate/subsidised rent Access to Commonwealth Rent Assistance Repairs, maintenance and upgrade Construction and purchase	Charitable tax status for organisations	Accreditation	Sector coordination Transition paths to long-term accommodation Coordination of support services

(a) New South Wales has a planning mechanism that requires developers in some local government areas to include provision of some 'affordable housing' in new developments (NSWDUAP 2001).

Notes

- Several other areas of government activity, such as building standards, zoning requirements and services by local governments, are often relevant across all tenure types.
- All tenure types excluding home purchase are subject to State and Territory Residential Tenancies legislation.

Housing is also an important factor in general health and wellbeing. For example, the 1998 Tasmanian Healthy Communities Survey found a strong correlation between housing adequacy and subjective quality of life (TDHHS 1999). Table 3.2 presents the analysis from this survey, in which the results from a quality-of-life index are compared with the respondents' assessed housing adequacy measured across 11 areas.¹ The survey found that subjective quality of life increases as the sense of housing adequacy increases, and declines as the sense of housing adequacy declines (TDHHS 1999:72).

Table 3.2: Population distribution of measures of quality of life and housing adequacy, persons 18 years and over, Tasmania, 1998

Housing adequacy rating	Tasmanian Subjective Quality-of-Life Index rating				Total
	Top quartile	Second quartile	Third quartile	Bottom quartile	
	Per cent				
Top quartile	47	26	18	10	100
Second quartile	25	31	25	18	100
Third quartile	15	25	30	30	100
Bottom quartile	11	18	27	44	100
	Number				
Total	73,584	74,011	74,425	76,020	298,040

Source: TDHHS 1999.

The impact of housing on the domains of people's lives, such as health, employment, education and community involvement, has been summarised in recent work for the Queensland Department of Housing. This work reflects the interest by governments in examining the whole of government costs of unmet housing need (Phibbs 2000:1—3).

In relation to welfare reform, addressing a person's housing needs is seen as an important part of supporting social and economic participation (Reference Group on Welfare Reform 2000:15). Currently with reforms to welfare and taxation systems, there is an increased interest in understanding the effects of specific forms of government-funded housing assistance. This includes understanding the range of potential modes of delivering assistance and the roles for different tenures in securing a range of housing outcomes.

National policy-driven housing research

To further progress research in these areas, Commonwealth, State and Territory Governments have commissioned the Australian Housing and Urban Research Institute (AHURI) to generate policy-relevant research in the related fields of housing and urban development.²

- 1 The 11 housing measures covered adequacy in the areas of living space, privacy, number of bedrooms, health issues (such as dampness), distance from work and services and location.
- 2 AHURI is organised as an institute comprising a small management company, AHURI Ltd, in Melbourne, and eight participating research centres, throughout Australia. The role of AHURI Ltd is to lead the organisation, to manage and coordinate the research and dissemination process, and to stimulate policy debate. AHURI Ltd is governed by a board of directors and the research is undertaken by the research centres.

AHURI is a joint venture between governments and universities. Its aim is to provide policy-relevant research and enhance research capacity in housing and urban issues. Each year, research themes and key topics are reviewed by government, academic and university representatives. Up to \$2.5 million per annum is available for research to be undertaken by the universities in the joint venture. The eight broad research themes are shown in Box 3.1.

Box 3.1: AHURI research program areas

Housing Assistance Programs—Examines how housing assistance programs for individuals and families (e.g. public housing) aim to meet people's need for shelter. It includes an assessment of the extent to which different forms of housing assistance and different types of housing tenure meet the needs of different socio-demographic groups, including older people and sole parents. This theme also seeks to understand how housing contributes to other outcomes, such as social and economic wellbeing. It covers the merits of building public housing versus the cash provision of rent assistance to tenants in the private rental market as well as the effectiveness of alternative forms of housing assistance, such as support for home ownership or community housing.

Housing Futures—Housing policy is continually confronted with changes in demographic, economic, social and institutional environments. This work will provide a view of the future environment, in the short, medium and long term, and is therefore essential for policy development. This is particularly the case with housing policy where housing has lifetime impacts—today's bricks and mortar decisions have a major impact on the scope and demands of the policy response in future years. It will also examine people's housing aspirations in terms of tenure, location, dwelling type and size, cost and privacy.

Program Integration and Housing Assistance—Recent trends in government policy and administration have resulted in housing assistance being viewed as a component of broader social policy outcomes, such as strengthening families and communities and increasing economic and social participation. It is therefore important to understand how housing assistance programs might more effectively link with other types of programs (for example, income support) to affect these higher order outcomes.

Innovation in the Provision of Housing—Internationally, the private sector is increasing its involvement in the provision of affordable housing for low-income groups. The new tax system and forthcoming renegotiation of the Commonwealth–State Housing Agreement provide two policy drivers for further research in this area. The key findings from this research will include how housing assistance can be more appropriately delivered, detailing the potential within the private sector for investment in low-income housing and understanding private sector investment requirements.

Urban Management and Infrastructure—The population pattern within metropolitan areas is continually shifting as households age and move, and new households form. The nature of these shifts is closely related to the provision of housing and housing assistance. The key findings from this research will include a profile of changes in labour markets within metropolitan areas and an assessment of the role of the housing system in these labour market developments.

(continued)

Box 3.1 (continued): AHURI research program areas

Transforming Communities—Different communities in Australia are affected by and respond to the forces of economic, cultural, political and demographic change in different ways. For example, some inner-suburban communities are being advantaged. Other communities, such as rural and remote communities and public housing estates, appear to be disadvantaged along multiple dimensions: high unemployment, outward population migration, an ageing of the resident population, high crime rates, high youth suicide rates, and so on. This research theme will investigate how to put in place programs that can handle complex dimensions of need.

Indigenous Housing—The level of disadvantage amongst Aboriginal and Torres Strait Islander people is generally higher than that of the Australian population at large. This applies particularly to their housing circumstances. Research on Indigenous housing issues will relate to each of the above themes as well as focus on specific Indigenous issues.

Homelessness and Marginal Housing—Homelessness has been a growing problem in Australia for many years, with demands on existing services increasing. While considerable research has been undertaken into the risk factors associated with homelessness and into enumerating the homeless, there remain significant knowledge gaps. Areas of interest are the identification of appropriate responses to homelessness that focus on its prevention, providing assistance to those in housing crisis and at immediate risk of homelessness, helping the homeless to secure more stable housing solutions, and, importantly, ensuring that interventions make a lasting difference.

Source: AHURI 2001.

The Australian Housing Policy Project

AHURI research is closely linked to policy and program issues. AHURI was asked by the Housing Ministers Advisory Committee to undertake the Australian Housing Policy Project, aimed at stimulating debate over the context and direction of housing policy in Australia. This will lead into the review of the current Commonwealth—State Housing Agreement (CSHA).

The project examines issues about the appropriate levels of government involvement for various forms of housing assistance at strategic and operational levels. The main issues covered include:

Drivers of change in the housing market and housing policy—including demographic and labour market changes, globalisation, taxation and welfare reform, other government policies and housing affordability issues.

Contemporary role of government in the housing market—objectives of government involvement (e.g. compensation for market failure, ensuring equitable access and broader objectives such as economic growth, retirement income policy, affordability, health and safety, community welfare, participation).

Possible changes in housing policy, with focus on housing assistance—what directions governments should take in terms of priorities and broad directions for change (e.g. affordability, integration, encouraging home ownership, industry policy, deregulation), the role of community housing, and stimulating private sector interest in affordable housing.

3.2 The economic and social background

This section presents current data around some of the policy issues raised in the previous section relating to the demographic profile, affordability, changes over time and availability of housing.

Australia by international standards is characterised by high levels of home ownership and a relatively small public and community housing sector (Table 3.3). The high levels of home ownership represent a pattern of household saving and private wealth accumulation. Generations of wage and salary earners have placed life savings into bricks and mortar in preference to other forms of investment (Badcock & Beer 2000:1).

Table 3.3: Housing tenure in selected OECD countries, mid-1990s (per cent)

Country	Owner-occupation	Private rental	Social/public rental ^(a)
Australia	70	24	6
Britain	68	11	21
Canada	63	30	7
Denmark	60	21	19
France	57	19	24
Germany	39	42	19
Netherlands	45	13	42
Sweden	41	21	38
United States	65	31	5

(a) Including local authority/council, state housing authority, housing authority, housing associations, housing co-operatives, publicly subsidised.

Source: Badcock & Beer 2000:Table 1.

Changes in demographics and the housing profile

Population growth and changes in household formation are important factors affecting the demand for housing and housing assistance. Between 1971 and 1996, the Australian population increased from 13.1 million people to 17.9 million, an annual growth rate of 1.3%. During this period, there was an annual household growth rate of 2.2%: from 3.7 million households in 1971 to 6.3 million in 1996 (AIHW 1999:131). The number of households is projected to increase to approximately 10.0 million in 2021, and household growth is also projected to be faster than population growth (24%) over this period (ABS 1999:1).

The number of one-person households increased from 14% of all households in 1971 to 23% in 1996 (AIHW 1999:132). One-person households are projected to show the greatest percentage increase of all household types between 1996 and 2021. This is related to the ageing of the population and the fact that older women, in particular, are more likely to live alone than others. The number of lone-person households is projected to increase by between 52% and 113%: from 1.6 million in 1996 to between 2.4 million and 3.4 million in 2021 (ABS 1999:1).

While the number of households has increased, household size has fallen slightly. From 1971 to 1996, the average number of people per household fell from 3.3 to 2.7 (AIHW 1999:131). The average household size in Australia is projected to decline to between

2.2 and 2.3 persons per household in 2021 (ABS 1999:1). The projected changes for household size and growth rates are consistent with those projected for Canada, New Zealand and the United States between 1996 and 2011 (Table 3.4).

While household size has fallen, the number of bedrooms per private dwelling has increased slightly. Three-bedroom dwellings consistently made up around half of all dwellings in 1971 and 1996. In the same period, however, the proportion of dwellings with two or fewer bedrooms fell from 36% to 28% and the proportion with four or more bedrooms rose from 13% to 22% (AIHW 1999:Table 5.3).

Table 3.4: Projected household growth between 1996 and 2011, selected countries (per cent)

Country	Projected average annual household growth rate	Average household size 1996	Average household size 2011
Australia	1.4	2.6	2.4
Canada	1.6	2.7	2.5
New Zealand	1.2	2.9	2.7
England	0.6	2.4	2.3
United States	1.1	^(a) 2.6	^(b) 2.5

(a) Average household size in 1995.

(b) Average household size in 2010.

Source: ABS 1999:6.

Table 3.5: All households, by composition and tenure, 1999

Household composition	Owners			Renters			Rent-free	Other tenure	Total
	Without a mortgage	With a mortgage	Total	Public housing	Private landlord	Total ^(a)			
Per cent									
One family									
Couple only	34.1	19.3	27.5	10.1	17.4	16.5	19.0	16.1	24.2
Couple with dependent children only	13.7	43.3	26.9	9.8	19.3	17.9	23.2	21.8	24.3
Other couple	13.2	12.6	12.9	5.4	4.3	4.6	*5.5	*5.3	10.5
One parent with dependent children	2.2	4.6	3.3	23.6	10.3	12.3	*3.7	*5.1	5.8
Lone person	28.5	12.9	21.5	41.2	27.7	30.7	35.2	40.1	24.5
Group	1.0	1.9	1.4	*1.6	13.1	10.4	*4.3	**2.6	3.9
Other household	7.3	5.4	6.5	8.2	7.9	7.6	9.1	*9.0	6.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Per cent of all tenure types	38.8	31.3	70.1	5.1	20.3	27.2	1.7	1.0	100.0
Number ('000)									
Estimated number of households	2,800.3	2,256.1	5,056.4	368.8	1,463.2	1,966.6	120.9	73.0	7,216.9

(a) Includes 'other renter'.

Source: ABS 2000a:Table 1.

Tenure types by household composition

In 1999, 70% of Australian households were home owners with or without a mortgage (Table 3.5). The most common tenure for couple-only households was home ownership without a mortgage, while for couples with dependent children it was ownership with a mortgage. Public housing (state housing authority) represents 5% of all households. Nearly one-quarter of public housing tenants are sole parents and 41% are lone persons.

Approximately 2.0 million households rent their dwelling; this accounts for 27% of all tenures. Private renters at 20% are the major renter group. Both public rental and private rental sectors contain a higher than average proportion of sole parents and single-person households.

Table 3.6 shows the distribution of housing across income groups. Whilst overall, home owners are distributed toward the higher income groups, owners without a mortgage are concentrated in the two lowest income groups and owners with a mortgage concentrated in the two highest income groups. This reflects the former group comprising aged persons in retirement and the latter comprising younger persons in employment. Variation is also present in the renter profile, with public renters being concentrated in the lowest income group and private renters in the second and third income groups.

Table 3.6: All households, by tenure and gross weekly income quintile, 1999

Gross weekly income quintile	Owners			Renters			Rent-free	Other tenure	Total
	Without a mortgage	With a mortgage	Total	Public housing	Private landlord	Total ^(a)			
				Per cent					
Lowest	27.6	5.1	17.6	55.3	17.0	24.3	26.7	38.9	19.8
Second	24.6	11.1	18.6	29.8	23.6	24.6	20.0	20.0	20.2
Third	16.7	21.7	18.9	11.8	25.5	22.5	25.2	18.4	20.0
Fourth	15.0	29.4	21.4	*2.6	19.5	16.5	20.1	*13.0	20.0
Highest	16.1	32.8	23.6	**0.5	14.4	12.0	*8.1	*9.6	20.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
				Number ('000)					
Estimated number of households	2,800.3	2,256.1	5,056.4	368.8	1,463.2	1,966.6	120.9	73.0	7,216.9

(a) Includes 'other renter'.

Source: ABS 2000a:Table 1.

Relationship of household size to occupant use

Table 3.7 shows there are large differences in levels of housing utilisation across tenure types. Renters have the highest incidence of overcrowding, with 8% needing one or more bedrooms compared with 5% across all households.

Owners without a mortgage have the highest incidence of under-utilisation, with 85% having one or more bedrooms spare. Life-cycle factors may influence this result, especially the incidence of older persons living alone after dependent children have moved out of home.

Table 3.7: All households, by tenure and housing utilisation, 1999

Housing utilisation	Owners			Renters			Rent-free	Other tenure	Total	
	Without a mortgage	With a mortgage	Total	Public housing	Private landlord	Total ^(a)				
Per cent										
2 or more bedrooms needed	0.4	0.5	0.4	*0.9	1.0	0.9	*2.9	n.p.	0.6	
1 more bedroom needed ^(b)	2.1	3.6	2.8	7.3	7.1	6.9	*2.8	**2.2	3.9	
No extra bedrooms needed	12.6	23.2	17.3	45.6	35.5	37.1	22.9	25.1	22.9	
1 bedroom spare	34.0	38.0	35.8	32.1	39.0	37.2	33.5	39.0	36.2	
2 bedrooms spare	39.5	28.5	34.6	13.3	15.8	16.1	28.2	31.0	29.4	
3 or more bedrooms spare	11.4	6.2	9.1	*0.8	1.7	1.6	9.8	**2.2	7.0	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Number ('000)										
Estimated number of households	2,800.3	2,256.1	5,056.4	268.8	1,463.2	1,966.6	6	120.9	73.0	7,216.9

(a) Includes 'other renter'.

(b) Data for lone-person and couple-only households appear if their dwelling does not have any bedrooms (e.g. bedsits).

Source: ABS 2000a:Table 6.

Condition of housing stock

The 1999 ABS Australian Housing Survey (ABS 2000a) collected data on major structural problems and need for repairs, based on the perceptions of people living in their home. Table 3.8 shows that approximately one in five reported major structural problems (19%), 16% reported the need for interior repairs, and 17% for exterior repairs. Households in the rental sector reported above-average problems across these areas.

Table 3.8: All households, by tenure and physical condition of dwelling, 1999

Dwelling condition	Owners			Renters			Rent-free	Other tenure	Total
	Without a mortgage	With a mortgage	Total	Public housing	Private landlord	Total ^(a)			
Per cent									
Major structural problems	13.2	14.1	13.6	34.5	31.9	32.1	26.9	21.3	19.0
Need for interior repairs ^(b)	10.8	14.1	12.3	30.1	24.9	25.6	20.0	16.6	16.1
Need for exterior repairs ^(b)	14.6	16.4	15.4	23.6	19.9	20.4	22.0	24.2	17.0
Number ('000)									
Estimated number of households	2,800.3	2,256.1	5,056.4	368.8	1,463.2	1,966.6	120.9	73.0	7,216.9

(a) Includes 'other renter'.

(b) Excludes 'desirable but low need'.

Source: Table A3.1.

The more detailed data presented in Table A3.1 indicate that major cracks in the walls or floors are the most frequently reported major structural problems (7% of households). While 16% of households reported the need for interior repairs, only 1% considered the need essential and urgent. Similarly, essential and urgent exterior repairs were only reported by 1% of all households.

Changes in tenure

Analysis based on population census data for 1986 and 1996 shows that the number of households in Australia increased by 23% over this period. This was accompanied by changes in the tenure profile, with the rental sector growing at a faster rate than home ownership (33% and 19% respectively). Within the rental sector, growth had been greater in the private rental market (34%) than in the public sector (30%). During this period, growth in home ownership occurred among owners without a mortgage (34%), while the proportion of owners with a mortgage showed little change (1%). As the 19% increase in the total number of home owners from 1986 to 1996 was less than the overall growth in total housing, the underlying home ownership rate fell from 68% to 65% during this period (Yates & Wulff 2000:48).

More recent data have shown less change in tenure types over the five years between 1994 and 1999 (Table 3.9). In the rental sector, there has been a decline in public housing and an increase in private rental. In contrast to the population census analysis, owners have stayed relatively steady at around 70% of the population.³ There has been a decline in owners without a mortgage, while the population with a mortgage has increased.

Table 3.9: All households: changes in household tenure between 1994 and 1999

Year	Owners			Renters			Total ^(c)
	Without a mortgage ^(a)	With a mortgage ^(a)	Total	Public housing	Private landlord	Total ^(b)	
1994							
Number ('000)	2,793.9	1,890.3	4,684.2	414.8	1,271.4	1,845.1	6,677.9
Per cent	41.8	28.3	70.1	6.2	19.0	27.6	100.0
1999							
Number ('000)	2,800.3	2,256.1	5,056.4	368.8	1,463.2	1,966.6	7,216.9
Per cent	38.8	31.3	70.1	5.1	20.3	27.3	100.0

(a) Care should be taken when comparing the data for owners with and without a mortgage from the 1994 and 1999 surveys as the methodology for collecting these data differed between the two surveys.

(b) Includes 'other renter'.

(c) Includes rent-free and other tenure.

Source: ABS 2000a:Table 3.

3 Because of the lack of a standard way of measuring home ownership and differences in the way data are collected, estimates of home ownership vary between data sources. The census data should not be directly compared with data from housing surveys. For example, official estimates of home ownership in 1996 ranged from 68% to 71% (see Mudd et al. 1999).

Table 3.10 shows the different patterns of change in home ownership rates for specific life-cycle groups between 1994 and 1999. For young couple households without children, home ownership rates showed a significant decrease: from 60% to 52%. For one-parent families, there was an increase: from 31% to 40%. In older households, home ownership rates rose over the period. In couple-only households where the reference person was 65 years and over, the rates showed a slight increase, while for lone persons aged 65 and over, the rise was from 75% to 76%.

Table 3.10: All home owners: home ownership rates, by life-cycle group, 1994 and 1999

Life-cycle group	1994		1999	
	'000	Per cent	'000	Per cent
Lone person aged under 35 years	86.1	30.9	104.2	31.8
Couple only, reference person aged under 35 years	237.6	59.8	189.2	51.7
Couple, eldest child aged under 15 years	987.5	75.6	958.1	74.3
Couple, at least one dependent child aged 15 years and over	882.0	88.3	606.4	85.5
One-parent family, dependent children	94.9	31.0	165.3	39.8
Couple only, reference person aged 65 years and over	479.1	90.9	532.6	91.4
Lone person aged 65 years and over	441.7	74.8	519.1	76.1
Other groups	1,475.2	64.9	1,981.5	69.6
Total	4,684.1	70.1	5,056.4	70.1

Source: AIHW analysis of ABS 1994 and 1999 Australian Housing Surveys confidentialised unit record files.

Recent analysis of the trends in home ownership rates illustrated a range of factors affecting the level of ownership. Broader patterns in society, such as trends in family formation, increased levels of labour mobility and longer periods of education and training, may lower initial rates of home ownership in certain age groups but not necessarily flow on over the life-cycle (FaCS 1999c:1–3). However, continuing decline in home ownership rates, especially in younger ages, may have implications for housing affordability policies, especially in retirement.

Housing affordability

There is no official housing affordability measure applicable to all tenures, nor are there nationally agreed uniform occupancy standards. For example, the CSHA program measures of affordability are based on households, while the Department of Family and Community Services (FaCS) Commonwealth Rent Assistance measures are based on income units. Similarly, there is no official poverty line. There are neither nationally accepted estimates of poverty nor equivalence scales for adjusting income to account for the needs of households of different sizes and compositions. Australia currently lacks agreed methodologies and reliable data with which to assess the need for and effect of housing assistance (SCARC 1997). The lack of agreed measures leaves any examination of the need for and effect of housing assistance open to debate.

The ABS housing surveys provide the only detailed national data on the financial and non-financial housing status of all tenures. Table 3.11 shows affordability data from the 1999 survey (ABS 2000a). The survey measured the ongoing outlays incurred in housing, including mortgage or rental payments, water and general council rates, land tax and body corporate payments, and expenditure on repairs and maintenance. The

data show that, in 1999, 87% of owners without a mortgage and 78% of public renters paid 25% or less of their income on housing costs. In contrast, 56% of private renters paid 25% or less. Just over 30% of private renters paid more than 30% of their income on housing costs and 11% paid more than 50%. These findings may be influenced by life-cycle choices, such as a young person spending a high proportion of their current income on housing, anticipating a substantial increase in income in the future. This table shows data for all renter households irrespective of income level and therefore differs from data, shown in later sections of this chapter, on low-income private renters and public renters receiving a rent subsidy. Furthermore, the definitions of income and housing costs used in the ABS survey may differ from those used in reporting on government housing assistance programs.

Table 3.11: All households, by tenure and housing costs as a proportion of income, 1999

Housing costs as a proportion of income	Owners			Renters					
	Without a mortgage	With a mortgage	Total	Public housing	Private landlord	Total ^(a)	Rent-free	Other tenure	Total
	Per cent								
25% or less ^(b)	86.8	64.3	76.8	77.8	56.3	61.6	91.8	70.3	72.8
More than 25%	5.7	25.6	14.6	17.4	39.2	33.7	n.p.	21.2	19.6
More than 30%	4.3	17.9	10.4	7.7	30.8	25.2	—	15.8	14.3
More than 40%	2.8	9.4	5.7	3.1	18.0	14.4	—	*7.7	8.0
More than 50%	1.8	5.3	3.4	*1.6	10.7	8.4	—	*4.3	4.7
Total^(c)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Number ('000)								
Estimated number of households	2,800.3	2,256.1	5,056.4	368.8	1,463.2	1,966.6	120.9	73.0	7,216.9

(a) Includes 'other renter'.

(b) Includes nil and rounded to 0.

(c) Includes households with housing costs not known or with nil or negative income.

Source: ABS 2000a:Table 1.

The availability of affordable rental housing

Many households spend a high proportion of their income on housing and this is a particular feature of the private rental sector (see Table 3.11). This can create hardship for low-income households.

In many countries, the move away from supply-side measures based on the direct provision of public housing to demand-side assistance through rent assistance to social security recipients is based on the notion that:

- low income, rather than the unavailability of low-cost housing, is the prime contributor to problems of affordability in the rental sector; and
- increased income support provides low-income households with a greater range of choices in the private rental market than is available in public housing assistance.

This approach was presented in the National Housing Strategy (NHS 1991a:xi) in the Australian context and has since fuelled debate over the ability of the private rental market to meet the objective of providing secure, affordable and appropriate housing choices to those on low incomes.

Recent research points to evidence of a significant reduction in the proportion of lower priced rental housing since the mid-1980s. The possible loss of low-cost rental housing stock raises the question of the degree to which the private rental market can provide a range of housing options for low-income households (Yates & Wulff 2000).

Table 3.12: Changes in the distribution of private rental stock between 1986 and 1996

	Rent category (\$ per week) ^(a)				Total stock	Mean rent
	Low (\$1–99)	Low–moderate (\$100–149)	Moderate–high (\$150–199)	High (\$200 and over)		
1986						
Number of stock ('000)	246.8	372.2	193.3	131.3	943.6	
Per cent	26.2	39.4	20.5	13.9	100.0	\$139
1996						
Number of stock ('000)	177.4	479.7	379.1	231.6	1,267.9	
Per cent	14.0	37.8	29.9	18.3	100.0	\$155
1986–96 % growth	-28.1	28.9	96.1	76.4	34.4	11.5

(a) Rental values for 1986 have been adjusted to 1996 values using 1996 prices.

Source: Yates & Wulff 2000:50.

Table 3.12 shows that, while there was a 34% increase in total private rental stock between 1986 and 1996, there was a significant decline in stock at the lower end of the rental market. The number of low rent stock fell from 246,800 to 177,400, a reduction of 28%, and the number of high rent stock rose from 131,300 to 231,600, an increase of 76%. The largest increase occurred in the moderate to high category, where there was a 96% rise in rental stock. The net reduction in the supply of low-cost rental housing has implications for housing policies, such as rent assistance programs, that utilise the private rental market to address housing affordability issues.

The decline in low-rent housing in the private rental market has led to increased interest by governments in examining strategies to ensure adequate provision of affordable rental housing through regulation and taxation mechanisms (Seelig 1999). Research into the factors related to investment and taxation benefits and risks suggests these may provide incentives for investors to finance high rather than low rental-value properties (Wood & Watson 1999). By examining the user cost per dollar of property value, it is possible to identify variation in costs across segments of the rental housing market.

Table 3.13 shows that, when graded by user cost from lowest to highest, it is the properties with a higher mean property value that are the most cost effective for an investor. For example, the lowest cost per dollar invested is for properties with a mean value of \$167,500, while the most costly investment properties are on average the lowest value ones (\$79,500). The implications are that properties with a low rental value are less financially attractive to investors and therefore less likely to be considered.

Table 3.13: Distribution of private rental investors, by user cost per dollar of property value, July 1993 (\$'000)

Decile group based on user cost per dollar of property value										
Lowest	2	3	4	5	6	7	8	9	Highest	All
167.5	142.8	145.0	129.5	141.7	120.1	116.0	119.6	93.3	79.5	125.5

Source: Wood & Watson 1999:79.

Box 3.2: Housing assistance—types and definitions

Private rental housing assistance

Assistance is available to people on low incomes who rent accommodation in the private market. Such assistance is provided in two quite different forms:

- Commonwealth Rent Assistance is supplementary financial assistance that may be payable to recipients of social security, family tax benefit and Department of Veterans' Affairs payments who pay rents above specified threshold levels in the private rental market.
- Private Rental Assistance is a suite of housing assistance programs, provided by the States and Territories through the Commonwealth–State Housing Agreement (CSHA) and aimed at assisting low-income households experiencing difficulty in securing or maintaining private rental accommodation. Assistance is provided in the form of rental assistance (subsidies), bond assistance and other assistance (such as relocation expenses, utilities connection, and advice and information).

Public and community rental housing assistance

Public housing is administered by the States and Territories, which provide publicly owned dwellings that are funded through the CSHA and used to provide appropriate, affordable and accessible shelter for low to moderate income earners who are unable to enter the private market. Eligibility for public housing is determined by multi-faceted criteria designed to identify those most in need.

Community housing is managed by non-profit community-based organisations such as local governments, churches and charity groups. It takes several forms: from emergency or crisis accommodation through medium-term or transitional accommodation to long-term housing. Community housing is available to people who are eligible for public housing and who may have special needs best catered for by a community-managed organisation.

Home purchase or home ownership assistance

Home purchase or home ownership assistance is provided for people who wish to buy their own house but need help with financing. Assistance can be in the form of deposit assistance, mortgage relief and access to surplus public housing stock.

The principal factor noted to explain the user cost differentials is the tax status of the investor owning the property. Investors with high marginal rates of tax obtain a greater tax benefit from the exemption of nominal capital gains, than investors with low marginal tax rates. The former therefore can supply rental housing services at a relatively lower user cost. Investors with high marginal tax rates thus tend to own properties with relatively high market values, leading to the pattern evident in Table 3.13 where the user cost of rental housing is higher at the cheaper end of the rental market than it is at the more expensive end (Wood & Watson 1999:84).

3.3 Housing services and assistance

Housing assistance is also important in contributing to whole-of-government outcomes of encouraging and supporting economically and socially stronger communities, families and individuals (FaCS 1999b:5). Social policy challenges, such as an increase in homelessness and people requiring personal support and care needs, have required the development of a whole-of-government approach that facilitates the linking of housing and support services.

This section presents data on a range of housing assistance, and examines CSHA-funded programs, including public housing, community housing, private rent assistance and crisis accommodation programs, and non-CSHA-funded programs, such as Commonwealth Rent Assistance and home purchase assistance (refer to Box 3.2). Because of housing's strong links with other areas of social policy, some funding for housing assistance comes from health and community services for long-term housing support programs for people with a disability or the frail aged. Additional information about short-term housing/accommodation support programs can be found in Chapter 8, and information on long-term housing/accommodation support programs can be found in Chapters 6 and 7.

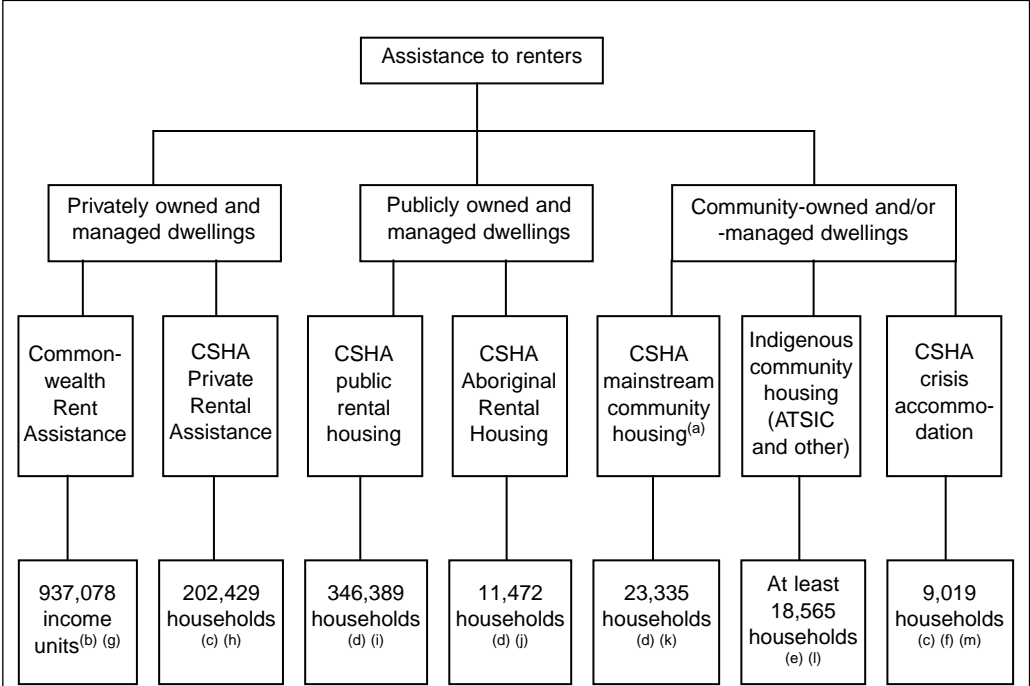
Rental assistance

Figure 3.1 shows the distribution of recipients of rental assistance across the private, public and community rental sectors. The different data sources used, limit comparisons across sectors and highlight the need to improve data in the future (see Section 3.5).

In March 2000 in the private rental market, 937,078 income units received Commonwealth Rent Assistance (SCRCSSP 2001:760).⁴ Although it is not possible to readily identify how many households this represents, estimates based on 1994 ABS housing survey data indicate that in 1994, from a total of 970,000 income units, there were 626,000 households in receipt of Commonwealth Rent Assistance (AIHW: Karmel et al. 1998:191). Under the CSHA, private rental assistance was also provided to 202,429

4 An income unit is defined as either a single person or a couple with or without dependants receiving assistance (DSS 1998:186).

households in 1999–00 (Table 3.16). Because of the overlapping nature of these two types of assistance and because the data cannot be adjusted to avoid double-counting, the data cannot be added together to obtain a total number of households receiving some form of private rental assistance.



(a) Additional dwellings are funded under programs other than CSHA but data about these dwellings are not available.

(b) At 31 March 2000.

(c) For year ending 30 June 2000.

(d) At 30 June 2000.

(e) August to October 1999. The number of permanent and temporary occupied dwellings has been used as the proxy for the number of households. This figure may be an under-representation, as there may be more than one household per occupied dwelling.

(f) Estimated household data were provided by Victoria and Queensland only.

Source: (g) SCRCSSP 2001:Table 16.2; (h) See Table 3.16; (i) AIHW 2001e, unpublished; (j) AIHW 2001f, unpublished; (k) AIHW 2001a, unpublished; (l) ABS 2000c; (m) AIHW 2001b, unpublished.

Figure 3.1: Recipients of rental assistance across rental sectors, 2000

In June 2000, 346,389 households occupied mainstream public housing (AIHW 2001e, unpublished), paying either subsidised or full market rent.⁵ A further 11,472 households were occupying public housing specifically for Indigenous Australians, provided through the CSHA Aboriginal Rental Housing Program (AIHW 2001f, unpublished).

At least 23,335 households in June 2000 lived in mainstream community housing provided through the CSHA and State and Territory community housing programs and other organisations not dependent on government funds (AIHW 2001a, unpublished).

In 1999, the ATSI Community Housing and Infrastructure Needs Survey identified 18,565 permanent and temporary occupied dwellings that were managed by Indigenous community organisations (ABS 2000c:13).

In 1999—00, 9,019 households received crisis accommodation through the CSHA Crisis Accommodation Program in Queensland and Victoria (AIHW 2001b, unpublished).⁶ Information about types of assistance provided to homeless persons through the Supported Accommodation Assistance Program is available in Chapter 8.

Commonwealth Rent Assistance

Assistance to private renters is mostly provided through Commonwealth Rent Assistance (CRA), paid by the Department of Family and Community Services (FaCS) and to a lesser extent the Department of Veterans Affairs (DVA) and the Department of Education, Training and Youth Affairs (DETYA). CRA is a non-taxable income supplement paid to individuals and families in recognition of the housing costs they incur in the private rental market. All pensioners, allowees (recipients of allowances such as Newstart Allowance), beneficiaries and people receiving more than the base rate of Family Tax Benefit Part A may be eligible for this assistance. It is paid at the rate of 75 cents per \$1 of rent paid above the rent threshold, subject to maximum rates.

FaCS CRA expenditure increased by approximately 84% in real terms between 1990—91 and 1999—00, while annual expenditure on CSHA assistance has declined by almost 11% over the same period. FaCS CRA expenditure was \$1,538 million in 1999—00 (Figure 3.2) and at March 2000 there were 937,078 income units in receipt of CRA. The average payment was \$30.58 per week. The range between the highest and lowest average payments by location was relatively narrow, from \$31.60 in Sydney to \$29.00 in non-capital city Victoria. The range was wider by income unit: from \$39.44 per week for couples with three or more children to \$21.74 for single sharers aged less than 25 years (SCRCSSP 2001).

5 Because of differences in the way administrative data and ABS survey data are collected, this figure does not match the 368,800 public renter households shown in Table 3.5.

6 Crisis accommodation resident details were not available for other States and Territories.

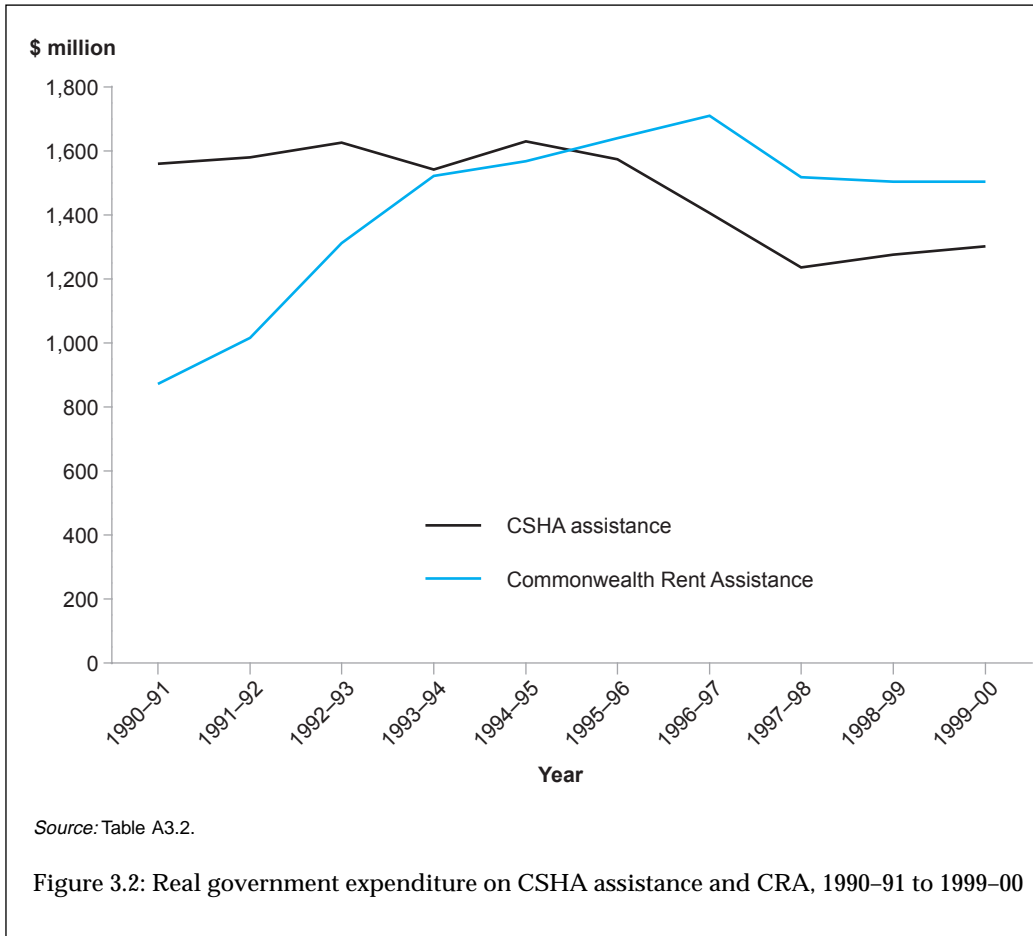


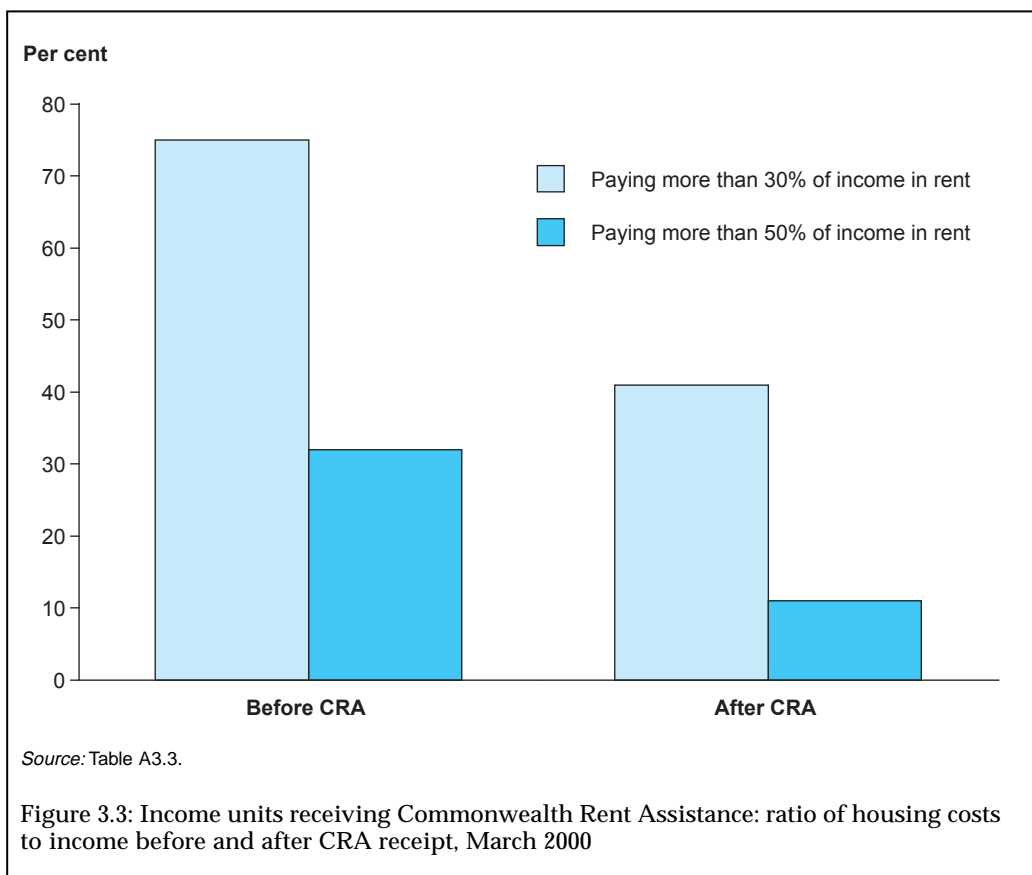
Table 3.14: Recipients of FaCS Commonwealth Rent Assistance, by other assistance received, 16 June 2000

Other assistance	Income units		Gender of recipients (per cent)		
	Number	Per cent	Female only	Male only	Both members of a couple
Newstart Allowance	235,093	25	42	54	4
Parenting Payment (Single)	181,205	19	93	7	0
Disability Support Pension	157,169	17	39	53	7
Age Pension	149,292	16	59	25	16
Family Allowance/Parenting Payment Partnered	95,702	10	93	7	0
Youth Allowance	90,458	10	58	41	1
Other payments	32,359	3	59	30	12
Total	941,278	100	61	33	5

Source: FaCS 2000:93.

Of those income units receiving FaCS CRA in 2000, 33% were age or disability support pensioners, 35% received allowances and 29% were recipients of family payments. Single-person income units were the majority of primary recipients (Table 3.14). Pensioners and allowees with dependent children receive CRA as part of their family payments and are therefore included in the family payments group.

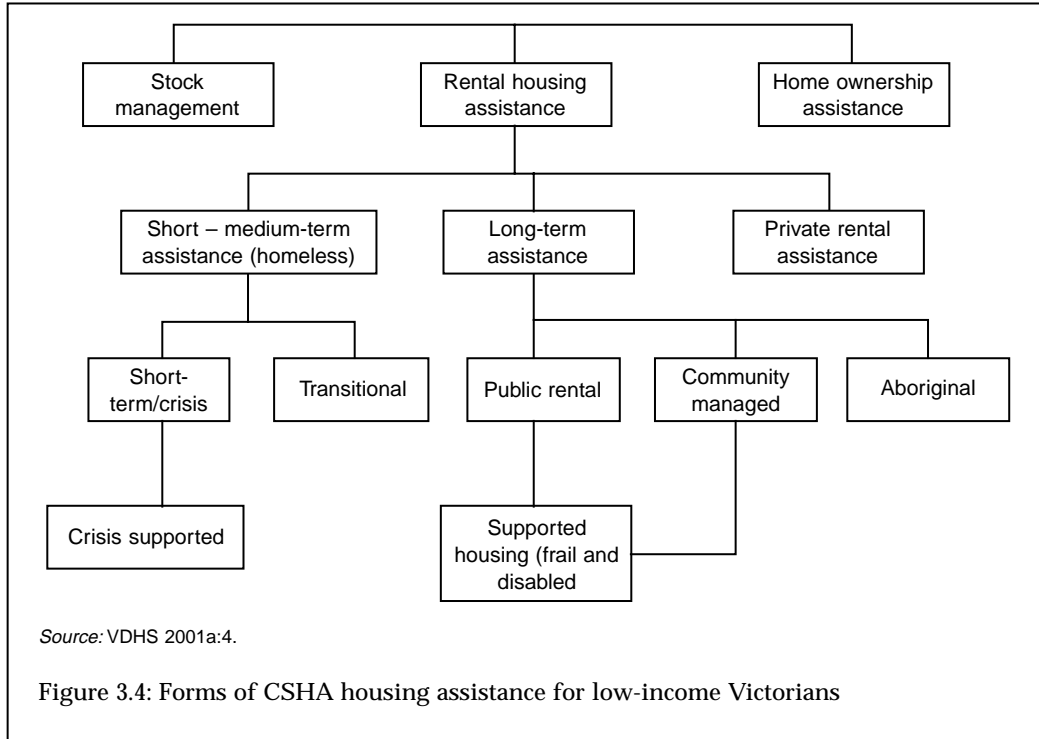
Figure 3.3 illustrates that CRA improves housing affordability for those income units on low incomes. After receiving CRA, 41% of income units paid more than 30% of income on rent compared to 75% of income units before receiving it.



CSHA funding and administration

The Commonwealth—State Housing Agreement (CSHA) is the major national housing-specific government program. Its purpose is to provide appropriate, affordable and secure housing assistance for those who most need it, for the duration of their need (Commonwealth of Australia 1999c). The six major program areas of the CSHA are public housing, community housing, crisis accommodation, Aboriginal rental housing, private rental assistance, and home purchase assistance. The CSHA assists renters and some purchasers: cash benefits are provided to assist with rents and bonds for people renting privately and with mortgage repayments and deposits for people purchasing

homes; in-kind assistance is provided in the form of subsidised public rental housing, community housing, Aboriginal rental housing and low-deposit loans for home purchase. The diversity of housing operations under the CSHA is illustrated by the range of services provided in Victoria to low-income households (Figure 3.4). Similar forms of assistance are provided in the other States and the Territories, but program boundaries and structures differ.



The CSHA was established in 1945 and has undergone many changes. The current agreement covers the period 1 July 1999 to 30 June 2003. The focus of the CSHA has shifted from providing affordable accommodation to low-income households, to providing adequate, secure, appropriate and affordable housing for households in need. Under this CSHA, initiatives have been developed to improve housing outcomes for people whose housing needs cannot be appropriately or adequately met unassisted in the private rental market. This has resulted in a changing role for public and community housing, demonstrated by:

- housing agencies introducing segmented waiting lists in public housing programs in order to facilitate improved targeting of assistance to people with high needs. In Victoria, priority allocations comprised 44% of allocations in 1999–00 (VDHS 2001a:5);
- increasing numbers of people with multiple and complex support needs being housed in social housing programs. In Victoria, there was a 50% rise in priority approvals between 1999 and 2000. This increase comprised: an 87% increase in people classed as recurring homelessness (Public Housing Waiting List Segment 1); a 48%

increase in people requiring supported housing (Waiting List Segment 2); and a 43% increase in people with special housing needs (Waiting List Segment 3) (VDHS 2001b);

- increasing numbers of tenants with personal care and support needs, which has required an integration of service delivery systems at all levels. Formal links have been developed between housing providers and support services. For example, the Victorian Supported Housing Program allows tenants with aged care or mental health needs to receive support from other Department of Human Services program areas.

Over the current and previous CSHAs, there has been an increase in flexibility to allocate CSHA funds for recurrent and capital purposes (albeit within program boundaries). Programs such as the Crisis Accommodation Program (CAP), the Aboriginal Rental Housing Program (ARHP), and community and public housing have utilised this greater flexibility in a number of ways. For example, CSHA funds allocated to the CAP (previously used solely for the purchase, maintenance and upgrade of CAP dwellings) are being used to purchase emergency short-term hotel and caravan park accommodation for those in crisis. Also, public and community housing program funds are being used to head-lease dwellings from the private rental market as a response to specific housing needs and requirements that cannot be currently met using existing public and community (capital) stock.

In 1999–00, the Commonwealth, State and Territory Governments provided over \$1,300 million for housing programs under the CSHA (Table 3.15). Public and community housing accounted for the majority of CSHA funding. The Commonwealth paid to the States and Territories \$91.0 million for the ARHP, \$39.7 million for the CAP, and \$64.0 million for the Community Housing Program. Base funding is provided as general funding, to be used for any form of housing assistance.

Table 3.15: CSHA funding, by funding arrangements, 1998–99 and 1999–00 (\$m)

Funding arrangement	1998–99	1999–00
Base funding allocation	772.6	763.0
Less State fiscal contributions ^(a)	68.9	. .
Base funding grants ^(b)	703.8	763.0
Aboriginal Rental Housing Program	91.0	91.0
Crisis Accommodation Program	39.7	39.7
Community Housing Program	64.0	64.0
State matching grants	378.2	373.5
Total	1,276.6	1,331.1

(a) In 1998–99 some jurisdictions elected to use CSHA grants to offset their State fiscal contributions (SFCs) to the Commonwealth Government's 3-year deficit reduction program that was agreed at the 1996 Premiers' Conference. SFCs were deducted from the base funding allocations of the relevant States. 1998–99 was the last year that SFCs applied.

(b) Includes Public Housing, Home Purchase Assistance and Private Rental Assistance Programs.

Source: FaCS 2001, FaCS unpublished.

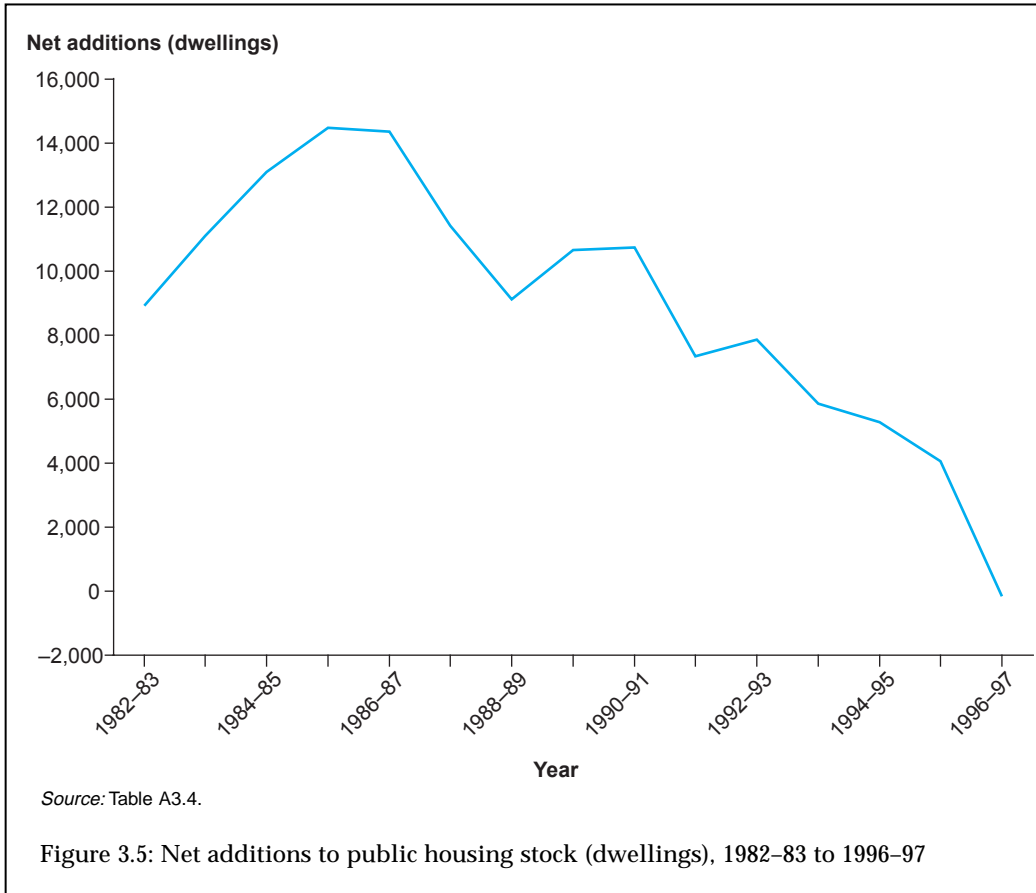


Figure 3.2 illustrates the reduction in CSHA expenditure and Figure 3.5 indicates that net additions to public housing stock have reduced since 1986. Between 1992 and 1996, the decline was sharp, and in 1996—97 there was a net reduction of 156 public housing dwellings. This does not accurately reflect the true picture of CSHA stock, as 3,755 dwellings were transferred from public housing to identified programs (mostly to community housing) in 1996 (FaCS 1999a). Other factors, such as ageing stock requiring maintenance and upgrades, and reconfiguration of stock to better meet client needs and sales, also contribute to the temporary reduction in public housing stock.

CSHA private rental market assistance

The Private Rental Assistance (PRA) Program is designed to enable people to access and maintain accommodation in the private rental market (AIHW 2000d, unpublished). The following are among the types of assistance provided:

- bond loans;
- assistance with rent payments, including advance rent payments and cash assistance additional to Commonwealth Rent Assistance; and

- relocation expenses, other one-off grants such as housing establishment grants, and advice and information.

In 1999–00, the States provided \$66.8 million for private rental assistance (AIHW 2001d, unpublished). The diversity of types of assistance, the way in which assistance is targeted across States and Territories, and the lack of consistent national data, make it difficult to gain a national perspective. For example, a single episode of assistance may involve a one-off rent payment subsidy to prevent eviction and homelessness, or it may take the form of long-term assistance such as provision of a rental supplement over several months to resolve a housing affordability problem.

For the year ending 30 June 1999, over 200,000 Australian households received assistance under the PRA program. More than half of this assistance was provided in the form of bond loans (Table 3.16). Some States and Territories were unable to report on all types of assistance provided.

Table 3.16: CSHA Private Rental Assistance Program: number of households assisted, by type of assistance, 1999–00

Type of assistance	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
Bond loans	26,071	14,728	44,024	14,226	18,527	4,294	23	208	122,101
Rental grants/subsidies	14,428	12,642	712	..	28,016	1,564	..	10	57,372
Relocation expenses	2,812	1,686	..	..	..	234	..	..	4,732
Other one-off grants	5,885	5,900	..	..	..	6,439	..	..	18,224
Total households assisted	49,196	34,956	44,736	14,226	46,543	12,531	23	218	202,429

Notes

1. Households may be eligible for more than one type of assistance.
2. New South Wales figures represent the number of households that were approved for assistance in the 1999–00 financial year, not the actual number of households assisted.

Source: AIHW 2001d, unpublished

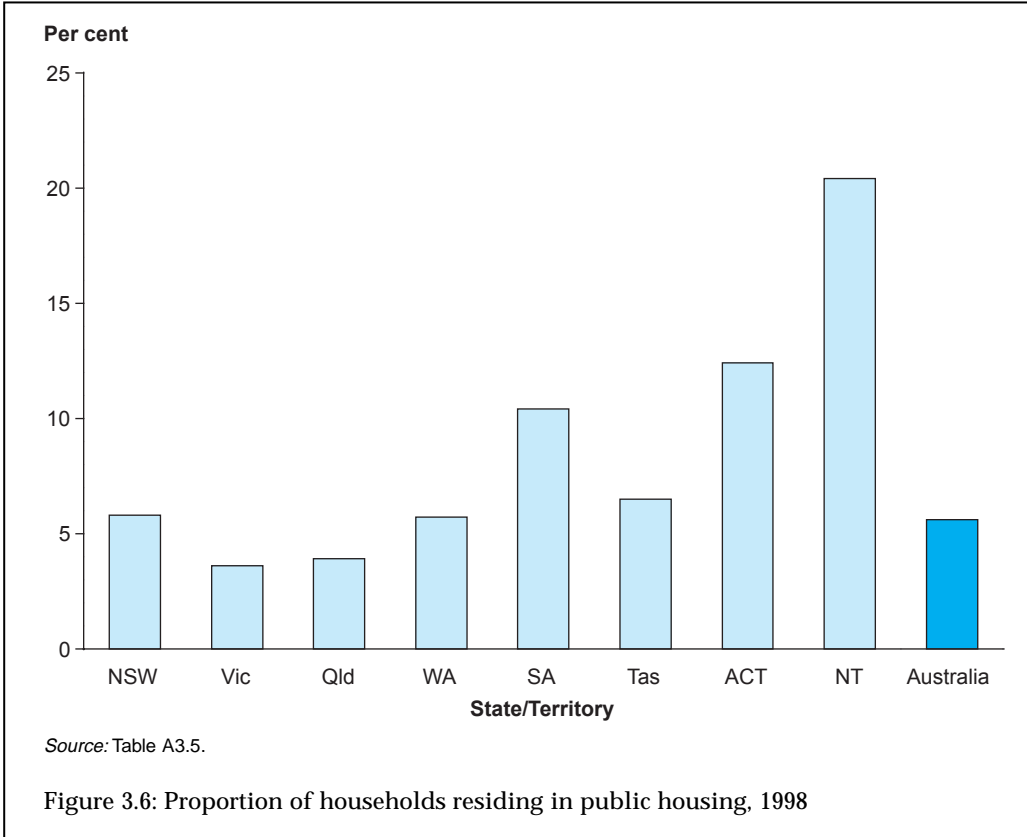
Public rental housing assistance

For Australia as a whole, about 6% of all households live in public housing tenures;⁷ across the States and Territories, the proportion ranges from 4% in Victoria to 20% in the Northern Territory (Figure 3.6). In June 2000, 346,389 households occupied 348,584 public rental housing dwellings (AIHW 2001e, unpublished).⁸ There were 362,967 public housing dwellings in total. Of the 14,383 vacant dwellings, 10,957 were untenable.⁹

7 Public rental dwellings include only public rental properties covered by the CSHA. Excluded are the CSHA Aboriginal Rental Housing Program (ARHP), Community Housing Program (CHP) and Crisis Accommodation Program (CAP) (AIHW 2000e, unpublished).

8 The number of occupied dwellings reported is greater than the number of households as Western Australia excluded 907 households where data were unavailable, and the Northern Territory excluded police tenants in public housing from the count of households.

9 'Untenantable' refers to unoccupied dwellings where maintenance has been either deferred or not completed (AIHW 2000e, unpublished).



A new national performance indicator framework introduced under the 1999–03 CSHA reports about the efficiency and effectiveness of CSHA programs (Figure 3.7).

Households with special needs and priority housing needs

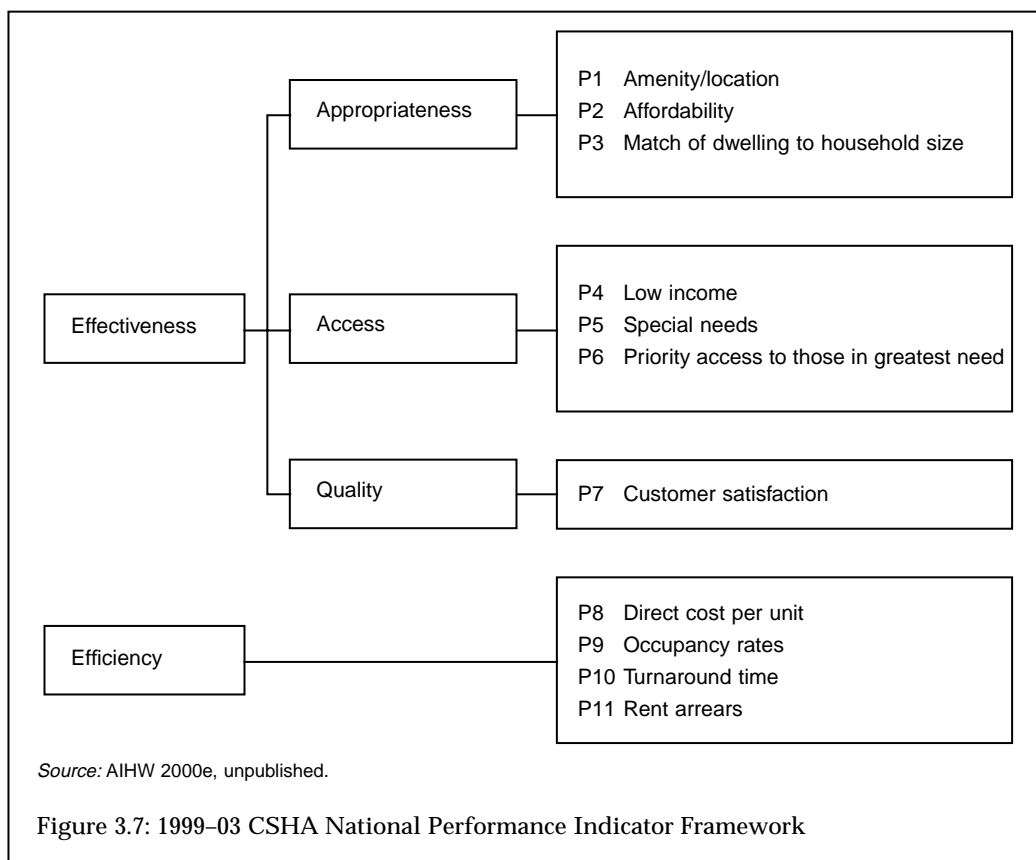
Two accessibility measures under the 1999–03 CSHA examine the proportion of new tenancies allocated to households with a household need status, covering those defined as households with special need and households with priority housing need. These are two distinct but interrelated concepts. The special need measure focuses on people who are unable to access appropriate accommodation in the private rental market because of discrimination or lack of appropriate housing stock (e.g. modified housing for people with a disability). Table 3.17 shows that 45% of housing allocations for 1999–00 were made to households in the special need category. New South Wales and South Australia had the highest proportion of households in the special need category that were allocated housing (55%) and the Australian Capital Territory had the lowest (12%).

Table 3.17: New households in CSHA Public Housing Program, by household need status and State/Territory, 1 July 1999 to 30 June 2000 (per cent)

Household need status	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
Special need	54.7	38.9	49.6	23.9	54.9	31.8	12.3	47.8	44.6
Priority housing need	39.1	38.9	3.7	16.8	44.9	22.8	26.2	10.1	27.0

Note: Jurisdictions defined 'special need' and 'priority housing need', using a range of factors that varied across jurisdictions. These factors included: Indigenous Australians, youth, aged, disabled, newly arrived Australians, people from culturally diverse backgrounds, at risk of domestic violence, homelessness, health condition, financial or social problems, adequacy of current accommodation and people in Supported Housing or Special Housing. Further information about the factors used to define these categories can be obtained from AIHW 2001e, unpublished.

Source: AIHW 2001e, unpublished.



The priority housing need measure focuses on people who require urgent access to housing due to their circumstances, such as homelessness, living in a life-threatening situation or inappropriate accommodation. Segmented waiting lists assist people with these high housing needs to be identified. Variation exists between jurisdictions in housing allocation policies (Box 3.3). For 1999–00, priority allocations comprised 27% of housing allocations. South Australia had the highest proportion of priority allocations (45%) and Queensland had the lowest (4%).

Box 3.3: Public housing waiting list priority category, by circumstance of housing need, 1999–00

Circumstance of housing need	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Homeless, pending homelessness (eviction) or exiting SAAP type accommodation	✓	✓	✓	✓	✓	✓	✓	✓
Appropriate & affordable accommodation not available in private sector	✓	✓	✓			✓		
Inadequate or unsuitable accommodation ^(a)	✓			✓	✓	✓	✓	✓
Life-threatening situation at home ^(b)		✓	✓	✓	✓	✓	✓	✓
Substance abuse		✓						
Natural disaster (flood, fire)			✓	✓	✓			
Severe financial difficulties							✓	✓
Victim of major crime			✓		✓			
Health or disability issues	✓		✓	✓	✓	✓	✓	✓
Persistent discrimination or harassment		✓	✓		✓			✓
Exiting institution care (include prison)		✓			✓			
Lack financial, cultural, social skills					✓			
Neighbourhood or tenancy disputes		✓	✓					
Witness protection			✓					
Family support								
Recent refugee or new to area		✓						
Child returned to care			✓					

(a) Includes severe medical condition or disability which is affected by current housing; present accommodation is dangerous, substandard or severely overcrowded; and insecurity of tenure.

(b) Includes domestic violence, sexual/emotional abuse, child abuse, at risk of violence.

✓ indicates that the circumstance of need enables listing on the waiting list priority category.

The lack of nationally uniform definitions of special need and priority housing need households influenced the variation in results between the States and Territories. The introduction of uniform definitions may overcome this problem.

Satisfaction with amenity/location of dwelling

The National Social Housing Survey, undertaken by State and Territory housing agencies, elicits responses from tenants chosen at random in relation to their satisfaction with their CSHA-funded dwelling in terms of the quality of services provided and the dwelling's amenity and location. The results of the survey are compiled and form part of the CSHA national performance indicator framework.

Table 3.18: Importance of and appropriateness of aspects of dwelling (national weighted average) for public housing tenants, 1999–00 (per cent)

Importance rating	Dwelling aspect	
	Modifications for special needs	Ease of access and entry to dwelling
Important and does not meet needs	9	8
Important and meets needs	25	62
<i>Subtotal: rating aspect of dwelling as important</i>	<i>34</i>	<i>70</i>
Not important	43	11
Not answered correctly	23	19
Total	100	100

Source: NFO Donovan Research 2000a:Figure 5.4.

In 1999–00, 29% of public housing tenants reported that they had a disability or health condition. Households with a person with a disability were just as likely to be satisfied or dissatisfied with public housing as the rest of the sample (NFO Donovan Research 2000a:24). Table 3.18 indicates that while only 34% of households rated dwelling modifications for special needs as important, 74% of these households had their needs met. Similarly, 89% of households that rated ease of access and entry to dwelling as important had their needs met.

Public housing rent rebates

Rents for public housing are generally charged as a proportion of the household's assessable income up to a ceiling equal to a market rent. Housing authorities have different definitions of 'assessable income', take different household members' incomes into account, have different rates of payment according to different income thresholds, and value market rents differently. Often these varying arrangements are summarised broadly, so that it can be said that most households pay between 20% and 25% of their gross income in rent. In 1999–00, 96% of rebated public housing households paid 25% or less of their assessable income on rent (AIHW 2001e, unpublished). This contrasts with low-income households in the private rental market receiving Commonwealth Rent Assistance, where 59% of households pay up to 30% of their income on rent (refer to Figure 3.3).

The difference between the market rent and the rent charged is called the rent rebate. Table 3.19 indicates that public housing tenants would pay on average an additional 33% rental costs if they rented comparable accommodation in the private rental market. The difference between public housing and private rental costs is largest in New South Wales and smallest in Tasmania.

Table 3.19: Public rental households: rent charged as a proportion of market rent for each dwelling (adjusted for Commonwealth Rent Assistance), 1999–00 (per cent)

NSW	Vic	Qld	WA	SA	Tas ^(a)	ACT	NT	Aust. ^(b)
56.2	71.9	74.8	79.3	78.6	80.6	72.7	n.a.	67.1

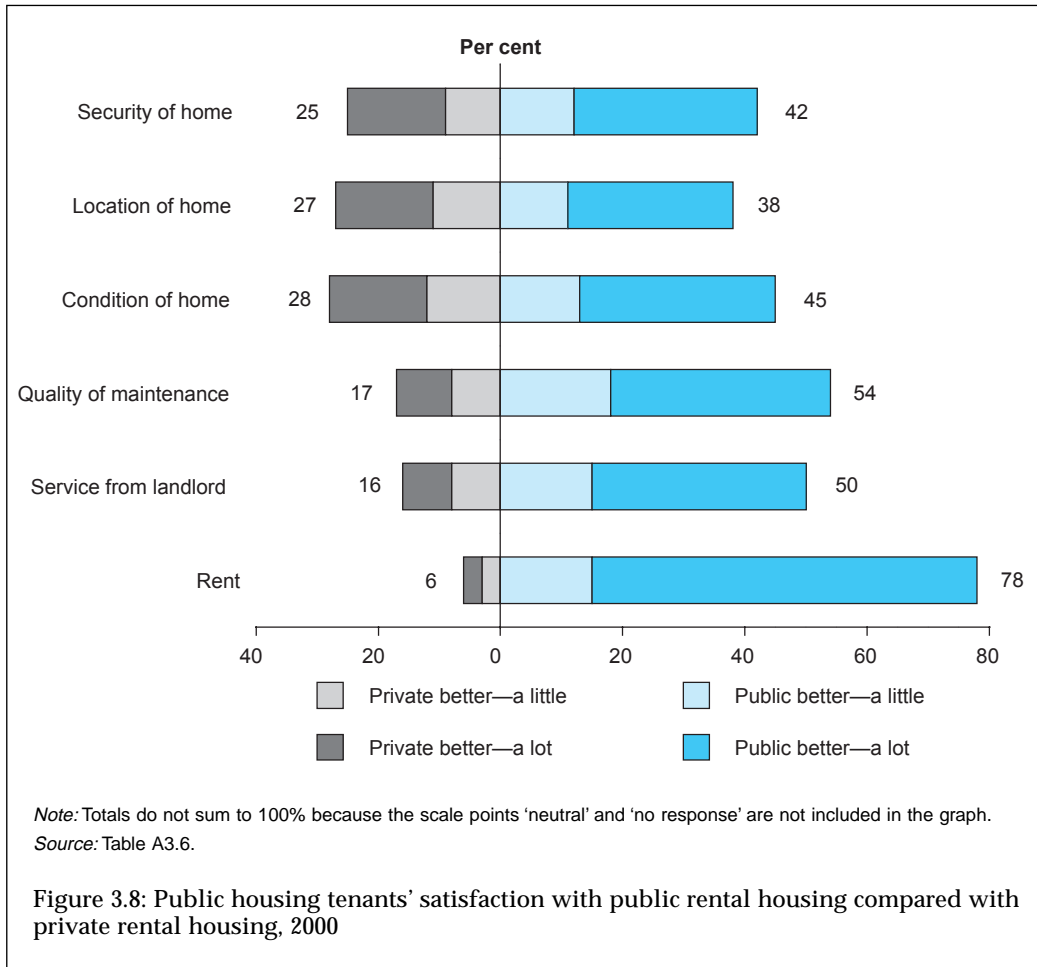
(a) Includes Aboriginal Rental Housing Program.

(b) Figure excludes Northern Territory figures as a full data set for this indicator was not provided.

Source: AIHW 2001e, unpublished:12.

Satisfaction with public housing

Figure 3.8 compares public housing tenants' satisfaction with private and public housing. Public housing is rated more favourably than previous experience in private accommodation on all six attributes. Rent paid for the home is clearly the area of greatest satisfaction, with only 6% considering private accommodation better. In the National Social Housing Survey, public tenants reported low levels of satisfaction with non-emergency maintenance. However, 54% of tenants consider the quality of maintenance received in public housing to be better than their previous experience in private accommodation. The majority of public housing tenants (64%) expect to be renting their current accommodation in 5 years time and only 2% intend to be renting private accommodation (NFO Donovan Research 2000a:57,77).



Community housing

Community housing is delivered by non-profit community, church and local government providers and offers a range of housing choices that may not be available through the public or private housing markets. The number of community housing dwellings in Australia is small, compared to public housing, private rental and home ownership it represents less than half of 1% of all housing tenures. Its importance as a sector is the ability to provide flexible housing responses to people who may have special needs or require supported accommodation services with links to aged, disability and health services.

Difficulties are incurred in reporting about the community housing sector because of the diversity of programs, variation in funding sources, and provider capacity to supply reliable data. Table 3.20 illustrates problems with understanding the size of the sector. The National Community Housing Forum (NCHF) reported a total stock figure of 26,220 units, whereas the AIHW as part of the CSHA collection process counted a total of 24,316 dwellings. The difference between the figures may be partly explained by different counting rules, such as that applied to rooming house stock, where the NCHF counts bedrooms while the AIHW counts dwellings.

Table 3.20: Comparison of community housing stock data, 1999–00

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total dwellings
NCHF data	8,573	5,118	4,744	2,822	3,957	594	363	49	26,220
AIHW data	7,899	6,009	3,625	3,158	2,990	183	312	140	24,316

Notes

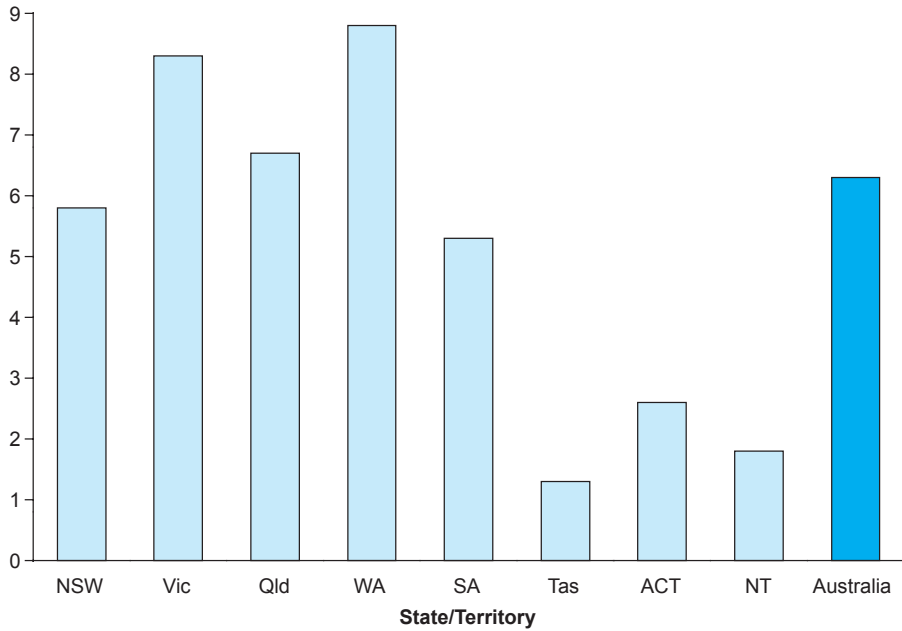
1. NCHF figures count bedrooms and include rooming houses, cooperatives, associations and all other management types.
2. NCHF figures for Tasmania and the Northern Territory are for 30 June 1999.
3. AIHW figures represent number of CSHA-funded dwellings.

Source: AIHW 2001a unpublished:27; NCHF 2000.

In Western Australia and Queensland, the majority of new households assisted with community housing in 1999–00 had a special need (97% and 93% respectively). In Tasmania, priority allocations comprised 35% of allocations in 1999–00 (AIHW 2001a, unpublished). In 1997–98, 4.5% of clients moved into community housing after leaving SAAP accommodation (AIHW: Wang & Wilson 2000:xx).

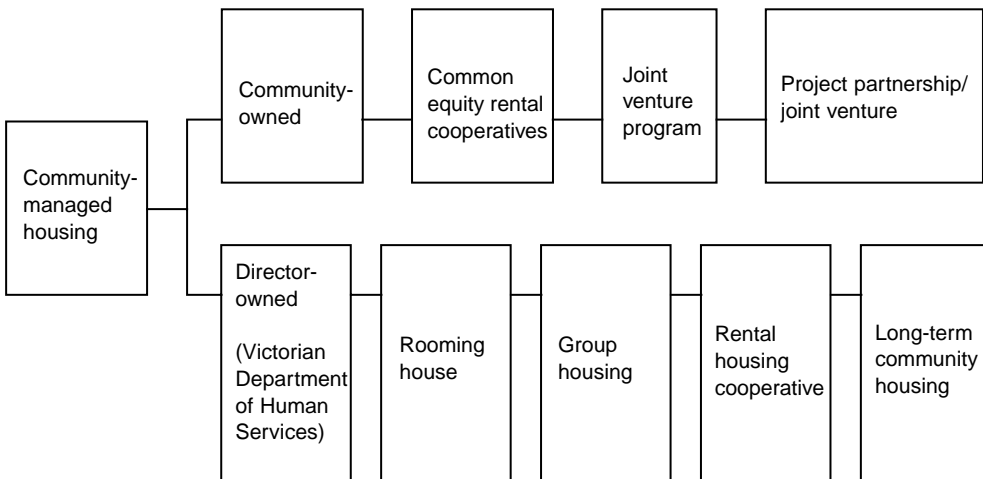
The size of the community housing sector varies between jurisdictions, reflecting not only the differing emphasis States and Territories place on community housing as an alternative to public housing but also on its role in deinstitutionalisation (NCHF 1998:3). Figure 3.9 shows that, as at 30 June 2000, Western Australia had the highest proportion of CSHA community housing (9%) and Tasmania had the lowest (1%).

Per cent



Source: Table A3.7.

Figure 3.9: Community housing dwellings as a proportion of all public and community housing dwellings, 30 June 2000



Source: VDHS 2001a.

Figure 3.10: Victorian community housing assistance program types

The transfer of significant amounts of public housing stock to community housing management has been one of the national trends in community housing. Also worth noting is the significant percentage of community housing stock that is head-leased from the private rental market when compared to public housing. Over 5,000 of a total of 24,300 community housing dwellings are head-leased from the private rental sector (AIHW 2001a, unpublished). The 1999 public housing data repository was only able to identify 2,000 units of public housing stock that were head-leased from the private rental market.

The diversity in the types of community housing programs within a jurisdiction is illustrated in Figure 3.10. While similar diversity, in the forms of assistance provided, exists in the other States and the Territories, different program boundaries make construction of nationally consistent definitions of the types of assistance in this sector difficult.

Satisfaction with community housing

The first Community Housing National Social Housing Survey was administered in 2000 (NFO Donovan Research 2001). The majority of tenants (80%) indicated that they were satisfied with the overall service they received in community housing. Overall, three-quarters of tenants felt that living in community housing had improved their quality of life, with over half (52%) saying it had improved a lot. Table 3.21 highlights some of the benefits that tenants had derived from living in community housing, in comparison to previous experience in other tenures. The most widely cited and achieved benefits were feeling more settled, followed by managing money better (90% and 87% respectively). Two-thirds of tenants cited an improvement in health and 71% of tenants had achieved this benefit. Improving education and employment situation were each cited by over one-third of tenants, and in both instances approximately half of these respondents had achieved this benefit.

Table 3.21: Perceived benefits derived from community housing, 1999–00 (per cent)

	Applicable	Improved	Not improved yet	Not improved
Feel more settled	81	90	4	6
Manage money better	74	87	5	8
Enjoy better health	62	71	10	18
Better access to services	62	74	10	16
Start education or training	38	57	21	20
Better job situation	37	44	26	30

Source: NFO Donovan Research 2001.

Crisis community housing assistance

Government and churches and other welfare organisations use community housing organisations to provide a range of housing services to assist people who are in situations of actual or impending crisis or homeless. These programs have strong links to health and community services agencies that assist people in crisis. In the health area, housing agencies work closely with mental health and alcohol and drug abuse service

providers; in the community services area, the major link is with supported accommodation and crisis services provided through the Supported Accommodation Assistance Program (SAAP).

The CSHA Crisis Accommodation Program (CAP) provides emergency accommodation, and funds are used for the purchase, lease and maintenance of dwellings that provide accommodation assistance to people who are homeless or in crisis. Table 3.22 shows that, at 30 June 2000, there were 2,857 CAP-funded dwellings in Australia (AIHW 2001b, unpublished).

Table 3.22: CSHA Crisis Accommodation Program: number of dwellings funded, by State/Territory, 30 June 2000

NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
1,014	178	910	333	187	150	45	40	2,857

Source: AIHW 2001b, unpublished:Table 14A.39.

The links between crisis housing assistance and other housing assistance were shown in an analysis of the housing needs of homeless persons using the 1997—98 SAAP national data (AIHW: Wang & Wilson 2000).

Housing outcomes for SAAP clients after receiving SAAP accommodation support are spread across tenure types. In 38% of completed support periods, clients moved into private rental accommodation, 20% into other SAAP accommodation and 11% into public housing accommodation.

Housing tenure before SAAP accommodation support was an important factor in both the type of housing/accommodation the client occupied following support and the reason for assistance being sought. There is a strong tendency for clients to return to their original accommodation arrangements where clients came from public, community or private rental housing, 60%, 68% and 59%, respectively, returned to the same housing tenure type. A significant proportion of clients (41%) previously living in SAAP accommodation returned to similar accommodation, and a significant proportion of clients previously in institutional settings returned to SAAP accommodation (15%) and in public housing and community housing (7%).

Domestic violence was, overall, the main reason for seeking assistance (23%), followed by family breakdown (17%). Persons previously living in public housing before seeking assistance were more likely to be seeking assistance for non-housing-related reasons. By far the main reason for seeking assistance was domestic violence (43%), followed by family breakdown (13%) and abuse (12%). Of the accommodation-related reasons usual accommodation becoming unavailable or eviction-related reasons (11%) and financial difficulties (6%) were the main reasons.

In contrast to public renters, persons renting privately before seeking support were more likely to cite accommodation-related matters as their main reason for seeking assistance. In particular, usual accommodation becoming unavailable or eviction-related reasons (19%) and financial difficulties (13%) were main contributors. However, domestic violence was still overall the main reason for seeking assistance (24%), while

family breakdown accounted for 16% (AIHW: Wang & Wilson 2000:xvi—xviii). Further information about types of assistance provided to homeless persons through SAAP can be found in Chapter 8.

CSHA Home Purchase Assistance

Home Purchase Assistance (HPA) under the CSHA is designed to make home ownership (including shared home ownership) more accessible for people who are otherwise unable to obtain private sector finance for home ownership. A range of programs is available, which vary across the States and the Territories, including direct lending, shared home ownership, government guarantees, deposit assistance, interest rate assistance, home purchase advisory and counselling services, mortgage insurance protection and mortgage relief (AIHW 2000a, unpublished).

In 1999—00, the total value of HPA provided to households by the States and Territories through the CSHA and related programs was \$2,098.8 million.¹⁰ Table 3.23 shows the diversity in the way home purchase assistance is provided, and the different types and

Table 3.23: CSHA Home Purchase Assistance, by type of assistance to households and State/Territory, 1999–00

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
Households receiving assistance (number)									
Direct lending	4,016	13,207	9,880	24,908	18,790	2,587	n.a.	3,492	76,880
Deposit assistance	..	n.a.	245	290	363	195	n.a.	394	1,487
Interest rate assistance	..	n.a.	..	418	3,503	1,076	n.a.	340	5,337
Mortgage relief	1,495	201	843	n.a.	125	..	n.a.	..	2,664
Home purchase advisory and counselling services	13,663	0	..	n.a.	n.a.	0	n.a.	..	13,663
Other types of assistance	..	12	0	n.a.	..	0	n.a.	94	106
Total households receiving assistance	19,174	13,420	10,968	25,616	22,781	3,858	n.a.	4,320	100,137
Value of assistance (\$m)									
Direct lending ^(a)	250.2	..	326.5	459.8	812.2	7.8	n.a.	223	2,079.5
Deposit assistance	..	n.a.	2.8	0.5	0.6	0.3	n.a.	0.6	4.7
Interest rate assistance	..	n.a.	..	n.a.	2.4	..	n.a.	0.2	2.5
Mortgage relief	7.5	0.017	2.4	n.a.	0.2	..	n.a.	..	10.1
Home purchase advisory and counselling services	0	0	..	n.a.	n.a.	0	n.a.	..	0
Other types of assistance	..	1.0	0	n.a.	n.a.	0	n.a.	0.9	1.8
Total value of assistance	257.7	1.0	331.7	460.3	815.3	8.1	n.a.	224.7	2,098.8

(a) New South Wales, Queensland, South Australia, the Australian Capital Territory and the Northern Territory calculated this item using the total value of loans outstanding. Victoria, Western Australia and Tasmania calculated this item using the value of new assistance.

Source: AIHW 2001c, unpublished.

¹⁰ Because of the way in which home purchase funds are managed in some States and Territories, it is not possible to separately identify CSHA and other funding.

monetary values of the services provided indicate the difficulty in making comparisons between States and Territories. This is reflected in the fact that larger States, such as New South Wales and Victoria report lower numbers and values of assistance than do smaller States, such as Western Australia and South Australia. It is important to note that New South Wales, Queensland, South Australia, the Australian Capital Territory and the Northern Territory calculate the total value of direct lending using the total value of loans outstanding. Victoria, Western Australia and Tasmania calculate this item using the value of new assistance.

Active CSHA home purchase programs exist where market circumstances allow the purchase of dwellings by low-income people. Active schemes are available in some jurisdictions that allow public housing tenants and those eligible for public housing to purchase either in full or part public housing dwellings.

Other assistance to home owners and purchasers

In addition to the CSHA home purchase assistance, households owning or purchasing their home may also receive a range of other government assistance through government outlays and tax expenditures.

To offset the impact of the introduction of the goods and services tax, from 1 July 2000 the Commonwealth Government established the First Home Owner Grant. The grants are administered by States and Territories and provide Australian citizens who purchase a new or established dwelling with a one-off \$7,000 payment. Assistance is not means-tested, but the applicant must not have previously owned a home and the property must be intended to be a principal place of residence (FHOG On-line 2001).

During March 2001, the Commonwealth Government introduced an Extra First Home Owner Grant for New Homes, providing an additional \$7,000 grant, non-means-tested, for first home owner applicants constructing or purchasing a new dwelling. This additional grant is not available to applicants purchasing an established dwelling and the grant is available for a limited time only, from 9 March to 31 December 2001. The States and Territories also administer this grant (FHOG On-line 2001).

Data on other assistance to households owning or purchasing their home, particularly through the taxation system, are currently limited. However, its impact is considered significant (Bourassa et al. 1995; Pender 1994).

Tax expenditures are measured in terms of the amount of tax revenue forgone by government as a result of concessional taxation treatment. This is, however, probably an understatement of the actual amount, as many tax expenditures in this area are uncoded because of a lack of data and because of conceptual difficulties in choosing a suitable tax benchmark. In the housing sector, the Commonwealth exempts the principal residence and does not subject the imputed rental income arising from ownership to taxation. Most States and Territories also offer stamp duty exemptions for first home buyers and usually exempt the principal residence from land taxes.

The most recent analysis, based on data for 1984–85, concluded that the value of assistance was on average \$1,890 per household per year for owners and \$890 for purchasers; this compares with \$2,890 for public renters and \$970 for private renters

(AIHW 1997:Table 5.4; Flood 1993). For owners and purchasers, much of the assistance was in the form of tax expenditures,¹¹ such as exemptions for capital gains and imputed rent, rather than direct government subsidy.

The capital gains tax exemption for gains on the disposal of a taxpayer's main residence (Treasury 2001:27) is recognised as an important area of housing assistance.¹² The value of this exemption is not available from official sources and is not calculated in reporting tax expenditures. An indication of the size of this assistance was, however, provided in Flood's study of housing subsidies, which estimated, using 1984–85 data, that the non-taxation of capital gains for home owners represented a subsidy of \$1.5 billion (AIHW 1999:153; Flood 1993:Appendix 3).

Owner-occupied housing is also treated differently from other assets because the service, or imputed rent, from the dwelling is not taxed.¹³ Assets such as bank savings, shares and investment properties produce income that is taxed; owner-occupied housing provides an imputed income stream that is not. On the other hand, costs associated with producing the service are not tax exempt; for example, mortgage interest payments cannot be deducted from a person's taxable income. This presents a short-term disadvantage for purchasers, but the long-term advantage of a non-taxed imputed rent has been calculated to more than outweigh this at given rates of mortgage repayment (Bourassa et al. 1995).

State and Territory taxes also provide assistance to home owners, for example through transaction tax exemptions for first home buyers and land tax exemptions. Land tax exemption has been raised as a source of horizontal inequity between renters and owner-occupiers and as a disincentive to rental property investment (NHS 1991b:59; Yates 1994:22).

Assistance is also provided to pensioners, who receive subsidies for their local government rate payments. These subsidies are funded by State and Territory Governments, which reimburse local governments. The size and number of subsidies vary from State to State and no comparable information is available.

-
- 11 The Australian Taxation Office recognises the role taxation plays in providing benefits by way of government revenue forgone as a result of concessional tax treatment (Treasury 2001).
 - 12 Unlike other assets, owner-occupied housing is exempt from capital gains tax. This issue is sometimes interpreted to mean that owners can make untaxed gains by selling their homes in the market in which the value of their home has increased at rates greater than inflation (Pender 1997).
 - 13 Imputed rent from owner-occupied dwellings refers to the imputed value of the services, such as shelter, that ownership provides to households after the deduction of expenses and depreciation.

3.4 Housing assistance to Indigenous Australians

Housing assistance to Indigenous people is provided through a range of means, including targeted State/Territory-managed housing, and community-managed housing which supplements assistance available through mainstream housing programs.

The 1999 ABS Australian Housing Survey and the ATSI Community Housing and Infrastructure Needs Survey identified considerable housing need amongst Indigenous people¹⁴ (ABS 2000c, 2001). Indigenous Australians are more likely to live in subsidised housing, are much less likely to be owners or purchasers, and are more likely to live in overcrowded housing and housing in need of repairs (Tables 3.24; A3.8). Furthermore, the SAAP data for 1999–00 show that Indigenous Australians, who represent only 2% of the total Australian population, accounted for 14% of support periods (AIHW 2000f:14). These findings are seen as a function of a range of issues, including low income levels, high dependency ratios and discrimination in the (private) housing market (FOCUS Pty Ltd 1999:25).

Table 3.24: Housing tenure, by Indigenous status, 1999 (per cent)

Tenure	Indigenous households	Non-Indigenous households
Owner with and without mortgage	38.8	70.7
Private rental	27.3	20.1
Public rental housing	22.4	4.8
Other landlord	8.5	1.7
<i>Total renters^(a)</i>	<i>58.2</i>	<i>26.7</i>

(a) Includes 'other renter'.

Note: A family is defined as Indigenous if any adult or child in the family is identified as Indigenous. This differs from standard ABS practice of considering adult family members of married couple and sole-parent families only. In some areas of housing assistance, eligibility is based on the Indigenous status of all family members.

Source: ABS 2001.

In May 2001, housing ministers endorsed a 10-year statement on directions for Indigenous housing reform to provide better housing for Indigenous Australians (HMAC 2001). This statement addressed the 1997 ministers reform agenda that focused on:

- identifying and addressing outstanding need;
- improving the viability of Indigenous community housing organisations;

14 These two surveys are not directly comparable because the Australian Housing Survey collected information from persons in both urban and rural areas only. Persons living in sparsely settled or remote parts of Australia where there were fewer than 0.06 dwellings per square kilometre were excluded from the survey. The Community Housing and Infrastructure Needs Survey, however, was a complete enumeration of all Indigenous housing organisations and discrete Indigenous communities, including organisations and communities located in urban and sparsely settled areas.

- establishing safe, healthy and sustainable housing for Indigenous Australians, especially in rural and remote communities; and
- establishing a national framework for the development and delivery of improved housing outcomes for Indigenous Australians by State, Territory and community housing providers.

Indigenous housing need

Current data show high levels of Indigenous housing need in both urban and non-urban locations and provide a challenge for both mainstream housing assistance and that targeted to Indigenous households. To improve understanding of the various components of need, a new multi-measure approach to determining Indigenous housing need was developed in 1998 (Jones et al. 1998). This approach considers measures of housing need under four interrelated dimensions:

- adequacy (measures of homelessness, overcrowding, services and stock condition);
- affordability (measures of household income available for housing after other basic needs have been met and costs to public and community housing suppliers of charging tenants affordable levels of rent);
- appropriateness of housing; and
- security of tenure.

In addition, measures of future growth in demand for housing are required to take account of the needs of a rapidly growing Indigenous population (Jones et al. 1998:vi). The value of each of these measures depends on the availability and reliability of relevant data. At present, there are gaps in data for a number of the measures and no data for others.

Particularly in rural and remote areas, the condition of housing stock is a key factor in housing need. The 1999 Community Housing and Infrastructure Needs Survey gathered information about Indigenous housing organisations in 1,291 discrete Indigenous communities. The survey identified that 73% of these communities had a usual population of less than 50 and 12% had a usual population of 200. Table 3.25 reveals that 21% of dwellings surveyed were in need of major repair and 8% required replacement. Stock in discrete communities was more likely to be in need of major repairs or replacement (33%) than that in towns or other locations (18%) (ABS 2000c:1—3, 5).

These findings compare with the picture across all households, Indigenous and non-Indigenous, where 19% of dwellings occupied by Indigenous households are in high need of repairs. This compares with 7% for non-Indigenous households (Table A3.8).

The 1999 survey also demonstrated the strong links between housing assistance and community infrastructure in rural and remote areas. In discrete Indigenous communities, it reported that:

- about 1% of communities had no organised water supply and 34% of communities failed water testing at least once in the preceding year; 35% of communities with a population of 50 or more experienced water restrictions, and equipment breakdown was the main contributing factor to these restrictions;

- 10% of communities had no electricity supply (including generators); and
- 5% of communities had no sewerage system, and 59% of communities with a population of 50 or more experienced overflows or leakages of sewerage systems. Forty-one of these communities were found to have a method of grey-water disposal that was undesirable to Australian public health authorities (ABS 2000c:20).

Table 3.25: Condition of dwellings managed by Indigenous housing organisations, by location, 1999

	Discrete community		Town or other location		Total	
	Number	Per cent	Number	Per cent	Number	Per cent
Minor or no repair	9,696	65.6	4,568	80.9	14,264	69.8
Major repairs	3,468	23.5	783	13.9	4,251	20.8
Replacement	1,407	9.5	233	4.1	1,640	8.0
All dwellings^(a)	14,777	100.0	5,647	100.0	20,424	100.0

(a) Includes 'not stated'.

Source: ABS 2000c.

Addressing Indigenous housing need

The diversity of circumstances of Indigenous Australians has led to a range of policies and programs to address their housing need. At the Commonwealth level, in addition to the provision of Commonwealth Rent Assistance and Aboriginal Rental Housing Program funds administered by FaCS, the Aboriginal and Torres Strait Islander Commission (ATSIC) provides housing funds. ATSIC provided \$116.5 million in 1999—00 in housing output disbursements (ATSIC 2000:96). The majority of this funding was spent through the National Aboriginal Health Strategy and Regional Council components of the Community Housing and Infrastructure Program (CHIP). From this funding, 403 houses were constructed or purchased and 1,036 houses were renovated or upgraded (ATSIC 2000:100). The ATSIC Community Development Employment Program has over 1,600 individuals employed or contracted in housing construction and/or maintenance.

Large environmental health projects are funded under the National Aboriginal Health Strategy. Between 1996 and 2000, approximately \$260 million was provided for housing and environmental infrastructure, resulting in improved health conditions in Indigenous communities. The new triennium for the health strategy began in July 2000, with approximately \$200 million allocated to assist approximately 95 communities (ATSIC 2000:106, 108).

The ATSIC—Army Community Assistance Program was initiated in late 1996 and targets communities with an urgent need for upgrading of both housing and infrastructure. In 1996—97, \$11.6 million was allocated across six communities and this program was extended for 4 years from late 1998, with \$40 million allocated from both the Commonwealth Department of Health and Aged Care and ATSIC (ATSIC 2000:109).

The Fixing Houses for Better Health Project was established in 1999 and involves assessment of the state of repair of houses and immediate provision of urgently

required minor maintenance. In 1999–00, 1,000 houses in Indigenous communities across Australia were surveyed and repaired under this project (ATSIC 2000:99).

Programs to address Indigenous housing need are also funded at the State and Territory level. For example, the New South Wales Aboriginal Housing Office implemented a registration process for funded Indigenous Housing Organisations in 1998. This is aimed at improving the availability of data and better understanding the needs of the sector (NSWAHO 2001). In 1999, the Queensland Government commenced a Five-Year Capital Works Plan to construct 186 new houses and to upgrade 117 dwellings in Deed of Grant in Trust communities (QDOH 2000:42). The Community Housing Management Strategy is an integral part of the Works Plan, aimed at providing housing management support to community councils. The South Australian Government established the Aboriginal Home Ownership Program in 1999, and 50 tenants were offered the opportunity to purchase their current rental homes (SADHS 2000:29). A similar range of programs exists in other States and Territories.

Improving Indigenous housing

Basic environmental health infrastructure, including adequate sanitation, clean water and power supplies, and appropriate and fully functioning houses are essential if there is to be a significant and sustainable improvement in the health of Indigenous people. The National Framework for the Design, Construction and Maintenance of Indigenous Housing, endorsed by housing ministers, aims to achieve safe, healthy and sustainable housing for Indigenous people (Commonwealth of Australia 1999a, 1999b). The four principles of the National Framework are described in Box 3.4.

Building the Indigenous community housing sector

The Indigenous community housing sector has a critical role in delivering housing to Indigenous people. However, Indigenous community housing organisations face a number of problems that impact on their capacity to manage dwellings. Generally, they cannot generate sufficient income to cover the recurrent costs of housing relating to the operation, repair and maintenance of dwellings. A shortage of funds for maintenance means dwellings deteriorate rapidly and need to be replaced prematurely.

Low levels of rent, poor housing design and construction, limited administrative infrastructure, and poor asset and tenancy management skills are factors which may add to the financial and management burdens of Indigenous community housing organisations.

Commonwealth, State and Territory Governments are currently working with community organisations to improve the capacity of the Indigenous community housing sector to manage and maintain housing assets more efficiently. Initiatives in this area include:

- Aboriginal Rental Housing Program funds being directed towards housing management and maintenance functions, as well as being used for the construction and upgrade of houses;
- developing the National Skills Development Strategy for Indigenous Community Housing Management (FaCS 2000:84); and

Box 3.4: Principles of the National Framework for the Design, Construction and Maintenance of Indigenous Housing

Principle 1—Houses for Aboriginal and Torres Strait Islander peoples will be designed, constructed and maintained for safety. Houses will:

- *have properly installed electrical and gas connections and appliances;*
- *be connected to a potable (drinkable) water source;*
- *be built with approved, safe and non-toxic materials; and*
- *have properly designed and soundly constructed waste removal systems.*

Principle 2—Houses will be designed, constructed and maintained to support healthy living practices. Houses must support nine healthy living practices (in order of priority):

- 1. washing people, particularly children under 5 years of age;*
- 2. washing clothes and bedding;*
- 3. removing waste safely from the living area;*
- 4. improving nutrition—the ability to store, prepare and cook food;*
- 5. reducing crowding and the potential for the spread of infectious disease;*
- 6. reducing negative contact between people and animals, vermin or insects;*
- 7. reducing the negative impact of dust;*
- 8. controlling the temperature of the living environment;*
- 9. reducing trauma (or minor injury) around the house and living environment.*

Principle 3—Quality control measures will be adopted in the design and construction of houses.

- *Houses should be designed and constructed, and construction supervised, to minimum standards as set by the State and local government regulations based on the Building Code of Australia and State and Territory remote area building standards.*
- *Housing should be constructed under a properly established quality control system that is subject to periodic monitoring and evaluation.*
- *Building inspections should be conducted at various stages of construction to ensure quality control. Payment to contractors can be linked to inspection points. The involvement of local government in building inspections should be encouraged.*

Principle 4—Houses will be designed and constructed for long-term function and ease and economy of maintenance.

- *Water, waste removal and electrical facilities and building fabric—‘health hardware’—should be of a quality that meets the rigours of remote locations and provides good amenity.*
- *In order to sustain houses—to keep them functional and habitable—they should be maintained regularly. Establishing emergency and cyclical maintenance programs should be a priority.*

(continued)

Box 3.4 (continued): Principles of the National Framework for the Design, Construction and Maintenance of Indigenous Housing

- *Access to tradespeople for maintenance of health hardware should be taken into account at the design stage.*
- *Long-term maintenance requirements and costs should be included in initial housing design and life-cycle budgets.*
- *Health hardware should be selected on the basis of quality, effectiveness and efficiency in reducing running costs and keeping the safety and health benefits provided by houses affordable.*
- *Indigenous community housing organisations should have access to the appropriate equipment and training for routine maintenance of essential health and safety items.*

Source: Commonwealth of Australia 1999a, 1999b.

- improving rent collection for Indigenous community housing organisations through the introduction of Centrepay, a scheme that allows income support recipients to automatically direct a portion of their Centrelink payments to their housing organisation, for payment of rent and other essential services. In January 2000, 243 Indigenous Community Housing Organisations had joined Centrepay, and 4,318 Centrelink customers had deductions paid directly to these organisations (ATSIC 2000:95).

Improving coordination

In the past, Indigenous housing assistance has been planned in isolation from other forms of government assistance, often resulting in overlapping and confusing service delivery. Indigenous housing agreements provide a structure for the Commonwealth, ATSIC, the Torres Strait Regional Authority, and each State and Territory to work together to improve and simplify the planning, coordination and delivery of Indigenous housing programs. Agreements have been signed between the ATSIC chairperson, the Commonwealth housing minister, and housing ministers in the Northern Territory, Western Australia, New South Wales and South Australia. A Torres Strait housing and infrastructure bilateral agreement has also been signed. Finalisation of other agreements with Queensland and Victoria is subject to a decision on Commonwealth administrative arrangements, and negotiations are continuing with Tasmania and the Australian Capital Territory.

3.5 Data development

A variety of data development initiatives has been implemented to improve data availability and consistency. Two important developments are the National Housing Data Agreement (NHDA) and the Agreement on National Indigenous Housing Information (ANIHI) (Box 3.5). These agreements seek to improve data quality and the compatibility of information about housing assistance.

Box 3.5: National housing information agreements

The National Housing Data Agreement

The National Housing Data Agreement (NHDA) was signed in January 2000. It is a subsidiary agreement to the Commonwealth–State Housing Agreement, between Commonwealth, State and Territory Governments and key data agencies, to provide and fund national data development activities. The NHDA Management Group oversees the development, review and implementation of the agreement, makes recommendations to the Commonwealth, States and Territories through the Housing Ministers’ Advisory Committee on information priorities, funding implications, and manages the work of the National Housing Data Development Committee. The NHDA aims:

- *to ensure that nationally relevant housing data collected throughout Australia are consistent and compatible between the different collections; and otherwise*
- *to improve the quality of and access to housing data at the national level and at the same time maintain and protect the confidentiality of the data for individuals and for signatories to the Agreement.*

The long-term goal of this Agreement is to have a workable means of obtaining nationally compatible housing data in a way that is compatible and consistent with other information initiatives in Australia, such as the National Community Services Information Agreement and the National Health Information Agreement.

Source: AIHW 2000c.

The Agreement on National Indigenous Housing Information

The Agreement on National Indigenous Housing Information (ANIHI) was signed in December 1999. It is an agreement between Commonwealth, State and Territory Indigenous housing administrators and key data agencies to provide and fund national data development activities. The agreement aims to improve Indigenous housing data collection activities in order to develop a greater understanding of the housing situation of Indigenous Australians and, in turn, improve housing outcomes.

The National Indigenous Housing Information Implementation Committee (NIHIIC) is the management committee established under the ANIHI and manages the work of the National Indigenous Housing Minimum Data Set Sub-committee. The Indigenous Housing Information Management Strategy aims to improve the quality of, and access to, Indigenous housing information at the national level and at the same time maintain and protect the confidentiality of the data for individuals and for the signatories to the agreement.

Source: AIHW 2000b.

The major components of the NHDA Management Group work program are based on four priority policy areas for national data: public rental housing, private rental market assistance, community housing, and Indigenous housing. Indigenous housing priorities are being progressed jointly with the National Indigenous Housing Information Implementation Committee (NIHIIC) which operates under the ANIHI.

The major areas of work under the NHDA are the development of national minimum data sets based on administrative data, the establishment of national data standards and national performance reporting.

Significant progress in the development of national housing data has been made with the establishment of the new performance reporting framework and data collection for public and community housing (see Figure 3.7). This framework was developed specifically for the 1999–03 Commonwealth—State Housing Agreement (CSHA) and avoids duplication of effort by being aligned with the framework used for the Review of Government Services reporting. This has been accompanied by a standardised national financial reporting framework for the CSHA and the development and conduct of two National Social Housing Survey collections covering public and community housing. In 2001, the NHDA Management Group endorsed the first National Housing Assistance Data Dictionary (AIHW 2001g).

The ANIHI will be progressed under the direction of the recently formed Indigenous Housing Standing Committee of the Housing Ministers Advisory Council to address national data requirements, particularly in the acknowledged priority areas of:

- Indigenous housing need;
- viability of Indigenous housing organisations;
- sustainable and healthy housing; and
- delivery of improved housing outcomes.

The compatibility of mainstream and Indigenous housing data with health and community services information are objectives of both the NHDA and the ANIHI. These agreements support relevant work across areas such as priority access to housing services and the links to community services programs such as the Supported Accommodation Assistance Program (SAAP).

3.6 Conclusion

Housing assistance aims to meet housing needs as well as contribute to broader outcomes, such as improved social and economic wellbeing for individuals, families and communities.

Population growth along with changes in household formation and changes in the housing markets have affected the demand for housing assistance. Recent economic and social changes have also contributed to changes in the demand and supply of housing. There is evidence of a change in home ownership patterns indicating that home ownership is occurring at a later stage in the family life-cycle. Also the private rental market has grown faster than other segments of housing but the supply of low-cost private rent has not shown a similar increase.

Housing accessibility and affordability are addressed through a range of government policies and programs. Assistance to private renters is the major form of government expenditure, followed by assistance to public and community housing tenants through the CSHA. Expenditure trends on private rent assistance through the CRA has shown

an increase over the last ten years in real terms while expenditure on CSHA assistance has been declining. Assistance to first home owners has re-emerged as a major form of assistance to home purchasers.

In the private rental market approximately 940,000 income units receive regular rent assistance through the CRA, with additional assistance being provided under the CSHA. The CRA improves housing affordability after receiving CRA, 41% of income units paid more than 30% of income on rent compared to 75% of income units before receiving it.

Public housing provides assistance to at least 357,000 households through mainstream public rental housing and ARHP. CSHA community housing provides 23,000 households with mainstream housing and over 9,000 households with crisis accommodation. Community housing also provides assistance for a further 19,000 Indigenous households through Indigenous community housing programs operated by ATSIC and individual States and Territories.

Public and community housing is increasingly being targeted to those low-income households who have additional needs that cannot be met by the private rental market. As a result, links between housing providers and health and community support services have increased. Improving housing services for tenants who are homeless or have complex needs is a focus of the 1999—2003 CSHA.

Indigenous households are still over-represented in public and community housing and have below-average rates of home ownership. The quality of Indigenous housing impacts on health and wellbeing. Improving housing and related social outcomes for Indigenous households is a major concern of housing ministers.

Currently there is little consistent national data to contribute to the understanding of how housing and housing assistance improve people's lives. Current data developments are aimed at improving understanding of housing assistance itself and the role that housing plays in the lives of individuals, households and communities.

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