

Choice, Diversity and Coordination: Improving Access to Social Housing

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Introduction

Allocations systems lie at the core of social housing. They determine who is eligible for housing (and who is not), the order of providing assistance, and matching of households with specific properties, as well as affecting all aspects of housing providers' operations including tenancy management, asset planning and management, rent revenue, and ultimately financial viability. This article raises some issues about allocations, which are central to discussions about the future of public housing in Australia. It reports, and reflects, on some of the findings of recent research (Hulse and Burke 2004) for the Australian Housing and Urban Research Institute (AHURI), although it should be emphasised that the views expressed are those of the author not AHURI Ltd.

The Allocations Challenge

Nine in ten dwellings in the social housing sector are owned and managed by eight large State/Territory housing authorities whose allocations policies and practices consequently determine access to most social housing in Australia. Allocation systems in public housing are, however, under significant pressure. In 2002–03 the annual rate of allocations to public housing in Australia was just 33,365 'new households' compared to an annual rate of more than 50,000 fifteen years ago. The current rate of annual allocations is equivalent to only 16 per cent of households on the wait lists for public housing in June 2003 (Hulse and Burke 2004 ch. 4). By comparison, as shown in Table 1, in New Zealand, the annual rate of allocations is 9,885, which is equivalent to 83 per cent of the wait list in June 2003. These are overall figures and there are significant differences between States/Territories/regions and between local areas in both countries.

In Australia, State/Territory public housing authorities have responded to the pressure on their application/allocations systems in two main ways. They have tightened targeting through more restrictive eligibility criteria and by implementing systems that rank households by the complexity and urgency of their 'housing need', giving priority to highest needs households when allocating properties. They have also introduced measures to 'streamline' the administration of allocations such as designating fewer and larger geographic areas for which applicants can express a preference, reducing the number of offers of accommodation, restricting transfers within the public housing system and regular 'cleansing' of wait lists.

These measures are designed to enable households with the most urgent and complex needs to be housed quickly, to clear wait lists, as well as to clear vacant properties, particularly in less popular locations. Whilst they are an understandable management response to the pressures on allocations outlined above, they raise other problems. They reduce choice for households, risk further disadvantaging some communities and raise questions about the respective roles of the public and community housing sectors in a multi-provider social housing system. The rest of this article argues that addressing these problems is critical to the future of public housing.

Choice

Whilst public housing authorities are considering or testing some innovations, many practitioners/managers see allocations systems as bureaucratic rationing of a scarce resource. Some indicate concern about the effects of targeting, particularly about 'who misses out' under targeted systems, but there is also a view that allocations systems are quite 'generous' in enabling applicants to state their zone of preference and accommodation type and that providing more choice for households is very difficult and even a 'luxury' due to pressure of demand on the social housing system (Hulse and Burke 2004, ch 5).

This perspective contrasts with some European countries, which have rethought their allocations systems and introduced significant elements of choice into allocations. This has been such a fundamental change in thinking that it has been described as a 'paradigm shift' from bureaucratic allocations systems to lettings services (Pawson and Mullins 2003: 18). In the Netherlands and the UK, in particular, people registered for social housing can apply for tenancy of vacant dwellings that are advertised publicly (e.g. in local papers and on the Internet). Households bid only for those properties they are interested in. Where there are multiple bids for a vacant property, social housing providers have criteria for deciding between them, such as the age of applicant, length of previous tenancy, date of registration and priority status. Information is then made publicly available on the household type/size, date of registration and priority status of the successful applicant so that households have a clearer idea of their prospects in bidding for future properties.

Evaluations of the so-called 'Delft model' in the Netherlands (reported in English in Kullberg 1997, 2002) and 'choice based letting pilots' in England and Wales (ODPM 2004a, 2004b) found that households appreciate the greater choice, information and control and the ability to make trade-offs between type and quality of housing, location and wait time inherent in these systems. They also see them as generally more open and transparent than previous bureaucratic allocations systems. Households had to be more active in applying for housing but this extra work was generally considered worth the effort. The evaluations found that housing providers also regarded the schemes as being successful in focusing administrative effort only on those who wanted a property and often by reducing vacancy times and vacancy rentals. The UK evaluations suggest that the pilot projects worked well both in areas of high and low demand for social housing, despite a fear by many housing practitioners that they would not work in high demand areas.

The main reservation about choice-based systems was whether the most disadvantaged and people from ethnic minority groups understood how the system worked sufficiently to make bids on properties and the support that they might need to do this. Both the Netherlands and UK evaluations were unable to conclude whether these systems improved neighbourhood stability and

Table 1: Allocations to public housing, Australia and New Zealand, 2002–03

	Australia	New Zealand
Public (state) housing dwellings June 2003 (number of units)	348,012	64,399
Wait list June 2003 (households)	208,056	11,848
Annual allocations 2002–03 (households)	33,365	9,885
Wait list as a percentage of dwellings	60%	18%
Annual allocations as a percentage of wait list	16%	83%
Annual allocations as a percentage of dwellings	10%	15%

Sources: Australia — calculated from SCRGSP 2004 Table 16A.1;
 New Zealand — calculated from HNZA 2003: 2, 11.

sustainability. Notwithstanding these qualifications, the UK government has decided that a quarter of all local authorities in England should have choice-based letting systems in place by 2005 and 100 per cent by 2010 (ODPM 2004a: 22).

Should public housing authorities in Australia be concerned about improving choice? This is partly a question of attitudes, about a change in role from a paternalistic landlord, which makes decisions for households towards a model in which people make their own decisions within the constraints of what is available. Depending on one's view, this can be seen as the introduction of a market model into public housing (for better or worse) or as empowering households and reducing 'welfare dependence', or a combination of both. It is reasonable to assume, and the overseas evaluations support this, that people can make better and more finely tuned decisions for themselves than the best trained housing worker could do. They can only do this, however, if there is a commitment to providing accurate and publicly available information so that they can make their own trade-offs. This represents a significant change in thinking from much current practice in Australia.

Diversity

Public housing allocations systems are specific to each State and Territory, do not generally differentiate according to local housing markets or conditions ('one size fits all'), and aim at 'horizontal equity', that is treating households in similar circumstances in the same way. The commitment to equity has been a strong driver of the very detailed allocations policies and procedures developed by public housing authorities.

The downside of these characteristics, exacerbated by greater targeting, is that allocations affect the composition and potentially the capacity of local communities with quite different housing markets and social and economic conditions. There is a paradox when public housing authorities have initiated urban/community renewal projects in some socially and economically disadvantaged areas but do not consider local factors when making allocation decisions.

Again looking overseas, there has been a general move towards greater local diversity in allocations. In the US, allocations are being used as a tool to introduce greater income and social mix into run-down public housing estates (Crump 2003). In the UK, many social housing agencies have developed local lettings policies or plans that enable them to either relax or tighten allocations policies and practices for specific estates or neighbourhoods. These local lettings plans have a number of objectives including sustainable tenancies, 'balanced' communities, letting housing in low demand areas, improving tenant satisfaction and excluding potentially disruptive tenants (Pawson and Mullins 2003).

One of the challenges for public housing is to design local allocations policies that do not compromise their other objectives. Public housing authorities already have de facto local wait lists and it would be relatively simple to develop criteria for allocations that suit particular estates or areas. There are also obvious dangers such as discrimination, failure to house those most in need, 'blacklisting' people with a poor prior tenancy record, and restricting household choice.

Coordination

Targeting to households with the most urgent and complex needs raises issues about the role of public housing compared to community housing. After all, many community housing agencies were established precisely because public housing did not address the needs of these households and/or to develop alternative models of management. If the target group for assistance is similar, this raises issues of coordination of access as we move towards a more explicit multi-provider system.

The community housing sector currently provides one in ten social housing dwellings and comprises a large number of very small providers. There were more than 1200 community housing providers responsible for almost 30,000 dwellings in June 2003 an average of 24 units per provider (SCRGSP 2004 Table 16A.15). To add to this complexity, there is also an emerging 'affordable housing' sector of larger providers partly in response to the needs of households who are ineligible for, or unlikely to be offered, public housing as a result of greater targeting. Under the current system, each provider has its own eligibility criteria, means of assessing the relative priority of applications and criteria for matching households and properties.

Multiple providers offer households more choice in type, size and location of housing and in management type but getting access can be quite daunting. This involves finding out what is available from different providers and their eligibility criteria, filling out multiple applications forms and providing the same information and documentation several times. Both public housing authorities and peak organisations in the community housing sector (particularly in South Australia and New South Wales) are grappling with the complexities of access in a multi-provider system.

Overseas, we have seen quite significant changes to enable more coordinated access in multi-provider systems. 'Common housing registers' are being heavily promoted in Scotland and to a lesser extent in England and Wales. In Canada (Ontario) centralised wait lists for social housing providers are compulsory. These reforms aim at providing one point of registration for people seeking social housing and a common database from which households can be drawn when providers allocate properties.

The overseas examples raise issues that are relevant in the Australian context about the nature of partnerships between social housing providers, appropriate geographic areas for wait lists, and means of negotiating roles and responsibilities of public housing agencies and larger community housing providers in applications/allocations, as new funding and regulatory regimes are implemented. At a practical level, the examples from overseas also raise a myriad of questions about the finances, people skills and information technology required to implement initiatives to improve access to social housing (Scottish Executive 2004).

The Future

This brief reflection on allocations proposes that three issues must be addressed to ensure a strong future for public housing. Firstly, a responsive and efficient public housing sector must improve choice for households, moving away from paternalistic and bureaucratic allocations systems. Secondly, a flexible public housing sector will require allocations policies/practices that respond to differences in local housing markets and conditions, moving away from 'one size fits all' allocations systems. Thirdly, public housing authorities will need to work in genuine partnerships with a range of community housing providers to coordinate access to social housing. This will require delineating between their role as housing providers and those of developer, funder and regulator of the social housing sector overall. ■

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