



Brotherhood
of St Laurence

Working for an Australia free of poverty

Submission to the
Victorian Government consultation
**Pathways to a Fair and
Sustainable Social Housing
System**

Brotherhood of St Laurence

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The Brotherhood of St Laurence is an independent non-government organisation with strong community links that has been working to reduce poverty in Australia since the 1930s. Based in Melbourne, but with a national profile, it continues to fight for an Australia free of poverty, guided by principles of advocacy, innovation and sustainability. Our work includes direct service provision to people in need, the development of social enterprises to address inequality, research to better understand the causes and effects of poverty in Australia, and the development of policy solutions at both national and local levels.

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1 Introduction

The Victorian Government’s discussion paper on social housing provides an opportunity for difficult conversations that are necessary if we are to gain the Victorian community’s support for the long-term solutions that are required.

The Brotherhood of St Laurence welcomes the Government’s public consultation on two discussion papers, *Pathways to a fair and sustainable social housing system* and *Social Housing: a discussion paper*, on the options to improve the supply of quality housing.

Many challenges exist in providing appropriate housing assistance for disadvantaged people, but to this point there has been little rigorous analysis or robust debate with a long-term solution in mind. We also note that much of the discussion in *Pathways to a fair and sustainable social housing system* is about circumstances that have been known for many years – long waiting lists, increased use by recipients of government income support, declining rental revenue, old stock, a maintenance backlog and a mismatch between housing stock and the profile of people needing social housing assistance. The development of a new housing framework is an excellent opportunity for analysis and debate about solutions to these long-term problems, with a view to ensuring all Victorians are able to live in secure, affordable housing as one of the crucial underpinnings of social and economic participation in the mainstream life of the community.

We also note that a sea change is required in the way social housing assistance is considered. Broadly, government agencies concerned with social housing focus on financing and property management and insufficiently on tenants’ needs – although this is starting to change. In the welfare sector, advocacy has tended to be dominated by a housing rights approach with insufficient attention given to the actual human outcomes across the life course under current arrangements, and to the tough dilemmas faced in making best use of a scarce public good. Instead, we need to frame this debate in terms of the changing nature of the housing assistance that people need to build a good life for themselves in the context of the modern Victorian society and economy.

We acknowledge that this involves consideration of difficult issues that necessitate difficult conversations – conversations that have been put off for too long. However, without taking this opportunity to have these difficult conversations, we are unlikely to gain the Victorian community’s support for the long-term solutions that are required.

2 Rethink social housing assistance in our changing society

Social housing policies need to better reflect the dramatic economic and social changes that have taken place in Victoria over the past 30 years. At every point the efficacy of our social housing policies needs to be assessed according to the extent that they facilitate or hinder economic, social and civic participation.

Changes in our society and economy over the past three decades require a rethink in how we deal with disadvantage, including in the provision of housing assistance. The starting point should be the recognition that the vast majority of Victorians secure their wellbeing firstly through participation in the paid workforce, and secondly through social and civic participation. At every point the efficacy of our social housing policies needs to be assessed according to the extent that they facilitate or hinder these forms of participation.

Looking forward over the next two decades, the ageing of our population and the decline in the proportion of people of workforce age are likely to present fresh opportunities for disadvantaged people to get a job. Employers will become more inclined to consider recruiting labour among the disadvantaged. However, at the same time, the shift to a more knowledge and services-based Victorian economy will mean a greater premium is placed upon the education, skills and social networks of its workers. This introduces new risks for those lacking these capacities.

Whilst we see Australia's broader welfare policies beginning to make a long overdue transition from the time when a simple safety net was adequate until, for example, an unemployed worker found a new job, aspects of our social housing policies still reflect those earlier times. As in broader welfare policy, much greater emphasis needs to be placed on the way in which social housing assistance can facilitate and provide incentives for economic participation. For people of workforce age this will require social housing assistance to be far more integrated with other policies and programs administered by both the Victorian and the Commonwealth governments. Apart from the benefits gained by the individual recipients of social housing assistance, Victoria stands to benefit from improvements in its human capital, less prolonged demand for social housing assistance and a reduced call on health and other community support programs.

3 Role of social housing

The role of social housing can only be sensibly defined when it is considered as part of the broader housing market and the support governments provide to that market. For people with the capacity and of an age to work, social housing needs to be seen as a component of a transitional system in which crisis, social and community housing are linked into affordable housing options in the private rental and home ownership markets, with the flexibility in place to respond to changing needs and life circumstances.

The availability of stable housing that serves as a basis for participation in mainstream life is essential for Victorians to be able live lives of common decency. As a consequence, it falls to governments, state and Commonwealth, to do everything within their power to ensure all citizens have the opportunity to secure housing that is of a decent standard, affordable within their means and appropriate to their needs. The vast majority of Australians receive government support in securing their housing either directly or indirectly through grants and transfers in their favour,

through taxes forgone and, in the case of social housing, through concessional rents. The extent of government support varies with the form of tenure and with individual circumstances.

We contend that the role of social housing can only be sensibly defined when it is considered as part of this broader housing system and the support governments provide to it. That the social housing portfolio in Victoria makes up as little as 4 per cent of total housing stock leads almost inevitably to the reactive policy settings that we have seen in recent decades. These see the social housing portfolio as accommodating concentrations of tenants with the greatest complex needs and paying low rents. Consequently, for those with the capacity and of an age to work, social housing needs to be seen as a component of a transitional system within the broader housing market. Crisis, social and community housing would be linked into affordable housing options in the private rental and home ownership markets with the flexibility to respond to changing needs and life circumstances.

This necessitates a much stronger focus on the human outcomes of social housing policies, with particular recognition that the housing assistance people require varies significantly across the life course. In other words, the role of social housing should vary according to their personal circumstances at particular life stages with the objective of facilitating economic and social participation appropriate to that stage. This may mean, for example, that social housing policies relating to the design of the built form and to allocations, tenure and rents would vary according to the life stage of tenants. This is further discussed in section 8 below.

Within this approach we recognise that many people will need social housing assistance for the rest of their lives. In particular this will include disadvantaged age pensioners and people with significant disabilities. The ageing population and the changing mix of social housing tenants to include a higher proportion of people who in earlier times were housed in institutions mean that there will always be a sizeable group who need social housing indefinitely. The focus for this group should be to ensure retention of their housing and to maximise their social inclusion – their opportunity to participate fully in the life of our society.

However, for other people of workforce age social housing will be seen as a transitional tenure tied to a package of assistance to obtain education, skills and access to services such as child care, all designed to maximise their chances to secure employment and to be less dependent on the availability of social housing. We note that this is in keeping with the policy direction outlined in the Victorian Department of Human Services' recent report, *Human services: the case for change* of 'unlocking potential and enabling people to build better lives for themselves and their families' (DHS 2011, p. 4).

The consultation paper raises legitimate issues about waiting lists, tenure and rents with a focus on reducing the operating deficit and increasing tenant turnover and in turn reducing the waiting list. Of course these are difficult issues that need to be analysed carefully and debated fully. However, analysis and discussion are also needed on the level of public funding needed for housing, firstly to ensure long-term stable accommodation for those who need it, and secondly to assist tenants with the potential for employment to build the skills and capabilities to obtain decent work and move into private housing.

4 Broader housing issues

The long-term solutions to the problems currently faced by the Victorian social housing system in large part depend upon the establishment of a National Housing Policy framework by the Commonwealth and state governments. Without such a framework, efforts to rectify the problems in the social housing system will have limited impact.

Consistent with our view that social housing should not be considered in isolation, we contend that it must be seen as part of a National Housing Policy framework in which the Victorian Government plays its part.

The core goals of a National Housing Policy framework should be to achieve housing outcomes for people on low incomes that are affordable, secure and appropriate to their needs. Such goals will recognise that as individual circumstances vary so will the level of housing assistance they require.

This national framework would need to involve a shared commitment to national housing objectives by the Commonwealth and State Governments, including joint agreement on the levels of assistance to be provided by both levels of government, with a commitment to national needs assessment, supply targets, performance-based goals related to outcomes, and consumer safeguards. Any housing assistance framework should also ensure that the current public housing assets are retained for use within the social housing system.

The goal of affordable housing has long been recognised in Australian housing policy and incorporated into successive Commonwealth–State Housing Agreements over the past 50 years. In the past 20 years governments have generally adopted the affordability benchmarks of the 1991 National Housing Strategy, which recommended a percentage of income, namely 30 per cent, as the definition of affordability, with a lower benchmark of 25 per cent for long-term renters.

Any rental or capital subsidy provided by the Commonwealth or state governments to social housing or to the private rental market must be adequate to meet these goals. This is further discussed below in section 7. A desirable reform to current housing assistance arrangements would be for the Commonwealth Government to take full responsibility for the delivery of a national rental subsidy to both social housing and private tenants in order to meet housing affordability benchmarks. Public housing tenants should continue to pay no more than 25 per cent of their income in rent.

Addressing problems of affordability in the broader rental market is critical in ensuring people have realistic options available to them when consideration is given to moving from social housing. Demand for social housing and exit rates from it are largely dependent on conditions in other forms of tenure, such as privately rented properties and properties that are owned or mortgaged by the occupiers. Put simply, a larger supply of affordable private housing reduces the demand for social housing.

Yet we see that rental affordability has worsened, especially for those on the lowest incomes. Nationally the rate of rental stress in the bottom 40% of households by income jumped from 37.2 per cent in 2007–08 to 41.7 per cent in 2009–10 (COAG Reform Council 2012). Renters in the bottom 40 per cent of incomes contended with an estimated shortfall of 539,000 rental properties that were both affordable and available in 2009–10—equivalent to 60 per cent of underlying demand (National Housing Supply Council 2012).

For private tenants this situation is exacerbated by the relatively short-term leases offered to them.

Despite measures such as the National Rental Affordability Scheme, which provides annual incentives to investors over 10 years to rent properties to moderate-income households at below-market rents, the supply of social and subsidised rental housing was estimated to fall short of demand by 100,000 dwellings in 2010 (National Housing Supply Council 2010).

And while it is primarily a Commonwealth responsibility, the way in which taxation affects the housing system would need to be considered as part of a new Commonwealth–State agreement within a National Housing Policy framework. The distortion in housing supply created by current taxation measures has been acknowledged, yet much-needed reforms that would stimulate greater supply of affordable housing for low-income households are still to be implemented.

5 The case for privileging social housing in urban planning

Housing is a key element in the quality of our lives and the liveability of our neighbourhoods, towns and cities. Planning approaches, by accident or design, contribute to the extent to which Melbourne and regional centres are environments conducive to full participation in economic and social life. The Government should use planning policies to ensure that affordable housing for low-income households is close to employment and services such as education.

Urban planning policies have an important role to play, both in setting the price of housing and in determining the degree of social mix in communities and the degree of ‘connectedness’ that allow low-income households the opportunities to build themselves a good life. Poor quality housing and poor urban environments can result in increased segregation, greatly reduced access to employment opportunities, low rates of educational attainment and increased unemployment. These urban environments not only create hardship, they also entrench poverty and disadvantage amongst the people who live there.

Our housing and urban policies must therefore not only provide accommodation for low-income Australians, but also put services, education, training and employment opportunities within their reach. In a state that seeks to enhance its comparative advantage in its human capital, this should be seen as an economic objective as well as a social objective.

A key economic and social planning goal for the Victorian Government should be to encourage the development of affordable housing close to expanding labour markets. An important objective of land use planning is the provision of appropriate housing for all segments of the community and affordable housing targets need to be set at regional and local levels.

We believe that it is time for the Victorian Government to look for ways to privilege social housing in its urban planning policies. This may involve the introduction of some form of inclusionary zoning, particularly in the well-established areas of metropolitan Melbourne that are rich in jobs and services.

For example, in certain areas developers may be required to make available a percentage of dwellings to low-income households in new residential developments. This could be a requirement to build affordable units either within the development or nearby. Upon completion these can be handed over to a housing association for management. Another approach would be for developers

to contribute to an affordable housing fund which could be used for this purpose. In return, they could be given compensation in the form of density bonuses or zoning variances that are consistent with state and local planning schemes. We note, however, that this option does not necessarily lead to a desired level of social mix.

We note that inclusionary zoning has produced good outcomes in more than 200 jurisdictions in the United States. In California alone, more than 34,000 units of affordable housing have been created.

The Victorian Government also needs to play a role in securing affordable housing in new housing developments to increase housing supply. This can be achieved by targeting capital subsidies to housing associations to provide affordable housing in areas of high employment growth but limited affordable housing supply.

6 Addressing unemployment and social exclusion among public housing residents

For the unemployed and underemployed and for parents in receipt of Commonwealth parenting payments, the provision of social housing assistance needs to be much more closely integrated with employment assistance. This will require a substantial reorientation in how social housing assistance is delivered and a much closer collaboration with Centrelink and labour market assistance agencies.

Social housing assistance can enhance participation or hinder it. For example, new analysis undertaken by the Brotherhood of St Laurence has shown that 61% of Australians living in public housing experience social exclusion with 23% deeply excluded – compared to 29% and 8% of private renters (Azpitarte 2012). In part this reflects the ‘targeting’ of social housing to those with high needs. However, with about 30% of public housing tenants (single parents and those in the labour force) receiving a working-age income benefit from the Commonwealth — far too many public tenants still experience substantial barriers to workforce participation despite living in affordable, safe housing with long-term tenures. More intensive assistance is needed to build their capacity to attain sustainable employment and the associated benefits that flow from working. Other mechanisms to encourage workforce participation are discussed in section 8.

Current forms of mainstream employment assistance through the Job Services Australia network still fail to be effective for many highly disadvantaged working-age Victorians living in social housing. A better and more integrated approach between the Office of Housing and Centrelink is required to assist tenants in the labour market through a coordinated plan for undertaking training and finding work, for building financial literacy, and for assistance with overcoming other barriers such as poor health. Centrelink has developed such an approach for disadvantaged youth and long-term unemployed, based on a successful New Zealand model, Community Link, which brings services together under one roof (Horn 2010). This approach should be expanded to include the Victorian Department of Human Services in areas with many public housing tenants in the labour market.

A good local example of this approach is the Yarra Centre for Work and Learning, developed by the Brotherhood of St Laurence with Victorian and Commonwealth Government support, which offers a model of intensive assistance with a better prospect of achieving employment for public housing tenants. The assistance includes personal support, foundation skills building, vocational training and help with finding work through direct engagement with local employers. The research

evaluation of the pilot found significant unmet demand for employment assistance from jobseekers who were not well connected to the Job Services Australia system: 1,755 people in the first three years, two-thirds (65%) of whom were public housing tenants. Forty-one per cent of public housing clients were successfully assisted into paid jobs (Brotherhood of St Laurence 2012). The Brotherhood is now assisting the Victorian Government to replicate the Centres for Work and Learning, with promising early results, in five social housing communities. Ideally, in the longer term, such centres with their integrated approach to assisting jobseekers would be ‘mainstreamed’ and incorporated into public housing service infrastructure.

Such policy shifts will require a substantial shift in programs and work culture in the Victorian Department of Human Services, Centrelink and labour market programs, well beyond the steps both the Victorian DHS and Centrelink have already taken in this direction.

Another measure to increase employment among public housing tenants is to expand social procurement—giving priority for government contracts to those organisations that train and employ disadvantaged people. Socially responsible purchasing provides a valuable opportunity to open up work experience opportunities and job pathways for public housing tenants. This is already taking place under the Public Tenant Employment Program (PTEP), which helps public housing residents across Victoria gain the hands-on experience and training they need to get into the workforce. However, a whole-of-government approach should be developed that builds on the PTEP and other recent initiatives such as the Social Procurement Guidelines for local government, as a key part of workforce diversity measures.

7 Improving the supply of quality social housing

New models of public and private partnerships hold the prospect of upgrading current stock to better match tenants’ needs, engender a greater social mix in communities dense with social housing and reduce maintenance costs. However, without a deeper housing subsidy, these partnership models will not substantially increase the supply of social housing.

Victorians on low incomes face a housing affordability crisis. The number of Victorians who are paying more than 30 per cent of their income in rent and experiencing significant housing stress is disturbingly high. For example, the Victorian Office of Housing’s Rental Report shows that of the dwellings let across metropolitan Melbourne in the March quarter of 2012, as few as 0.3 per cent of one-bedroom dwellings were affordable for low-income singles and only 2.6 per cent of two-bedroom dwellings were affordable for a single parent with one child on Centrelink income. Despite tightly targeted eligibility criteria the number of households on public housing waiting lists has grown and the vast majority of properties in the private rental market remain unaffordable for low-income households.

The argument for greater effort to increase the supply of affordable housing in both the private and social housing sectors is undeniable. Such is the immensity of the task that targets should be set to ensure a sustained and focused effort. Here we suggest a target of increasing social housing in Victoria to at least 5 per cent of all housing stock within the next decade. Without sustained investment, many of the other goals governments have for social inclusion and economic participation will not be achieved.

While the one-off federal Social Housing Initiative launched in February 2009 is welcome, it would need to be sustained over at least a decade to have any impact on the supply of social housing. In the 2011–12 financial year, social housing in Victoria constituted only 4 per cent of the

total housing stock. Social housing made up a lower proportion of all housing stock in 2010 than in 1996 (Brotherhood of St Laurence 2010).

Turning to the options to improve the supply of quality housing outlined in *Social Housing: a discussion paper*, we see merit in exploring options for public–private partnerships and for the transfer of stock to the non-government not-for-profit sector. They appear to hold some potential for the upgrading of current stock to better match need, reducing maintenance costs, and for engendering a greater social mix in communities dense with social housing. There is great value in redeveloping some of our public housing estates in this way. **Attracting private investment and changing the social mix has the potential to create new opportunities for further investment that will generate jobs, while retaining the overall level of social housing stock.**

Such approaches need to be properly assessed for their economic and social benefits. A particular drawback in Victoria is the amount of public housing stock in areas with low market values, so that selling a proportion of a given public housing portfolio releases smaller amounts of capital for improving or building the rest of the property portfolio.

While these strategies appear to hold the potential for improving the quality and the profile of stock and creating greater social mix in communities that have had a high density of social housing, we do not see them substantially increasing the overall supply of social housing unless they attract a deeper housing subsidy. As suggested in section 4 of this submission, a substantial increase in supply will only be generated if the Commonwealth and state governments increase the level of their housing subsidies, through a significantly improved national housing payment and capital subsidies to reshape and expand the supply.

The states have been unable to expand their stock on a sound financial basis because under ‘targeted’ allocation policies the gap between the affordable rent paid by a tenant and a market rent that would sustain their rental operations has only been partly met through the capital funds available. After meeting all the costs associated with running their public rental operations, state housing authorities will at best break even, or more commonly will run at a deficit. A highly targeted public housing system, such as that we now have in Victoria, cannot be expected to be financially sustainable without a subsidy.

We caution that the development and transfer models outlined in the discussion paper will only be sustainable in the longer term and generate an increase in supply if a much more substantial housing benefit is available, such as that which is provided by the British Government to social housing tenants. Australia is one of the few countries in the world where the public housing provider is expected to cover its rent deficits from internal sources. In many other countries tenant subsidies are not funded by housing authorities but come in the form of rental assistance from the local equivalent of Centrelink. Without deeper levels of subsidy, public housing authorities and community housing associations will be unable to borrow funds to reshape or expand their stock, particularly whilst eligibility is targeted to the poorest and most vulnerable households. At current funding levels and debt–equity ratios, we fear that developing new stock will only be achieved by housing providers reducing their overall stock at a time when the supply of affordable housing options need to be expanded.

This difficult situation is exacerbated by the current requirement on the Victorian Office of Housing to pay a dividend to State Treasury of around \$50 million a year. At a minimum this annual dividend requirement should be removed, freeing up funds sorely needed to maintain effective rent subsidies and to assist in reshaping an ageing and mismatched public housing stock.

8 Life-cycle approach to social housing assistance

Social housing assistance for those who need it should differ according to housing needs across the life cycle.

At each life stage, assistance should be designed to facilitate economic and social participation appropriate to that stage. Policies relating to the design of homes and to allocations, tenure, and rents would vary with each life stage. Further, the principles of ‘universal design’ in construction, which take into account changing needs over the life cycle, should be investigated as an approach to ensuring that housing is adaptable to changing patterns of use (Steinfeld 2009).

Variations to tenure arrangements

While two-thirds of public housing tenants are aged or disability pensioners, most of whom will require permanent tenure, the one-third of tenants of workforce age should be considered as needing housing assistance and other support to develop skills and capabilities as they make the transition to a life sustained largely through paid employment.

In line with the aspirations of these people to be employed, and the social housing provider’s aspiration to provide more opportunities for families in need to access public housing, the Victorian Government may wish to consider offering households in this category a time-limited ‘transitional’ tenure of, say, five years. The potential advantages of this approach would need to be weighed carefully against the risk, particularly for families with young children, of dislocation from schools and services and the diminution of supportive social networks. These matters would need to be given careful consideration at regular points throughout the tenure and an effective appeal mechanism would need to be in place.

Tenants in any form of transitional tenure would need to be eligible for the assistance aimed at building their capacities to become employed and thereby better equipped to access housing in the private market, as discussed further in section 6 above. In the final year of the tenancy, advice and assistance in finding alternative housing should be part of the housing assistance offer.

Young people

The form of housing assistance to young people should be shaped by their need to be educated. For people aged 16 to 25 the primary objective of housing assistance should be to ensure they complete their education, undertake vocational training and obtain work experience. The importance to them of completing Year 12 or its equivalent as the basis for making a successful transition to paid work and independence is well known. For these people, new forms of assistance, other than the provision of a social housing unit, are required.

Housing assistance should be integrated with the provision of education, training and work experience and be conditional upon the reasonable endeavours of the recipient to participate in one of these activities. Such ‘student housing’ packages may vary from a simple supplement to Rent Assistance pitched to the realities of the private rental market, to a supplement plus help with negotiating the private rental market, to purpose-built student accommodation located in or near educational institutions. The duration of these packages would be a reasonable period for the completion of education and training and the transition into steady employment.

This approach would necessitate close collaboration between the Departments of Education and Human Services in Victoria, the like of which is currently driving the development of the Victorian Government's Youth Foyer program.

People of working age

As noted earlier, one-third of public tenants are in receipt of workforce-age income payments from the Commonwealth Government. Of the remainder some of those on disability pensions may be able to work again with the right support.

In line with the aspirations of these people to be employed, and the social housing provider's aspirations to see a reasonable turnover of tenants so that more people in need are able to be supported, we suggest households receiving workforce-age payments should be offered a transitional tenure as discussed above.

A key concern of the Brotherhood has been the lack of coherence in the various levers across housing and labour market policies and programs to ensure that public housing tenants have incentives for workforce participation. Currently, households face various disincentives to take up paid work or to increase their hours of work.

Many of the financial disincentives simply reflect policies designed to privilege the most highly disadvantaged in policies relating to allocations and rent. Under a transitional tenure these would need to be relaxed in order to create the conditions that will encourage behaviour change, with more tenants gaining the skills for sustainable employment. Options to be considered might include:

- **Allocations:** relax income requirements while an applicant remains on the waiting list, maintaining initial eligibility criteria. When granted a tenancy, the person's rent would be based upon their increased income (Bodsworth 2010).
- **Rebated rent rules:** levy a fixed rent for the period of the transitional tenure based on 25% of household income at its commencement. Rent would not be varied when household income increased as a result of taking up employment.
- **Financial literacy:** implement financial inclusion approaches as part of integrated support models of services delivery, building on recent initiatives such as the Office of Housing's rent calculator.

Sole parents

Sole parents' caring responsibilities are of utmost importance but if parents remain solely dependent on income support payments for lengthy periods, disconnected from the world of work, it is much harder for them to eventually re-enter the workforce.

Commonwealth Government income support payments for sole parents have been recast as a working-age payment rather than as a pension where the recipient is expected to be out of the workforce for lengthy periods. In line with this Commonwealth shift, sole parents could also be considered for transitional tenancies in public housing, with a possibility of extension subject to independent review and appeals mechanisms, and be helped with training and other assistance to move on when they are able to.

The key issue in reviewing the length of sole parents' tenure is the maintenance of stable housing and schooling for children to ensure their wellbeing and development through their critical learning years, which are all-important for broadening their life chances.

People on disability pensions

It is our understanding that the vast majority of disability pensioners in social housing have a disability that warrants them being offered permanent tenure. While the Commonwealth now regularly reviews recipients' eligibility for disability pensions, and more frequently at a younger age, at this time we believe people on disability pensions should remain entitled to permanent tenure. This position may require review in future years in light of the introduction of a national disability insurance scheme.

Aged pensioners

While most older people are home owners, older renters, public and private, are particularly vulnerable to housing insecurity, caught in a negative spiral whereby they cannot afford to make the transition from paying rent to gaining equity in their own homes. Renters generally have made fewer investments in every asset class, including superannuation, where renters have balances that are approximately one-quarter of those held by home owners (Wood et al 2010).

The National Housing Supply Council (2010) projects that the ageing of Australia's population will more than double the private rental demand from older households over a 20-year period from 146,200 in 2008 to 321,400 in 2028. This will place ever-more pressure on a tight and volatile rental market, and in turn place pressure on social housing. Further, the availability and affordability of both social and private rental housing is a proven factor in determining whether older adults can age in their communities or are required to move into residential care (AHURI 2010).

As with other aspects of housing assistance, stable housing for aged pensioners must be delivered within a framework that involves a shared commitment to national housing objectives by the Commonwealth and state governments, and which takes account of the circumstances of aged pensioners in both public and private rentals.

Aged pensioners in public housing need permanent tenure and support to enable them to live life to the fullest and to continue to make valued contributions to society. Too much public housing stock consists of homes with three or more bedrooms, which are unsuitable for age pensioner couples or singles. There is a role for not-for-profit housing associations in improving dated and inappropriate accommodation for older tenants. As noted above, consideration also needs to be given to adopting policies of building and retrofitting based on universal design as an effective way of making housing stock usable by people of all ages (Steinfeld 2009).

9 From bonds to transition accounts

Carefully crafted incentives can have a powerful impact on attitudes and behaviours.

The discussion paper suggests charging public tenants extra to build up a bond for when they leave public housing, contingent on leaving their property in good condition, and to assist tenants enter the private rental market. In principle we support this idea as a means to encourage responsible behaviour, if the bond is modest, built up over a reasonable time, and subject to the normal safeguards applied to residential tenancy bonds.

Here we think there is relevance in learnings from the Brotherhood's experience in conducting the matched savings scheme for low-income families known as Saver Plus. A joint venture with the ANZ Bank and supported by the Commonwealth Government, it matches parental savings of up to

\$500 towards their children's education. It has proved to be remarkably effective in changing behaviour. Research last year found that 87% of participants continued to save at the same rate or more, two years after completing the program (BSL & ANZ 2011). It is not difficult to envisage how the principles of Saver Plus could be adapted to establish a scheme for transitional tenures that offered financial literacy training and incentives to build a significant savings account that would assist in the transition from social housing.

10 New management arrangements needed

Not-for-profit organisations are well placed to run a social housing system attuned to the outcomes aspired to by those assisted.

Throughout this paper we have stressed the need for policy and practice in social housing to be focused on human outcomes. We believe that not-for-profit organisations are well equipped to deliver such outcomes. They have greater potential for understanding the needs and aspirations of tenants than have more remote government agencies, and have greater capacity to combine stable housing with support that strengthens social and economic participation in mainstream life while also applying the rigour of commercial disciplines.

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