



Final Report

Individualised and market-based housing assistance: evidence and policy options

authored by

Keith Jacobs, Julie Lawson, Michelle Gabriel and Kath Hulse

for the

Australian Housing and Urban Research Institute

at University of Tasmania

at RMIT University

at Swinburne University of Technology

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Authors	Jacobs, Keith	University of Tasmania
	Lawson, Julie	RMIT University
	Gabriel, Michelle	University of Tasmania
	Hulse, Kath	Swinburne University of Technology
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ACRONYMS

ACAT	Aged Care Assessment Team
AIHW	Australian Institute of Health and Welfare
AHURI	Australian Housing and Urban Research Institute Limited
APA	Alternative Payment Arrangements
BBSH	Social Rented Sector Management Decree (Besluit Beheer Social Huursector)
CDC	Consumer Directed Care
CHSP	Commonwealth Home Support Program
COAG	Council of Australian Governments
CPI	Consumer Price Index
DLA	Disability Living Allowance
DPW	UK Department of Work and Pensions,
EIP	Evidence-based Inquiry Panel
FaCSIA	Australian Government Department of Families, Community Services and Indigenous Affairs
FHOC	First Home Owners Grant
FMR	Fair Market Rent
GBP	British Pound
GP	General Practitioner
HB	Housing Benefit
HCA	Housing and Communities Agency, UK
HCP	Homelessness Change Program
HOP	Home Ownership Program
HUD	Housing and Urban Development, US
HV	Housing Vouchers
IBA	Indigenous Business Australia
KHW	Dutch Quality Centre
LDP	Liberal Democratic Party
LHA	Local Housing Authority
MoU	Memorandum of Understanding
MTO	Moving to Opportunity
MTW	Moving to Work
NDIS	National Disability Insurance Scheme
NGO	Non-Government Organisation
NHF	National Housing Federation
NL	Netherlands

NPAH	National Partnership Agreement on Homelessness
NSW	New South Wales
PGB	Personal budget (Persoonsgebonden)
PHA	Public Housing Authorities
PRA	Private Rental Assistance
PRS	Private Rental Sector
PS	Payment Standard
RA	Rent Assistance
SOMIH	State Owned and Managed Indigenous Housing
SRS	Social Rental Sector
SVB	Sociale Verzekeringsbank
TAFE	Technical and Further Education
UC	Universal Credit
UK	United Kingdom
US	United States of America

EXECUTIVE SUMMARY

New directions in social policy

There has been considerable innovation in social policy in many developed countries since the mid-1990s, with a move towards more individualised packages of support for people who require assistance due to older age, disabilities, health issues and a range of other vulnerabilities. The aims of such reforms are to: give people greater control over their own lives; promote personal responsibility; develop a diverse range of services which can meet needs in a more customised way; diversify service provision through the involvement of a range of private and not-for-profit providers; and make government assistance more cost-effective. They can be seen as a move away from what have been considered inflexible and costly supply-driven systems.

The ideas that underpin this reform can be loosely grouped into two strands:

1. The integration of market mechanisms into what were formerly public services. This includes both supply-based measures (e.g. competition between public, not-for-profit and for-profit providers) and demand-based measures to promote consumer choice (e.g. individualised budgets in age care), which aim to drive efficiency and innovation.
2. Welfare reform that moves away from universal services and towards highly differentiated welfare support. This includes refocusing service delivery using case management approaches to ensure customisation and coordination of assistance to vulnerable people, and measures to encourage self-reliance and personal responsibility (e.g. time-limited assistance).

This report documents innovation and renewal in housing and care-related services and considers the options for policy-makers to establish forms of individualised and market based assistance.

Housing assistance and individualised welfare

Historically, Australia has provided assistance to households through taxation concessions and grant schemes as well as supply side measures exemplified by public housing. In recent years, however, while government retains a major role in public housing provision, there has been increasing diversification of provision to include:

1. A broader social housing sector comprising of not only public housing, but also increasingly a range of community housing organisations, including those focused on housing for Indigenous people.
2. Some disentangling of the 'housing offer' component (e.g. fixed term tenancies of different lengths).
3. Some market segmentation (e.g. between social and affordable housing).
4. Growing recognition of the critical role of the private rental market in addressing unmet demand for housing assistance with a greater reliance on federal rent assistance payments to private renters and customised state/territory initiatives to assist people into private rental housing.

This research aims to provide Australian housing policy-makers with an informed assessment of the benefits and risks associated with extending individualised and market-based forms of support for low-income and vulnerable households.

The Evidence-based Inquiry Panel

The AHURI Evidence-based Inquiry Panel (EIP) on 'Individualised forms of welfare provision and reform of Australia's housing assistance system' is based on three interrelated sub-

projects: (A) a conceptual and policy development framework based on a review of international practice; (B) a quantitative modelling of household demand and review of housing assistance provision/innovation; and (C) a case study based on the National Disability Insurance Scheme (NDIS).

This report is the second publication of the AHURI Evidence-Based Inquiry Panel (EIP). It follows an earlier discussion paper (Jacobs et al. forthcoming), which provided a critical exploration of the concepts of individualisation and choice. It presents the findings of 'supporting project' (A), which was guided by two questions:

1. How could housing assistance policy in Australia respond to, and link with, social policy innovation around individualised welfare assistance?
2. What lessons can be learned from international experiences and examples of extending individualised forms of welfare provision to incorporate housing assistance?

In response to these questions, the research team examined a range of international and Australian case studies relevant to the discussion of possible policy directions for greater individualisation of housing assistance in Australia.

Key findings

The review of international and Australian housing and care-related programs highlights some key lessons emerging from the implementation of individualised housing and social support programs.

Housing programs which are able to offer both demand and supply-side approaches to addressing social policy problems are most effective

The US's Housing First model and the UK's Homelessness Change Programme include demand and supply-side responses to the issue of homelessness. They have provided access to transitional or permanent housing as well as integrated client-directed service responses. This investment has been critical to implementing these models, but the capacity for on-going private investment in the future is uncertain.

It can be discerned from the data collected that programs which focus only on demand are less effective if they do not attend to the often complex reasons for a person's long-term unemployment and social exclusion. An example of this is the US's Moving to Opportunity (MTO) program, which aims to support low-income households to move to areas of greater social and economic opportunity. Similarly, it was claimed that the Dutch programs intended to create vacancies in existing housing association accommodation by introducing rent increases for middle-income social housing tenants to move out of social housing were undermined by the lack of affordable housing options in the private sector.

In Australia, Common Ground and the Foyer models provide clients with access to transitional or permanent housing, as well as integrated client-directed service response. While the Indigenous home ownership scheme is a demand-side response, historically housing assistance for Indigenous Australians has been weighted towards supply-side responses (e.g. provision of Indigenous Community Housing) with Indigenous Australians less likely to access general financial subsidies for home ownership and housing investment.

Provision by private sector providers can generate cost savings but monitoring and regulation of service quality is required

Evidence from service providers in Denmark and the Netherlands indicate that while privatising home care services can deliver some cost savings for governments in the short-term, there are risks of reduction in the quality of services. A competitive culture in a multi-provider setting can undermine the coherence of care and the level of professional coordination. In addition, there

is also a risk of fraud and the subsequent need for increased government investment in regulation of private sector activity.

Service providers in Australia raised further concerns about the move towards individualised models of funding such as CDC (Consumer Directed Care) and the NDIS (National Disability Insurance Scheme), whereby decision-making around care arrangements is the responsibility of clients rather than agencies. For some service provider interviewees, the introduction of CDC has meant that community care providers have reduced flexibility to target, ration and deliver services to a community of people with a mix of support needs. Whilst the value of receiving block-funding is that it provides financial stability for agencies who deliver a service.

Some people have limited capacity to exercise choice and fulfil conditionality requirements

The review highlighted that the introduction of conditionality measures and choice can result in heightened risks for individuals. Transition to the Universal Credit (UC) system in the UK has raised some problems with risks in terms of the capacity of people to meet requirements when they continue to require local support.

In the Australian context, whilst most managers embraced client-centred approaches they also recognised that there is considerable variation in client capacity to navigate complex systems of service delivery. Managers in the homelessness sector raised concerns about the notion of choice for vulnerable client groups, such as ex-offenders, who face discrimination in the private rental market. It was noted that a choice-based approach may increase the need for vulnerable individuals to draw on the support of advocates. Service providers noted that a more effective approach was to develop a partnership approach between client and provider.

Housing assistance clients can participate in service design and delivery but their capacity to be involved varies and requires resourcing and support

Experience of involving housing assistance clients in service design and delivery in the UK has highlighted that this can be effective in terms of empowering clients and improving services, however it requires on-going funding to achieve these objectives. There is considerable variation in tenant capacity and resources and this can inhibit tenant participation in decision-making and local service management. In the Netherlands, social landlords have voluntarily developed a quality standard relating to local service delivery and tenant participation. However, self-regulation has led to variable outcomes.

A long-term commitment is required to work with clients requiring investment in programs over extended periods of time

The international evidence, and Australian examples, indicates that service providers see individualised forms of assistance positively. The focus on clients is considered a good way to ensure that services are carefully targeted and preferable to top-down mechanisms. However, a key finding from the Australian research is that successful assistance programs require a commitment from staff to work closely with individuals. It was recognised that client based approaches require investment in programs over extended periods of time.

Policy development options

Distilling key learning from the overseas and Australian examples, a number of options for policy development could be considered.

Individualised demand-side assistance in conjunction with supply measures

In Australia policy-makers are seeking to simplify the income support system. Currently, individuals in need, who are not living in public housing, receive demand side assistance in the

form of Australian Government¹ rent assistance payments. In Australia, government investment in these demand side subsidies has not elicited an increase in affordable supply for low-income households; indeed, there is an increasing national shortage of affordable rentals. To date, the goal of extending the supply of low-cost affordable supply has proved difficult for Australian and other governments. Some of the ideas to achieve a boost in supply were aired at the Senate Economic References Committee Inquiry into Affordable Housing (Parliament of Australia 2015). Options canvassed included: government bonds, shared equity schemes and the establishment of an affordable housing finance corporation. Any further enhancement of demand-side housing assistance in the private rental sector should be accompanied by measures to increase the supply of housing to low-income households.

Client-focused services and service responsiveness

There is scope for housing providers to be more responsive to their clients. Homeless service practitioners have led the way in making connections between housing and employment, which could be used as a prototype by other housing providers. The key issue is whether to provide housing first and then add individualised support components or to provide support to get people 'housing ready' before providing housing assistance. In either of these cases, it could be possible to develop individualised packages of support comprising housing and other types of assistance, assigning individual caseworkers to work closely with clients in a people-centred (rather than dwelling-centred) approach. It is also important that individuals are involved in making these key decisions if they are to have some choice and regain control over their lives. Packages could involve the private sector as well as the not-for-profit sector, provided that there were clear standards and accountability for standards of service provision.

Involvement of clients in service design and delivery

A further area for policy development is to involve clients in decisions that inform service design and delivery rather than focus only on individualised packages of assistance. This report has provided some examples of how this is done in the UK and the Netherlands. Whilst not yet a strong tradition in Australia, there is potential to develop mechanisms to involve those in receipt of housing assistance not just as clients but as co-producers of services and in the delivery of services. This could entail more systematic input from groups of people as well as resourcing individuals to become involved in designing and delivering services, for example, through the generation of social enterprises.

Sustainable government investment in housing and other forms of assistance

Individualised housing assistance in any of the above scenarios will require government investment. To the extent that services users have multiple needs, and have been out of education, training and employment for a long time, sustained and targeted investment over a long period is required. This investment is necessary in: facilitating access to different types of affordable housing; enabling adaptation of housing to meet individual needs; customising services to meet the needs of particular groups; facilitating support to enable people to sustain their tenancies and to re/engage in social and economic life. It was recognised by managers that successful assistance programs require a commitment from staff to work closely with clients in order to establish relationships that endure.

¹ The Australian Government is the national government in Australia's federal system of government. It is sometimes called the Federal Government or the Commonwealth Government although the latter usage is declining.

1 INTRODUCTION

1.1 Evidence-based Inquiry Panel

This report is the first of three supporting research projects commissioned by AHURI as part of an Evidence-based Inquiry Panel (EPI) to investigate the potential of individualised forms of housing assistance for improving the provision of services for low-income households. The overall EPI examines how housing assistance policy in Australia could respond to, and link with, individualised welfare assistance drawing on lessons from Australia and internationally. The two other 'supporting' projects are (B) a quantitative modelling of household demand and review of housing assistance provision/innovation; and (C) a case study based on the National Disability Insurance Scheme (NDIS).

The report builds on the exploration of ideas about individualisation, market mechanisms and choice that was set out in a discussion paper for the Inquiry Panel (Jacobs et al. forthcoming). Whereas the discussion paper provided a critical overview of these concepts, drawing on scholarly literature in the field, this report is more policy-focussed and considers the options for housing policy-makers seeking to connect with housing and care related innovation around individualised welfare assistance. As requested at the 1st Inquiry Panel held in December 2014, the report also considers some of the supply and cost issues that might inhibit a move towards individualised assistance. The report informed discussion at the 2nd Inquiry Panel meeting that was convened in August 2015. Along with the other two 'supporting' projects, the findings will contribute to the Final output of the Inquiry Panel that will be published in late 2015.

1.2 Aims and structure

This report has three aims:

1. To provide a commentary on individualised approaches to housing and care related assistance undertaken overseas.
2. To collate the insights of a selection of Australian practitioners who have first-hand experience of delivering individualised forms of assistance relevant to housing.
3. To set out some of the options that would be required should policy-makers seek to extend more individualised forms of housing assistance.

The report is structured in the following format. This Chapter (the Introduction) outlines the aims of project, summarises the key conceptual issues that were raised in the first report for the Panel Inquiry (Jacobs et al. forthcoming) and outlines the methods of data collection. Chapters 2 and 3 bring together the findings of the international component of the study by examining the experiences of demand side forms of housing and care related assistance, and client engagement in consumer directed service provision. Chapter 4 discusses Australian examples in areas such as aged care, homeless support, Indigenous home ownership and housing stock transfer, drawing upon the experience of practitioners in the field. Chapter 5 presents the conclusion, which sets out the policy options for housing policy-makers and practitioners.

1.3 Policy context

In the Australian context, housing policy has often been seen as somewhat distinct from other areas of social policy. This mirrors the situation internationally where housing has famously been termed the 'wobbly pillar' under the post-war welfare state (Torgersen 1987). This separation in Australia had its origins in a post-war concern to increase the supply of dwellings for lower income working households and, increasingly from the late 1970s, those whose needs could not be met by market provision. For many years, a separate, specific purpose financial arrangement between the Federal Government and all states/territories set the

parameters for the financing, ownership and management of dwellings funded by the Australian Government. This separation of housing from social policy made sense in the post-war decades, in terms of the focus on providing dwellings, but this rationale weakened as absolute shortages of housing were overcome. It made less sense as the emphasis shifted to people and families, with varied needs for assistance with their housing as well as other types of support.

There are important linkages between housing and income support systems, recognised explicitly since the early 1980s through successive extensions of federal government Rent Assistance (RA) to people in receipt of pensions and allowances and, subsequently, various family payments. One of the challenges of all income support systems is how to deal with housing expenditures that, unlike other expenditure items, vary considerably by rental housing tenure, household type and size, and housing markets (Kemp 2007). It is also increasingly recognised that there are important linkages between housing and a variety of social policy areas including physical and mental health services, aged care, disability services, domestic violence as well as homelessness prevention and education (Reference Group on Welfare Reform 2015; Meagher et al. 2015).

A more contemporary view of housing assistance is encapsulated in the following passage:

Housing is a complex welfare good that supplements and mediates the flow of other welfare goods and services at the household level, making individuals more or less dependent on the state, market and family for the satisfaction of other needs. (Doling & Ronald 2010, p.166)

In addition to the now apparent linkages between housing assistance and social policy, a second major change has been an appreciation that it is important to adopt a broad view of housing rather than focus narrowly on the social housing sector, which at less than 5 per cent of all occupied private dwellings in Australia, is too small to meet the demand from low-income households. In addition, many low-income households are unable to access home ownership and therefore are more likely to be dependent on private rental housing than in the past. Many policy-makers and practitioners would like to see a substantial increase in the supply of social housing but this has not been forthcoming, with the exception of the Social Housing Initiative as part of the Australian government's stimulus package in response to the Global Financial Crisis (GFC) in 2008–09.

These two factors—the linkages between housing assistance and social policy and the role of housing assistance within a 'whole of housing system perspective'—have necessarily brought changes in ideas about how best to provide housing assistance. There has been a questioning of the effectiveness of a top-down, supply-focused system of housing assistance, exemplified by public housing, which was financed, owned and managed by governments. This offered a one size fits all 'housing offer' *via* accommodation for life in dwellings in which rents were controlled as a percentage of household income and did not relate to location, property type/size or quality, and with the expectation that residents could live independently without additional support.

In recent years, while governments retain a major role in public housing provision, there has been increasing diversification of housing assistance to include:

1. Some disentangling of the 'housing offer' component (e.g. fixed term tenancies of different lengths).
2. A greater variety of providers with an increased role for community housing organisations, including those focusing on particular groups such as Indigenous Australians and people with disabilities.

3. Some market segmentation, for example between social housing for those on very low incomes and affordable housing for those who earn too much to be eligible for social housing but too little to access market housing.
4. Growing recognition of the critical role of the private rental market in addressing unmet demand for housing assistance which has given rise to customised initiatives to assist people into private rental housing as well as financial assistance (Rent Assistance).

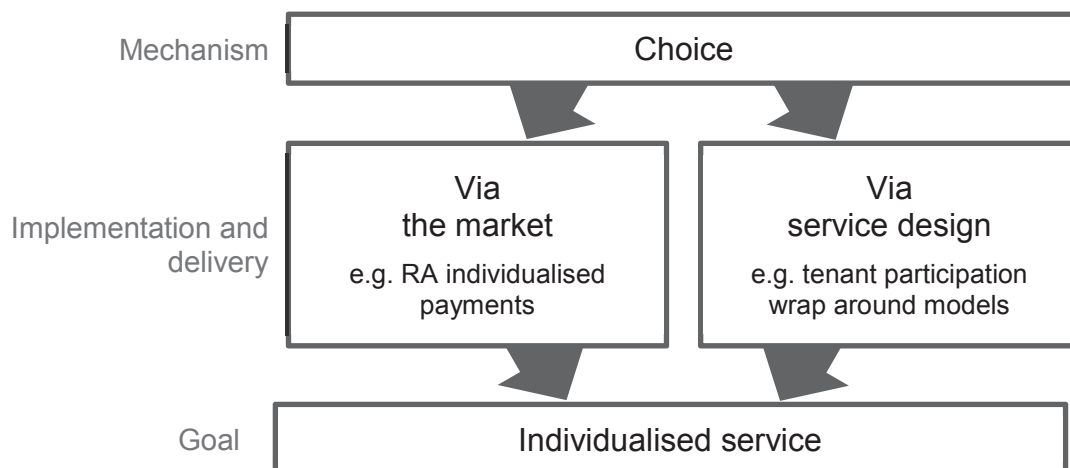
Although not necessarily named as such, it is clear that there has already been some individualisation of housing assistance in Australia. This has entailed an extension of the ‘housing offer’ to include specific programs to assist vulnerable households to maintain their tenancy in both the social and private rental sectors. It has also entailed a variety of schemes to support the access of individual households into accommodation in the private market.

While these new forms of housing assistance bring benefits for some households, the lack of affordable housing options across different tenures (social housing, private rental and owner occupied) generates major challenges for government agencies required to provide support. The challenges for government are compounded because responsibility for housing is currently split between the federal and state governments, which can lead to gaps in budgetary responsibility.

The extension of choice for low-income households is generally perceived as desirable, but the means to achieve this extension is contested. As Figure 1 illustrates, the two main routes to extend choice are:

1. Via the market—to enhance the capacity of consumers to access, and maintain, their housing in the private sector, for example through financial assistance, rental brokerage schemes services to enable people to sustain their tenancies, and through securing an appropriate package of support and services to enable health and wellbeing.
2. Via service design—to deliver programs that are more attuned to individual client needs and which can be customised to meet particular configurations of needs; for example, housing and support with substance abuse, safe housing for women who have experienced domestic violence and support services to enable people with disabilities to live well in the community.

Figure 1: Routes to extend choice in housing provision



Source: Jacobs et al. 2014, p.1

For 95 per cent of Australian households, housing is acquired in the market and consumed as an ‘individualised’ product. The location and the type of dwelling buyers and renters choose is determined largely by income and, increasingly, wealth. In the social housing sector, accommodation is available for those deemed to be in acute need, but choices are constrained

by the shortage of dwellings available. Individualised payments are one attempt to improve choice in accommodation for lower income households.

In terms of service design, as explained in the initial discussion paper (Jacobs et al. forthcoming), organisations involved in homeless provision and support seek to extend choice by adapting their services to align with an individual’s needs. Other forms of choice-based service provision include: participation and co-production activities (in which management attempt to involve the consumer in decision-making processes within organisations); choice-based lettings in social housing; and one-stop shops or common entry points in which individuals are able to access different services from one source.

1.4 Methods and framework for analysis

1.4.1 Methods

In the initial scoping paper for this project (Jacobs et al. forthcoming), and from the advice received from the Inquiry Panel, the research team identified different forms of individualised assistance including: individual payments; individualised service responses and user participation. Table 1 outlines relevant programs from Australia and other countries with similar (the UK and the US) and different (the Netherlands and Denmark) types of welfare regimes to Australia.

Table 1: Examples of the forms of individualised services

	Individual payments to enable people to achieve housing outcomes in the market	Individualised service responses to provide customised housing and support services	User participation in housing management and related areas
Australia	Rent Assistance Private Rental Support Schemes Indigenous Home Ownership Schemes	Wraparound care provision Specialist homeless services Aged care assistance	Tenant and consumer involvement in estate regeneration and housing services
UK	Universal Credit (simplification)	Homelessness Change Program, tailored support to homeless	Tenant involvement in estate redevelopment
US	Housing Choice Vouchers (capped)	Housing First for Homeless—Pathways Housing First, New York	
Netherlands	Individual Rental Subsidy (point system)	Insurance-based Home care (personal budgets and the marketisation of home care)	Tenant involvement in quality of service
Denmark		Homecare—struggle between standardisation and personalisation	Tenant involvement in management, budgets, etc.

1.4.2 Research questions and data collection activities

The two overarching questions that the report addresses are:

1. How could housing assistance policy in Australia respond to, and link with, social policy innovation around individualised welfare assistance?
2. What lessons can be learned from international experiences and examples of extending individualised forms of welfare provision to incorporate housing assistance?

To answer these two questions, the research team undertook two data collection activities.

International experience

In relation to the international experience, the team examined three areas where individual and market rationales have informed program design: rental assistance, housing support and housing management. Interviews were conducted with 15 key informants in the months of March and April 2015 in order to collate insights on the reform process. The nine programs reviewed included: examples of individualised housing payments; individualised service responses in a variety of settings including homelessness and home care programs; and examples of collective tenant involvement in housing management.

The Australian component

In relation to the Australian experience, the team collated the views of policy practitioners across four policy areas where individual and market rationales have informed program design: the introduction of consumer-directed care in the aged care sector; the development of client-centred service responses in the homelessness sector; an Indigenous home loan scheme; and tenant involvement in public housing stock transfers. Interviews were conducted with eight key informants in two states (Victoria and South Australia) in the months of March and April 2015. To ensure the anonymity of those interviewed, the names of organisations involved have not been identified.

1.4.3 Themes for analysis

The themes used for analysing the research data outlined in Table 2 were common to both the international and Australian components of the research. The themes were chosen to encompass the challenges, influences and strategies deployed by agencies delivering welfare reforms.

Table 2: Framework for analysis of international and Australian research

Themes	Issues
The problem	Costs, suitability/quality of the services and effectiveness of provision
Drivers of policy change	Influences on the reform process (managerial, political, financial etc.)
Influential settings	Agencies active in promoting reform
Responsibility of the individual	The extent to which reforms impacted on individuals using services
Implementation strategies	Procedures and mechanisms to deliver reforms
Implemented resources	Subsidies and support available for implementation
Contingent resources	Actions and support of other agencies to deliver reforms
Outcomes	The impact of the reforms for providers and service users

The report uses this framework to present the research findings and there is an additional summary of key lessons relevant to individualised housing assistance in Australia.

2 INTERNATIONAL EXPERIENCE OF DEMAND-SIDE HOUSING ASSISTANCE

2.1 Introduction

In this chapter, we examine developments occurring across three case sites, which provide examples of policy reforms directed at individuals in receipt of welfare services. These are: the UK's Housing Benefit and the move towards a simpler Universal Credit welfare payment; US Housing Vouchers aimed at achieving economic participation outcomes; and regulated rents and housing assistance in the Netherlands. In each of these cases, demand-side support has grown substantially since the 1970s, but evolved quite differently. The rationales for these reforms are to: simplify provision of assistance; reduce poverty traps; and discourage welfare dependence and increase employment participation. These are on-going policy trends, sometimes involving experiments, pilot programs and incremental changes, as well as more radical 'whole system' reforms. A summary of the three schemes and their contrasting dimensions with Australia's system of Rent Assistance is provided in Table 3.

2.2 Housing Benefit and the move towards the Universal Credit system (UK)

The UK housing market comprises a substantial, but deregulated private rental sector (PRS) that has grown rapidly in recent years and also a significant social rental sector (SRS), which includes housing provided by not-for-profit landlords (called registered social landlords) and local authority landlords. The UK Housing Benefit (HB) payment has roots that go back almost a century, when rents were subsidised by local authorities. A modern system was legislated in 1982 and finally implemented in 1988 that affects all forms of rental housing in the private rental and social rental sectors.² It is a national entitlement scheme, funded from taxation. It was paid directly to landlords in the case of social housing tenants and to households rather than landlords in the private rental sector (Kemp 2007).

Housing Benefit is a means-tested benefit available to low income renters and the amount received depends on: income and savings, household composition, rent levels and most recently, the number of bedrooms relative to household type/size. Households with more than £16 000 (A\$34 609) in savings are not eligible to apply. HB provides a significant proportion of rent to be paid, which varies according to Broad Rental Market Areas. In the past, tenants were able to receive benefit to cover up to 50 per cent of market rents but this cap has been now set at 30 per cent of market rents. HB is therefore sharply reduced when tenants pay rents that are above 30 per cent of market rents in their local area. HB recipients now have a more limited choice of rentals than previously.

² 23 per cent of private renters and 58 per cent of social renters receive Housing Benefit.

Table 3: Comparison of rent assistance in UK, US, NL and Australia

Country	UK Housing Benefit and Local Housing Allowance	US Housing Vouchers	NL Housing Allowances	Australia Rent Assistance
Characteristics of rental sector	Substantial deregulated private rental sector (PRS) and also significant and highly regulated social rental sector (SRS).	Substantial deregulated PRS, small regulated PRS and small SRS	Substantial regulated SRS and limited PRS	Significant deregulated PRS and small SRS
% households by sector getting rent assistance	23% of PRS households 58% SRS households	25% of eligible PRS households	5% of PRS households 28% of SRS households	Estimated 15% of all households received RA and 24% of Indigenous households
Purpose	To improve affordability amongst low-income tenants (and purchasers)	To increase purchasing power. To improve choice for renters, encourage labour mobility	To improve affordability of renters of modest rent dwellings	To assist low-income households with their rental costs
Eligibility	Entitlement for low-income private and social tenants	Rationed by local public housing authorities due to funding capped by Congress	Entitlement for low-income households renting below a rent cap	Entitlement for eligible people on pensions and allowances and/or family payments
Amount	Significant but declining proportion of rent paid, reduced from 50% to 30% of market rents in 150 rental market areas (2011)	Payment to landlord is the difference between a Fair Market Rent (FMR) and affordable rent being 30% household income		Proportion of rent paid at 75 cents in the dollar above a minimum rent threshold up to a cap
Payment method	Formerly paid to landlords, it is now paid direct to tenant via social security, unless considered vulnerable to arrears (or 8 weeks in arrears) then paid to landlord	Voucher provided to eligible tenants to search for qualifying housing with quality requirements within 60 days (otherwise returned). Payment provided to landlord thereafter		Paid directly to tenant unless tenant authorises landlord to receive the payment
Administration	National scheme. administered by local authorities, under Universal Credit administered by national government department (DPW)	Volume of funds determined by Congress transferred by federal government to local housing agencies		National scheme administered via national social security system (Centrelink) and funded from tax revenue

Notes: DPW refers to UK Department of Work and Pensions, PRS refers to Private rental sector, SRS refers to Social Rental Sector, LHA refers to Local Housing Authority, FMR refers to Fair Market Rent. Sources: Compiled by from: Crook and Kemp (2014); Hulse et al. (2011). Data on RA rates in Australia sourced from AIHW (2014).

A major driver of change has been the need to reduce expenditure on HB, including the Local Housing Allowance paid to private tenants. This reflects a more general move to reduce

expenditure on welfare payments through a series of major expenditure cuts and significant reforms in the past four years, within the context of fiscal austerity. The previous Labour government proposed the introduction of Universal Credit (UC) with the 2010 White Paper *Universal Credit: welfare that works*. With the slogan ‘making sure work pays’, UC aimed to make the benefit system fairer and more affordable, reduce poverty, unemployment and welfare dependency, and reduce levels of fraud and error. These changes are similar in direction to proposed reforms in Australia (Department of Social Services 2015).

In 2010, the UC system was piloted in selected areas under the Conservative-led Coalition Government (2011–15). The UC system combines six different payments including the Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, the income-based Jobseeker’s Allowance, and the income-related Employment and Support Allowance (NHF 2014).³ Under the Coalition, UC was reframed as being more conditional: those able to work must show a willingness to do so and sign Job Search contracts incorporating various targets and different levels of sanctions for missing these.

In relation to rental assistance, the UC is intended to eventually replace the UK Housing Benefit. Rather than local government allocating housing allowances or transferring HB payments to social landlords, housing assistance will be rolled into one payment and applied for online at the UC website by the tenant with any issues dealt with via a call. It will also be paid monthly rather than weekly and directly to the recipient’s account. According to the UC implementation report in 2014:

Universal Credit further promotes personal responsibility by paying the housing element directly to the household, which is then responsible for paying the rent to their landlord. This is in marked contrast to the legacy welfare system, where many claimants who rent from social landlords have no responsibility for paying their rent. By getting claimants used to managing rental payments while out of work, another potential barrier to taking work is removed. (Department of Work and Pensions 2014, p.9)

In response to concerns raised about the risk to incomes of reduced or non-payment of benefits and subsequent rent arrears, the system was revised for tenants who fall one or more months in arrears. Alternative Payment Arrangement (APA) was put in place to provide counselling and permit payments to be made directly to landlords.

³ Universal Credit will not include Disability Living Allowance (DLA) or Carer’s Allowance. The Welfare Reform Act replaces DLA with Personal Independence Payments, which will also be excluded from Universal Credit NHF, 2014 <http://www.housing.org.uk/policy/welfare-reform/universal-credit/>.

Table 4: Dimensions of UK welfare and housing assistance reforms

Dimensions of individualisation approach	UK welfare and housing assistance reforms
The ‘problem’	Perception that welfare expenditures are too high, under-occupation of social housing (elderly couples in family units), culture of dependence. Real poverty traps and barriers to work, complexity and multiplicity of welfare administration.
Drivers of policy change	Cross party support for simplification of assistance and reduction of poverty traps under UC. Welfare reduction, big society and localism are Conservative policy approaches. Key role for Job Centres in reducing welfare assistance.
Influential settings	Influential Centre for Social Justice worked closely with Conservative party leadership and executive of national government Department of Work and Pensions to drive major administrative and cultural changes across multiple welfare providing bureaucracies. Housing Association sector influenced implementation of reforms, such as APAs for vulnerable tenants and protocols for personal information data sharing between UC call centres, Job Centres and Housing Associations.
Responsibility of the individual	Significant increase in responsibility of individuals in making online application and fulfilment of Job Centre contracts (applications, interviews, training).
Implementation strategies	Combined online payments administered via call centres and payments linked to personal contracts managed by job centres with incentives to move people into work and reduce payments via sanctions.
Implemented resources	Significant and difficult to contain IT resources (subject to scrutiny of national auditor), re-organisation of welfare bureaucracies, and retraining of Job Centre staff.
Contingent resources	Increased role for Housing Associations and Citizens Advice Bureaus in advising and assisting tenants to negotiate UC and Job Centre bureaucracies. Emergency social funds of local councils have been called on, but their welfare budgets also cut. There has been increased reliance on social networks and informal lending to address shortfalls in household budgets. The rate of arrears amongst some implementing housing associations has changed to unsustainable levels.
Outcomes	More high rent areas inaccessible for low-income households due to 30% rule and benefit cap (27% decline in private renters claiming housing benefit in central London since cap while increases in more affordable outer areas, DPW data). Under UC, assistance lower, less secure and requires active and intense role of person receiving assistance to deal with UC call centres and Job Centres to avoid reduced or cessation of payments.

Sources: DWP 2014, fieldwork interviews April 2015

2.3 Insights for Australia from welfare reforms in the UK

As highlighted above, the UC system was piloted in four local authorities. In their review of early demonstration projects, Kemp et al. (2012) identify major outcomes to date. These can be summarised as follows:

- The major problems for tenants are the effects of what some have termed the ‘bedroom tax’ (that reduces benefit entitlement for tenants living in properties with more bedrooms than deemed necessary), overall benefit cap, indexing pensions at 1 per cent (below CPI) and potentially freezing of benefits, especially in high cost and high rent areas such as

London. These problems have led to an increased reliance on family and social networks, as well as poorly regulated payday loan companies, to make ends meet.

- The online, call centre based mechanism for applying and receiving monthly payments (online) has been problematic for people with disabilities and the elderly.
- For vulnerable tenants, direct payment to landlords has been introduced and its performance in reducing arrears is being closely scrutinised by landlords and was found cumbersome and inadequate to address rent arrears according to an interview with the Manager of Revenue of a large housing association.
- Costs of designing and implementing a shift from multiple agencies providing benefits to a single system have been significant and difficult to contain according to National Audit Office.
- Establishment of UC call centres and retraining of Job Centre coaches to take on a more contractual management role (including targets and bonuses for staff processing applications quickly) has been time-consuming and costly.
- Monthly entitlements replace multiple small weekly payments. The implementation of this change has 'one off' administrative costs, but earlier pilots had suggested that these costs will decline over time as the reforms are rolled out (Interview senior housing researcher 2015).
- In one of the few 'roll out' areas of online monthly UC payments, a housing association had to undertake intense tenant contact (four times previous levels) and costly call centre backup (timed calls) were required to minimise any unnecessary loss of tenant income. Despite the intense efforts of staff, revenue for landlords has dropped by 15 per cent and could threaten the viability of housing agencies in the short to medium term according to an interview with the Manager of Revenue of a large housing association.

2.4 Housing Vouchers (US) tied to work and opportunity

In the US, Housing Vouchers (HVs) are a payment to qualifying private (for-profit or not-for-profit) landlords accommodating low low-income tenants (including the working poor). They are the main form of federal housing assistance in the US today alongside Low-income Housing Tax Credits (LIHTCs). The important point is that they are a separate housing payment and not embedded in the social security system.

Vouchers were introduced in the US during the 1970s⁴ as a means of improving housing quality among private landlords and increasing choice by providing an alternative to public housing for tenants. HVs have since become increasingly targeted to poorer recipients. Over the past two decades, there has been a series of changes to the implementation of HVs to address concerns about the role of housing assistance in the spatial concentration of poverty (Olsen 2014).

Unlike other forms of welfare assistance such as food stamps and Medicaid, HVs are not an entitlement and they are not provided to all eligible households (Olsen 2014). The total expenditure on HVs is authorised by Congress and distributed to some 4000 Public Housing Authorities (PHAs), with target household incomes and local area payment standards set by PHA. The PHA determines the amount needed to rent a moderately priced dwelling unit in the local housing market (Payment Standard [PS]) and that price is used to calculate how much assistance is required. This is calculated as up to 100 per cent of remaining amount after 30 per cent of household income has been paid towards PS rent and utilities. Under certain authorised circumstances, a family may use its voucher to purchase a modest home. Once a tenant receives a HV, they have 60 days to find accommodation in the private sector.

⁴ They were originally Rent Certificates and are often known colloquially as 'Section 8s'. They are termed housing choice vouchers by the US Department of Housing and Urban Development.

In 2014, 2.1 million households received HVs. It is estimated that vouchers reach only 25 per cent of all eligible households (Fischer 2014, p.4). As demand outstrips supply there are long waiting lists and lotteries are commonly used to allocate vouchers to eligible households. Following extensive cuts in 2012, as many as 70 000 households were deemed ineligible for HVs. However, one-off emergency funds were approved by Congress to assist PHAs deemed to be in crisis (Fischer 2014).

There have been two initiatives in relation to HVs that are relevant for consideration of individualisation in Australian housing assistance policy: Moving to Opportunity (MTO) and Moving to Work (MTW). In 1993, MTO was launched as an experiment to test the impact of HVs together with tenant counselling and pro-active landlords moving low-income households out of public housing to areas of higher socio-economic advantage (Schwartz 2015, pp.247–249). The experiment had the dual purpose of ‘deconcentrating’ impoverished areas and improving the well-being of low-income households through relocation. A second initiative, MTW, loosened the rules applying to the use of HV funds and enabled around 30 (out of 4000) local public housing authorities to combine federal funds for capital investments, operating costs and demand assistance and use them for a range of housing purposes, set their own eligibility criteria and define different payment standards.

Evaluations of MTO and MTW efforts to disperse poverty and improve the opportunities of low-income households have identified mixed outcomes (De Luca et al. 2013). Despite a lack of evidence and inconclusive findings, Congress may expand the MTW approach substantially (Schwartz 2015, p.448).

Table 5: Dimensions of US Housing Vouchers, work and opportunity schemes

Dimensions of individualisation approach	US Housing Vouchers (HV), Move to Work (MTW) and Move to Opportunity schemes (MTO)
The 'problem'	Limited resources for housing assistance. Preference for demand rather than supply side assistance. High levels of social and racial segregation. Concern that public housing and HV standards were concentrating poverty and preventing access to areas of increased opportunity and social advantage
Drivers of policy change	Preference for market provision of affordable housing over public housing, stigmatisation of public housing and concern for ghetto formation and racial segregation. Concern that HV payment standards were restricting choice and concentrating poverty and variable local pressure to increase HV and supply programs.
Influential settings	Rental housing market conditions greatly influence capacity of tenants to find accommodation within the Payment Standard and time frame and many are not successful in doing so, thereby forfeiting the Voucher.
Responsibility of the individual	To seek rental accommodation in specific areas within a defined time period and gain approval for tenancy from landlord and local housing authority issuing HV. To purposefully choose to rent in areas of higher socio-economic advantage and work opportunities when receiving assistance.
Implementing strategies	Encouraging tenants out of public housing with HVs, counselling and active management (MTO). Altering payment standards for HVs to enable access to higher cost rental markets where increased employment opportunities and fewer households in poverty (MTW).
Implemented resources	Congress sets and caps the annual volume of HV payments, federal Department of Housing and Urban Development (HUD) determines income eligibility and permitted rent levels for local areas, local housing authority rations available vouchers (waiting list or lottery) due to excess demand, counselling (MTO) and more flexible payment standards (MTW) applied in some housing authorities, funds for HV may also be used for other housing related purposes, such as new supply.
Contingent resources	Requires initiative of local housing authority to join selective programs, redesign program conditions, implement and evaluate outcomes. Co-operation of tenants, tenant counsellors and public landlords participating in the move of households to other areas also critical.
Outcomes	Mixed outcomes of use of HVs in MTO and MTW. Impact on remaining communities where outward movement enables the most job ready to move out may deepen disadvantage in high poverty areas.

Sources: Schwartz 2015; HUD 2015; Oslen 2014; Fischer 2014

2.4.1 Insights from HV initiatives for Australian housing assistance policy

There are three key insights that can be discerned from the US HV experience:

1. There are equity issues when budgets are capped: HV recipients are quite deeply subsidised but most of those who are eligible do not receive assistance. These issues are more akin to social housing in Australia than Rent Assistance that is part of a national income support system in which there is entitlement subject to eligibility.
2. The level of rental assistance is partly calibrated to local market conditions unlike RA in Australia. Median rents are determined for local housing markets. Choice of HV tenants is constrained as recipients are only able to access dwellings in the bottom section of the market.

3. The emphasis on individuals/families moving to areas of greater social advantage is an inherent feature of HVs—particularly those tied to MTO and MTW. This does not necessarily improve their wellbeing and may have effects on wider social cohesion through deepening disadvantage in ‘exporting’ communities.

2.5 Reforms affecting regulated rents and housing assistance in The Netherlands

The Dutch housing market comprises a relatively large regulated social rental sector for 2.4 million households and a small private housing sector (400 000 households). As many as 75 per cent of low and moderate housing rents are regulated, with generous rent assistance having been provided to eligible social and private tenants since the 1970s (Aedes 2013). The tax department assesses household incomes and makes direct payments to either those earning a low to moderate income or those reliant on social assistance. The assistance is provided on the condition households occupy dwellings of a moderate price and pay part of the costs. This limit is determined in accordance with a government point system to measure quality and space that is indexed annually. Nevertheless, most rental dwellings fall under this quality cost cap and a considerable proportion of households (33%) in the social sector are able to receive allowances (Lawson 2011, p.13; Interview, senior housing researcher 2015).

The well-established Dutch system of rent assistance and rent regulation is closely intertwined, but there are important changes underway, which aim to encourage middle-income households out of affordable social rental dwellings. Dutch social housing, once conceived as a broadly accessible tenure, is now expected to accommodate a narrower range of tenants (below a moderate income). An assets test was introduced in 2005, followed by targeted income-related rent rises (12% over 2012–14). In 2016, discounts for middle-income single person households will disappear. This change in rent assistance policy allows rents for middle-income tenants to rise faster than low-income tenants in social housing. This reform aims to encourage middle-income tenants out of social housing in the long term. For those tenants who can’t or won’t leave, the reforms enable social landlords to raise additional revenue from these tenants.

An evaluation of the impact of this reform has not been undertaken and observers await the bi-annual WoON survey⁵ results in 2016. Advocacy groups representing tenants in the Netherlands argue that middle-income households have had little choice but to absorb rising rents as there are few affordable and available alternatives in the private rental sector. Moreover, home ownership is beyond their reach and many such households are now facing increasing housing stress (Interview national tenant spokesperson 2015).

Alongside this change, the points system setting rent levels is becoming more commercially orientated; with the inclusion of annual local government land valuations in the overall rent calculation. This change favours all landlords providing regulated rental housing in very tight, high land value markets, as in the major cities of Amsterdam, The Hague, Rotterdam and Utrecht. The government believes that greater market sensitivity in rent setting will stimulate more investment in affordable rental housing in these areas. However, interviews with senior policy-makers and senior researchers have indicated that the long lasting economic malaise and increased tax burden on social landlords has dampened any noticeable increases in such housing supply.

⁵ This is a national housing survey that is carried out jointly by the Ministry of Housing, Communities and Integration and Statistics Netherlands, See: <http://www.cbs.nl/en-GB/menu/themas/bouwen-wonen/publicaties/artikelen/archief/2013/2013-020-pb.htm>

Table 6: Dimensions of Dutch rent assistance

Dimensions of Individualisation Approach	Dutch rent assistance, middle-income rent rises and more market responsive rents
How the ‘problem’ is defined	Middle-income households occupying social rental housing, large social housing sector taking market share away from private landlords who could accommodate this group.
Drivers of policy change	Competition policy of EU and Conservative party in Dutch government. Criticism of size and market role of social landlords. Preference for market mechanisms to solve social problems.
Influential settings	Rents governed by a points system for determining rents below a defined quality and not responsive to market scarcity. Concentration of work/cultural/educational opportunities in key cities and increasing land value and scarcity of inner city housing in these. Landlords seek to maximize exploitation of their assets. Current reliance on private finance by social landlords and lack of investment in these areas. Very long waiting lists in established urban areas for social rental housing.
Responsibility of the individual	Middle-income households are expected to be stimulated to move by higher rents; however there are few housing alternatives for them that compete on price, quality and community relations.
Implementation strategies	Increase rents for middle-income tenants disproportionately to encourage such households to move out of social housing and be accommodated in the private sector.
Implemented resources	Reforms to national rent setting regulations.
Contingent resources	Economic down turn has depressed investment in new rental housing supply in both the private and social sectors.
Outcomes	Large rent increases for middle-income households (but existing rents are low by Australian standards). No evidence (yet) that these households are able to find accommodation in private rental or home ownership sector. No increase in levels of investment in social or private rental housing.

2.5.1 Insights from Dutch reforms for Australian housing assistance policy

There are four key insights emerging from the Netherland experience:

1. Reliance on ‘push’ policies to shift middle-income households out of social housing will result in a narrower tenant base, moving what is a mainstream housing option towards a specific welfare role for those unable to access the market.
2. Movement of middle-income households is impeded by large rent gap, inhibiting access to potentially available private sector dwellings. Established households are also reluctant to move and disrupt established and valued social networks.
3. Substantial rent rises affecting middle-income households in social housing have been absorbed, reducing household budget while increasing revenue for housing associations.
4. This has not led to increased investment in social rental housing, especially in the context of the increased tax burden on social landlords and on-going economic recession.

3 INTERNATIONAL EXPERIENCE OF CLIENT ENGAGEMENT AND CONSUMER-DIRECTED SERVICES

3.1 Introduction

This chapter examines international examples relating to the expansion of consumer engagement and consumer-directed social support. It focuses on three distinct policy areas where this approach has been applied:

1. Housing and support service integration to enable clients to access and sustain tenancies.
2. Consumer-directed home care.
3. Tenant involvement in housing management.

Within these three areas, we examine six programs implemented in the US, the UK, the Netherlands and Denmark. Drawing on insights provided by key informants in these countries, we reflect on the benefits and risks of moving towards individualised housing assistance. In relation to each program, we highlight implications for the Australian context.

3.2 Housing and support service integration

This section examines how models of housing and markets for services are integrated in order to extend choice and control. Two schemes are covered: *Housing First* in the US and the *Homelessness Change Programme* in the UK.

3.2.1 *Housing First, US*

The Housing First model is based on the assumption that stable accommodation enables people who are homeless to stabilise their lives. The Housing First model emerged in the early 1990s and was piloted in New York City and by 2011 was managing 600 units in the city. It has since been replicated in some form across many states and cities in the US and internationally (including Australia). Rather than wait for clients to become housing-ready, the Housing First model aims to offer permanent, affordable housing to individuals and families experiencing homelessness as quickly as possible without conditions being placed on the recipient. Once a person is housed, they can then receive supportive services required to enable them to sustain their housing and avoid returning to homelessness (USICH 2014). In the original model established in New York City, Housing First accommodation is dispersed⁶ across neighbourhoods and the model relies on strong local networks with the service providers, local agents and health and community resources. Advocates of the Housing First model claim that it promotes a problem-solving approach that encourages tenant responsibility (Johnson et al. 2012).

In addition to private accommodation, housing produced via planning mechanisms such as inclusionary zoning or density bonuses, offer opportunities for Housing First tenants. Clients may rent from an individual landlord or a housing program under a head leasing arrangement, thereby overcoming barriers such as past evictions or poor credit record. The lease can then be transferred to the tenant following successful occupancy.

Supportive housing programs try to minimise barriers to housing access and ‘screen in’ people otherwise refused access to housing due to their low-income or tenancy history. Rent subsidies and tenancy support is provided to access rental opportunities and negotiate lease agreements with landlords (USICH 2014). Support services are assertively and proactively provided to help sustain successful tenancies, with the intensity and type of service tailored to the needs of the

⁶ This part of the model has not been replicated when the model has been adapted for other countries, as is the case in Australia.

tenant as well as peer based and empowering activities that promote self-direction (USICH 2014).

Table 7: Dimensions of Housing First

Dimensions of Individualisation Approach	US—Housing First
The ‘problem’	Lack of consumer choice amongst low-income and homeless population in the housing market. Accommodation options often insecure and sporadic. Former housing assistance approach limits access to those deemed ‘housing ready’. Homelessness worsened by lack of skills to maintain secure occupancy.
Drivers of policy change	Failure of past programs to solve homelessness.
Influential settings	Access to willing landlords and suitable properties for head leasing.
Responsibility of the individual	Clients do not have to be ‘housing ready’ first, rather they are assertively and proactively supported to develop skills and resources in order to maintain occupancy independently
Implementing strategies	Screen potential tenants and negotiate with landlords to accommodate Housing First tenants. Post tenancy support (i.e. case management to maintain tenancy. Head lease transferred to individual tenant when stability is achieved.
Implemented resources	Rent subsidies and tenancy support. Lease negotiation and tenant screening.
Contingent resources	Supportive health, welfare, education and employment services in local community. Social or affordable housing provided via market, planning mechanisms or public housing.
Outcomes	Stable secure tenancies reduced health and social problems.

Sources: USICH 2014; NAEH 2014

Insights from Housing First for Australia

The relevance and influence of the US Housing First approach has been previously analysed by Johnson et al. (2012). They make the following positive and critical observations about its impact in the US:

- changed views about homeless people and re-affirmed the importance of housing.
- offered a pragmatic approach linking evidence and practice, asserting that both support and housing are important factors in resolving homelessness.
- veered from the original Housing First principles and practices.
- generated over-reaching claims beyond what the evidence implies.
- ignored important findings from the US and often over-simplified or overstretched claims.
- been in danger of not matching expectations, leading to the potential evaporation of public and policy interest (Johnson et al. 2012, p.17).

In the context of Australia, Johnson et al. (2012, p.31) argue that whilst the model is claimed as a cost effective intervention this has proved difficult to verify. Australian policy-makers should view Housing First as one of a suite of responses to address homelessness rather than as a definitive prototype.

3.2.2 Homelessness Change Programme, tailored support to homeless (England)

The English Homeless Change Programme (HCP), following on from the Hostel Investment Programme, aims to partially address the rise of rough sleepers and the negative impact of

complex related issues (crime, substance abuse, mental health) both on the homeless population and the wider community. According to the Housing and Communities Agency (HCA 2015), the rise in homelessness, including rough sleeping, and also the right to housing and advice has seen increased pressure on local governments⁷ to provide hostel accommodation and their overcrowding is leading to more ‘turn aways’ and generating a number of social problems (e.g. drug use, petty crime, emergency hospital visits). It is contended that more supportive and better quality hostels, that transition clients from chronic homeless to more stable living conditions and independence, can reduce the necessity for long stays in hostel accommodation.

The HCP provided capital funding for new and renovated hostel accommodation provided in combination with other social services focused on education, training and employment. These funds were competitively allocated to local authorities, housing associations, voluntary organisations and (consortia of) community based organisations who are registered Investment Partners and committed to a strategy of client transformation. Providers were expected to secure a range of funding sources alongside new HCP funding. Community inspired or ‘bottom-up’ proposals were specifically invited to submit innovative proposals for funding, in partnership with established Investment Partners and local services.

Table 8: Dimensions of homelessness change programme, UK

Dimensions of individualisation approach	Homelessness Change Programme (UK)
The ‘problem’	Rise in rough sleeping, unmet demand at local level, negative impact of complex health issues on homeless individuals and wider community.
Drivers of policy change	Rising visible homeless population. Overstretched demand on local authorities to respond to ‘Right to Housing’ requirements. Rising homeless exacerbated by welfare caps, restricted markets where rents can be assisted and rapidly rising evictions. Social problems generated by street homeless population.
Influential Settings	Must conform to local area strategic needs. Reliant on local initiative and capacity to make proposals and provide co-funding.
Responsibility of the individual	Primarily an investment in bricks and mortar, but accommodation intended to be in a supportive context. Accommodation service temporary and exit plans must be in place for residents.
Implementing strategies	Capital works program to increase hostels in partnership with local support services
Implemented resources	£30 million (A\$59 million) allocated to local authorities, housing associations, voluntary organisations and (consortia of) community based local organisations.
Contingent resources	Additional funding from charitable and private sources. Accommodation must be provided in conjunction with education, training and employment services.
Outcomes	Expansion of hostel accommodation.

Sources: HCA 2015

Insights for Australia from Homelessness Change Programme

The UK experience of the Homelessness Change Programme highlights:

→ The capacity of local authorities to be an effective agency to respond to homelessness.

⁷ This should be seen in the context of local authorities’ responsibilities in housing homeless people in England – the ‘right to housing’.

- The emphasis on strategic objectives as a baseline to allocate resources. Decisions based on evidence (i.e. survey of unmet demand and local housing plans) rather than ad hoc responses.
- Funding streams linked to targets and provision of appropriate client support services.
- The competitive process for allocating capital funding, with strong steering guidelines defining model of accommodation provided (locally responsive, supported by services, clear exit strategies, etc.).
- The requirement for housing providers to have exit plans for their residents to reduce ongoing costs.

3.3 Consumer-directed home care

This section examines the expansion of consumer choice through implementation of consumer-direct care packages. Two schemes are covered: the expansion of opportunities for ‘for-profit’ providers to deliver home care in Denmark and the introduction of personal budgets (PGBs) in the Netherlands.

3.3.1 Home care and personal budgets—The Netherlands

The Netherlands has a system of national social insurance that has largely funded the costs of residential care since the late 1960s and home-based care since the 1970s. Following deinstitutionalisation policy trends internationally, older people with higher support needs in the Netherlands have been concentrated in aged care hostels, while those assessed as more independent are expected to ‘age in place’. However, the landscape is changing with growing concern about cost containment and a subsequent questioning of the universal right to aged care. Recent reforms have resulted in the development of a semi-regulated market for home-based care and a system of cash payments to individuals to arrange personal care.

Dutch municipalities receive an annual capped budget to deliver home-based care and they are obliged to manage services efficiently by responding to budget limitations rather than dynamic demand. The local system of home-based care services has expanded rapidly to cater for increasing demand and the costs have also increased substantially. With the central government’s facilitation, a plethora of private companies have entered the market delivering home-based care. However, the level of competition within particular localities is low.

To manage tasks more efficiently and reduce their costs, all parties have pursued an aggressive cost containment strategy constraining the level of service provided. This has included the introduction of market efficiency principles, cost caps and timed tasks. However, this has led to long waiting lists in large cities and also concerns about service quality (De Roit 2012).

Also relevant to this study is growing use of the consumer-directed (or cash-for-care) schemes in the Netherlands referred to as the ‘Personal budget’ (Persoonsgebonden budget PGB). PGBs were first introduced in 1995 and extend to home care, nursing, youth care, child care and disability support (Prime Minister’s Office 2015). Eligibility and cost calculation is undertaken centrally by the Centre Care Indication agency, which sends their assessment to a local health care provider. The local provider also assesses eligibility for personal budgets for caregivers and the type of care required. Insurance companies are also involved in purchasing care, allocating PGBs and assessing claims. Despite initial motivations of consumer choice and cost containment, a large and complex bureaucracy has evolved to assess and allocate PGBs.

Following substantial cuts to the welfare budget (10% decline between 2014 and 2016) there have been sharp reductions in the amount of care covered by a PGB. While a minimum wage of 20 euros per hour applies to carers, the first 10 hours per week must now be voluntary. More emphasis has been placed on an individual’s own contribution to payment for care and an increased role for family and friends in care giving. What cannot be arranged or paid for alone,

will be arranged by local care services and paid for via the Social Insurance Bank. From 2015, this will also involve a means-tested assessment of income, assets, type and direction of care required.

The Dutch approach charts the shift from universally provided and supported aged accommodation to personally customised assistance packages provided in the recipients' original home. This model increasingly relies on family support and volunteer care givers, with paid assistance becoming more rationed, privatised and also bureaucratised. Contrary to original motivations, allocation and decision-making has become more complex and increasingly rests with insurance companies over which there is little political or consumer control.

Table 9: Dimensions of marketisation of home-based care (Netherlands)

Dimensions of individualisation approach	Marketisation of home based care and personal budgets
The 'problem'	Cost of home based care, perceived fraud in use of personal budgets, declining welfare resources. Tension between universal right to aged care and cost containment strategies.
Drivers of policy change	Concept of 'participation society' where social networks are to be relied on more and government assistance less.
Influential settings	Since 1990s policies have been directed towards cost containment, consumers have pushed for right to choose care arrangements, new public management ideas emphasised market principles.
Role of the individual	Only the most vulnerable entitled to institutional accommodation. Client also expected to contribute towards total budget. PGB allocated to the caregiver (not the patient) by Sociale Verzekeringsbank (SVB) to contain budgets and reduce fraud. Expectation that social networks play a (voluntary) role in support.
Implementing strategies	Choice of institutional care constrained to most vulnerable. Marketization of home based care services to reduce costs and promote competition. Increased role of insurance companies which set rates for care. Home care needs assessed by local government and agreed budget defined. Insurance companies purchase required care and where the client choses a personal carer, SVB allocates PGB to care givers. Reduction in levels of support provided to carers and increased reliance of volunteers.
Implemented resources	General Law on Exceptional Costs requires (12%) contributions from taxable income towards social assistance and this funds aged care hostels and home based care. Ministry of Health and Welfare determines policies and budgets for municipalities to deliver care and contain costs.
Contingent resources	Municipalities increasing called on to assess need but their budgets are constrained by central government allocations which have reduced.
Outcomes	Reduced investment in long term accommodation has led to shortages as older people become more vulnerable and personal care in the home unsustainable. Strong take up on PGBs, which for some care givers has become an important though modest source of income. Significant growth in bureaucratic processes and institutions governing the process of personal care in the home.

Sources: Fieldwork interviews 2015

Insights for Australia

The Dutch experience of the marketization of home-based care provides the following insights for Australian housing assistance policies and processes:

- The right to institutional care is only for those who need 24-hour long-term care.
- More able clients have sought greater choice and control over their care arrangements, beyond traditional public providers.
- An industry of private suppliers of home-based care grew rapidly, but some of these were expensive and there is not always competition in specific areas.
- Strong pressure from central government to reduce costs has led to concerns about the quality of care.
- Personal budgets allowed clients to select and pay familiar carers drawn from their own social networks.
- 'Cash for care' approach has been popular, but led to some cases of fraud and PGB income dependence by care givers.
- New measures to reduce PGBs and increase scrutiny.
- The 'participation society' ideal of the government encourages clients to remain active in society and relies more heavily on volunteer carers giving their time freely, rather than in return for a cash payment.

3.3.2 Market choice in aged care services—Denmark

Danish home care policies are typical of Scandinavian countries in that they are universally accessible and they are primarily the responsibility of the (local) state (Schultz 2010). Care in the home in Denmark for senior citizens and people with disabilities is mainly organised, financed and provided by the state, but in recent years home-based care has undergone significant changes. The introduction of market forces to public service provision in 2003 was encouraged by a liberal conservative government, which required that local authorities ensure that private for-profit care-givers operate alongside local government services. However, following a period of efficiency-driven policy changes, consumer backlash has driven innovation in quality and individualisation in the provision of care with varying results (Rostgaard 2012).

In 2009, consumers were offered greater choice in service providers. However, few clients were aware of this 'new' rule and some feared a negative re-assessment of their right to care time, if they were to exercise their right to choice of provider. Moreover, in Copenhagen there are 57 private for-profit providers; an average of six per local authority (Rostgaard 2012). In this context, some clients have difficulty in making a choice between such a large number and thus case managers typically make it for them.

Counter to individualisation goals, the control of care time, codification of their needs, standardisation of services and the governance of micro-details reflects contract management approaches. These approaches, at times, also benefited users rather than consumer emancipation. Hence, rather than address consumerist concerns, these reforms have primarily been driven by a doctrine of new public management (Rostgaard 2012, p.248). Lewinter (2003 in Rostgaard 2012) interprets the changes to Danish aged care as:

[A] shift from home help, where emphasis was placed on coherence and cooperation between various professional groups, recipients and relatives, to a home help system delimited by strictly set tasks, tight control of time and less emphasis on coherence and cooperation. A form of Taylorism of the care work has taken place. (Lewinter 2003, pp.33–34)

Overall, Rostgaard (2012) finds that incremental and conflicting changes have affected both individualisation and standardisation goals of different stakeholders: clients, care givers, case workers and their managers as well as political governance structures, which have given greater political and administrative power to unaccountable managers rather than clients, their relatives and care givers.

While the Danish home care system has evolved from a single public provider to a multi-provider market, emphasis on consumer choice has receded and there are now concerns being raised in relation to: the complexity of choices facing vulnerable people; the coherence of care received; and the lack of cooperation between competing providers.

Table 10: Dimensions of market choice in aged care services, Denmark

Dimensions of individualisation approach	Market choice in aged care services—Denmark
The ‘problem’	Lack of consumer choice in aged care services. Public providers of care.
Drivers of policy change	Preference for market provision by government. Preference for increased choice in care by consumer. New Public Management ideas. Pressure for cost containment
Influential Settings	Fiscal austerity. Number of providers operating in a local authority area and degree of competition between them.
Role of the individual	Individuals can choose care provider from a range of private and public providers. They are advised in this process by a care worker who assesses needs, care time required and advises client on suitable available providers of this care.
Implementing strategies	Opening up of market for provision of care. Local government separates role between purchasers and providers and applies competitive tendering processes. Managers and administrators of care, facing completion and cost pressures, codify tasks and apply tight time controls to care delivered. Case-workers advise on type and provider of care suitable.
Implemented resources	Funds provided by local government for purchase of care in a multi provider market. Local government shifted from provider to purchaser of care.
Contingent resources	Degree of organisation of advocacy and consumer groups representing elderly care.
Outcomes	Increased competition amongst care providers, less co-operation. More emphasis on time limited care and standardised care. Clients can change care providers but in the cost-cutting climate fear losing care hours. Increased professional power over consumer choice. Decreased political power of citizens over aged care system developments.

Insights for Australia

The Danish experience of market choice in home-based care provides the following insights for Australian housing assistance policies and processes:

- Opening up providers to competition may increase consumer choice.
- The limited capacity of vulnerable people to make complex care choices can increase the power of others to determine their choices.
- Competition can drive cost efficiencies but may have a detrimental influence on the capacity of services to deliver quality individualised care.

- The coherence of care and level of professional co-ordination can be impeded by competitive cultures in a multi-provider setting.

3.4 User participation in housing management

In this section, we examine examples of increased user participation in housing management in the UK and the Netherlands. This is a distinct field of policy and research, with a well-developed literature, including the comprehensive review by Pawson et al. (2012) *Resident Involvement in Social Housing in the UK and Europe*. Pawson et al. note that:

... consumerist thinking is influencing the ongoing evolution of governance structures and service delivery procedures. All of the case study landlords were moving toward a more individualised approach combining the rights of individuals and the consumer power of choice. In recognition of many residents' wish to limit their involvement, they were creating time commitment-limited opportunities for involvement based on a consumerist style of operation. (2012, p.5)

3.4.1 Tenant involvement in housing management (UK)

Tenant management relations in the UK have undergone many changes, the latest being under the auspices of the Localism Act 2011 and a National Standard for Tenant Involvement and Empowerment involving the abolition of the Tenant Services Authority and Auditor and the transfer of regulatory responsibilities to the Homes and Communities Agency (HCA). Overarching these changes has been increased emphasis on local levels of governance and self-regulation.

Unlike Australia, a key motivation for transferring UK council housing stock to registered social landlords has been increased tenant empowerment, as well as leveraging private investment and enhanced long-term asset management. Recent work by Pawson and Wiesel (2014) examines the role of tenants in UK council housing transfers in terms of having a voice in the process and choices in relation to the outcome. Typically, stock transfers of council housing are proposed by local authorities, but require Ministerial consent, which in turn requires that '[T]enants were involved in the appraisal of options prior to the decision to move towards transfer' (DCLG 2013 in Pawson & Wiesel 2014). Furthermore, stock transfers can only proceed when backed by a tenant majority in a formal ballot. According to Pawson and Wiesel (2014), as many as a quarter of UK transfer proposals were rejected by tenants.

The UK's Regulatory Framework announced in 2012 includes consumer standards for tenant involvement and empowerment, with an increased emphasis on local mechanisms to resolve complaints and disputes. Central regulation is reduced and subsequently local authorities are responsible for the monitoring of providers' service performance under the Localism Act. The introduction of tenant panels to housing management boards further increases scope for tenant participation (UK Government 2012).

Local council housing landlords are required to explain how they will comply with these standards in a 'local offer' on tenant involvement. This is illustrated by an inner London local authority (Camden Council) that stipulated tenants should be granted opportunities to influence:

- The formulation of our housing related policies and strategic priorities.
- The making of decisions about how housing related services are delivered, including the setting of service standards.
- The scrutiny of our performance and the making of recommendations to us about how performance might be improved.
- The management of their homes, where applicable.

- The management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, as agreed with landlords, and the sharing in savings made.
- Agreeing local offers for service delivery (London Borough of Camden 2012, p.3).

There has been some progress in supporting tenants to take a more active role in housing management, including reporting requirements, organisational resourcing of tenant participation and tenant training opportunities. An interview with Housing Researchers evaluating tenant training highlight programs such as those provided by Trafford House, Chartered Institute of Housing and various independent consultants. However, these measures had not empowered tenants to influence many major national reforms affecting them directly such as benefit caps, the 'bedroom tax' and reductions in housing allowances.

Local governments have also been developing tenant engagement strategies. Interviews with one large, socio-economically diverse London borough (Head of Tenant and Leaseholding Engagement) revealed extensive efforts on a wide range of fronts to govern, manage and serve tenants in a way that promotes tenant empowerment. Despite deep cuts to their budget (£70 million or A\$136 million being 5% of total budget) the Borough has sought to enhance self-regulation and tenant empowerment. For example, the Borough recently established a Housing Scrutiny Committee, which provides a channel to check on the quality of housing management and to recommend.

Furthermore, as part of the self-regulation, self-management strategy, there are also moves to empower residents to take responsibility for the management of some of the services they receive, such as community facilities, libraries, estate-management (e.g. caretaking, cleaning, recycling). Some of this originated with the 1994 Right to Manage regulations, aided by central government funding and training and modular management agreements, and many of these ideas have been carried through under the 2011 Localism Act. Tenant management often reduces local government overhead costs and can improve local responsiveness (e.g. local handyman services). Generally, according to surveys by the Borough, residents are more satisfied with tenant run services. Though interviews with the Head of Tenant and Leaseholding Engagement indicate that maintenance remains a problem partly due to lack of investment.

However, it was also considered that the Borough could draw more extensively on the expertise amongst tenants via human resources processes and the establishment of social enterprises. In these realms tenants could have a greater say in service provision and job specifications and tenants could participate in the selection of suitable candidates and apply to deliver local services. While client input to human resources was common in day care services, tenants were absent from the particular fields of housing services with most potential.

The capacity of tenants to self-regulate and manage their housing depends greatly on their capacity and resources to do so. Despite much valued investment in training, several researchers raised concerns about the difficulties in loading too many responsibilities (often unpaid) on vulnerable people with few skills or resources. Interviews with Housing Researchers noted that one of the most popular courses for tenants was 'Wider World' which aims to explain the very large welfare reforms which affect tenants directly.

Table 11: Dimensions of tenant involvement in housing management, UK

Dimensions of individualisation approach	Tenant involvement in housing management (UK)
The ‘problem’	Top down management and regulation. Increased expectations on both government and tenants for their involvement in monitoring and managing services. Reduced resources for local government to deliver direct services.
Drivers of policy change	Preference by central government for localism over centrally regulated and provided services.
Influential Settings	Voting rights for tenants on stock transfers. National regulations requiring tenant involvement and empowerment. Diminished resources for direct local service provision.
Role of the individual	Volunteering on boards, undertaking training to take on greater role, potentially managing local housing services.
Implementing strategies	No transfers without majority tenant approval. Tenants to have a more active role in in housing management, reporting requirements, organisational resourcing and opportunities for tenant training.
Implemented resources	Funding for training. Some local councils (boroughs) support tenant organisations and encourage local tendering for services, via capacity building grants, office and equipment.
Contingent resources	Resources for tenant training are important for building capacity, as well as organisational resources and avenues for input to decision-making.
Outcomes	Plethora of tenant training opportunities. Increased reporting to tenants. Greater engagement of local authorities with tenants.

Insights for Australia

Australia’s weak tenant empowerment ethic contrasts strongly with that in the UK, particularly in the realm of public housing transfers, local housing strategies and tenant management. In summary, the following insights can be gained from the experience set out above:

- Meaningful tenant engagement needs to be defined in standards, required in regulations and supported via appropriate means.
- A culture of tenant empowerment needs to inform the practices of relevant stakeholders and can be strengthened by revised supportive strategies (training, resources) and decision-making processes (strategy and practice).
- Specifically, decision-making affecting stock transfers needs to genuinely recognize tenants as key decision takers, as in the UK.
- Tenant involvement and empowerment goes beyond participation rights, but also involves the setting of service standards, scrutinising performance, managing housing services where appropriate and sharing in any savings made.
- Risks of loading too many responsibilities (often unpaid) on vulnerable people with limited resources.

3.4.2 Tenant involvement in quality of service—The Netherlands

Unlike the UK, tenant empowerment has not featured prominently in policy reform in the Netherlands. Housing associations moved from being membership-driven associations to board and management driven corporations in the 1990s. Since the introduction of the Social Rented Sector Management Decree (known as *Besluit Beheer Sociale Huursector*) in 1993,

housing corporations have operated in a self-regulatory system in which they have been supervised by government on the basis of general 'fields of performance'.

Deficient stakeholder regulation has since generated a variety of problems for the sector, leading to a major overhaul of the social housing role and establishment of a new national authority to supervise them. Nevertheless, within in the social rental sector, a number of instruments were developed to assess and promote the quality of services to tenants (Bortel & Mullins 2009). These include the Dutch Quality Centre (KWH), established in the late 1990s, which uses an assessment and labelling system covering issues such as landlord services, tenant participation, community interaction and good governance. According to Pawson et al. (2012), 200 housing corporations have the KWH certification, which includes a tenant participation label. More recently, since 2007, a system of self-regulatory performance audits has been piloted by the sector, through which an independent committee assesses landlords according to an established methodology (Lawson 2011).

Since 1998, consultation between tenants and landlords has been regulated by a special Consultation Act. This Act requires all landlords with more than 100 rental dwellings to consult with their tenants concerning relevant policy matters. This legislation provides tenants with certain rights with regard to information and consultation. A summary of the Consultation Act is provided by Ouwehand and van Daalen (2002, p.74). Since 2006, efforts to facilitate consultation between landlords and tenants and strengthen the position of tenants in privately rented housing, especially by smaller private landlords, have increased. In 2009 a new consultation law or 'Overlegwet' gives tenant organisations and their tenants in the private rental sector the same rights to consultation with landlords as social tenants (Lawson 2011). Amendments were passed in 2009, favouring tenants of smaller housing providers and requiring their landlords to consult on major repairs (Lawson 2011).

While the corporatisation of housing associations in the 2000s reduced the capacity of tenants to serve in a governance capacity, the role of tenants was surprisingly strengthened in 2015, under the New Housing Act. Impressed by the level of tenant empowerment in Denmark and Germany, the Dutch government passed legislation elevating the position of tenant associations enabling them to join the decision-making table with municipalities and make local housing agreements, which govern housing goals and investments.

Table 12: Dimensions of tenant involvement in quality of service, the Netherlands

Dimensions of individualisation approach	Tenant involvement in quality of service (NL)
The ‘problem’	Weakened power of tenants in management of social housing.
Drivers of policy change	Perception of social landlords as poorly regulated and overly orientated to financial imperatives rather than social task. Loss of civic legitimacy following numerous scandals due to poor regulation.
Influential Settings	Shift away from membership accountability. Financialisation of social housing model. Variable willingness of landlord to incorporate tenant consultation processes and quality standards and weakening, variable political commitment of local government to develop housing strategies.
Role of the individual	Rights concerning information and consultation, especially concerning major repairs, and are mainly supportive of tenant organisations.
Implementing strategies	Performance standards, self-regulation. Voluntary quality standard labelling. Legislation requiring consultation, advice, funding of tenant organisations. Additional legislation enhancing tenant organisations’ strategic decision-making role.
Implemented resources	Landlords contribute to tenants’ organisations on a per house basis. Reporting on BBSH performance standards to Minister for Housing. Optional for landlords to pursue quality inspections.
Contingent resources	Tenants able to commit time and energy to consultation and strategic decision-making processes.
Outcomes	Tenants have had a weakened position in housing management since increasing independence of social landlords from their tenants and government. Potentially a greater role for tenants in housing strategies under the New Housing Act 2015.

Insights for Australia

The Netherlands demonstrates some interesting insights for Australian housing policy concerning tenant consultation, particularly:

- Legislation defines and enforces the same consultation rights for private as well as social housing tenants.
- Landlords facilitate funding mechanisms to resource tenant consultation and representative organisations.
- Social landlords have voluntarily developed a quality standard to promote quality services and tenant participation, yet self-regulation has led to variable outcomes.
- Tenant organisations have the right to participate in agreements governing local housing planning and development strategies.

4 AUSTRALIAN EXPERIENCE

In this chapter we turn our focus to the Australian experience and examine a series of programs that have developed individualised forms of service provision with relevance to housing assistance. The programs encompass aged care, support for homeless households, home ownership schemes and social housing provision. Drawing on insights from interviews with expert informants, we reflect on the Australian experience of individualised forms of assistance.

4.1 Introduction

As suggested in the introduction (Chapter 1), we can identify two strategies that Australian policy-makers deploy to extend choice in the fields of social housing and human services:

- *Improving access to market provision.* Achieved by extending the capacity of households to access and maintain their housing in the private market. Examples include rental assistance and rental brokerage schemes. Other strategies for extending market access include: establishing competition between different providers and changing funding mechanisms to provide consumers with the resources to access a ‘bundle’ of services within agreed resources (e.g. NDIS and aged care packages).
- *Modifying service design to tailor services specifically to individual requirements.* ‘Wraparound’ models of homeless provision, client participation practices and tailored aged care services are some of the initiatives that Australian welfare organisations have pursued in recent years. It is this client-centred ‘service design’ route that we consider in this chapter and the policies that organisations deploy to extend choice through services.

The selection of examples below (Table 13) was guided by the advice received from Panel Inquiry members. In contrast to the international experience, the Australian examples focus to a greater extent on modifications to service design in order to deliver greater choice and tailored responses.

Table 13: Selected programs for investigation

Site	Program/policy
Aged care	Consumer Directed Care (CDC)
Homelessness—housing and support	Support for young people at risk of homelessness Accommodation for the homeless Foyers and triage programs
Indigenous housing	Indigenous home ownership loans
Social housing	Housing stock transfer

4.2 Consumer Directed Care—Individual home care planning

Important changes are being implemented which are aimed at giving older people living at home and people with disabilities more choice and control through negotiation of customised packages of accommodation and services within agreed resources. As there is a separate project on the National Disability Insurance Scheme (Project C), this section focuses on recent reforms in the aged care sector.

Recent reforms in the aged care sector have sought to expand consumer choice and control (Department of Health 2012). The mechanism is the introduction of Consumer Directed Care (CDC). From 1 July 2015, all Home Care Packages provided through the Commonwealth

Home Support Program (CHSP) are provided in the form of CDC⁸, which aims to give older people and their carers greater say about the types of care services they receive and the delivery of those services. A feature of CDC is the development of a personalised plan, which is jointly prepared by the service provider and client (Australian Government 2015). As part of the plan, the older person (or their representative) will receive information on the costs of services and a monthly income and expense statement.

An early evaluation of CDC found support for this approach amongst recipients as well as the broader public (KPMG 2012). However, the evaluation report notes that among participants who were homeless or at risk of homelessness there was greater need for more intensive care planning and management (than for older people generally) and little interest⁹ in the consumer-directed aspects of the CDC model, including choice of support and support providers and their individual budgets (KPMG 2012, p.53). This was confirmed by practitioners interviewed for this project:

Our client group aren't that keen on it ... It would mean that the client organises their own services, books them in, organises for them to be paid for. And we've had some trial packages which we tried to offer existing clients and no-one wanted them. When you actually describe what they need to do they're like 'Oh no, I'm happy for you to do that.' (Interview 7 April 2015)

A further observation was that some service providers are well equipped to support particular client groups to access Aged Care Assessment Team (ACAT) assessments and in turn home care packages. The same program manager noted clients were already offered considerable choice in terms of accessing services; this was organised on a case by case basis, and that this was always a process of negotiation with the client:

I do think choice is really important and it's the whole way our housing support has always been set up. It is based on a flexible support program and it's driven by the needs of individual clients. (Interview 7 April 2015)

The introduction of CDC had encouraged the organisation to change its administrative procedures. The requirement to produce individualised statements and care plans for each client encouraged staff to reflect on, and account for, discrete services provided within the organisation. However, the need for individualised statements of care was recognised as administratively burdensome for organisations working with clients with complex health needs.

In a previous AHURI-funded research project on dementia and housing (Gabriel et al. 2015), participants noted that the introduction of CDC meant that service providers were no longer able to be flexible in targeting, rationing and delivering services to a community of people with a mix of support needs. Similarly, the program manager interviewed for this study observed that the value of receiving block-funding is that it enables the agency to be flexible in how they run a service. There is scope for managing funds more efficiently and directing resources to those most in need by cross-subsidising clients.

Having a block of funding that you can use as needed on a group of people is valuable because there's always going to be some people that need more and some that need less ... where aged care is now moving to a much more individualised funding approach...while there are some benefits it makes it harder to support people Interview, Head of Tenant and Leaseholding Engagement who have very complex needs In the past organisations used to you know well Bob's not spending all of his package, there's a bit left over so we can fund a little bit extra for Jean. (Interview 7 April 2015)

⁸ See: <http://www.myagedcare.gov.au/aged-care-services/home-care-packages>.

⁹ See Slasberg et al. 2012 for a study that reaches similar conclusions in the UK.

Finally, our informant emphasised the importance of being able to access support as critical in facilitating good outcomes for people at risk of homelessness. Timely access to support has been proven to be effective in enabling people at risk of homelessness to sustain housing. This timely access to appropriate support was considered to be more important than other factors such as individual choice. Instead, a partnership approach between client and provider was often required.

Table 14: Dimensions of Consumer Directed Care

Dimensions of individualisation approach	Consumer Directed Care
The ‘problem’	Insufficient client choice and control over home care support services provided.
Drivers of policy change	Explicit preference for consumer choice and control in delivery of services. More targeted service provision hence efficiency gains.
Influential settings	The circumstances and capacity of individuals are influential in enabling people to exercise choice and control. Concerns about vulnerable populations—including those at risk of homelessness and those experiencing cognitive decline.
Role of the individual	Clients are directed to set goals and to work with service providers to achieve these goals. Clients can opt for total control over decision-making or work in partnership with service provider. Clients can exercise more choice in terms of their provider.
Implementing strategies	All federal government home care packages will offer consumer directed care.
Implemented resources	Federal government funding for home care packages remain unchanged. Eligibility criteria for accessing home care packages remain unchanged.
Contingent resources	More initial investment from agencies to manage additional administrative burden. Potential difficulties in rationing and delivering services to people with complex needs.
Outcomes	Support for greater choice in service. Increased administrative burden. Challenges for vulnerable clients.

4.3 Homelessness—housing and support services

Here we collate insights from three managers of homelessness housing and support services based in Victoria and South Australia. These include: a residential program that supports young people at risk of homelessness; an Australian Common Ground initiative; and a foyer-hostel that houses young people at risk of homelessness. While the programs vary in the form and scale of the services they deliver, the managers offer critical insights into the increased focus on client engagement in the homelessness sector and the introduction of a more individualised, client-centred response. These shifts have occurred in the context of increased federal funding for homelessness services, which was made available through the National Partnership Agreement on Homelessness (NPAH)¹⁰. This has meant that the reforms have

¹⁰ Originally a three-year (2009–12) agreement between the Australian government and state/territory governments to fund homelessness services, the NPAH was renewed in 2012–13 and again in 2013–14.

focused on improved service provision and responsiveness without substantial rationalisation of existing services.

4.3.1 Victoria's centralised gateway system

Managers identified the move towards a centralised gateway system, which aims to streamline the process of identifying appropriate pathways and services for people who are experiencing or are at risk of homelessness, as a significant shift within the homelessness sector. This system was considered to be effective in ensuring that people in need were directed to appropriate services more quickly than previously. However, managers noted that the depth of vulnerability among the target client group meant that there were some people who were discouraged or unable to locate the gateway. In the past, these people would have dropped into a service, whereas now clients are identified by a referral through the system. She acknowledged that, while the objective of integration was designed to prevent a silo response, there were some problems that endure. She explained that for some clients:

[I]t is more difficult [for them] to navigate because you've created some artificial service systems like ringing a centralised number and you do intake over the phone, so there's no building of rapport or relationship and so, you know, chronically homeless people or disaffected young people don't navigate the service system by ringing a 1300 number. And so what we're seeing is that some of those people are opting out of the service system and not getting a response. (Interview 30 March 2015)

Managers noted that there was the need for outreach to support people in the process of locating service support.

4.3.2 Client engagement and goal-setting

Managers recognised that homelessness providers have been slow to include people at risk of homelessness in decision-making processes around service delivery: 'I think where we really lag behind is consumer involvement' (Interview 8 April 2015). In the past, church-based organisations have tended to take a charitable approach and saw themselves as helping and assisting people in crisis, rather than working in partnership with people. One manager noted that client engagement was much more advanced in mental health services:

[In mental health] you wouldn't do any major program or policy design without consumer involvement and you know that doesn't happen in the homeless space at all. (Interview 8 April 2015)

However, this situation is changing, with a shift away from a paternalistic approach that characterised some services towards client empowerment. Some agencies are introducing targets to achieve more involvement by clients in the running of services:

Well one of the targets we've set over the next three years is to ensure 3 per cent of the workforce will have had direct lived experience of homelessness. (Interview 8 April 2015)

This empowerment ethos is particularly evident in the Foyer program for young people run by Hanover Housing Services¹¹ and the Brotherhood of St Laurence. The Foyer program has been adopted from the Foyer Network model in the UK, which provides safe, quality assured environments where young people are supported with personal development opportunities back into education, employment and social connection. Programs run through the Foyer model are framed positively in terms of the talents and potential young people have, rather than describing young people as vulnerable and disadvantaged. In Victoria, the Foyer program offers young people at risk of homelessness accommodation at a TAFE college where they can stay up to two years on the condition that they engage in learning.

¹¹ Now Launch Housing, following a merger between Hanover and HomeGround homelessness/housing services.

The focus of the Foyer program is on teaching young people life skills and providing them with a supportive environment to enable them to take up educational and training opportunities. In contrast to the Housing First approach from the US (discussed in chapter 2), the Foyer model prioritises education, employment and civic participation above housing:

We deliberately put housing at the bottom so education, employment, health and wellbeing, social connection, civic participation can flourish. And living skills because one of the criticisms of a silo approach is if you just ... if you just say that a young person who's homeless just has a housing problem well the only solution you're going to find at best is if they win the public housing 'lotto'. (Interview 8 April 2015)

This approach recognises that young people are living in a first-world economy that requires skilled workers with qualifications and interventions that are most effective are those that provide pathways into employment and civic participation.

In contrast, the Common Ground in Australia advocates the Housing First approach for an older client group. A manager described the organisation's mode of delivery in the following way:

It is a housing-centric model of addressing people in homelessness or addressing the issue of homelessness with people. It's housing centric because it's based on the theory that people who are in transition or in crisis haven't got enough stability to focus on broader aspirations and getting out of life's circumstances that have them in homelessness. So the idea is that the housing is the centre insofar as it's long-term. It's not about moving people on, it's about creating a sense of place. (Interview 10 April 2015)

The program of support delivered to residents is described as 'wraparound'. It was explained as follows:

[I]t's very much a housing focus where we actually purposely design housing for the program. And so that's the starting point, and then we wrap the services around that housing model. (Interview 10/4 2015)

There are some significant differences between the Common Ground model in the US and that developed in Australia (Johnson et al. 2012). In the US, the model used housing scattered in the community whereas in Australia, large purpose-built multi-unit dwellings have been constructed. Further, while Housing First in the US is notable for the lack of conditionality prior to accessing housing, the Common Ground model in Australia emphasises a commitment from residents to participate in the program of support. As the manager explained:

Our housing comes with expectation more than it comes with choice. So the first expectation is to apply for housing ... we expect that you understand that you're actually also going to participate in a program. So it's not just about getting the house and then closing the door and saying don't bother me again. The individual owns their own plan for their program. They set their own goals, they determine with their caseworker what their needs are. And then everything is available, so onsite we have dentists and a visiting GP. (Interview 10 April 2015)

While clients are expected to engage with support, the level and nature of the support is responsive to the clients' needs and priorities. Clients are invited to set their own goals and they are supported to achieve these goals.

Beyond these two residential programs (Foyers and Common Ground), other managers in the homelessness sector were more critical about the notion of choice for vulnerable client groups such as ex-offenders, who continue to face discrimination from private landlords regardless of the development of their life skills:

They've had interaction with the youth justice service system, they're often characterised by being in out-of-home care, they've experienced significant issues of abuse, neglect and trauma ... so we're looking at young people that don't have normal functions that are commensurate with their age and often are really underdeveloped and characterised by traumatic experiences. (Interview 10 April 2015)

They also emphasised that 'choice' in a market economy is mediated by money and that there is a need to recognise that it is not helpful to use the language of choice where there are real constraints on people's capacity to exercise choice:

Choice is a vexed term and a bit of an artifice, as a lack of money prevents choice. Our approach was to facilitate coproduction. It is unfair to offer choices that are not real. (Interview 10 March 2015)

4.3.3 Timing and duration of funding for support services

In discussions with managers it was evident that the timing and duration of funding for support services was critical to the delivery of quality service. As one manager noted:

We get certain funding packages that allow you to work with people for nominated periods of time, but they don't allow ... they allow very little for relationship building and rapport and trust that you can then build a meaningful relationship that then can start to have some impact on the way a person's just living in their lifestyle. (Interview 10 April 2015)

In the manager's view support funding must be for a sustained period rather than in a piecemeal way if it is to be effective. It was noted that client trauma and dysfunction can be significant and to turn around that situation requires intensive intervention over an extended period of time. As she explained:

[V]ery little work is really being done at a structural level to identify and work with those issues, and then we've got people that are already in the service system and I think our responses are too generalised and predicated on that if you have a period of intervention for two months, three months or six months, that you're going to monumentally transform people's lives and if you've got 20 years of dysfunctional lifestyle behind you, three or four months of intensive case management support isn't going to change that. (Interview 10 April 2015)

Whilst NDIS is the subject of a separate project, there was also some disquiet about moving to an individualised funding models:

Our fear is that that will get worse with NDIS in the future, as well, where we move away from block funding to individualised funding, but for really challenging, complex people, young people, people that have been incarcerated or that have dual ... or comorbidity issues are already identified as a big issue that they're unsure of how to deal with. (Interview 30 March 2015)

4.3.4 Flexibility and responsiveness in service delivery

Flexibility was recognised as critical in delivering a quality and efficient service. Interviewees noted that there is a need to set targets for accountability reasons, however, they observed that these should guide rather than limit practice. Enabling staff on the ground to exercise judgement was seen as vital and necessary given the diversity of clients accessing services. As one interviewee noted:

Well what I find works really, really well is you can set organisations targets to deliver ... and then be clear about the outcomes, and just let them do it. ... And there's so many outcomes that are just hard to measure. (Interview 10 April 2015)

In the view of the interviewee, achieving success requires organisations to chart their own course of action and resist, as far as is possible, top-down interference from outside agencies. As she explained, there is a mismatch between centralised policy expectations and delivering actual services:

I am convinced that people that create the frameworks and the policies and then all the agreements that actually prescribe how you should do your work have never actually worked on the ground they've never actually been on the ground and therefore won't have the flexibility of real life. It just doesn't translate. (Interview 10 April 2015)

It was generally felt by interviewees within these homelessness services that management within community organisations and agencies had more capacity to be responsive and flexible than management within state government agencies.

4.3.5 Supply issues

A key problem faced by people working in the homelessness sector is the availability of appropriate housing options due to on-going lack of investment in social housing (i.e. public and community housing). Rising problems of housing affordability in Australia's capital cities has also compounded this situation. Interviewees noted that the provision of therapeutic programs with individualised forms of assistance is not a substitute for long-term supply side interventions that address the shortage of accommodation. Both components are required to deliver positive outcomes for clients.

Table 15: Dimensions of homelessness—housing and support programs

Dimensions of individualisation approach	Homelessness—Housing and Support program
The ‘problem’	Insufficient client choice and control over home care support services provided.
Drivers of policy change	<p>Foyer—Recognition that young people’s aspirations are diverse and education, training and employment critical in breaking cycle of poverty.</p> <p>Common Ground—recognition that chronic homelessness addressed through provision of housing in first instance and then on-going access to support to improve health and wellbeing.</p> <p>Demonstration models are being assessed in terms of outcomes and effectiveness. They are sites of new investment and are yet to respond to concerns about cost containment.</p> <p>Homelessness sector responses are being shaped by disinvestment in supply-side responses such as investment in new social housing.</p>
Influential settings	<p>The circumstances and capacity of individuals is influential in enabling people to exercise choice and control.</p> <p>Concerns about vulnerable populations and adequate intensity and duration of support.</p> <p>Expectations around therapeutic transformation through individual case management and life coaching are high for young people.</p>
Role of the individual	<p>Common ground—clients are expected to engage with support and are invited to set goals and to work with service providers to achieve these goals.</p> <p>Foyer—clients must engage in learning and are expected to engage with support.</p>
Implementation strategies	<p>Client empowerment.</p> <p>Targets for employment of formerly homeless people.</p>
Implemented resources	<p>Investment through NPAH.</p> <p>Capital investment in Common Ground and Foyer accommodation co-located with TAFE education facilities.</p>
Contingent resources	<p>More initial investment from agencies to manage additional administrative burden. Potential difficulties in rationing and delivering services to people with complex needs.</p>
Outcomes	<p>Demand and supply responses.</p> <p>Client and providers work in partnership.</p> <p>Constraints on choices for vulnerable clients.</p>

4.4 Indigenous home ownership loans

Our third example is Indigenous home ownership loans. In recent years, the Australian government has sought to support Indigenous people to enter home ownership. This is viewed as important in ‘closing the gap’¹² in terms of socio-economic opportunities between Indigenous and non-Indigenous Australians. To date, programs have focused on assistance for ownership of freehold properties and programs that support individual ownership on communal title lands

¹² The National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes, agreed by COAG in 2008, committed governments to around \$1.6 billion of expenditure over four years to address disadvantage faced by Indigenous Australians in relation to life expectancy, infant mortality, educational access and achievement and employment outcomes.

(Memmott et al. 2009). While there is strong policy interest in promoting home ownership opportunities for Indigenous Australians, Crabtree et al. (2012) note that there are many political, legal and practical challenges associated with individual ownership on communal title lands.

Indigenous Business Australia (IBA) was established as an independent statutory authority in 2001 by the Australian Government. The most significant program offered by IBA is the Home Ownership Program (HOP), which operates throughout Australia. We spoke to a manager working at one of the 13 Indigenous Business Australia (IBA) offices about the scheme to assist Indigenous people who are seeking to purchase a home. IBA operates as a lending institution to low-income Indigenous businesses and home owners. Its income is sourced from Australian government grants and its own capital assets and so it is able to offer 'below market-rate' loans in the initial period of a mortgage. IBA is viewed as an alternative to mainstream mortgage lenders such as banks and building societies. Our discussion with the manager focused on the support offered to first time home buyers:

We provide support for Indigenous households who are seeking to buy their home or undertake renovation. Our clients are low-income households who might be seen as being a credit risk, but we maintain regular contact to minimise debt default. (Interview 9 April 2015)

The support provided to first time Indigenous home buyers is an example of a targeted scheme that supports low-income households by reducing the costs of a loan (at least in the initial period). Interest rates are capped in the first 12 months (4.5%) of the loan at below the Commonwealth Bank Australia rate but will increase by 0.5 per cent after 12 months. As many of the households are low-income, IBA managers have developed a detailed risk assessment process which provides support in the early period of the loan. As the manager of IBA explained:

From day one we do an assessment of the client's credit history to acquire an understanding of the risks that might arise. This includes employment income, credit and rental history.

Those households who are deemed too risky or have a poor credit history are not able to access an IBA loan. The manager of IBA considered the program a great success and one of the ways that the Australian Government can reduce poverty within the Aboriginal community. As he explained:

I see our work as one of the ways that we can 'close the gap' between Indigenous and non-Indigenous Australians.

The mechanisms in place include regular contact and support after the initial loan period. As the program manager explained:

We provide 'after-care' support where our staff will call into see our clients in their homes. We establish a relationship and this helps reduce risk of default.

The support and subsidies provided by IBA extend the housing choice options for some Indigenous households enabling them to purchase a home. However, as a demand-side subsidy it has little impact on increasing the supply of affordable housing to purchase in the locations where these households want to buy. The scheme offers a route for those low-income Indigenous households who may not be able to access a bank loan to buy a home. The scheme's success can be attributed to the relationships managers establish with mortgagors to reduce the risk of default. It was suggested by our interviewee that the default rates are not high. The example of IBA home-loan scheme and the strategies deployed by the organisation to maintain contact with borrowers shows that risk can be ameliorated through personal contact. In their extensive review of policy support for Indigenous home ownership, Crabtree et al. (2012, p.39) note that the HOP scheme has been most effective in lower

housing cost areas in regional cities, rather than major cities. Crabtree et al. further highlight that clients have experienced delays in accessing loans, with the average waiting period to access a loan being 18 months (2012, p.39). This is due to constraints on the IBA to leverage lending capacity.

Table 16: Dimensions of the Indigenous home ownership scheme

Dimensions of individualisation approach	Indigenous home ownership Scheme
The 'problem'	Low-income Indigenous people are seen as a 'credit risk' by conventional mortgage lenders.
Drivers of policy change	Low level of home ownership among Indigenous population. Indigenous people more likely to have insecure and unstable employment and therefore face difficulties in accessing mainstream loans.
Influential settings	The circumstances and capacity of people/households is influential in enabling people to access housing loans (i.e. people with poor credit history are not generally eligible).
Role of the individual	Clients agree to participate in strategies to reduce risk of default.
Implementation strategies	Initial reduction in loan cost. Contact and engagement with clients following loan approval to reduce risk of default.
Implemented resources	Investment through Australian Government grants and own assets.
Contingent resources	n/a
Outcomes	Increased access to home ownership loans. Greater take-up in low-cost housing, regional areas.

4.5 State and community housing organisations

In Australia housing assistance policies have changed since the early 1990s, both in terms of the mix of demand and supply subsidies and in terms of those who are targeted. As noted in Chapter 1, housing assistance in Australia initially comprised public housing built in response to the post-war housing shortage with the intention of accommodating lower income working families. Assistance was provided in the form of permanent rental accommodation and rent-to-buy schemes. Today, public housing targets the most vulnerable in society, including many older people and people with disabilities. In addition, there is some diversification of housing assistance via community housing providers, affordable rental accommodation, and various types of crisis and supported accommodation. Most (although not all) state/territory Governments now see their role not as a housing provider but as providing welfare services which may have an accommodation component. As one state government manager noted:

We're moving away from being a housing provider that did a bit of welfare to being a welfare and human services provider that does a fair bit of housing and trying to get staff into that space. (Interview 10 April 2015)

The move towards increasing diversity in social housing providers and the range of housing assistance products and services offered has the potential to create competition and invites comparison in service delivery, with evaluations being able to be applied across three distinctive products: private rental housing, community housing and public housing. However, to what extent people are able to opt and choose between these options in the current system is unclear.

One of the major shifts in housing assistance policy over the past two decades has been the increased focus on demand subsidies to assist low-income households (Hulse 2007). In terms of the volume of assistance (and government expenditure), any type of social housing is dwarfed by demand side assistance including the Australian Government's Rent Assistance (RA) scheme and state/territory Government schemes to assist people into the private rental sector (PRA).

RA is a regular Australian Government payment to people on lower incomes who are renting in the private housing market. To be eligible, tenants must first qualify for a primary income support payment and meet the residency requirements of their pension or allowance or for recipients of family payments. RA may be payable to people living in community housing or Indigenous community housing and, in some jurisdictions, state owned and managed Indigenous housing (SOMIH). Between 2009–10 and 2013–14, the Australian Government's nominal expenditure for RA increased by 34 per cent, from \$2.9 billion to \$3.9 billion. In 2014, almost 1.32 million 'income units'¹³ received RA. The number of income units receiving RA has risen by 41 per cent since 2000. The median RA payment was \$124 per fortnight.¹⁴ Single or couple low-income earners without dependent children and who are not in receipt of income support are not eligible for RA (see Hulse 2007).

In contrast, PRA is financial assistance provided by state and territory governments to low-income households experiencing difficulty in securing or maintaining private rental accommodation. Types of assistance include bond loans, rental grants, subsidies and relief, and relocation expenses. In 2013–14, PRA assisted over 122 300 recipients, compared to 117 800 in 2012–13.

The effectiveness of RA in terms of relieving housing stress for low-income households has been questioned in the context of increasing affordability problems in Australia's major cities. A key criticism of the program is that the subsidies have not been able to keep track with rising housing costs in inner and middle suburbs of major cities. Moreover, research indicates that RA has not increased the supply of low-cost housing; indeed, shortages of affordable rental accommodation for households with incomes in the lowest quintile have been increasing since 1996 (Wulff et al. 2011). In 2011, there was a national shortage of 271 000 affordable and available dwellings for these very low-income households with the situation being most acute in major capitals and some regional centres in Queensland, NSW and Western Australia (Hulse et al. 2014; Hulse et al. 2015).

There are also important questions about provision for housing costs, particularly private rental costs, in the projected move to a simplified welfare payment system in Australia. The current proposal is to remove income-related rents in public housing and replace with RA for all renters. Whilst primary payments would be simplified in a new system, provision for assistance with rental costs would be one of four separate supplements, recognising the very different costs faced by renter households (Department of Social Services 2015, pp.101–102).

A more recent major shift in housing assistance policy has been the transfer of some public housing stock to the community sector. The rationale for this transfer is that non-government organisations (NGOs) have experience in client engagement and support and they are able to be more responsive to tenant needs (see Pawson & Wiesel 2014). A similar perspective was put forward by a housing manager working for a community organisation. He considered that his community housing organisation was 'better placed to offer a more personal level of support to tenants in the aftermath of stock transfer' and that their approach prioritised community engagement. He noted that community providers are managing low levels of stock

¹³ Income units are not the same as households. They refer to the recipient/s of an income support payment and any dependent children.

¹⁴ See: <http://www.aihw.gov.au/housing-assistance/haa/2015/financial-assistance/>.

and therefore they are better placed to be able to build relationships with tenants due to lower staff and tenant ratios:

If you look at the staffing model we'll have community engagement, community development staffing add-ons but we'll also have a caseworker. (Interview 9 April 2015)

The interviewee also noted that NGOs are embedded in the community sector and there are established relationships with key support service providers, which are sometimes formalised through memoranda of understanding (MoUs).

The key thing is establishing clear MoUs with service providers to encourage exchange of information. (Interview 9 April 2015)

However, the state government manager interviewed for this project also emphasised that state government departments responsible for social housing (many being human service departments) are increasingly aware that they share their customer-base with a range of departments and agencies and that outcomes for customers can be enhanced when there is communication and linkages between them. Consequently, state government housing providers have directed resources towards improved inter-agency collaboration and case management with the intention of improving customer service and outcomes.

Importantly, housing stock transfer is enabled by the capacity for NGOs to be able to access RA payments. As one interviewee notes:

You'd be struggling to do community engagement and those add-on services, you'd be struggling to do that without the [C]RA. (Interview 9 April 2015)

A potential advantage is that NGOs are able to exercise greater flexibility in rental payments and arrangements in relation to managing housing stock, although always subject to the financial sustainability of their operations as they do not receive on-going subsidies (except in the case of organisations that also provide homelessness services).

While public stock transfer to the community sector is predicated on the desire for greater customer responsiveness and individualised service response, in contrast to the UK, stock transfer has proceeded in Australia without substantive input from public housing tenants and tenants have had limited capacity to exercise choice in this process. However, tenants have been consulted about the process of change that impacts on them. They have also received information about the benefits of community housing in terms of the potential for community engagement, neighbourhood renewal and place making (Interview 9 April 2015).

Table 17: Dimensions of social housing reform—stock transfer

Dimensions of individualisation approach	Social housing reform—stock transfer
The ‘problem’	Large bureaucracy limited in capacity to respond effectively to customer need. Ineffective in addressing housing and support needs where disadvantage has become concentrated and problematic.
Drivers of policy change	Public housing: cost containment—rising maintenance burden, restrictive rents, unable to access RA.
Influential settings	Established relationships with service providers and agencies formalised through MOUs.
Role of the individual	Clients are engaged through relationship building. Clients are engaged through community level interventions around place-making and neighbourhood renewal.
Implementation strategies	Build staff capacity around customer service. Transfer stock to community organisations.
Implemented resources	Access to rental payments and RA.
Contingent resources	n/a
Outcomes	Diversification of social housing providers. Improved collaboration between social housing providers (NGOs and state/territory housing agencies) and support agencies. Improvements in service provision.

4.6 Summary

The chapter has reviewed selected Australian examples of individualised housing and social assistance. A number of key issues were raised about the implementation of individualised housing and social support programs. The issues raised are not dissimilar to the international experience outlined in Chapters 2 and 3.

First, the examples highlight the need to ensure that there remains a balance between both demand and supply-side responses. Interviewees noted that the provision of therapeutic programs with individualised forms of assistance is not a substitute for long-term supply side interventions that address the shortage of accommodation. Both components are required to deliver positive outcomes for clients. In Australia, the Common Ground and Foyer models of homelessness intervention provide clients with access to transitional or permanent housing, as well as integrated client-directed service response. While the Indigenous home ownership scheme is a demand-side response, historically housing assistance for Indigenous Australians has been weighted towards supply-side responses (e.g. provision of Indigenous Community Housing). This is exhibited by Indigenous Australians being less likely to access financial subsidies for home ownership and housing investment (e.g. negative gearing, capital gains tax exemptions on main residence, and First Home Ownership Scheme).

Second, while most managers embraced client-centred approaches to service design and delivery they raised concerns about passing the responsibility on to vulnerable clients to navigate, advocate and determine forms and degree of support. Service providers recognised that there is considerable variation in client capacity to engage with and to navigate complex systems of service delivery. Managers in the homelessness sector were critical about the notion of choice for vulnerable client groups such as ex-offenders, who continue to face discrimination from private landlords regardless of the development of their life skills.

Third, service providers raised further concerns about the move towards individualised models of funding such as CDC and the NDIS, whereby decision-making around care arrangements is the responsibility of clients rather than agencies. The introduction of CDC has meant that community care providers are no longer able to be flexible in targeting, rationing and delivering services to a community of people with a mix of support needs. The value of receiving 'block-funding' is that it enables the agency to be flexible in how they run a service. There is scope for managing funds more efficiently and directing resources to those most in need by cross-subsidising clients. It was noted that a consumer-approach, may require increased need for advocates when applied to vulnerable individuals. Service providers argued that a more effective approach would be to develop a partnership approach between client and provider and that this was already occurring. It should be noted that the research only examined the views of program managers and clients of services (and where relevant their family/carers) may have different views as regards individualisation and choice.

Finally, an analysis of Australian examples shows that program managers view individualised forms of assistance positively. The focus on clients is considered a good way to ensure that services are carefully targeted and seen as preferable to administrative top-down mechanisms. However, a key finding from the Australian research is that successful assistance programs require a commitment from staff to work closely with clients in order to establish enduring relationships. It was recognised that this approach requires secure investment in programs over extended periods of time and not 'stop-go' funding arrangements.

5 CONCLUSION: POLICY DEVELOPMENT OPTIONS

Over the past two decades, the Australian and state/territory governments have already undertaken widespread reforms directed towards more individualised forms of housing assistance. Such reforms seek to promote choice through market-based mechanisms, customised service design and/or flexible service delivery. Key programs include:

- Extending individualised demand-side assistance through the expansion of the Australian Government's Rent Assistance (RA) and home ownership support programs.
- Promoting diversity in social housing provision through public housing stock transfer to the community sector and other measures.
- Extending client-centred service design through the introduction of a range of housing support programs (funded under the NPAH).
- Involving clients in service design and delivery through the introduction of individualised funding models such as Consumer Directed Care (CDC) and the National Disability Insurance Scheme (NDIS).

However, many of these programs are in their infancy. There is limited information about:

- the long term effectiveness of these programs in improving the housing outcomes of lower income households;
- the way different measures interact with one another to form a coherent policy approach; or
- the benefits and risks of these measures in the context of shifts in the national economy and federal government taxation arrangements.

In this final chapter, we identify potential future policy directions for developing more individualised forms housing assistance to complement other social policy domains. We discuss the benefits and risks associated with extending individualised forms of support to housing assistance for both governments and households, including low-income and vulnerable households who cannot provide for their housing in the market without assistance. We then discuss the case for sustainable government investment in diverse housing programs and assistance with reference to the experience of international and Australian examples.

5.1 Options for promoting choice in Australian housing policy

Drawing on the review of social programs in Chapters 2, 3 and 4, we examine the potential benefits and risks of pursuing and expanding choice and individualised assistance in housing policy. Any proposed initiatives within Australian housing policy should also be evaluated with reference to recent proposals for comprehensive reform to the social welfare system. This has entailed advocacy of a simpler social support system that actively supports workforce participation, building capability through skills and training, and social inclusion (Reference Group on Welfare Reform 2015).

5.1.1 *Extending individualised demand-side assistance*

Individualised, demand-side forms of housing assistance are well-established in Australia. Rent Assistance (RA) is a key component of the Australian income support system and an important housing assistance program. RA complements broader income support objectives by providing supplementary income (the median RA payment in 2014 was \$124 per fortnight) to about 1.32 million income support recipients in the private rental market in recognition of the additional costs of private rental housing (at a cost of around \$3.9 billion to the Australian government.¹⁵ Other individualised, demand-side forms of assistance include the First Home Owners Grant (FHOG) scheme, a non-means tested scheme open to all first home buyers, and Indigenous

¹⁵ See: <http://www.aihw.gov.au/housing-assistance/haa/2015/financial-assistance/>.

home ownership assistance loans, which target Indigenous families who have the capacity to service a mortgage.

Benefits

Proponents contend that an advantage of demand-side assistance is that it enables households in receipt of rental assistance within the income support system (as in Australia) or as a separate housing payment (as in the US and the UK before the introduction of Universal Credit) to find housing that best suits their needs. It could be argued that people can assess suitability themselves better than any administrative allocation system and also make a trade off between the type/size of housing and its location. For example, they may decide the most important aspect of their housing is that it is a house rather than an apartment or that it is in an area in close proximity to a school that meets their child's needs.

The gain for governments is that they are not directly involved in delivery of housing services and responsible for associated costs of dwelling acquisition, tenancy management, property management and eventual upgrade or disposal. It could be argued that governments should not be in the business of providing rental housing when there are a range of not-for-profit and for-profit providers who are charged with delivering housing services as part of their core business.

Risks

The first risk is that individual subsidies or allowances may not reduce the cost of accessing services or a home, since landlords and real estate agents (in the case of rental assistance), and developers and house-builders (in the case of direct subsidies to home owners) may capture much of the subsidy in higher rents or sales prices than would otherwise be the case. An international expert in rental assistance describes this risk:

[Housing allowances] may cause rents to rise within the housing market and thereby reduce the impact of the scheme on housing affordability. This is because housing allowances increase the purchasing power of recipient households; and if the number of recipients within a local housing market is substantial, the increase in demand could push up rents. (Kemp 2012, p.26)

In Australia, the effectiveness of RA in terms of relieving housing stress for low-income households has been questioned in the context of rising unaffordability of rental housing in Australia's major cities. A key criticism of the program is that the subsidies have not been able to keep track with rising housing costs in inner and middle suburbs of major cities, thereby reducing the extent of individual choice which is one of the purported advantages of such schemes (Hulse 2007). While welfare advocacy groups see increased RA payments to alleviate housing stress as a short-term fix (Welfare Rights Centre NSW and the National Welfare Rights Network 2013), RA increases appear in the long-term to enable landlords to raise rents.

Another approach may be to change entitlement rules to reduce RA payments to regional areas, which are less affected by rising rents, and to increase RA payments to urban areas, which are impacted by problems of declining housing affordability. This has political and equity impacts as such as response would divert assistance from areas with lower employment and training opportunities to areas that offer access to services, facilities and higher paid employment. In the US, this issue has been addressed through the application of conditionality measures on Housing Vouchers. Low-income households accessing Housing Vouchers are required through the Moving to Opportunity program to relocate to areas of greater advantage (and jobs). This program has resulted in mixed outcomes, with low-income households not necessarily experiencing improvements in wellbeing as a consequence of moving to an area of higher employment and educational opportunities than their previous residence (Sanbonmatsu et al. 2011).

While demand-side assistance aims to support choice in the housing market, the lack of affordable housing options and supply responses can limit the degree to which lower income household can exercise this choice. The international evidence on the implementation of universal credit in the UK, and Housing Vouchers in the US is that they do not appear to mitigate shortages in the supply of housing which can be afforded by low-income and vulnerable households. There is strong evidence that investing in demand-side subsidies has not elicited an increase in affordable supply for low-income households; indeed, there is an increasing national shortage of affordable rentals for lower income households in Australia (Hulse et al. 2014).

Potential strategies to mitigate adverse impacts on lower income and vulnerable households

In order to promote choice for lower income households in the private housing market there is a need for assistance measures that facilitate access to private rental and home ownership, as well as measures that monitor and facilitate the supply of affordable housing options for purchasers and tenants.

Accordingly, any move to extend demand-side housing assistance should occur in conjunction with measures to increase the supply of housing affordable to lower income households. To date, the goal of extending the supply of low-cost affordable supply has proved difficult for Australian and state/territory governments. Some of the ideas to achieve a boost in supply were published in the final report agreed by the Senate Economic References Committee Inquiry into Affordable Housing (Parliament of Australia 2015). Options canvassed included: offering government bonds for sale to raise finance for not-for-profit housing agencies, shared equity schemes reserved for new build properties to assist low-income households access owner occupation (e.g. shared start loans in Western Australia), and the establishment of an affordable housing finance corporation to serve as a lending institution to not-for-profit landlords.

Moreover, it is apparent that the causes and the solutions of Australia's affordable housing problems extend beyond the reach of housing policy. A key element of addressing housing affordability in Australia entails reforming taxation arrangements that currently advantage owner-occupiers and private rental investors seeking capital gains in established markets (Hulse 2014, pp.157–161). In contrast, there is less support for investment in new, affordable and secure housing.

5.1.2 Promoting diversity in social housing sector

As previously highlighted, Australia's social housing sector has historically been characterised by a top-down, supply-focused system of housing assistance, exemplified by public housing, which is financed, owned and managed by governments. In the past, this 'housing offer' provided accommodation for life and rents were controlled as a percentage of household income regardless of location, property type/size or quality. In recent years, governments have sought to promote diversity in the social housing sector through the transfer of public housing stock to the community sector as well as by some specific capital funding programs. Public housing transfers have been underway since the 1990s, but have increased significantly since 2007 in the context of the Social Housing Initiative that was an economic stimulus measure following the GFC. Recently the Australian Government had a target for the community housing sector to constitute 'up to 35 per cent' of all social housing by 2014 (Pawson et al. 2013).

Currently, most social housing rents are calculated as a percentage of household income, but there may be scope for introducing greater variation and flexibility in this approach. For example, rent levels might reflect amenity and location, rather than a flat rate percentage of household income. In the UK, there has been greater diversification in the social housing sector in recent years and a reorientation of the allocation system towards choice-based

lettings. These reforms have also entailed the introduction of more flexible rent setting policies than in the past. Recently, UK local authorities have introduced a new distinction between 'affordable' and 'social' housing. Housing associations are able to designate higher quality and better located 'affordable' housing stock and charge higher rents (e.g. 70–80% of market rate) accordingly. 'Social' housing stock deemed of lower quality and less well-located can be let by housing associations with rents set at 50 per cent of market rate. The UK has also introduced a 'size criteria' to reduce under-occupation of social housing. The 'size criteria' is applied to working-age households claiming Housing Benefit in the social rented sector. If a home is deemed to have more bedrooms than a household needs, the benefit entitlement is reduced (i.e. Housing Benefit is reduced by 14% for one additional bedroom and by 25% for two or more additional bedrooms).

There may also be scope for introducing greater variation in tenancy arrangements. Depending on assessment, potential tenants might be offered short, medium or long-term leases. A further option for reform might entail introducing greater conditionality on housing access including engagement with support services and pursuing education, training and employment opportunities. Here there is scope to learn from innovative approaches and programs introduced within the homelessness sector under the NPAH. Of particular significance is the way in which support and tenancy arrangements enable people to achieve security, wellbeing and social inclusion. Such reforms may potentially be enabled through access to RA across the social housing sector regardless of provider. Social housing remains distinct from private rental housing, however, through the provision of more secure rental arrangements and potential engagement with support on a voluntary or conditional basis.

Benefits

A key motivation for public housing stock transfer has been cost savings. The financial unsustainability of public housing under current policy settings has meant that governments have been exploring alternative ways of providing social and affordable housing.

Australian governments have viewed the development of the community-housing sector as offering a range of potential economic and social benefits. Not-for-profit housing providers are able to set their rents to capture RA payments. Transfers completed in recent years have contributed to significant revenue capture for the social housing system via the RA entitlement of community housing provider tenants. It is also anticipated that the community service linkages of not-for-profit housing agencies, as well as their capacity to capture additional rental income, may make them better placed to lead community renewal in older public housing estates.

A further rationale for transfer is improvement in service delivery. NGOs are thought to be more embedded in the community and have experience in client engagement and support. It is anticipated that they are able to be more responsive to tenant need than government housing providers.

It is further anticipated that diversity in social housing providers will offer clients choice in relation to their housing provider.

In addition to stock transfer, SHAs may pursue reforms that introduce greater variation and flexibility in rent settings and tenancy arrangements. In the UK reforms aimed at promoting flexibility in rent setting have been pursued with the intention of securing funding for future new affordable housing developments.

It is assumed by the proponents of reform that the benefits of introducing variation in the length of tenancies and imposing conditions on tenancy access are both economic and social. These measures, it is suggested, create structures to support pathways out of social housing and 'welfare dependency', which potentially benefit the state in terms of cost-savings and the client in terms of increased independence and wellbeing. Habibis et al. (2013, p.9) note that

advocates of welfare conditionality argue for its benefits on moral, psychological, political and economic grounds. They point to increased participation in education and health services, improved targeting of resources to vulnerable groups and increased political legitimacy of programs targeting the poor.

Risks

The diversification of the social housing sector holds some risk in terms of tenant outcomes. A key problem is that social housing provision and management by a range of providers is potentially less transparent and accountable than is the case with government housing providers. There are risks in relation to the capacity to regulate activity in the not-for-profit sector: property standards and maintenance; rent setting arrangements; and tenant support services, although most states have established robust regulatory arrangements. Some tenants interviewed as part of Pawson et al.'s (2013, p.57) recent research on public housing stock transfers lacked confidence about the security of their tenancy with their new community housing provider compared with public housing. They were also sceptical that management transfer could remove the stigma of public housing, particularly in broad-acre estates.

A further risk relates to the extent to which diversification of the social housing sector delivers choice for tenants. Currently, transfer is occurring with limited tenant consultation. In addition, mechanisms for enabling potential tenants to exercise choice in relation to preferred housing location, housing type and support services are underdeveloped.

In relation to reforms of social housing focused on greater variation and flexibility in rent setting and tenancy arrangements major risks relate to:

- The imposition of costs on tenants who are already struggling to manage costs of living expenses.
- Preferential treatment of tenants with capacity to re-engage with educational and employment opportunities.
- A weakening of housing security within the social housing sector.
- Increased costs associated with the management of a more diverse and complex system.

The risks associated with expanding welfare conditionally in the social housing sector are that such approaches are potentially:

- unfair and discriminatory
- intrusive and punitive
- impact on innocent third parties such as children
- potentially costly (habibis et al. 2013, p.9).

Potential strategies to mitigate adverse impacts on lower income and vulnerable households

In their recent report on public housing stock transfer, Pawson et al. (2013, p.7) argue that the existing policy framework for transfer is inadequate. They note that safeguards are needed to ensure that transferring tenants do not experience any weakening of their tenancy rights as a result of transitioning to a new landlord. They recognise the need for increased regulation of the developing community housing sector including:

- The need for a minimum acceptable property standard for social housing and technical survey data to demonstrate the extent to which existing portfolios comply.
- A review of social housing rent setting policy to determine the most effective way of protecting affordability for tenants while minimising work disincentives, and improving financial certainty for providers.

- Evaluation and monitoring of progress on community engagement and service delivery and neighbourhood renewal.

They also identified the need for modelling to determine the level of future resourcing needed to maintain social housing at the designated standard and to enable financing of new supply and asset redevelopment in the future.

5.1.3 Extending client-centred service design

A key element of new housing and support programs has been client-centred service design both in Australia and internationally. This is evident in housing first programs such as Common Ground, adopted from the US and now established in Australia's capital cities, although they have moved away from the original focus on scattered housing within the community. Other examples are the UK's Homelessness Change Programme, which provides young people with temporary hostel accommodation and intensive case management support, and the Foyer model in Australia, which provides medium term accommodation for young people at risk of homelessness and intensive case management support. There are also a range of innovative housing and support programs that have been funded in Australia through the NPAH. These programs offer individualised and needs-based approaches to client service delivery and utilise intensive case management as the core driver of client service provision.

Benefits

Client-centred service design, with a focus on establishing and building relationships, results in better targeted and effective interventions. This approach enables service providers to identify the range of support needs and link client with appropriate services, rather than addressing issues in isolation.

Risks

While housing managers embraced client-centred approaches to service design and delivery they raised concerns about passing the responsibility to navigate, advocate and determine forms and degree of support on to vulnerable clients. Service providers recognised that there is considerable variation in client capacity to engage with and to navigate complex systems of service delivery. There is also variation in the effectiveness of measures in rehabilitating clients and enabling them to exit the social housing system. Managers in the homelessness sector were critical about the notion of choice for vulnerable client groups such as ex-offenders, who continue to face discrimination from private landlords regardless of the development of their life skills.

There is a further risk that support is dependent on living in some types of accommodation. This has long been an issue in the disability sector where it has been seen as important to separate out the provision of housing from giving people choice in the types of services they require and service providers.

Potential strategies to mitigate adverse impacts on lower income and vulnerable households

There is scope for housing providers to be more responsive to their clients than at present. Evidence from homeless services providers is that tackling the absence of a home is a necessary intervention but not sufficient on its own. Homeless service practitioners have led the way in making connections between housing and employment, which can be further developed by other types of housing providers. The key issue is whether to provide housing first and then add individualised support components or to provide support to get people 'housing ready' before providing housing assistance. In either of these cases, it could be possible to develop individualised packages of support comprising housing and other types of assistance, assigning individual caseworkers to work closely with clients in a people-centred rather than dwelling-centred approach. It is important that individuals are involved in making these key decisions if they are to have some choice and regain control over their lives.

Packages could involve the private sector as well as the not-for-profit sector, provided that there were clear standards and accountability for standards of service provision.

An analysis of the evidence from the Australian examples shows that interviewees perceive individualised forms of assistance positively. However, a key finding from the Australian data is that successful assistance programs require a commitment from staff to work closely with individuals to establish relationships that endure. It was recognised that this approach requires secure investment in programs over extended periods of time. In addition, the provision of individualised forms of assistance is not a substitute for long-term supply side interventions that address the shortage of accommodation. Both components are required to deliver positive outcomes for clients.

Further, a recent evaluation of services funded under the NPAH cautions against overstating the impact of individualised and needs-based approaches to client service delivery. Instead, the evaluation highlights that critical enablers of success were based on the combination of: case management; flexible brokerage funding; an individual client focus; and service integration (AHURI Research Synthesis 2013, p.42).

5.1.4 Involving clients in service design and delivery

In Australia, there have been recent innovations in the participation of clients in service design and delivery of home care services and support services for people with disabilities. This has entailed a shift towards individualised packages of support available to clients who then exercise choice in the type of service accessed and their preferred provider. In the aged care sector, this has involved the introduction of Consumer Directed Care home care packages. The National Disability Insurance Scheme also makes provision for individualised packages of support.

A further area for policy development is involving clients in a more collective way in service design and delivery rather than focus only on individualised packages of assistance. This report has provided some example of how this is done in the UK and the Netherlands. Whilst not a strong tradition in Australia, there is potential to develop mechanisms to involve those in receipt of housing assistance not just as clients but as co-producers of services and in the delivery of services. This could entail more systematic input from groups of people, as well as resourcing individuals to become involved in designing and delivering services, for example, through the generation of social enterprises.

Australia's public housing stock transfer process also provides opportunities to extend tenant participation in decision-making and facilitate tenant participation in local service management. Australia's weak tenant empowerment ethic contrasts strongly with that in the UK, particularly in the realm of public housing transfers, local housing strategies and tenant management.

Benefits

The rationale for the introduction of individualised support packages is consumer empowerment. This approach should give the person cared for and their carers more choice and control over their community care than they have with agency programs.

Increased tenant participation in the process of public housing stock transfer would increase ownership and control in this process. Opportunities for increased tenant involvement in housing management and support service delivery (e.g. peer support programs) could potentially result in better targeted and effective programs and higher levels of engagement.

Risks

Service providers raised concerns about the move towards individualised models of funding such as CDC and the NDIS, whereby decision-making around care arrangements is the responsibility of clients rather than agencies. The introduction of CDC has meant that community care providers are no longer able to be flexible in targeting, rationing and delivering

services to a community of people with a mix of support needs. It was noted that a consumer-approach when applied to vulnerable individuals may require increased need for advocates for individuals. Service providers noted that a more effective approach was to develop a partnership approach between client and provider and that this was already occurring.

In relation to client involvement in service design and delivery, UK research highlights that residents are more satisfied with tenant run services. However, there is considerable variation in tenant capacity and resources and this can inhibit tenant participation in decision-making and local service management.

Potential strategies to mitigate adverse impacts on lower income and vulnerable households

Individualised packages of support have only recently been introduced within the social policy sector and therefore there is a need to monitor and evaluate whether or not claims of consumer empowerment are realised on the ground. The major concerns for the implementation of this approach include the consequences for agency resourcing and sustainable funding, as well as the need for protections for vulnerable consumers. Previous work on the housing experiences of people with dementia (Gabriel et al. 2015) has highlighted the growing need for advocacy for vulnerable consumers in navigating the system, as well as the potential development of explicit partnership approaches in determining care and service needs and responses.

Australia has pursued public housing stock transfer to the community sector, but with limited tenant engagement and management. However, there is scope to extend client engagement. Recent work by Pawson et al. (2013, pp.69–70) recognises that, to date, the application of an ‘individual choice’ model to tenancy transfer has been problematic in the Australian context. Instead, they advocate a ‘collective choice’ approach where the relevant state government and successor landlord work to secure majority support for a proposal by effective communication of a clearly specified case for change. This is viewed as important in garnering community support and securing backing for a larger-scale stock transfer program in Australia.

Table 18: Assessment of options to promote choice in housing programs and assistance

Policy direction	Benefits	Risks	Potential strategies to mitigate adverse impacts on lower income and vulnerable households
Extending individualised demand-side assistance	<p>More choice for consumers.</p> <p>Able to relocate to housing that is better suited to their needs.</p>	<p>Effectiveness of rental assistance is variable across housing markets.</p> <p>Rental assistance is not effective in reducing housing stress for residents in locations that have experienced house price rises and may contribute to such rises.</p> <p>Subsidy is passed on to landlord without improvement in housing service.</p> <p>Demand-side assistance does not address problems of declining supply of affordable housing.</p>	<p>Extending individualised demand-side assistance <i>in conjunction with</i> supply-side measures.</p> <p>Decision-making informed by an understanding of how various forms of housing assistance interact—taxation arrangements, rental assistance, and subsidies for affordable housing supply.</p> <p>Continued monitoring of availability of affordable housing in inner and middle regions of major cities.</p> <p>Establish inclusionary zoning and planning protocols to enforce proportion of social housing in new housing developments.</p> <p>Expand development funding streams for ‘not-for-profit’ social housing agencies.</p>
Promoting diversity in social housing	<p>More options for clients.</p> <p>Able to opt for different rental and support arrangements.</p>	<p>Difficulties in managing client demand across sector.</p> <p>More complex pathways for clients to manage.</p> <p>Service differentiation diminishes over time.</p>	<p>Pathways and support for clients negotiating system.</p> <p>Investment in regulatory frameworks to ensure quality in housing service provision.</p> <p>Monitoring and evaluation of outcomes of different rental and support arrangements required.</p>
Extending client-centred service design	<p>Better targeted and effective support programs.</p>	<p>Not everyone can achieve employment/training outcomes and exit system.</p> <p>Vulnerable clients find it difficult to manage and there is a risk that individuals opt out.</p>	<p>Partnership approach with vulnerable populations/ recognise agency expertise.</p> <p>Investment in advocacy support for vulnerable clients.</p>
Involving clients in service design	<p>Improved ownership and uptake of support programs.</p>	<p>Challenge for vulnerable clients.</p> <p>Loss of efficiencies in service delivery.</p>	<p>Resourcing and support to enable clients to participate in service design.</p>

5.2 Sustainable government investment in housing programs and assistance

Policy experts are in broad agreement that long-term government investment is required to enable social housing providers to build/acquire new stock. Without this injection of funds, housing agencies seeking to increase supply will not be able to meet their aims. Similarly, individualised housing assistance in any of the above scenarios will require government

investment. To the extent that people have multiple and complex needs, and have been out of education, training and employment for a long time, sustained and targeted investment is required. This investment is necessary in: facilitating access to different types of affordable housing; enabling adaptation of housing to meet individual needs; customising services to meet the needs of particular groups; and facilitating support to enable people to sustain their tenancies and to re/engage in social and economic life.

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APPENDICES

Appendix 1: Interview questions

The program(s)

In what way does your program offer a more individualised approach to delivering housing assistance?

What is the model for implementing greater individualisation, how does it work and what role is assumed for the individual in making choices?

What efforts are made to influence the type of choices that consumers are able to make (e.g. information available to consumers)?

Resourcing

What type and level of resources have been employed towards achieving this?

Were resources diverted from other policies/programs for this initiative?

What other types and levels of resources and capacity have been required in order to implement this program/policy?

Implementation

What were the key ideas driving this program/policy, both official and unofficial?

Who championed this program/policy (e.g. Ministers, policy advisers, party committees, bureaucrats, NGOs, consumers etc.)?

What have been the important institutional settings influencing? program/policy delivery and outcomes?

How has the coordination of government activities across different levels and policy portfolios been achieved?

Development

How has the program/policy developed over time—what significant changes, if any, have there been?

What have been the main influences driving policy/program changes?

Evaluation and outcomes

How is the program/policy being evaluated—how do you know if it is successful?

What are the important outcomes of the program including client outcomes?

What has promoted or limited its success (and for whom)?

What key lessons have been learnt throughout the evolution of the policy/program?

If you were to redesign the program, what would you change?

Overall what do you think is the role/potential role of individualised approaches in housing assistance?

Appendix 2: Overseas interviewees and related programs

Country	Key expert interviewed	Relevant initiatives
UK	Prof. Peter Kemp Vice-Dean for Academic Affairs Blavatnik School of Government University of Oxford	Various welfare reforms including Universal Credit
	Pippa Bell Housing and Welfare Reform Policy Officer National Housing Federation London	
	Sarah Aldred, Manager Rental Income First Choice Homes, Oldham	
	Eileen Herden Researcher Centre Analysis of Social Exclusion London School of Economics	
UK	Bert Provan Researcher Centre Analysis of Social Exclusion London School of Economics	Various initiatives in tenant involvement in housing and estate management
	Graeme Beedham Head of Tenant and Leaseholder Engagement London Borough of Camden	
	Eileen Herden Researcher Centre Analysis of Social Exclusion London School of Economics	
US	Bert Provan Researcher Centre Analysis of Social Exclusion London School of Economics	Housing Vouchers, Move To Work and Move to Opportunity
	Dr Edgar Olsen, Professor of Economics and Public Policy University of Virginia	
	Dr Will Fischer, Researcher evaluating Housing Vouchers Centre for Budget and Policy Priorities Washington	

Country	Key expert interviewed	Relevant initiatives
NL	<p>Erik Maassen Woonbond (Dutch Tenants Union) Amsterdam</p> <p>Dr Jeroen Maas Ministry of Internal Affairs (Housing Policy, Regulation and Markets) The Hague</p> <p>Dr Ron Dooms Ministry of Internal Affairs (Housing Policy, Regulation and Markets) The Hague</p> <p>Marietta Haffner, OTB TU Delft Delft</p>	<p>Individual Rental Subsidy (point system)</p> <p>Rent setting reforms</p>
NL	<p>Krista Kuipers, Advisor to the Prime Minister on Health Ministry of General Affairs The Hague</p> <p>Esther Mot Researcher, Market working in the care sector CPB Netherlands Bureau for Economic Policy Analysis</p>	<p>Deinstitutionalisation and Marketization of home care)</p>
NL	<p>Gerard van Bortel, Researcher and Lecturer in Housing Management Involved in the Quality Label for Housing Associations (KWH) regarding their Participation and Social Task</p>	<p>Tenant involvement in quality of service</p>

Appendix 3: UK tenant involvement and empowerment standard

Required outcomes

1. Customer service, choice and complaints

Registered providers shall:

- Provide choices, information and communication that is appropriate to the diverse needs of their tenants in the delivery of all standards.
- Have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly.

2. involvement and empowerment

Registered providers shall ensure that tenants are given a wide range of opportunities to influence and be involved in:

- The formulation of their landlord's housing related policies and strategic priorities.
- The making of decisions about how housing related services are delivered, including the setting of service standards.
- The scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved.
- The management of their homes, where applicable.
- The management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, as agreed with landlords, and the sharing in savings made.

3. Understanding and responding to the diverse needs of tenants

Registered providers shall:

- Treat all tenants with fairness and respect demonstrate that they understand the different needs of their tenants, including in relation to the equality strands and tenants with additional support needs.

Specific expectations

1. Customer service, choice and complaints

1.1 Registered providers shall provide tenants with accessible, relevant and timely information about:

- how tenants can access services
- the standards of housing services their tenants can expect
- how they are performing against those standards
- the service choices available to tenants, including any additional
- costs that are relevant to specific choices
- progress of any repairs work
- how tenants can communicate with them and provide feedback
- the responsibilities of the tenant and provider
- arrangements for tenant involvement and scrutiny.

1.2 Providers shall offer a range of ways for tenants to express a complaint and set out clear service standards for responding to complaints, including complaints about performance

against the standards, and details of what to do if they are unhappy with the outcome of a complaint.

Providers shall inform tenants how they use complaints to improve their services. Registered providers shall publish information about complaints each year, including their number and nature, and the outcome of the complaints.

Providers shall accept complaints made by advocates authorised to act on a tenant's/tenants' behalf.

2. Involvement and empowerment

2.1 Registered providers shall support their tenants to develop and implement opportunities for involvement and empowerment, including by:

- Supporting their tenants to exercise their Right to Manage or otherwise exercise housing management functions, where appropriate.
- Supporting the formation and activities of tenant panels or equivalent groups and responding in a constructive and timely manner to them.
- The provision of timely and relevant performance information to support effective scrutiny by tenants of their landlord's performance in a form which registered providers seek to agree with their tenants. Such provision must include the publication of an annual report which should include information on repair and maintenance budgets.
- Providing support to tenants to build their capacity to be more effectively involved.

2.2 Registered providers shall consult with tenants on the scope of local offers for service delivery. This shall include how performance will be monitored, reported to and scrutinised by tenants and arrangements for reviewing these on a periodic basis.

2.3 Registered providers shall consult with tenants, setting out clearly the costs and benefits of relevant options, if they are proposing to change their landlord or when proposing a significant change in their management arrangements.

2.4 Registered providers shall consult tenants at least once every three years on the best way of involving tenants in the governance and scrutiny of the organisation's housing management service.

3. Understanding and responding to diverse needs.

3.1 Registered providers shall demonstrate how they respond to tenants' needs in the way they provide services and communicate with tenants.

Appendix 4: Dutch Consultation Act

The Consultation Act came into force in 1998. It provides legislation on a number of matters and it applies to both housing associations and private landlords:

Recognition of tenants' organizations

Tenants' organizations in the meaning of the act are recognized by landlords as consultation partners.

The act sets criteria for tenants' organizations; for example, that all tenants must have the opportunity to become members of a tenants' organization. An organization which satisfies these criteria must be recognized by the landlord. The landlord may also recognize organizations which do not satisfy all the criteria.

Right of information and consultation

The act lays down the matters over which the landlord must in any case, on request, give information to the tenants' organization such as the policy with respect to the rents, maintenance, management, letting and allocation of dwellings. The landlord gives the opportunity to the tenants' organization to enter into consultation about this information.

Right of tenant organizations to advice and consent

If a housing association wishes to alter its policy on one of these matters mentioned in the act, the tenants' organization must be asked for its consent. Tenants' organizations have a minimum of four weeks' time to draw up their recommendations and give their consent. Landlords who do not agree to comply with the advice given by their tenants' organizations are required to communicate their arguments to them in writing, within fourteen days of the advice being given.

Financial contribution of the landlord to the tenants' organizations

It is also stipulated in the Consultation Act that landlords pay the tenants' organizations a compensation for the costs of the consultation and informing the tenants. Usually a contribution of about 4 to 5 euro (\$5–7 AUS) per dwelling per year is involved, with meetings facilities for the tenants' organization. Often the associations also ask tenants for a contribution from their members.

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Australian Housing and Urban Research Institute Limited

Level 1, 114 Flinders Street, Melbourne Victoria 3000

Phone +61 3 9660 2300

Email information@ahuri.edu.au

Web www.ahuri.edu.au