
15 Housing

Government plays a significant role in shaping the Australian housing market, both through direct housing assistance and indirectly through policies associated with land planning and taxation. The Commonwealth and State and Territory governments share responsibility for housing assistance. This direct assistance includes public and community housing, home purchase and home ownership assistance, Aboriginal housing, State and Territory rental assistance (such as State and Territory provided bond loans, assistance with rent payments and advance rent payments, relocation expenses and other one-off grants) and Commonwealth Rent Assistance.

This Report focuses on the performance of government in providing public and community housing. Data currently relates to public and community housing dwellings provided under the Commonwealth State Housing Agreement (CSHA). This Report also includes performance reporting for the other major form of housing assistance, Commonwealth Rent Assistance, for the first time.

A profile of housing and assistance is presented in section 15.1, followed by a brief discussion of recent policy developments in section 15.2. Together these provide a context for assessing the performance indicators presented later in the chapter. All jurisdictions have agreed to develop and report comparable indicators, and a framework of performance indicators is outlined in section 15.3. The data are discussed in section 15.4 and future directions for performance reporting are discussed in 15.5. The chapter concludes with jurisdiction comments.

15.1 Profile of housing and assistance

Why we have government housing assistance

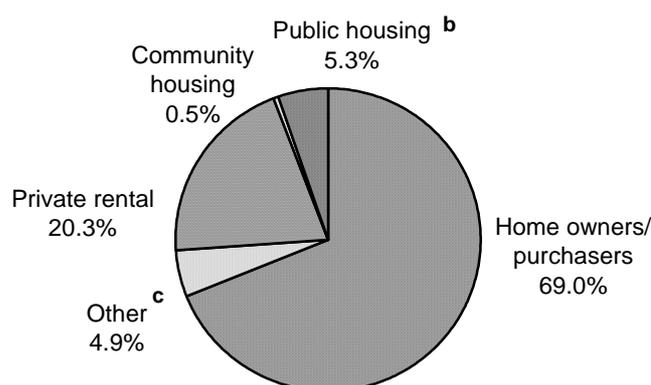
Australia's private housing stock and tenure system houses the majority of the population. Most Australian households are able to access accommodation either through owner occupation or through renting from a private landlord. However, many households face problems in acquiring or maintaining suitable private accommodation for reasons of cost, discrimination, availability or adequacy. The price of rental dwellings can be prohibitive for lower income families. Further,

stock may not be available in the private rental market for households with special accommodation needs. In these situations, housing assistance from both the Commonwealth Government and State and Territory governments can help these households.

Housing in Australia

There were 6.5 million private households in Australia in 1996, where the Australian Bureau of Statistics classifies 'household' as 'a person living alone or a group of related or unrelated people who usually reside and eat together'. Of these households, 69.0 per cent owned or were purchasing their own home, 20.3 per cent rented in the private sector, 5.3 per cent were in public rental accommodation and 0.5 per cent lived in community housing (figure 15.1).

Figure 15.1 Housing composition, by tenure type, 1996^a



^a These tenure percentages exclude 'not stated' responses. ^b Includes all households renting from a State or Territory housing authority. ^c Includes rent free, life tenant, shared equity and other tenures.

Source: table 15A.44.

The composition of Australian households is changing. There is an increasing number of smaller households, including a rising number of single person households. The proportion of single person (including sole parent) Australian households increased from 28.6 per cent to 32.9 per cent between 1994 and 1997-98, while the proportion of couple households fell from 61.1 per cent to 59.2 per cent over the same period.

Housing assistance roles and responsibilities

Various levels of government have different roles and responsibilities in housing and housing assistance.

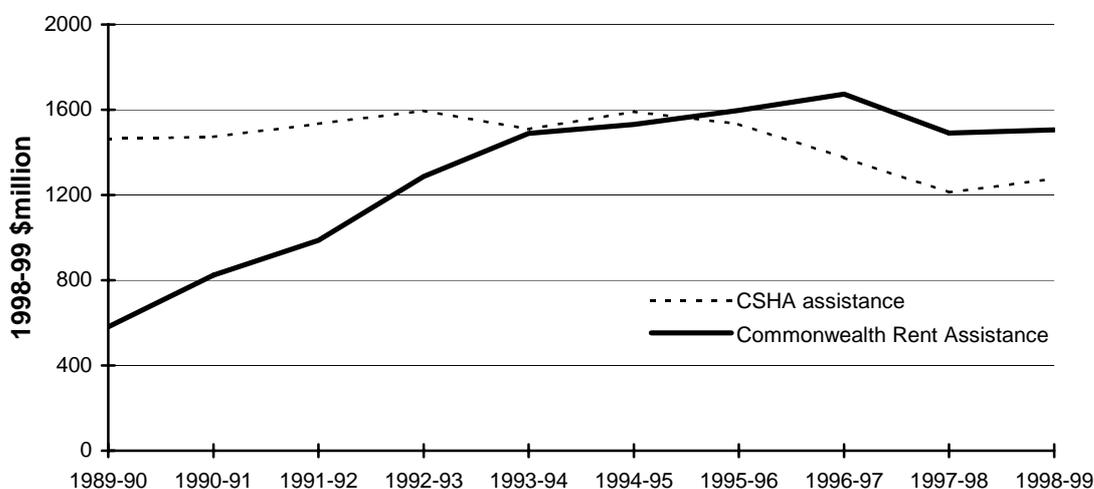
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- The Commonwealth Government provides the majority of funding for public and community housing and other CSHA programs. It also provides Commonwealth Rent Assistance and influences the housing market through direct and indirect means, including taxation.
 - State and Territory governments provide additional funds from their own resources to 'match' part of the CSHA funds, and provide other funds to undertake housing assistance programs. They deliver and manage public housing, oversee community housing, and are responsible for land taxes, stamp duties and residential tenancy legislation. State governments also deliver other CSHA programs such as Home Purchase Assistance, Aboriginal Rental Housing and Private Rental Assistance. Some States and Territories further contribute to the delivery of housing assistance within their jurisdictions through mechanisms such as home lending programs and joint ventures with the private sector.
 - Local governments implement planning regulations and are sometimes involved in providing community housing.

Government expenditure

The Commonwealth Government provided \$1.5 billion for Commonwealth Rent Assistance for low income tenants in the private rental market in 1998-99. The Commonwealth Government and State and Territory governments also provided \$1.3 billion (contributing about 70.4 per cent and 29.6 per cent respectively, accounting for the reduction in Commonwealth funding as a result of State Fiscal Contributions) for housing programs under the CSHA (FaCS forthcoming). Public and community housing accounted for the majority of CSHA funding in 1998-99.

Commonwealth Rent Assistance expenditure increased by approximately 159 per cent in real terms between 1989-90 and 1998-99, while annual expenditure on CSHA assistance declined by almost 13 per cent over the same period (figure 15.2). It should be noted that, given the largely capital nature of public housing, funding is cumulative and assistance is provided through the use of approximately \$30 billion of housing stock owned by housing authorities. Reduced funding in any given year may not necessarily result in a decline in the level of housing stock provided for that year, although it may eventually result in fewer dwelling constructions and acquisitions.

Figure 15.2 Real government expenditure on CSHA assistance and Commonwealth Rent Assistance^{a, b}



^a Care should be taken in interpreting data because Commonwealth Rent Assistance is a demand driven recurrent expenditure program, whereas CSHA expenditure includes a component for capital investment that has resulted in around \$30 billion of public housing assets that are continually used for housing assistance.

^b CSHA figures are not comparable to those published in earlier years. The figures for 1989-90 to 1995-96 have been adjusted to enable comparability (see source document for further explanation). The figure for 1996-97 is different to that published last year. Commonwealth CSHA expenditure differed from Commonwealth budgetary allocations for the three years from 1996-97 to 1998-99. Commonwealth allocations were \$1068 million in 1996-97, \$975 million in 1997-98 and \$967 million in 1998-99. Commonwealth expenditure was \$926 million in 1996-97, \$825 million in 1997-98 and \$898 million in 1998-99. This difference has arisen because some States and Territories chose CSHA funds as the source to offset their State Fiscal Contributions to the Commonwealth Government's debt reduction program that was agreed at the 1996 Premiers' Conference. State Fiscal Contributions deducted from the CSHA allocations totalled approximately \$142 million in 1996-97, \$150 million in 1997-98 and \$70 million in 1998-99. Queensland, for administrative simplicity, chose to meet its whole State Fiscal Contribution liability from CSHA funds, but subsequently directed other State funds to housing.

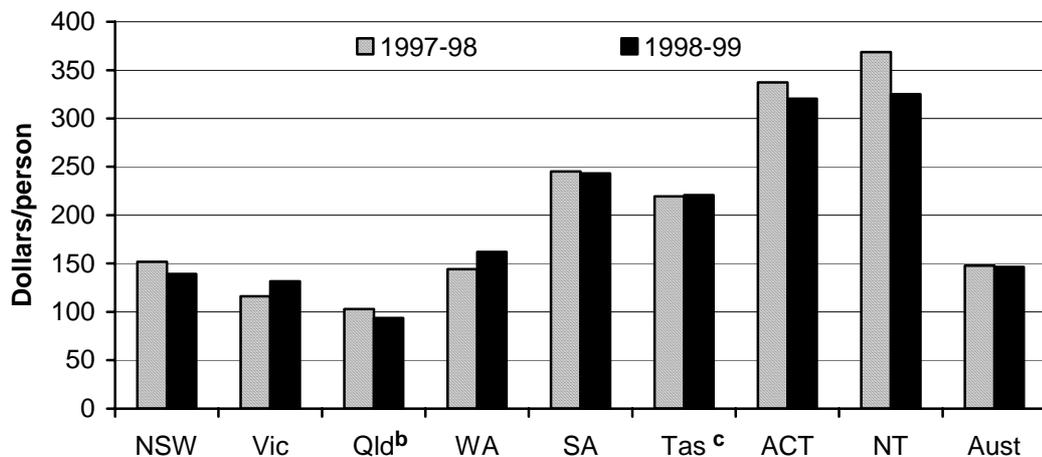
Source: table 15A.53.

State and Territory expenditure per person on public housing was highest in the NT (\$325) and lowest in Queensland (\$94) in 1998-99. Nationally total government expenditure per capita on public housing remained steady between 1997-98 and 1998-99, at approximately \$150 (figure 15.3).

Forms of assistance

A range of housing programs is delivered through the CSHA, including public and community housing (box 15.1).

Figure 15.3 Government expenditure on public housing^a



^a Includes all recurrent and capital expenditure on public housing only. Excludes the user cost of capital, which is discussed in section 15.4. ^b Includes all expenditure of a capital and recurrent nature relating to the public housing program, less any recovered expenditure. ^c Includes Aboriginal Rental Housing Program.

Source: table 15A.48.

Box 15.1 Commonwealth State Housing Agreement (CSHA)

The CSHA sets out a number of key policy parameters for State and Territory provision of public and community housing assistance to low income individuals and families and to those who are unable to access the private rental market for reasons such as discrimination or special needs.

The CSHA also consists of other housing assistance programs, including:

- Aboriginal Housing (the acquisition and maintenance of housing for Aboriginal and Torres Strait Islander tenants and Aboriginal and Torres Strait Islander housing organisations, giving priority to non-urban areas);
- Crisis Accommodation (funding for accommodation for people who are homeless or in crisis);
- Home Purchase Assistance (funding to assist low to moderate income households to purchase their first home or to meet mortgage repayments); and
- Private Rental Assistance (funding for bond assistance, rent relief and relocation assistance).

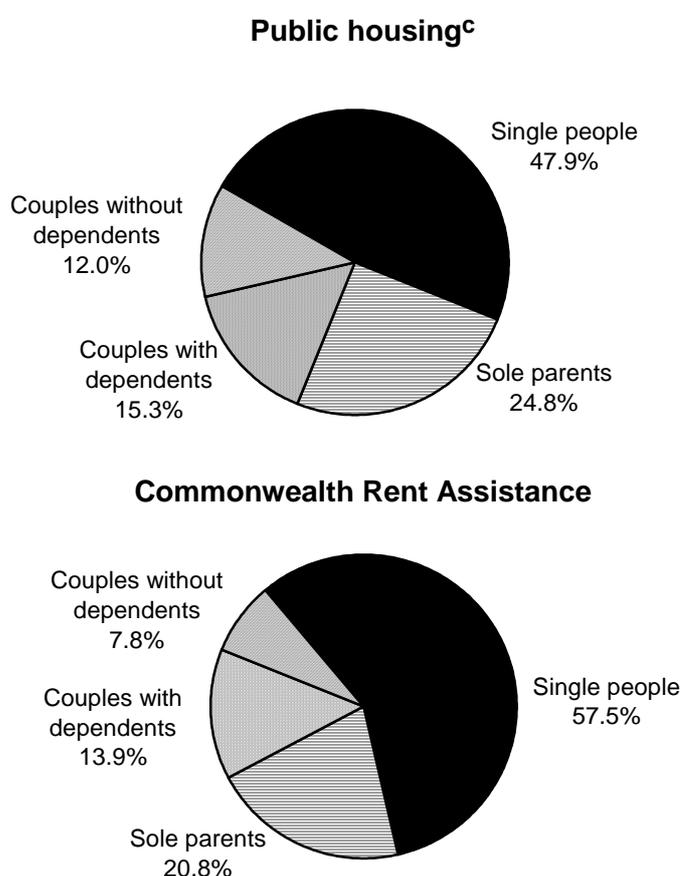
The 1996 agreement ceased on 30 June 1999 and a new four-year agreement came into effect from 1 July 1999. The new agreement includes for the first time bilateral agreements between the Commonwealth and each State and Territory, as well as a broad overarching multilateral agreement. Bilateral agreements are intended to provide greater flexibility for States and Territories to respond to their particular housing needs.

Sources: DSS (1998) and CSHA (1999).

Public and community housing is available to people on low incomes and those with special needs. Those households in public rental housing in 1999 primarily comprised single people and sole parents (figure 15.4). According to the Australian Bureau of Statistics, 8.4 per cent of people with a disability lived in public rental housing, whereas only 2.6 per cent of people without a disability lived in public rental housing (AIHW 1999d).

Commonwealth Rent Assistance is available to income support recipients, low income families who are renting privately and often to people in community housing. The majority of people receiving Commonwealth Rent Assistance at June 1999 were single people (figure 15.4).

Figure 15.4 Housing assistance, by recipient type, 1999^{a, b}



^a Public housing data are based on number of households at 30 June. ^b Commonwealth Rent Assistance data are based on number of income units at June. ^c Excludes 'group and other household' type, which made up 15 per cent of total public rental households.

Sources: table 15A.46 and table 15A.34.

It should be noted that the eligibility and assistance levels for public housing (outlined in the proxy occupancy standard in section 15.4) differ from the implicit

eligibility and assistance levels for Commonwealth Rent Assistance. A couple with two children, for example, is assumed to require a greater level of assistance (larger dwelling) than a couple with one child according to the public housing proxy occupancy standard. However, a couple with one or two children are entitled to the same maximum amount of Commonwealth Rent Assistance.

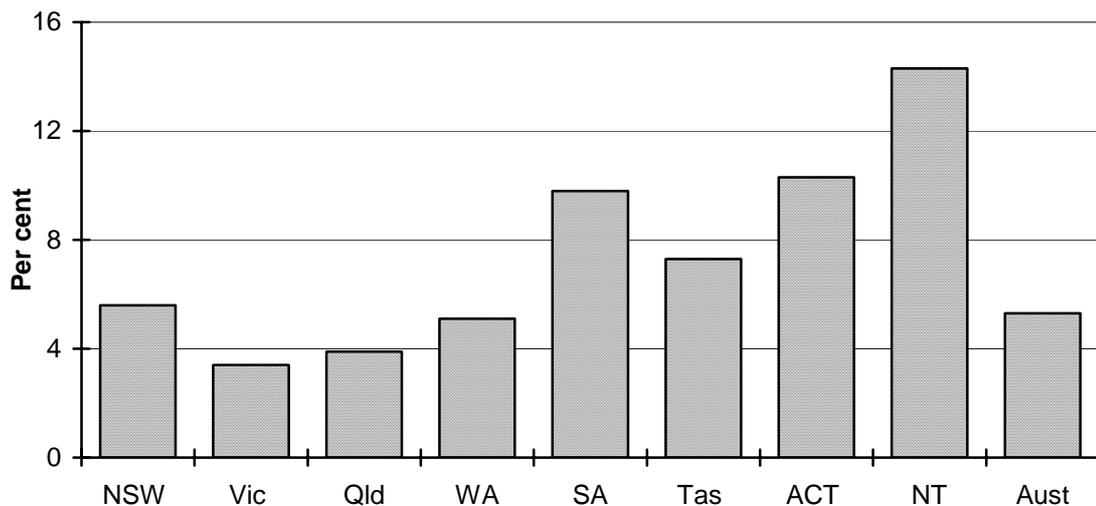
Public housing

Public housing comprises those dwellings owned (or leased) and managed by State and Territory housing authorities. The CSHA is the main source of funding for public housing. Public housing rents are generally set at market levels and rebates are provided so low income earners pay a maximum of 25 per cent of their assessable income in rent, thereby providing affordable housing to people on low incomes.

Public housing is the largest program under the CSHA. Some 389 700 households lived in public housing in 1998-99. Government pensions and allowances are the main source of income for the majority of households in public housing. The Australian Bureau of Statistics estimated that approximately 80 per cent of households renting from a State housing authority in 1997-98 relied on government pensions and allowances as their principal source of income (ABS 1999).

The proportion of households residing in public housing ranged from 3.4 per cent in Victoria to 14.3 per cent in the NT in 1996 (figure 15.5).

Figure 15.5 Households residing in public housing, 1996^a



^a Includes all State and Territory housing authority dwellings.

Source: table 15A.47.

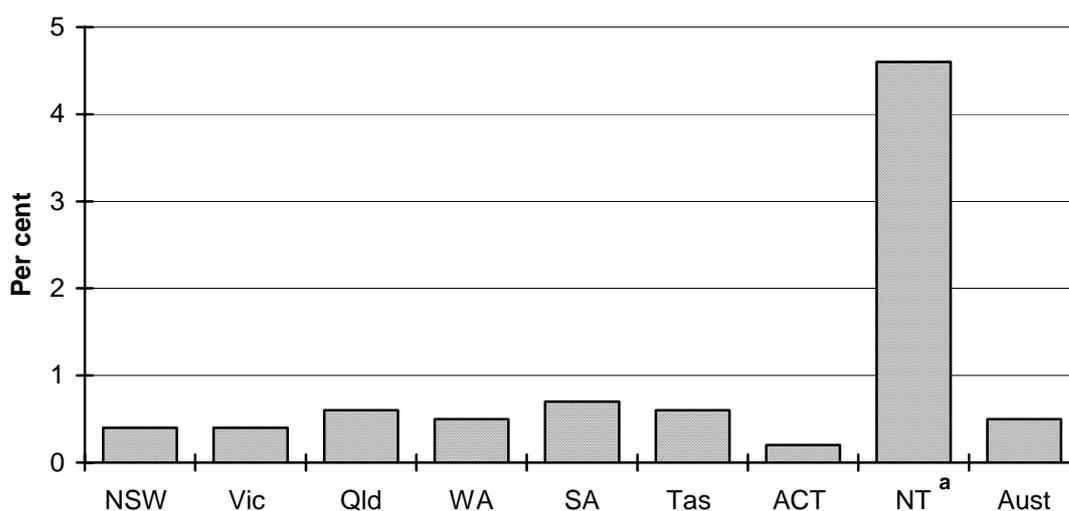
Community housing

Community housing comprises assistance where not-for-profit organisations or local government typically undertake tenancy management functions (although the NT Government is involved in managing community housing) and where funding is fully or partly provided under the CSHA. The primary objective of community housing is to encourage local communities to take a more active role in planning and managing appropriate, affordable and long term rental accommodation. Another objective is to provide choice of housing location, physical type and management arrangement, with security of tenure and an opportunity for people to participate in the management of their housing in a responsive environment.

Community housing aims to achieve links between housing and services that are best managed at the community level, including disability services and home and community care. Despite common objectives, community housing programs vary within and between jurisdictions in their administration and types of accommodation (box 15.2).

The community sector has played a small but increasingly important role in the provision of housing assistance within most jurisdictions. Less than 1 per cent of all households in each State and Territory in 1996 lived in community housing, except in the NT (4.6 per cent) (figure 15.6).

Figure 15.6 Households residing in community housing, 1996



^a The higher proportion reflects the delivery of housing services through Indigenous community housing organisations, for which data are not included in this Report.

Source: table 15A.51.

Box 15.2 **Models of community housing**

Community housing models vary across jurisdictions in terms of their scale, organisational structure, financing arrangements and the extent to which community or government has management responsibility and ownership of the housing stock. Attachment 15A lists the relevant community housing programs in each jurisdiction.

Some community housing models are:

- regional housing associations — the associations provide property management services and community groups provide support services to tenants;
- headleasing — housing authorities or private landlords own the housing stock, which is managed by community groups;
- joint ventures and housing partnerships — a range of church, welfare, local government agencies and other organisations provide resources in combination with State government organisations;
- housing cooperatives — the cooperatives are responsible for tenant management and maintenance, while government, a central finance company or individual cooperatives own the housing stock;
- community management and ownership — not-for-profit or community housing associations both own and manage housing;
- local government housing associations — the associations provide low cost housing within a particular municipality; are closely involved in policy, planning, funding and/or monitoring roles; and may directly manage the housing stock; and
- equity share rental housing — housing cooperatives wholly own the housing stock and lease it to tenants (who are shareholders in the cooperative and therefore have the rights and responsibilities of cooperative management).

Source: State and Territory governments (unpublished).

Commonwealth funding for community housing amounted to 6.6 per cent (or \$64 million) of total Commonwealth CSHA funding in 1997-98. At June 1999, there were approximately 29 600 CSHA community housing dwellings in Australia, or about 6 per cent of the total public and community housing stock supported under the CSHA.

The focus of this Report is on community housing stock funded and delivered under the CSHA only. However, a recent mapping study estimated that approximately 15 000 community housing dwellings (or 40 per cent of total community housing dwellings) across Australia at 30 June 1998 were funded and delivered through other means (AIHW 1999a). There is also likely to be additional community housing stock not identified through the study.

Commonwealth Rent Assistance

Commonwealth Rent Assistance is a non-taxable income support supplement paid to individuals and families in recognition of the extra housing costs faced by those who pay private rent. It is available to only individuals or families receiving an income support payment (that is, a pension, benefit or allowance) or more than the minimum rate of Family Allowance. The concept of private rent covers not only formal tenancy agreements, but also informal arrangements such as board and lodgings paid to a family member, and it specifically includes mooring and site fees (for boats and caravan parks) and payment for retirement village services. Community housing tenants may be eligible for Commonwealth Rent Assistance.

Commonwealth Rent Assistance payments vary according to the amount of rent paid and family type. It is paid at the rate of 75 cents for each dollar of rent paid above the rent threshold, subject to specified maximum rates, regardless of where the person lives. Thresholds and maximum rates vary depending on the customer's personal circumstances (box 15.3).

Box 15.3 Eligibility and payment scales for Commonwealth Rent Assistance

Rent thresholds and maximum rates are indexed on 20 March and 20 September each year to reflect changes in the consumer price index. Rates from 20 March 1999 to 19 September 1999 are listed in the following table.

Maximum Commonwealth Rent Assistance rates and thresholds payable, 1999 (\$/fortnight)^a

<i>Personal circumstances</i>	<i>Minimum rent to be eligible for Rent Assistance</i>	<i>Minimum rent to be eligible for maximum Rent Assistance</i>	<i>Maximum Rent Assistance</i>	<i>Average Rent Assistance paid^b</i>
Single, no children	72.60	173.67	75.80	58.62
Single, no children, sharer	72.60	140.07	50.60	43.72
Single, 1 or 2 children	95.40	213.53	88.60	69.96
Single, 3 or more children	95.40	228.73	100.00	83.22
Partnered, no children	118.00	213.20	71.40	58.64
Partnered, 1 or 2 children	141.00	259.13	88.60	71.36
Partnered, 3 or more children	141.00	274.33	100.00	78.42
Partnered, illness separated, no children	72.60	173.67	75.80	na
Partnered, temporarily separated, no children	72.60	167.80	71.40	na

^a At 20 March. ^b At 18 June. **na** Not available.

Source: FaCS (unpublished 1999).

Commonwealth Rent Assistance seeks to ensure that clients with the same household characteristics, paying the same amount of rent, receive the same amount of assistance wherever they live. There is little variation in the average level of assistance across different locations.

At June 1999, the average Commonwealth Rent Assistance paid across Australia was \$60.90 per fortnight (or approximately \$1580 per year). On a capital city/rest of State basis, Sydney had the highest average private rental costs and the highest average Rent Assistance payments of \$63.00 per fortnight in June 1999. The lowest average Rent Assistance payment was \$57.62 per fortnight in non-capital city Victoria. The range nationally was wider by income unit, from \$78.42 per fortnight for couples with three or more children to \$43.72 per fortnight for single sharers.

There were 963 758 income units — where an income unit is defined as either a single person or a couple with or without dependents¹ — receiving this assistance in June 1999 (table 15.1).

Table 15.1 Income units receiving Commonwealth Rent Assistance, by benefit type, 1999^{a, b}

<i>Benefit type</i>	<i>Income units</i>	<i>Proportion of Rent Assistance recipients</i>	<i>Proportion of benefit type recipients</i>
	no.	%	%
Newstart	276 576	29	42
Age Pension	147 069	15	12
Disability Support Pension	149 706	16	28
Parenting Payment, Single	174 260	18	46
Youth Allowance, Widows Pension and Allowance, Sickness Allowance and Special Benefit	121 226	13	23
Parenting Payment, Partnered	27 140	3	28
Family Allowance	67 781	7	27
Total	963 758	100^c	..

^a At June. ^b Data are for Commonwealth Rent Assistance recipients who were clients of the Department of Family and Community Services only. Data excludes those paid Rent Assistance by, or on behalf of, the Department of Veteran's Affairs or the Department of Education, Training and Youth Affairs. ^c Components may not sum to 100 per cent due to rounding. .. Not applicable

Source: table 15A.35.

The mix of clients by payment type reflects the fact that the proportion of social security recipients receiving Rent Assistance decreases with age. Approximately 51 per cent of income units aged 25–26 years received Rent Assistance in 1999, but only 40 per cent at age 34 years, 30 per cent at age 48 years, 20 per cent at age

¹ Children over 16 years of age are not regarded as dependent unless they are full time secondary students aged under 18 years and do not receive social security payments.

58 years and less than 13 per cent at aged 65 years or more. Clients aged under 25 years are less likely to receive Rent Assistance because young single Youth Allowance clients without children must be entitled to the away-from-home rate to qualify for Rent Assistance. In most cases this means they have to live away from home for study or training.

Links to other services

Close links exist between public and community housing services and other government programs and support services. These include:

- the Supported Accommodation Assistance Program (SAAP) which provides accommodation and services for homeless people (see chapter 14);
- the Crisis Accommodation Program which provides capital funding for accommodation for homeless people;
- health services delivered by States and Territories, the Commonwealth and community organisations to further independent living program objectives, including disability services, mental health services and aged care services (for example, the Home and Community Care program — see chapters 11 and 12);
- services delivered by States and Territories, such as accommodation support services and community access services; and
- Indigenous housing and infrastructure assistance provided by the Aboriginal and Torres Strait Islander Commission, State and Territory governments, land councils and Indigenous community organisations.

Diversity of State and Territory housing assistance operations

States and Territories have similar broad objectives in providing housing assistance. However, jurisdictions face different demographics, have different historical precedents, and interact with community sector providers in a variety of ways that place varying weights on these broad objectives. These differences lead to a variety of relevant policy responses and associated assistance products.

Appendix A contains information on each State and Territory, which may assist in interpreting the performance indicators presented in this chapter. The information covers aspects such as age profile, geographic distribution of the population, income levels, education levels, tenure of dwellings, and cultural heritage (such as aboriginality and ethnicity).

It is important to be aware of the totality of housing assistance operations in each State and Territory when analysing performance information. States and Territories have provided some data on the key operating parameters that characterise the provision of housing assistance across jurisdictions, for example:

- *priority allocations.* The proportion of public rental allocations made on the basis of priority in 1999 ranged from approximately 50 per cent of all allocations in Victoria to less than 5 per cent in Queensland. Approximately 30 per cent of allocations in SA were made on a priority basis, compared with 10–15 per cent in the NT. Approximately 16 per cent of allocations were made on the basis of priority in the ACT, while this proportion was almost 20 per cent in NSW;
- *Home Purchase Assistance.* Victoria and the ACT issued no home ownership loans in 1999, and the number in Queensland was negligible, whereas such assistance comprised almost 40 per cent of all housing assistance in the NT;
- *reviews of tenant eligibility.* In NSW and the ACT, rent rebates were reviewed every six months in 1999. Tenants that are no longer eligible for a rebate are charged higher rent, although tenure is essentially secure for life (subject to review, for example, where continuing and sustained breaches of the tenant's lease has occurred, or where tenant behaviour may cause a nuisance or endanger others). In Queensland, as of 30 June 1999, new public housing tenancies are reviewed after the initial six months of tenancy only. Eligibility is reviewed as leases are due to expire in the NT, while eligibility is reviewed at allocation in SA (although this is currently under review). In Victoria, eligibility is currently reviewed after five years for aged pensioners, and after three years for other tenants;
- *CSHA Private Rental Assistance.* In addition to rental bond schemes provided under the CSHA in most States and Territories, CSHA Private Rental Assistance was provided to households experiencing housing related stress in SA in 1999;
- *remote area concentrations.* There was no public housing in remote areas in Victoria, compared with almost 20 per cent in the NT in 1999. Approximately 15 per cent and 17 per cent respectively of Victorian and ACT public dwellings were located in the inner city area, compared with less than 1 per cent in SA;
- *rebated tenants.* Almost 95 per cent of Queensland public housing tenants were on rebates in 1999, compared with approximately 85 per cent of tenants in the ACT and 70 per cent of tenants in the NT;
- *sales and demolitions.* Approximately 2 per cent of all public housing stock in SA and the ACT was sold or demolished in 1998-99, compared with less than 1 per cent in Queensland;

-
- *public rental turnover*. Public rental turnover (exits as a proportion of total public rental households) ranged between 10 per cent and 30 per cent in all jurisdictions in 1999; and
 - *capital city private rental vacancies*. Capital city vacancy rates may indicate the level of access to private rental housing. The tightest private rental market at June 1999 was Canberra (1.8 per cent vacancy rate) whereas the vacancy rate was highest in Darwin (9.2 per cent) (table 15A.45).

15.2 Policy developments in housing assistance

A new Commonwealth State Housing Agreement (CSHA)

Key objectives under the new CSHA

A new four-year CSHA came into effect in July 1999. The agreement outlines a number of guiding principles (box 15.4).

Performance and evaluation under the new CSHA

Bilateral agreements will be the main instrument for articulating housing assistance outcomes and objectives. Bilateral agreements will contain an integrated outcomes measurement framework which:

- identifies objectives and outcomes (including efficiency, effectiveness and financial outcomes) for the State to achieve during the four years of the CSHA; and
- details how the State will measure performance in achieving the objectives and outcomes.

Unless varied by agreement between the relevant signatories, bilateral agreements will specify the bilateral outcomes to be achieved for each State and Territory, and performance measures for these outcomes (including outputs and targets), for the duration of the current CSHA.

Further, a core set of nationally consistent indicators and data for benchmarking purposes is to be specified in a subsidiary agreement to the CSHA — a National Housing Data Agreement — which will be agreed between the Commonwealth and all States. Section 15.6 discusses the likely implications of this agreement for the information contained in this Report.

Box 15.4 Guiding principles of the 1999 CSHA

The 1999 CSHA includes a number of principles intended to guide the Commonwealth and States and Territories in the development of the agreement:

- the purpose of funding is to assist those whose needs for appropriate housing cannot be met by the private market. The duration of assistance provided should be based on those needs;
- housing assistance arrangements should be sufficiently flexible to reflect the diversity of situations which currently exist in the States and Territories and to assist in microeconomic reform;
- funding arrangements should promote efficiency and cost effective management, including longer term planning and alternative methods of housing provision;
- providers of assistance should meet high standards of public accountability and quality, and the costs of assistance should be transparent;
- housing assistance should be responsive to the needs of consumers, and should:
 - provide priority of assistance to those with the highest needs;
 - be designed to minimise work disincentives;
 - provide assistance on a non-discriminatory basis;
 - give reasonable choice; and
 - meet community standards on consumer rights and responsibilities, including consumer participation;
- the provision of housing assistance should have regard to:
 - the economic, social and environmental objectives of government; and
 - other agreements made between both levels of government.

Source: CSHA (1999).

The National Housing Data Agreement will play the pivotal role in the performance reporting model for the 1999 CSHA. It will provide a framework for developing data standards for all uses of housing data, including the bilateral and multilateral performance measures. It will improve the quality of data through a data dictionary and the minimum dataset(s), and provide a process for achieving commitment to data quality and performance indicators. Under the National Housing Data Agreement, the Commonwealth and States will:

- provide such data according to specified standards in the CSHA; and
- provide the specified level of funding for data management and other purposes.

Developments in community housing

During the course of the 1999–2003 CSHA, it is expected that priority will be given to a range of strategies designed to ensure the continued viability of the community housing sector. These include:

- encouraging diversity and partnership within the social housing system;
- significantly expanding community housing;
- reforming the sector by continuing to build expertise and professionalism; and
- exploring alternative financing arrangements to encourage private sector investment in community housing.

Any growth in community housing will be completed within an infrastructure that provides a better understanding of the sector and its characteristics. A number of recent initiatives have made a start on building this infrastructure — for example, the Community Housing Mapping Project (to examine the scope and characteristics of community housing) and the National Expo of Best Practice in Community Housing.

State housing authorities will work to improve the viability of the community housing sector and of community housing organisations by improving access to accredited training, skills development and timely information.

Developments in Indigenous housing

Under the 1999–2003 CSHA, the Aboriginal Rental Housing Program, as with other CSHA housing assistance, will focus its reporting to reflect the particular circumstances in each jurisdiction, based on agreed national standards for reporting. This will be accompanied by bilateral outcome reporting.

Indigenous housing was also a key issue for the National Commitment to Improved Outcomes for Aboriginal Peoples and Torres Strait Islanders endorsed by the Council of Australian Governments in December 1992. One result was the commitment of the Commonwealth and States and Territories to service delivery level bilateral agreements for Indigenous housing. Such arrangements have already been put into place in some jurisdictions. The Indigenous Housing Authority of the NT, for example, has been in operation since 1995 and manages pooled CSHA, Aboriginal and Torres Strait Islander Commission and NT Government resources. The Aboriginal Housing Office of NSW was set up in 1998 to administer a similar trilateral agreement in that State.

Other recent developments include the introduction of the *National Framework for the Design, Construction and Maintenance of Indigenous Housing*, incorporating the *National Indigenous Housing Guide* published by the Commonwealth Minister for Family and Community Services. Other initiatives are also in train to improve Indigenous housing. Commonwealth, State and Territory housing agency chief executives, the Aboriginal and Torres Strait Islander Commission, the Torres Strait Regional Authority, the Australian Institute of Health and Welfare and the Australian Bureau of Statistics have now signed an Agreement on National Indigenous Housing Information which establishes a management structure for national data collection and reporting on Indigenous housing assistance. The emphasis of the agreement is a holistic approach to improving the circumstances of Indigenous Australians. It recognises that safe and sustainable housing in healthy environments can only be achieved through implementing strategies that consider housing together with infrastructure and housing assistance with community and health support services. The agreement commits its signatories to attaining a national data framework for Indigenous housing that is both culturally appropriate and consistent with mainstream housing data standards. It will also build on improving the ability of service providers to provide data.

These changes have some implications for national performance reporting. The ability of the sector to report can be expected to improve, although coordination and pooling of resources mean differentiating outcomes at the individual program level will be much less relevant. The commitment to data definitions and reporting standards is expected to improve data about Indigenous housing assistance nationally.

Commonwealth Rent Assistance and the goods and services tax

As part of the compensation package with the introduction of the goods and services tax, the maximum rate of Commonwealth Rent Assistance will be increased by 7 per cent for eligible private renters, effective from 1 July 2000. There will be no corresponding increase in the rent thresholds.

15.3 Framework of performance indicators

Objectives

Performance can be defined as how well a service meets its objectives given external constraints. Performance indicators need to ensure that the outcomes and outputs reflect the diverse set of objectives. The general objectives for public and

community housing services are similar. Both aim to assist eligible people obtain housing that is affordable, secure and appropriate to their needs (box 15.5). However, the delivery method for community housing differs from that for public housing: community organisations and sometimes local government deliver community housing, while State and Territory governments deliver public housing.

Box 15.5 Objectives for public and community housing under the 1996 CSHA

Public and community housing aims to achieve housing for consumers that is:

- affordable — that is, after accounting for housing assistance, housing costs for a household do not exceed agreed benchmarks related to income;
- secure — that is, housing assistance is maintained in accordance with need and, if changed, continues to meet needs and agreed outcomes for consumers; and
- appropriate — that is, housing assistance is provided in a range of forms to meet the different needs of consumers, so assistance is appropriate to household size, household type, special needs and cultural needs.

Assistance will be provided equitably in situations of housing need, including assistance to those experiencing difficulty accessing the private rental market and other forms of housing.

Assistance will be provided so as to maximise value for money.

It is intended that public rental housing provided to consumers will:

- be located to give access to necessary services, facilities and employment opportunities in accordance with life cycle needs;
- be of an adequate size and amenity for the household;
- be coordinated with any support services that a household may require to live in the community; and
- provide for security of housing tenure subject to residential tenancies and other applicable legislation, yet provide an appropriate choice of dwellings and locations if a consumer is required to move from one dwelling to another.

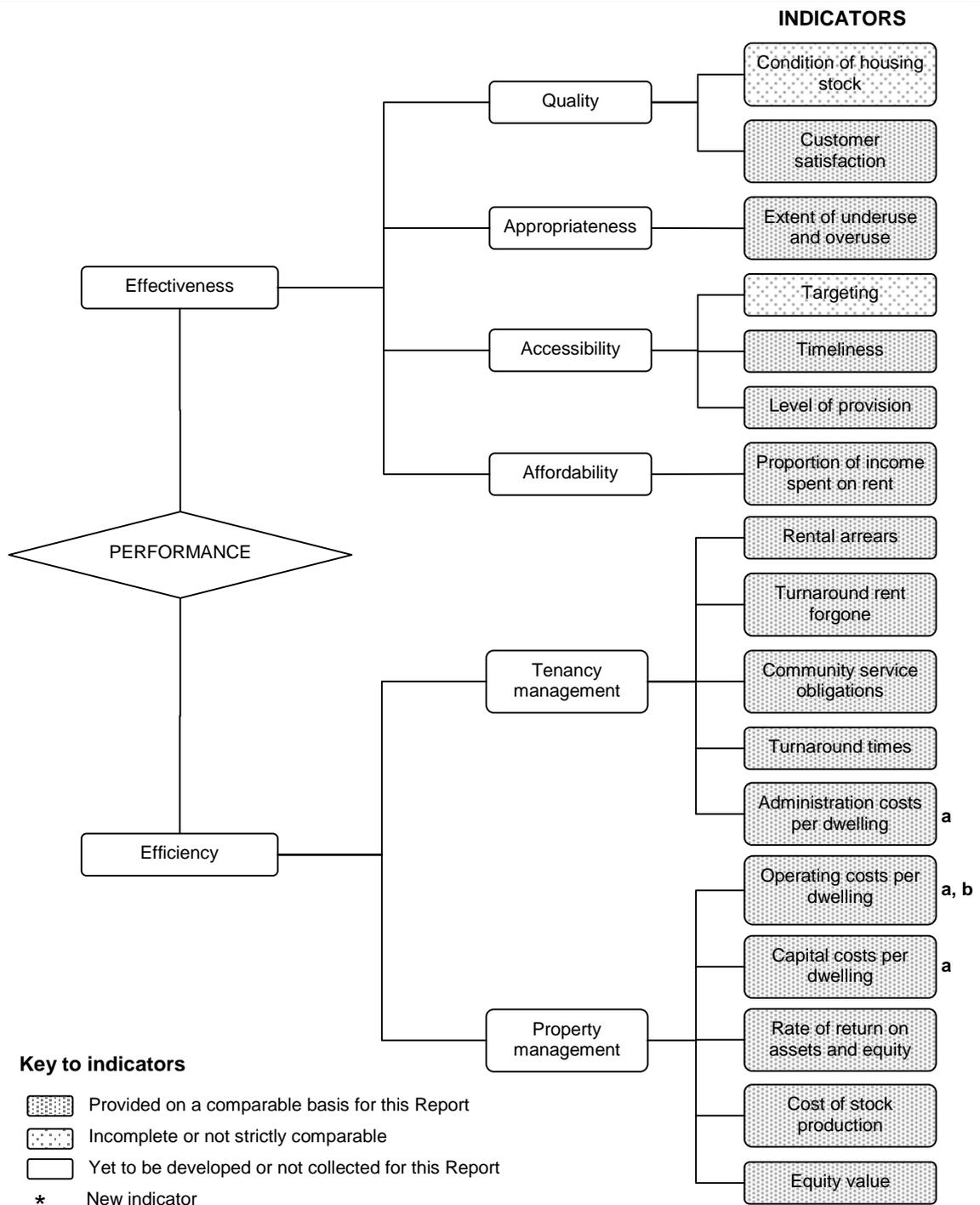
Source: CSHA (1996).

Public housing

The public housing sector is able to report against all indicators in the existing framework. Performance reporting for public housing is now almost complete. Data are presented for the full range of effectiveness and efficiency indicators contained within the performance measurement framework, although data on the condition of

housing stock are still not available for all jurisdictions (figure 15.7). All indicators are described in attachment 15A.

Figure 15.7 Performance indicators for public housing



^a Total cost of public housing is the sum of administration cost per dwelling, maintenance cost per dwelling and capital cost (depreciation plus the user cost of capital) per dwelling. ^b Operating costs include the cost of maintaining the operation of the dwelling (repairs and maintenance, rates, costs of disposals, market rent paid and interest expenses) and depreciation.

Community housing

Community housing performance indicators were published for the first time in the 1998 Report, and the range of indicators is expanded this year to include some pilot customer satisfaction survey data (figure 15.8). Performance in this area, as for other services, is assessed in terms of effectiveness and efficiency. It is difficult to apply a single, national performance indicator framework for community housing because jurisdictions operate a variety of funding and asset management models (box 15.2).

Commonwealth Rent Assistance

Commonwealth Rent Assistance is a supplement to a primary income support payment which may also contain a component for housing costs. Therefore, in addition to housing effects and objectives, Commonwealth Rent Assistance is also governed by other objectives applying to the primary income support payment. The primary objective of Commonwealth Rent Assistance is outlined in box 15.6.

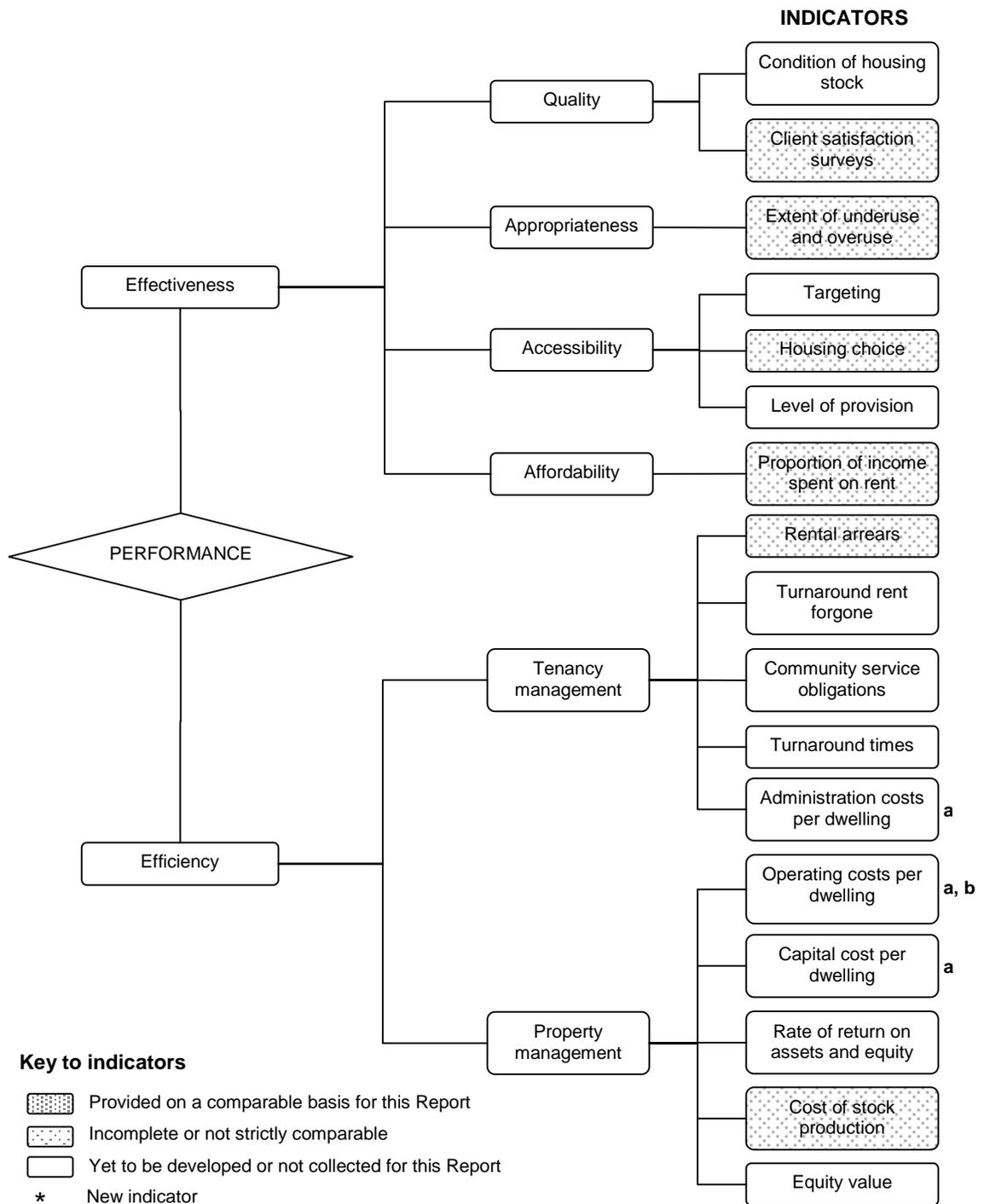
Box 15.6 Objective for Commonwealth Rent Assistance

The objective of Commonwealth Rent Assistance is to provide income support recipients and low income families in the private rental market with additional financial assistance in recognition of the housing costs they face (Newman 1998). This assistance should be provided in an equitable and efficient manner.

The performance indicators for Commonwealth Rent Assistance differ from those for public and community housing because they have different objectives and methods of delivery. It is inappropriate to compare the performance indicators for Commonwealth Rent Assistance with those for the other programs, thus the Steering Committee decided to report the performance of Commonwealth Rent Assistance on a stand-alone basis.

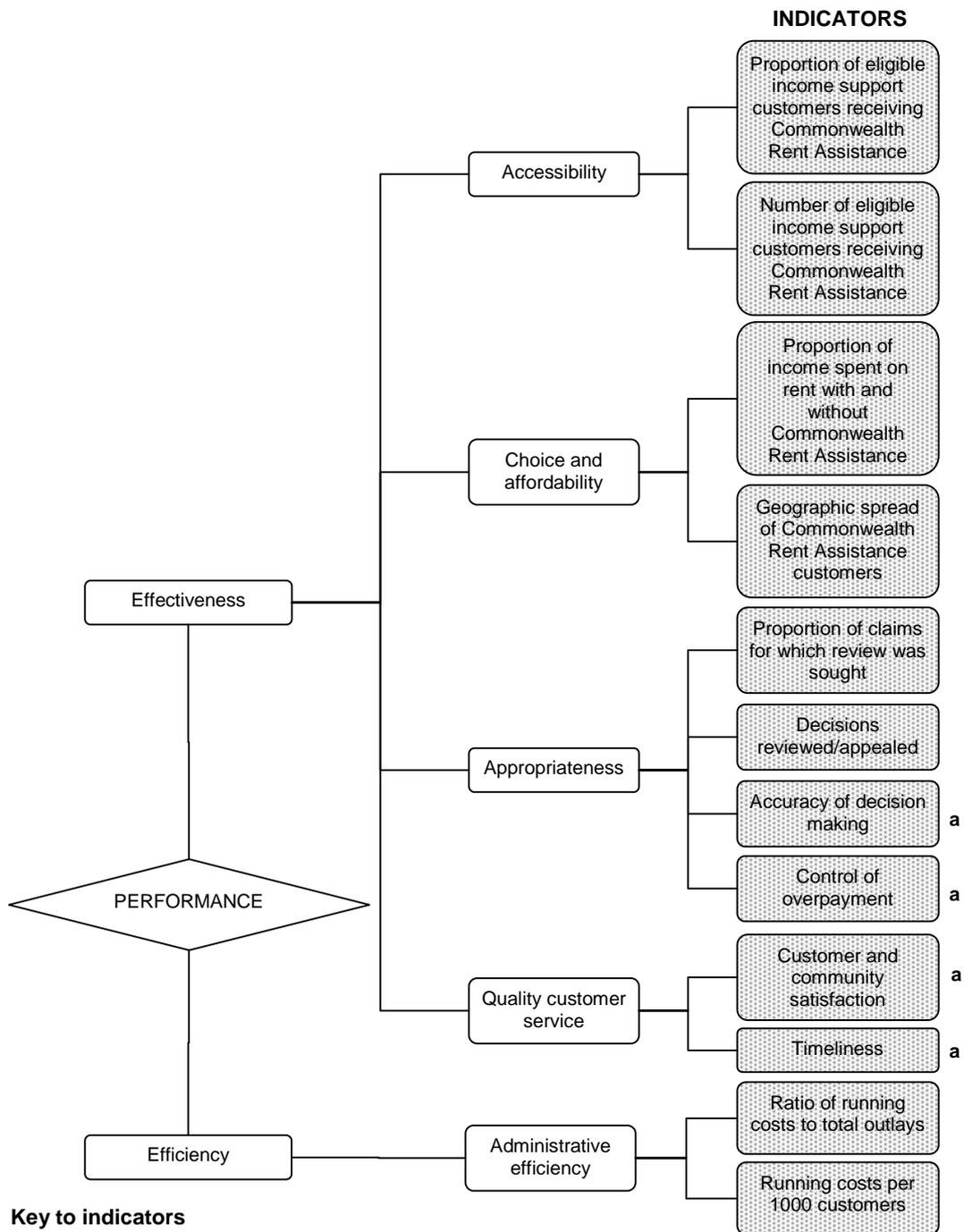
Performance indicator data for Commonwealth Rent Assistance are included here for the first time. Data are for Commonwealth Rent Assistance recipients who were clients of the Department of Family and Community Services only. Data excludes those paid Rent Assistance by, or on behalf of, the Department of Veteran's Affairs or the Department of Education, Training and Youth Affairs. Data are presented for all effectiveness and efficiency indicators contained within the performance measurement framework (figure 15.9).

Figure 15.8 Performance indicators for community housing



^a Total cost of community housing is the sum of administration cost per dwelling, maintenance cost per dwelling and capital cost (depreciation plus the user cost of capital) per dwelling. ^b Operating costs include the cost of maintaining the operation of the dwelling (repairs and maintenance, rates, costs of disposals, market rent paid and interest expenses) and depreciation.

Figure 15.9 Performance indicators for Commonwealth Rent Assistance



^a Data are not separately available for Commonwealth Rent Assistance, but are currently available for primary payments.

Ongoing work to provide a more comprehensive set of performance indicators, and to improve existing indicators and the data, is discussed in section 15.5.

15.4 Key performance indicator results

Public housing

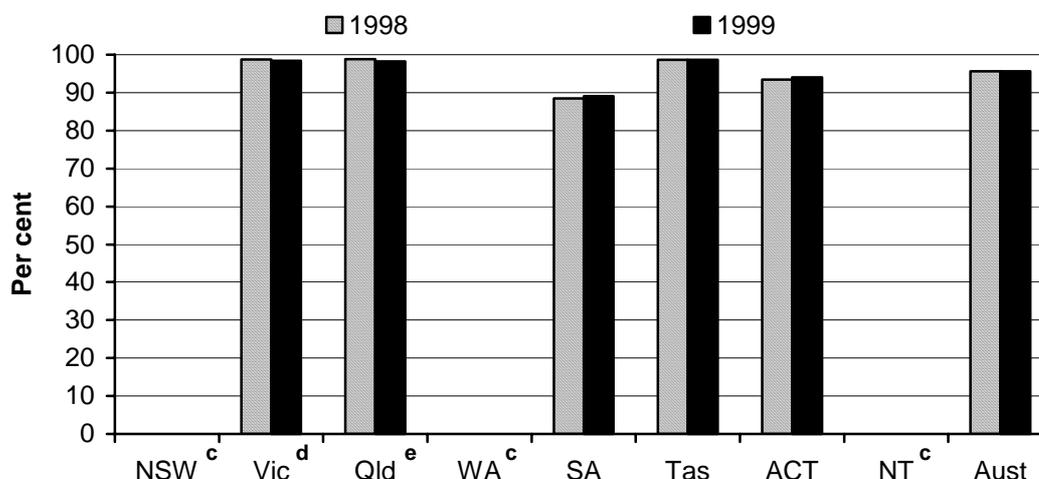
Different delivery contexts, locations and types of client may affect the effectiveness and efficiency of housing services. The effectiveness of public housing is determined by its quality, affordability, appropriateness and accessibility. Efficiency indicators for public housing focus on the operations of tenancy management and property management. Refinement of data definitions since last year's Report improves the comparability and usefulness of public housing indicators, particularly in the areas of affordability and rent arrears. However, interpretation of performance indicator results should take account of any qualifications and notes.

Quality

The quality (condition) of public housing stock is reported in two ways: first, an independent assessment via formal inspection (through the use of a housing stock condition index) and second, tenant assessments of housing condition.

A housing stock condition index relates to the cost of repairs/maintenance required to bring all public rental stock up to an adequate condition relative to the replacement value of that stock. A low index value indicates that the stock is in relatively poor condition, while a higher value indicates that it is in relatively good condition. SA had the lowest ratings for the condition of its public housing stock (89 per cent) at 30 June 1999, while Tasmania had a rating of 99 per cent (figure 15.10).

Figure 15.10 Condition of housing stock^{a, b}



^a At 30 June. ^b Equal to $(1 - [\text{total required maintenance cost for public rental stock} \div \text{total capital replacement cost for public rental stock}])$ expressed as a percentage. ^c Data not available. ^d Total required maintenance cost excludes that for stock earmarked for sale or upgrade. The figure provided has been derived from the total figure for all Director of Housing owned stock apportioned based on the proportion of community housing/direct tenure stock at 30 June. The total capital replacement cost is based on the average construction cost (excluding land) at 1998 and at 1999. ^e Maintenance cost is estimated, because the Property Condition Report has not been finalised. Includes estimate of maintenance backlog. Replacement cost is the average construction cost multiplied by the total stock.

Source: table 15A.11.

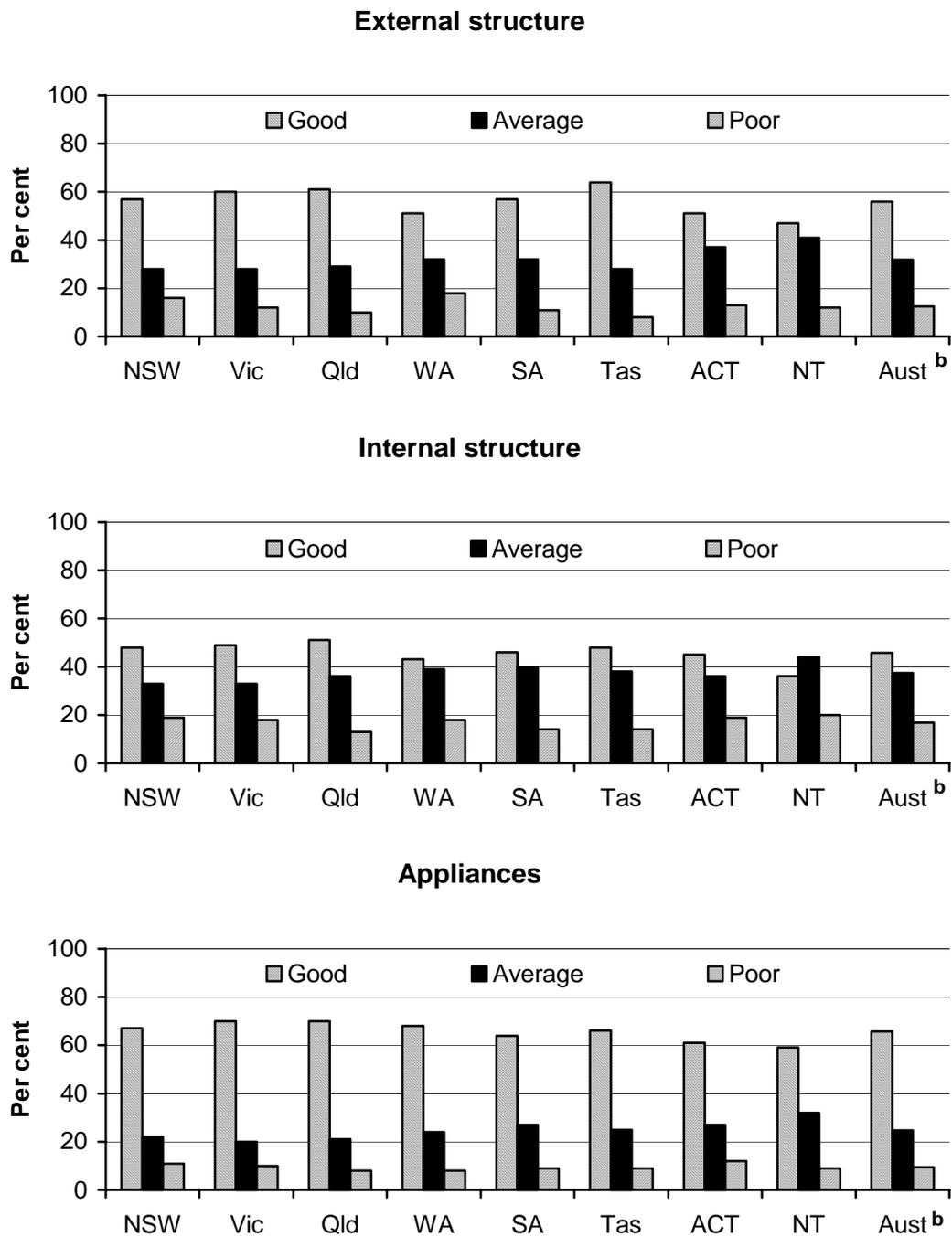
Tenants' assessments of the condition of their homes are reported as another indicator of housing stock condition. The precision of survey estimates will depend on the survey sample size and the sample estimate. Larger sample sizes result in higher precision, as do larger sample estimates; for example, if 90 per cent of surveyed respondents chose an answer, there would be less uncertainty about the actual population's views than if 50 per cent of respondents had chosen it.

Caution should be used when interpreting small differences in results. Confidence intervals are included in charts presenting survey data for the first time. Further information on the sampling method is provided in attachment 15A. Appendix A outlines a method that can be used to test whether the difference between two sample proportions is statistically significant. This test may be required to assess the significance of differences between the survey estimates reported here.

The proportion of public housing tenants surveyed who rated dwelling condition as good in 1999 was higher than the national average for:

- external structure in NSW, Victoria, Queensland, SA and Tasmania;
- internal structure in NSW, Victoria, Queensland, SA and Tasmania; and
- appliances in NSW, Victoria, Queensland and WA (figure 15.11).

Figure 15.11 Tenant assessments of housing stock condition, 1999^a



^a Caution should be used when interpreting small differences in the results, which are affected by sample and estimate size (see attachment 15A for details of the sample size). ^b Calculated as simple numerical averages due to a lack of raw data.

Source: table 15A.13.

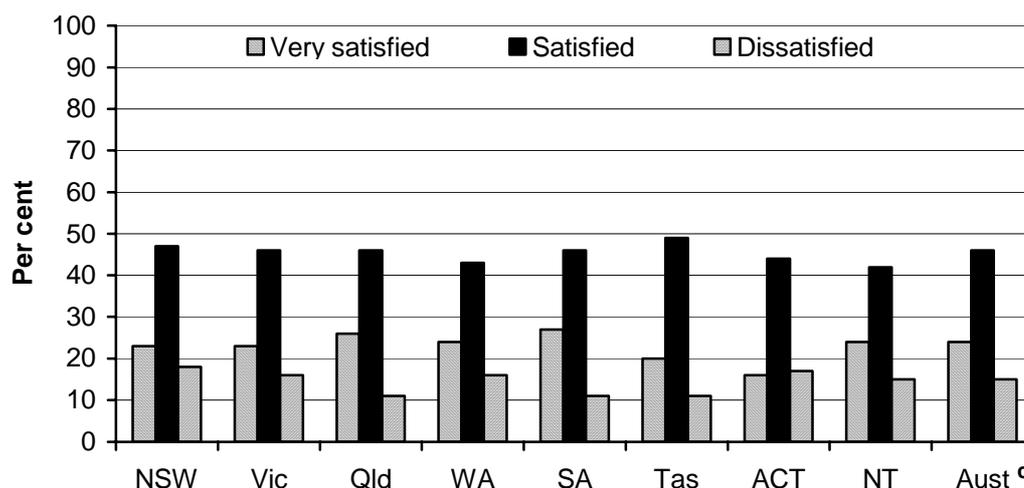
A comprehensive survey of customer satisfaction with public housing was conducted in 1999 to understand and compare customer satisfaction across States

and Territories. The survey reported satisfaction with seven strategic service and physical aspects of public housing.

The satisfaction outcomes for these areas influence the general satisfaction of public housing tenants. A more comprehensive discussion of customer satisfaction results is provided in the *Report of the National Survey of Customer Satisfaction with Public Rental Housing Assistance 1999* (Donovan Research 1999a).

- The vast majority of tenants (between 60 per cent and 73 per cent) in all States and Territories were either satisfied or very satisfied. This proportion did not decrease in any State and Territory between 1998 and 1999. The largest changes occurred in Victoria and Queensland, where the proportion increased by 5 percentage points.
- The proportion of public housing tenants surveyed who were dissatisfied fluctuated across States and Territories between 1998 and 1999, ranging from an increase of 3 percentage points in WA to a decrease of 5 percentage points in Tasmania.
- The proportion of public housing tenants surveyed who were very satisfied was above the national average in Queensland and SA in 1999.
- The proportion of public housing tenants surveyed who were dissatisfied was above the national average in NSW, Victoria, WA and the ACT in 1999 (see attachment 15A and figure 15.12).

Figure 15.12 Tenant satisfaction, 1999^{a, b}



^a Caution should be used when interpreting small differences in the results, which are affected by sample and estimate size (see attachment 15A for details of the sample size). ^b Data do not add to 100 per cent as a result of nonresponses. ^c Calculated as simple numerical averages due to a lack of raw data.

Source: table 15A.12.

Appropriateness

A measure of the appropriateness of public housing assistance is indicated by the match of rental dwellings to household size. Housing authorities agreed to provide data on the match of households to different sized dwellings using a proxy occupancy standard based on the size of the dwelling and family structure (table 15.2).

Table 15.2 Proxy occupancy standard for appropriate sized dwelling, by household type^a

<i>Household components</i>	<i>Bedrooms required</i>
Single adult only	1 bedroom
Couple with no children	2 bedrooms
Sole parent or couple with 1 child	2 bedrooms
Sole parent or couple with 2 or 3 children	3 bedrooms
Sole parent or couple with 4+ children	4 bedrooms

Source: AIHW (1999b).

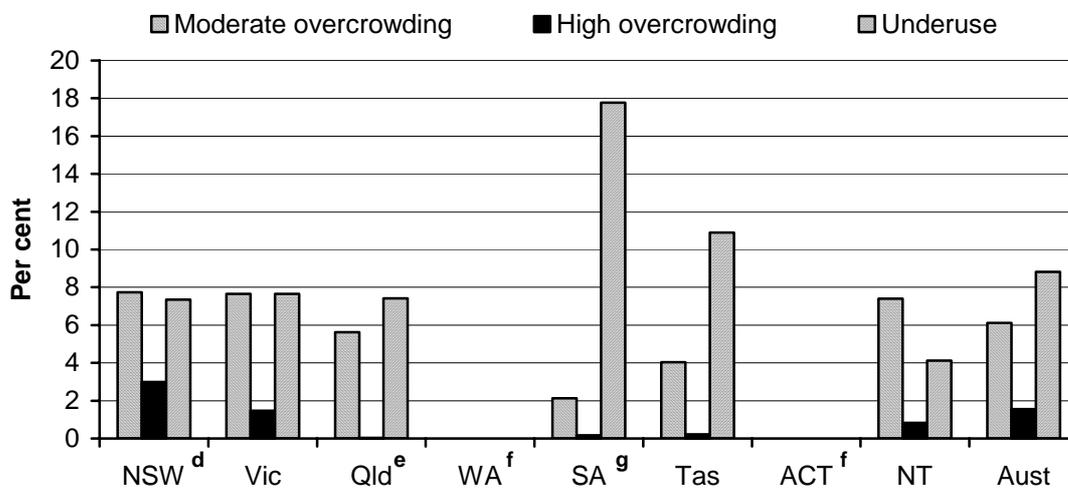
The indicator uses the proxy occupancy standard to report the number of households that satisfy the following definitions:

- moderate overcrowding — where one additional bedroom is required to satisfy the proxy occupancy standard;
- high overcrowding — where two or more additional bedrooms are required to satisfy the proxy occupancy standard; or
- underuse — where there are two or more bedrooms additional to the number required to satisfy the proxy occupancy standard.

However, the above proxy occupancy standard may differ to the specific criteria used by State and Territory housing authorities to match households to dwelling types, affecting interpretation of this indicator.

The NT had the highest proportion (approximately 88 per cent) of households residing in appropriate sized dwellings at 30 June 1999. The jurisdictions with the highest proportion of moderately overcrowded dwellings were NSW and Victoria (7.7 per cent), while SA had the highest proportion of underused dwellings (18 per cent). Highly overcrowded dwellings made up 3 per cent or less of dwellings in all jurisdictions (figure 15.13).

Figure 15.13 Overcrowded or underused public housing dwellings, 1999^{a, b, c}



^a At 30 June. ^b The indicator is calculated for rebated tenants only where household composition details are known. ^c It should not be assumed that non-rebated tenants are all appropriately housed. ^d 1998 data have been revised because there were errors in recoding for last year's figures. In many cases, details are unknown about individual households numbers. ^e Figures for 1998 differ from those reported last year, which were calculated on total households rather than rebated households. ^f Data are not available. ^g 1998 figures have been recalculated because the wrong accommodation proxy had been used for that year.

Source: table 15A.14.

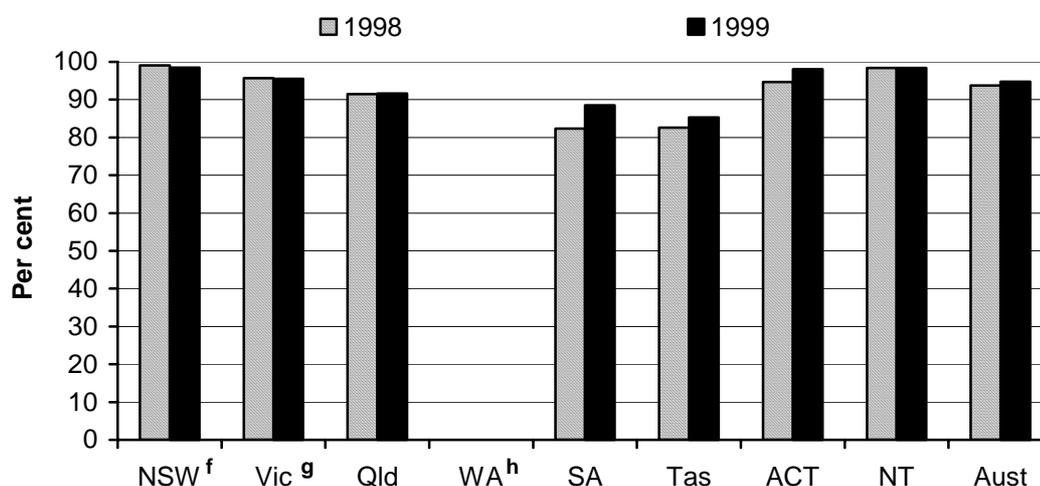
Accessibility

Targeting indicates the need status of all households receiving public housing assistance. Targeting of housing services is the most complex area of performance assessment, and is based on a number of assumptions.

Targeting part B measures the percentage of public housing households who are in need at 30 June 1999. For the purposes of this indicator, households in need are defined as only those who would have had to spend more than 25 per cent of their income on rent for appropriately sized accommodation (according to a proxy occupancy standard) if they had not received housing assistance. It excludes households that do not meet this criterion, although are in need for reasons other than low income (such as discrimination).

The proportion of rebated public housing occupants who were in need at 30 June 1999 was lowest in Tasmania (85 per cent), while nearly all rebated public housing tenants in NSW, the ACT and the NT were in need. Nationally 95 per cent of those occupying public housing were in need (figure 15.14).

Figure 15.14 Targeting part B — proportion of those occupying public housing who are in need^{a, b, c, d, e}



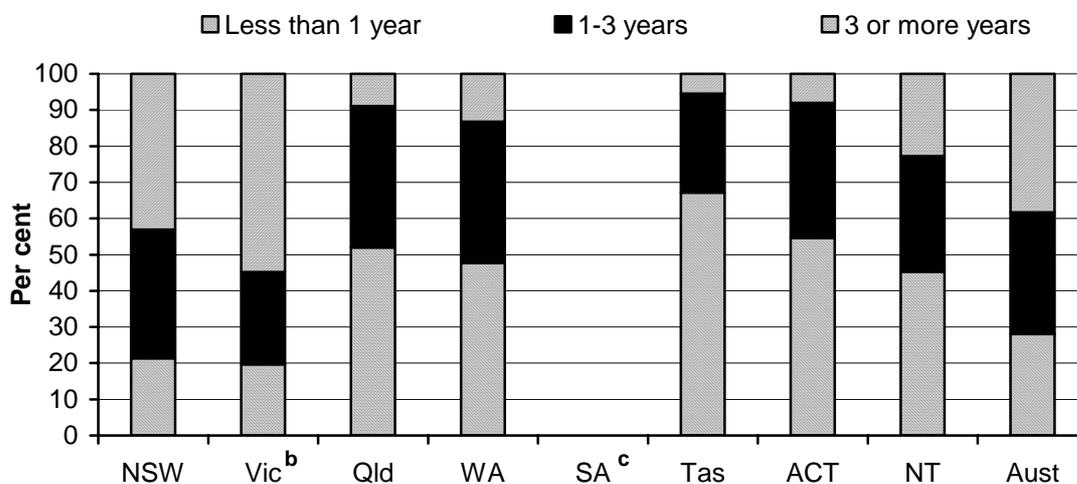
^a Data on targeting part A are reported in the housing attachment (table 15A.8). ^b At 30 June. ^c Data refer to only rebated tenants where income and household composition details were available. ^d The method used to calculate aspects of need such as household size and income may vary between jurisdictions. Similarly the use of different sources of private rent data (newspapers, survey, rental bond board or industry data) between jurisdictions may also affect data comparability. ^e The 'proxy occupancy standard' used in the calculation of appropriateness, a 'single adult only' requires a 1 bedroom dwelling to be appropriately housed. The standard used here specifies that a 'single adult only' requires a 2 bedroom dwelling to be appropriately housed. ^f The 1998 figure has been revised to use the same definition as for the 1999 figure. ^g Gross household income has been used in the calculations. The median private market rents for 1997-98 have been revised from those provided last year, resulting in minor changes from the data provided last year. The data are based on the Office of Housing definition of dependent which counts a person 16-24 years of age as a resident, regardless of whether that person is a full time student. ^h Data are not available.

Source: table 15A.9.

A household's length of time on a waiting list is an indicator of the time taken by housing authorities to meet the current demand for housing assistance. However, waiting times may also reflect (a) applicants' willingness to wait for public housing dwellings in particular locations, (b) differences in waiting list management practices and (c) differences in eligibility criteria.

Twenty per cent of Victorian households seeking public housing at 30 June 1999 had been waiting for less than one year, while 67 per cent of Tasmanian households had been waiting for the same period. Approximately 55 per cent of households in Victoria had been waiting for three or more years, compared with 6 per cent in Tasmania (figure 15.15).

Figure 15.15 Waiting times for public housing applicants, 1999^a



^a At 30 June. ^b The public housing waiting list includes applicants who can be assisted through the Aboriginal Housing Program. ^c Data are not available.

Source: table 15A.16.

The quality of waiting list data relies on all aspects of the waiting list being up-to-date, including priority and wait-turn applicants (those who wait their turn on the waiting list until they are offered accommodation). Further, the waiting list for public housing in some jurisdictions may be used for multiple purposes, such as for applicants for Aboriginal rental housing, community housing or private rent assistance. This may also affect the consistency and quality of data.

The level of housing assistance provision is reported by comparing actual provision with the bilaterally agreed level of provision. Each State and Territory government and the Commonwealth Government negotiate at the beginning of each year the target level of newly allocated households to be assisted under the terms of the CSHA. Victoria and the NT exceeded their agreed level of provision in 1998-99, while the remaining jurisdictions provided slightly less than 100 per cent of agreed levels (table 15.3).

Table 15.3 Public housing provision as a proportion of the agreed level of provision (per cent)

	NSW	Vic ^a	Qld	WA	SA	Tas	ACT	NT	Aust
1997-98	99.1	99.8	98.4	100.5	99.0	98.0	98.4	101.4	99.2
1998-99	98.5	102.1	97.9	98.9	98.8	96.9	96.8	101.7	99.2

^a The bilateral target was for total allocations (assists) only, not for new allocations (assists). The Office of Housing's internal target of 7400 was substituted in lieu.

Source: table 15A.15.

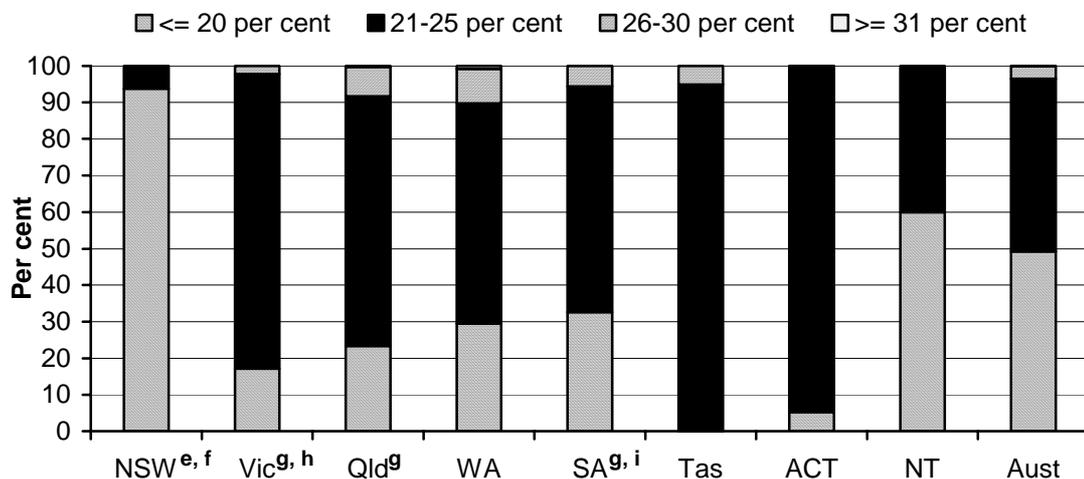
Affordability

Affordability measures the number of rebated public rental households paying a certain proportion of their assessable income on housing costs. It is not directly linked with the public housing targeting indicator which reports the number of households in need (where need is defined as those households that would have to spend more than 25 per cent of their assessable income to pay the median private market rental cost for appropriate sized accommodation).

Few rebated households were paying more than 30 per cent of assessable income on rent in any jurisdiction at 30 June 1999. However, the proportion of rebated households paying less than or equal to 20 per cent of assessable income on rent, and the proportion paying 21–25 per cent, varied significantly across jurisdictions.

The proportion of rebated households that paid 21–25 per cent of their income on rent in 1998–99 ranged from 6 per cent in NSW to 95 per cent in both Tasmania and the ACT. NSW had the highest proportion of rebated households paying less than or equal to 20 per cent of their assessable income on rent in 1998–99 (93 per cent), while Tasmania had the lowest (0 per cent) (figure 15.16).

Figure 15.16 **Rebated public households paying assessable income on rent, by proportion of income, 1999^{a, b, c, d}**



^a At 30 June. ^b Includes only rebated households with known income details. ^c The definition of assessable income may vary between jurisdictions. ^d Data falling between the segments identified above are rounded down (for example, 20.8 per cent would be included in the segment 'less than or equal to 20 per cent'). ^e Due to a different method of rounding, some households' records are pushed into the 21–25 per cent bracket in 1999. ^f If a tenant is not eligible for a rebate due to income eligibility requirements, they pay the market rent for the dwelling. ^g Note that 20 per cent is the upper limit of the category 'less than or equal to 20 per cent', 25 per cent is the upper limit of the category '21–25 per cent', and 30 per cent is the upper limit of the category '26–30 per cent'. ^h Weekly rent is net of any service charges paid by tenants. ⁱ The income figure used is total household income, including all Additional Family Payments. Previous years' figures have been amended to reflect this definition.

Source: table 15A.10.

Efficiency — tenancy management

Data are presented here for a range of efficiency measures, including unit costs. The extent to which these unit costs are complete and comparable is summarised in box 15.7.

Box 15.7 Comparability of cost estimates

It is an objective of the Review to report comparable estimates of costs. Ideally, the full range of costs to government is counted on a comparable basis. Where the full costs cannot be counted, costs should be estimated on a consistent basis.

The Steering Committee has done work in four areas to improve the comparability of costs across government and private providers.

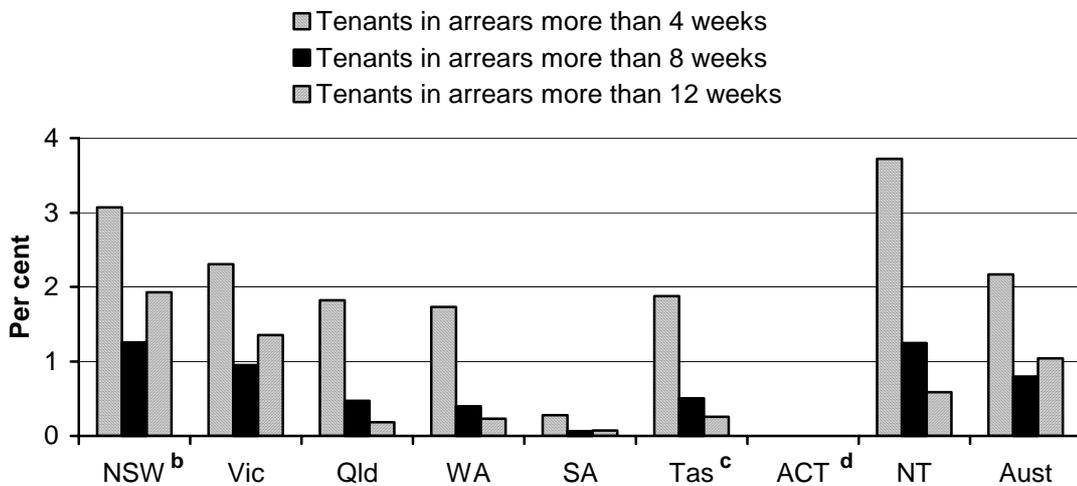
- Superannuation costs are included in cost estimates for housing services. This ensures comparability across jurisdictions. SCRCSSP (1998) recommended costing superannuation on an accrual actuarial basis. There is an ongoing process to determine whether superannuation costs have been included in the costs of housing services on this basis.
- Depreciation costs are included in estimates of maintenance and depreciation costs per dwelling for both community and public housing. This year the Report documents differences in how depreciation is measured in table 15A.49.
- The user cost of capital is reported separately for public and community housing. The user cost of capital represents the opportunity cost to government of the funds tied up in housing assets. Excluding this cost lowers the reported costs per dwelling. Comparability will be improved by adding the reported user cost of capital to costs, and ensuring debt servicing costs and State based capital asset charges are deducted from estimates of administration and operating costs per dwelling.
- Payroll tax is payable by government public and community housing authorities in all jurisdictions. SCRCSSP (1999) recommended that no additional treatment was necessary to improve the cost comparability of the sector.

The Steering Committee will undertake further work in areas where the comparability of cost data has not been achieved (for example, as a result of differences in the apportionment of overheads across services and jurisdictions).

Sources: SCRCSSP (1998) and SRCSSP (1999).

Rent in arrears represents a financial burden to housing authorities. NSW had rent in arrears for the longest periods at 30 June 1999, while SA had virtually no households with rent in arrears (figure 15.17). All jurisdictions collected more than 96 per cent of rent charged except the NT (87 per cent). However, differences in recognition policies for arrears commencement, write-off practices, the treatment of disputed amounts and the treatment of payment arrangements may affect the comparability of reported results of this indicator.

Figure 15.17 Public housing with rent in arrears, 1999^a

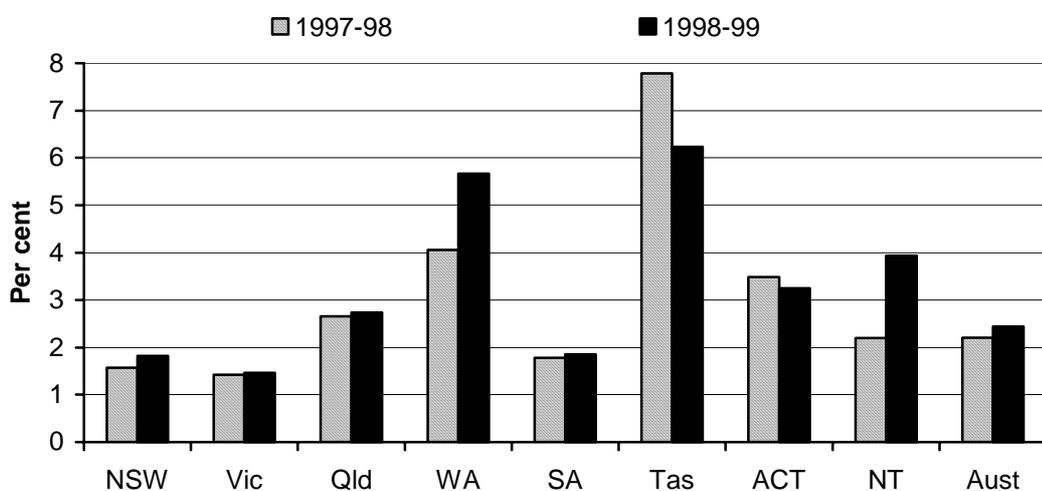


^a At 30 June. ^b NSW has recently implemented a new Integrated Housing computer system, and as a result a number of data inaccuracies still have not been resolved. ^c Weeks worth of arrears are derived by dividing current tenant arrears by the tenant contribution for each tenancy. Properties still occupied by tenants with an expired notice to quit have been excluded from this calculation. ^d The ACT is unable to provide the number of tenants in rental arrears. Instead dollar values of total rent charged to tenants is provided in table 15A.21.

Source: table 15A.21.

Turnaround market rent forgone indicates the proportion of total market rent lost through vacancy of public housing dwellings. The level of demand for public housing, and policy on how many times an applicant can reject an offer of a property without losing eligibility, may affect reported results. Tasmania had the highest proportion of market rent forgone through vacancy in 1998-99 (6.2 per cent), while Victoria had the lowest proportion (1.5 per cent) (figure 15.18).

Figure 15.18 Turnaround market rent forgone

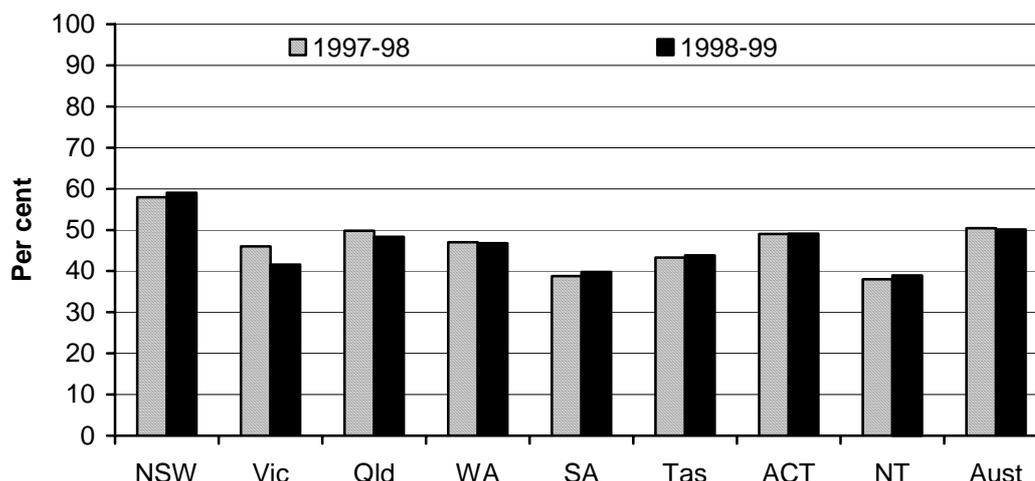


Source: table 15A.22.

Community service obligations for public rental housing — market rent less rent charged — indicate the extent to which government subsidises tenants in public rental housing. Community service obligations for public rental housing in 1998-99 were highest in NSW (59 per cent of market rent) and lowest in the NT (39 per cent of market rent). Nationally community service obligations remained relatively steady between 1997-98 and 1998-99 at around 50 per cent of market rent (figure 15.19).

Differences in the treatment of some data items — including the frequency and timeliness of valuations, and the accuracy of valuation assessments where commercial equivalents are not available (such as for dwellings with extensive disability modifications) — may affect the reported results of this indicator.

Figure 15.19 Community service obligations for public housing



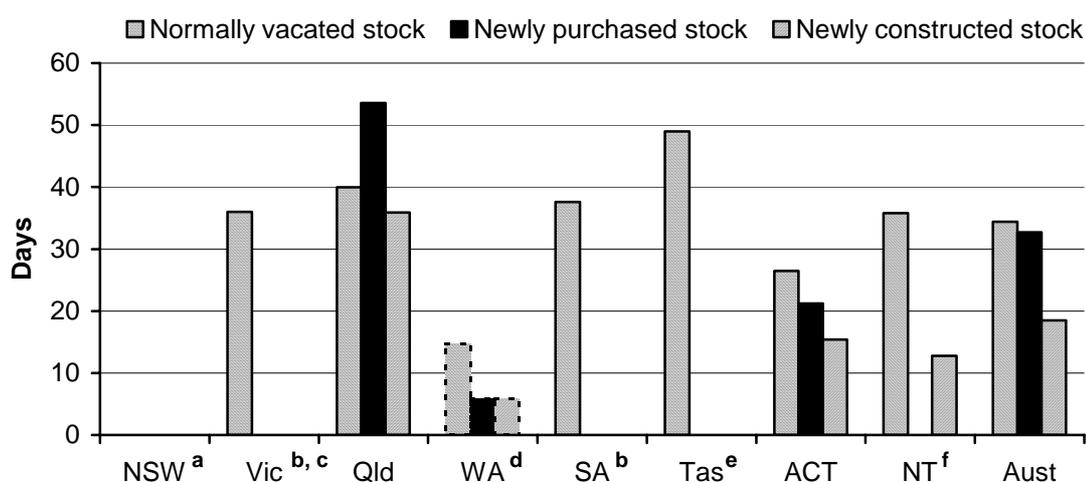
Source: table 15A.19.

Turnaround times report the speed with which jurisdictions re-let housing stock after it has been vacated. The length of time taken to re-let untenanted stock may affect allocations into public housing, waiting times, the length of waiting lists, and rent forgone. All jurisdictions aim to minimise turnaround times.

There are several approaches to calculating the turnaround time of vacant stock. The comparability of data across jurisdictions varies because they use different methods of calculating days vacant as a result of vandalism, maintenance work and the tenable status of the stock. Further, differences in counting practices for commencement times and stock awaiting upgrade or disposal, and differences in recognition points for new stock handovers, may affect the reported results of this indicator.

Excluding WA, which calculated this indicator on a different basis from all other jurisdictions, average turnaround times for vacated dwellings ranged from 26 days in the ACT to 49 days in Tasmania in 1998-99. The ACT had the lowest average turnaround times for newly purchased stock (21 days) while Queensland had the highest (54 days). For newly constructed stock, average turnaround times were lowest in the NT (13 days) and highest in Queensland (36 days) (figure 15.20).

Figure 15.20 Average turnaround times, 1998-99



^a Data are not available. ^b Data are not available for newly purchased and newly constructed stock. ^c This information is consolidated at the local level and therefore it is difficult to map to newly constructed and purchased dwellings. ^d Data have been adjusted to include weekends and public holidays to make the data more comparable with data from other jurisdictions. However, unlike all other States and Territories, WA excludes days where there were asset management restrictions (for example, days where repairs to a vandalised dwelling were withheld awaiting police assessment). Thus, data are not entirely comparable to those of other jurisdictions, so are not referred to in the discussion of reported results. The number of days for each new dwelling is based on the average number of days for each re-let property from the date that the maintenance was completed to the occupation date. ^e Data are not applicable for newly purchased and newly constructed stock. ^f Data are not applicable for newly purchased stock. ^{na} Not available.

Source: table 15A.23.

Efficiency — acquisition and management of property

Housing authorities construct, lease and purchase dwellings. The average cost of construction and purchase of housing stock may reflect the location and value of land, and will vary as authorities focus on providing specialised housing for special needs groups.

Different methods for calculating construction costs are apparent, including problems with allocating costs for multiple site dwellings and determining the cost of land derived from demolition of existing stock. The extent of disability modified

stock, along with overarching housing authority standards for dwellings, affects the reported results for this indicator.

Average construction costs for all dwellings were considerably lower than average purchase costs in NSW and SA. A similar observation can be made for Queensland. In the ACT, average construction costs exceeded purchase costs (except for four or more bedroom dwellings) (table 15.4).

Table 15.4 Average costs of construction and purchase of public housing stock, 1998-99 (\$'000)

	<i>NSW</i>	<i>Vic</i>	<i>Qld^a</i>	<i>WA^b</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT^c</i>	<i>Aust</i>
One bedroom									
Construction	65	80	87	77	na	na	123	91	77
Purchase	104	98	145 ^d	64	na	na	74	na	94
Two bedroom									
Construction	120	103	110	96	73	na	122	na	108
Purchase	143	118	119	91	117	na	102	na	122
Three bedroom									
Construction	131	128	128	125	77	na	180 ^e	na	121
Purchase	181	136	136	109	127	na	103	na	139
Four or more bedroom									
Construction	141	194	146	156	99	na	216	na	171
Purchase	264	154	151	121	125	na	219 ^f	na	170
Average									
Construction	91	109	100	104	79	na	140	na	101
Purchase	171	125	133	103	125	na	104	na	131

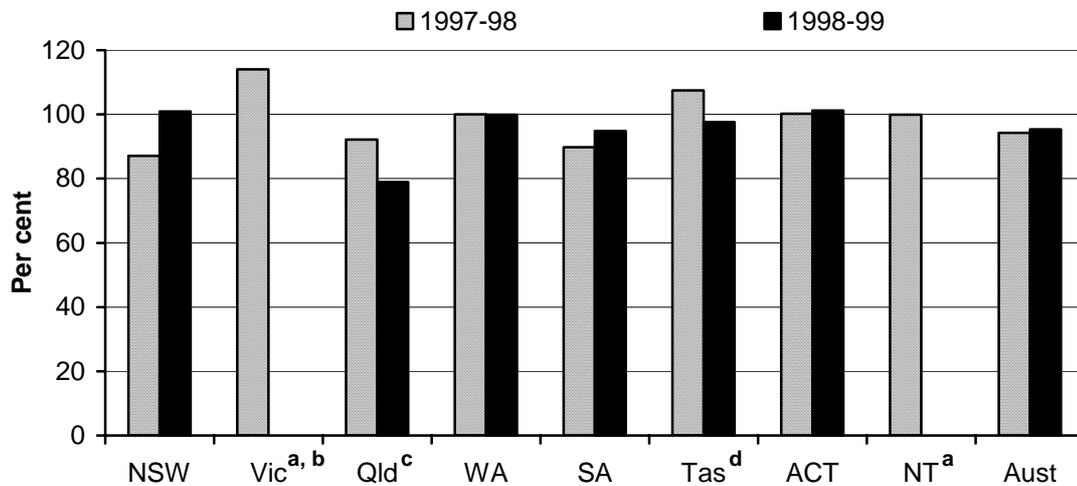
^a Purchase costs includes fees to service providers. Total construction costs include land, internal and external fees. ^b All land costs are included in construction costs at current market value. ^c No purchase or construction of public housing stock occurred during the 1997-98 year. Twenty-four dwellings were constructed in 1998-99. ^d Based on the purchase of one dwelling only. ^e The increased costs in 1998-99 were largely attributable to increased land costs. ^f Relates to two properties purchased for special purpose housing, whereas 1997-98 data relates to the purchase of 'standard homes'.

Source: table 15A.20.

Equity value is defined as the difference between the average total assets and the average total liabilities of a housing authority. The extent to which equity target levels are achieved is indicated by comparing each jurisdiction's equity value for the year with their specific target level (which is negotiated bilaterally each year and thus differs across jurisdictions).

Average total equity ranged from 79 per cent of the target level in Queensland to 101 per cent of the target level in both NSW and the ACT in 1998-99 (figure 15.21).

Figure 15.21 Equity value relative to target equity level



^a 1998-99 data are not available. For the NT, a bilateral agreement was being negotiated at the time of publication. ^b Bilateral strategic plan includes an aggregated target equity value for the Office of Housing which cannot be disaggregated to indicate the target equity value for individual programs. ^c The 1998 target differs from that reported last year because it is an updated CSHA Strategic Plan target. ^d 1997-98 figure has been re-calculated according to 1998-99 data definitions, and to exclude the Aboriginal Rental Housing Program.

Source: table 15A.18.

Efficiency — financial indicators of public housing

The various costs of public housing are reported together for the first time (table 15.5). The costs incurred by jurisdictions in providing public housing include:

- administration costs (the costs of the administration offices of the property manager and the tenancy manager);
- operating costs (the costs of maintaining the operation of the dwelling, including repairs and maintenance, rates, costs of disposals, market rent paid and interest expenses);
- depreciation costs; and
- the user cost of capital (the cost of the funds tied up in the capital used to provide public housing).

Rates of return on equity and assets are also summarised in table 15.5.

Table 15.5 Financial indicators of public housing

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>	<i>Aust</i>
Costs (\$/dwelling)^a									
Total recurrent costs									
1998	3 865	3 025	3 469	3 305	3 887	4 639	4 241	6 450	3 713
1999	3 718	2 705	3 403	3 519	3 903	4 818	4 292	6 861	3 619
– Administration costs									
1998	1 061	742 ^b	946	870	840 ^c	1 234 ^d	899	625	929
1999	1 054	749	845	834	912	1 492	944	389	927
– Operating costs ^e									
1998	2 804	2 283	2 524	2 435	3 047 ^c	3 404 ^d	3 342	5 825	2 784
1999	2 664	1 956	2 558 ^f	2 685	2 991	3 326	3 347	6 472	2 692
Total capital costs									
1998	9 022	7 264	8 301	6 737	5 619	5 682	10 652	10 337	7 833
1999	9 782	7 390	8 087	6 986	5 523	5 415	10 158	10 093	8 068
– Depreciation									
1998	1 164	964	1 477	756	725	933	1 004	347	1 034
1999	1 166	942	1 473	794	724	875	1 106	327	1 037
– Indicative user cost of capital ^{g, h}									
1998	7 858	6 300	6 824	5 981	4 894	4 750	9 648	9 989	6 799
1999	8 616	6 448	6 614	6 192	4 799	4 540	9 052	9 766	7 030
– Are interest expenses included in operating costs?									
1998	x	✓	✓	✓	✓	na	✓	✓	..
1999	x	✓	✓	✓	✓	na	✓	✓	..
<i>Full gross costsⁱ</i>									
1998	12 886	10 289	11 770	10 042	9 506	10 321	14 893	16 787	11 546
1999	13 500	10 095	11 491	10 505	9 426	10 233	14 450	16 954	11 686
Total rents collected from tenants									
1998	3 241	3 058	3 171	3 042	3 215	3 066	3 764	5 094	3 228
1999	3 237	3 173	3 190	3 096	3 277	3 101	3 777	4 665	3 253
<i>Full net costs^j</i>									
1998	9 645	7 231	8 600	7 000	6 291	7 255	11 130	11 693	8 317
1999	10 262	6 922	8 300	7 409	6 150	7 132	10 672	12 289	8 433
Rates of return (per cent)^k									
Rate of return on assets before interest									
1998	3.2	3.4	2.9	3.0	3.6	0.4	2.4	2.7	3.1
1999	3.2	3.4	1.7	2.5	3.6	0.7	2.3	3.1	2.9
Rate of return on equity									
1998	3.2	3.8	2.7	2.5	2.6	-1.9 ^d	2.5	1.4	2.9
1999	3.2	3.4 ^l	1.5	2.0	2.8	-1.5	2.2	1.9	2.7

^a For year ending 30 June. ^b The 1998 figure has been revised, because the previously published figure included non-public rental housing operational costs. ^c Amended for 1997-98 (previously new tenants excluded short term tenancies). ^d Figure has been re-calculated according to 1998-99 data definitions, and to exclude Aboriginal Rental Housing Program. ^e Operating costs include the cost of maintaining the operation of the dwelling (repairs and maintenance, rates, costs of disposals, market rent paid and interest expenses). It excludes depreciation. ^f Excludes public housing disposal costs. ^g User cost of capital data are not yet based on robust, nationally agreed definitions, and therefore may be less comparable than recurrent costs. ^h The value of average total assets multiplied by the user cost of capital rate (8 per cent). Note that the value of land cannot be separated from the value of average total assets. ⁱ Sum of recurrent and capital costs. ^j The full gross cost less rent collected from tenants. ^k At 30 June. ^l Property manager net surplus is housing property management increase (decrease) in net assets before tax equivalents and extraordinary items. **na** Not available. **..** Not applicable.

Source: table 15A.17.

The Steering Committee recognises that some cost data are more complete and/or collected on a more consistent basis than other cost data. Consequently, care should be taken when interpreting the total cost of delivering public rental housing. Administration costs and operating costs, for example, may not capture all costs incurred by government, so could understate the total costs of public housing.

Further, caution should be exercised when comparing the full gross costs of public housing, because there may be some double counting for some jurisdictions. The user cost of capital is intended to capture all the costs of funding assets used to produce the services, but some of these costs (an estimated \$300 million or more in interest expenses incurred by housing authorities) may already be included in reported operating costs (table 15.5).

Administration costs per dwelling in Tasmania (\$1492), NSW (\$1054) and the ACT (\$944) were higher than the national average (\$927) in 1998-99. Administration costs were lowest in the NT (\$389) (table 15.5). Different organisational structures for State housing authorities and client mixes which demand different levels of management and administration (for example, the proportion of clients with complex multiple needs) may affect the reported results for this indicator.

Further, differences in administration costs across jurisdictions may partly reflect different counting and reporting rules for generating financial data. The different treatment of various expenditure items (for example, superannuation) and different methods for attributing overheads may also affect costs.² Further, some jurisdictions had difficulty in separating administration costs for public housing from those for other housing assistance activities. Thus, care should be taken when comparing public housing administration costs across jurisdictions.

Differences in the allocation of expenses between administration costs and operating costs may affect the comparability of operating costs across jurisdictions. Operating costs per dwelling in 1998-99 were highest in the NT (\$6472) and below the national average in NSW (\$2664), Victoria (\$1956), Queensland (\$2558) and WA (\$2685) (table 15.5).

Depreciation costs measure the reduction in value of an asset over the financial year (see table 15A.49 for information on the treatment of assets by State and Territory housing authorities). In 1998-99, depreciation costs per dwelling ranged from \$327 in the NT to \$1473 in Queensland (table 15.5).

² Information from the States and Territories for the Steering Committee research paper, *Superannuation in the Costing of Government Services*, indicated that all jurisdictions (except Queensland) include superannuation costs on an accrual basis, but that they differ in the extent to which the line agency bears the overall accrual cost (SCRCSSP 1998).

The user cost of capital for government services is the cost of the funds tied up in the capital used to deliver services (for example, houses and land in public housing). The user cost of capital makes explicit the opportunity cost of using the funds to deliver services rather than investing them elsewhere or using them to retire debt.

When comparing costs of government services, it is important to take full account of the cost of capital because:

- it is often a significant component of the cost of services; and
- it is currently treated inconsistently (that is, it is included in the costs of services delivered by many non-government service providers, but effectively costed at zero for most budget sector agencies).

The Steering Committee has included a user cost of capital, where possible, as part of the costs for each government service reported here. It is calculated by applying a jurisdictional cost of capital rate to the value of government assets (see chapter 1 for details of the determination of a cost of capital rate). The indicative user cost of capital per public housing dwelling was highest in the NT (\$9766) and lowest in Tasmania (\$4540) in 1998-99 (table 15.5).

The Steering Committee accepts that asset valuation data are currently imperfect. However, it also recognises that the treatment of costs has not fully recognised the cost of public capital used by departments to deliver services; that is, capital has generally been considered 'free'. This can lead to significant underestimating of costs for those services for which government capital is a major input. Thus, using an imperfect costing is preferable to not costing government capital.

The rate of return on equity is calculated for each jurisdiction as the property manager net surplus (potential market rental income less operating expenses) as a proportion of average total equity (assets less liabilities). It measures the return on equity that would be achieved if market rents were received. This differs from the user cost of capital which represents the opportunity cost of the funds tied up in the capital used to deliver public housing.

The national average rate of return on equity held in public housing stock was 2.7 per cent at 30 June 1999. Victoria received the highest average rate of return on equity (3.4 per cent) and Tasmania received the lowest (-1.5 per cent) (table 15.5).

Indicators based on capital data should be compared with care because differences in the treatment of some data items — including depreciation policies, frequency of asset valuations and accuracy of interim indexes, frequency and timeliness of valuations, and accuracy of valuation assessments where commercial equivalents

are not available (such as for dwellings with extensive disability modifications) — may affect the reported results of this indicator.

Community housing

Unlike public housing data, community housing data have two sources:

- administration data, collected from the State or Territory government body with responsibility for administering the community housing program in its jurisdiction; and
- survey data, collected from the community organisations (providers) that manage the service delivery.

This Report provides data on a subset of indicators for community housing — the quality, appropriateness, accessibility, affordability and efficiency of services.

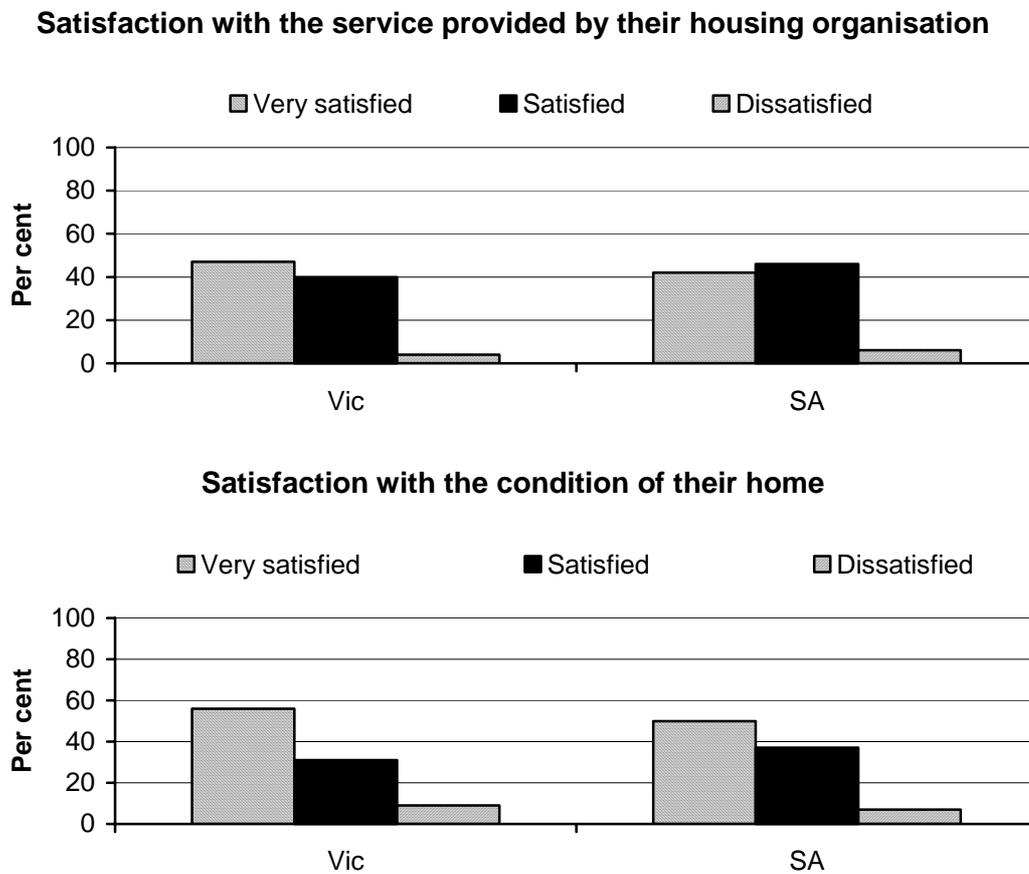
Quality

Client views of community housing are reported here for the first time. The Community Housing Customer Satisfaction Survey was a 1998 pilot study of community housing tenants and providers in SA, the ACT and Victoria (Donovan Research 1999b). Indicative results are provided here for SA and Victoria only; a small sample size prohibited the publication of ACT data.

Caution should be used when interpreting the results, given the pilot nature of the study and the small sample sizes involved (see attachment 15A for details of sample sizes). The purpose of the pilot study was not to provide data for reporting purposes, but to develop, conduct, analyse and refine a survey design and protocol for a customer satisfaction monitor. Among the key findings of the pilot study was the incomplete nature of the statistics pertaining to the community housing sector, which limits the ability to comment on the representative nature of the sample. Thus, the results published here are only indicative.

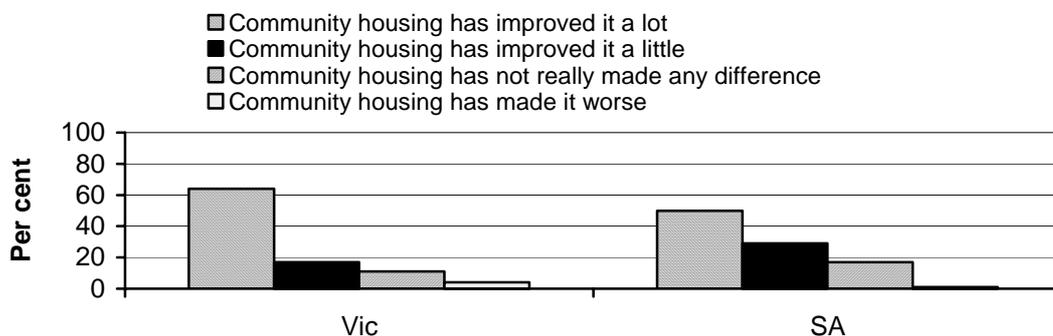
More than 80 per cent of community housing tenants surveyed in Victoria and SA were either satisfied or very satisfied with the service provided by their housing organisation in 1998 (figure 15.22). Further, the vast majority of community housing tenants in both jurisdictions were either satisfied or very satisfied with the condition of their homes (figure 15.22). Most tenants in both jurisdictions indicated that their quality of life had improved a ‘little’ or a ‘lot’ as a result of living in community housing (figure 15.23).

Figure 15.22 Overall community housing tenant satisfaction, 1998 (per cent)



Sources: tables 15A.27 and 15A.28.

Figure 15.23 Tenant opinions on impact of community housing on quality of life, 1998 (per cent)

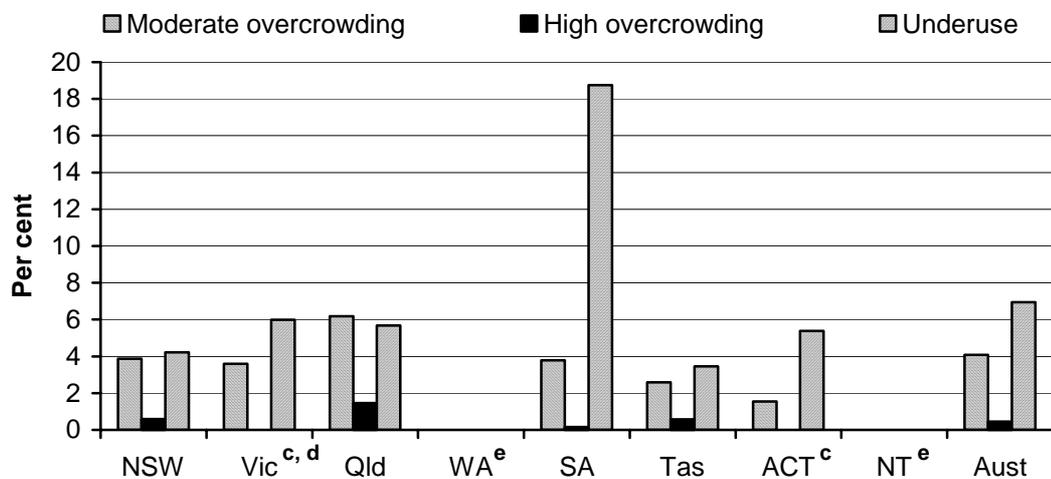


Source: table 15A.29.

Appropriateness

Similar to public housing, the match of rental dwelling to household size is used to indicate the appropriateness of community housing dwellings. At 30 June 1999, Queensland had the highest proportion of both moderately overcrowded dwellings (6.2 per cent) and highly overcrowded dwellings (1.4 per cent). SA had the highest proportion of underused dwellings (18.7 per cent) (figure 15.24).

Figure 15.24 **Overcrowded or underused community housing dwellings, 1999^{a, b}**



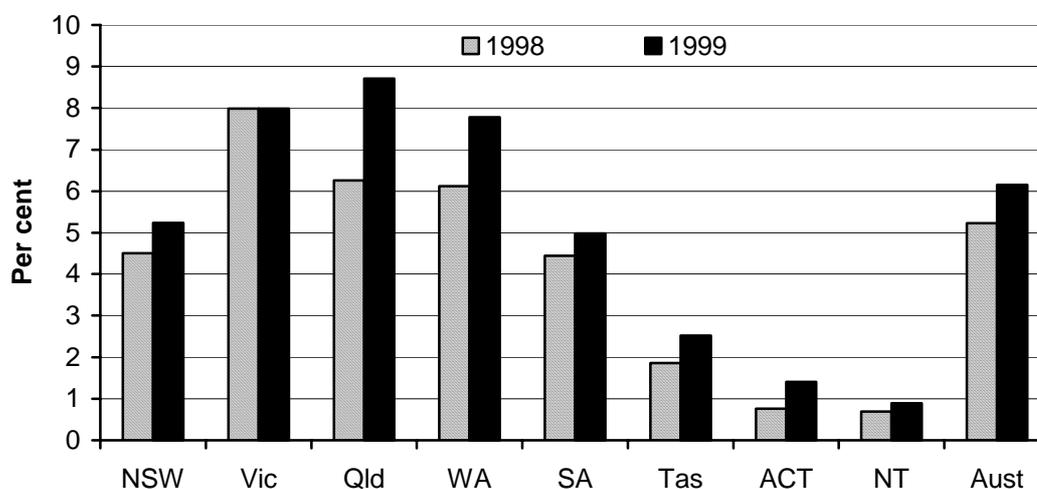
^a At 30 June. ^b Sourced from community housing administration collection for all jurisdictions except NSW, Queensland, SA and Tasmania, where data are sourced from survey collection. ^c No highly overcrowded community housing dwellings. ^d The 'total number of community rental households where household composition details are known' (denominator for this indicator) relates to only Transitional Housing Management households for which household composition details are known. ^e Data are not available.

Source: table 15A.31.

Accessibility

Access to community housing is reported as the number of community housing dwellings as a proportion of the total number of public and community housing dwellings. This indicates something about the availability of community housing in each jurisdiction. Queensland had the highest proportion of community housing dwellings relative to all occupied and vacant public and community housing stock in 1999 (8.7 per cent) while the NT had the lowest proportion (0.9 per cent) (figure 15.25).

Figure 15.25 **Community housing dwellings as a proportion of all public and community housing dwellings^{a, b}**



^a At 30 June. ^b Sourced from community housing administration collection for all jurisdictions except NSW and Tasmania, where data are sourced from survey collection. 1998 Queensland data sourced from survey collection.

Source: table 15A.25.

Affordability

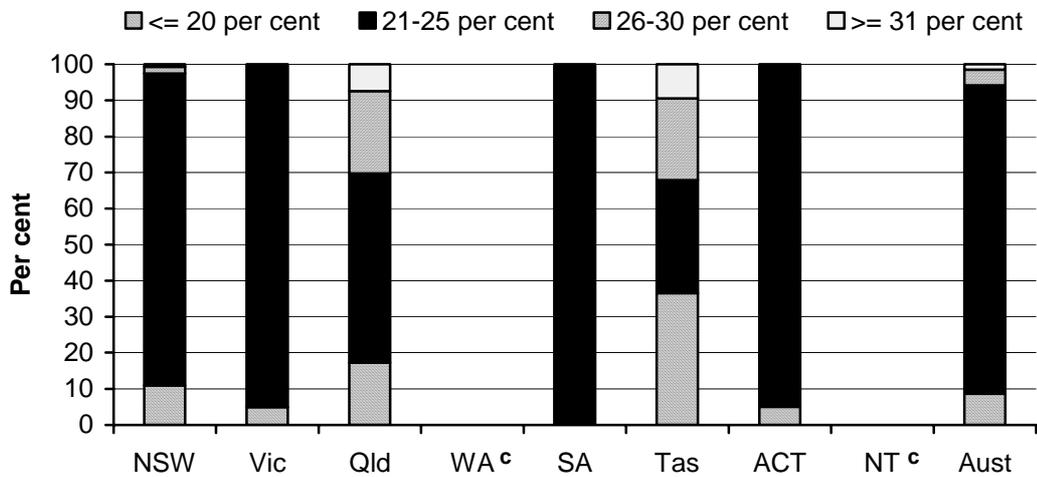
Most community housing tenants paid no more than 25 per cent of their assessable income on rent at 30 June 1999. The proportion of tenants paying less than or equal to 20 per cent of their assessable income on rent varied across jurisdictions, from 5 per cent in Victoria and the ACT to 37 per cent in Tasmania.

Nationally the proportion of community housing tenants paying 21–25 per cent of their assessable income on rent increased slightly from 82 per cent in 1997-98 to 86 per cent in 1998-99 (figure 15.26).

Efficiency — tenancy management

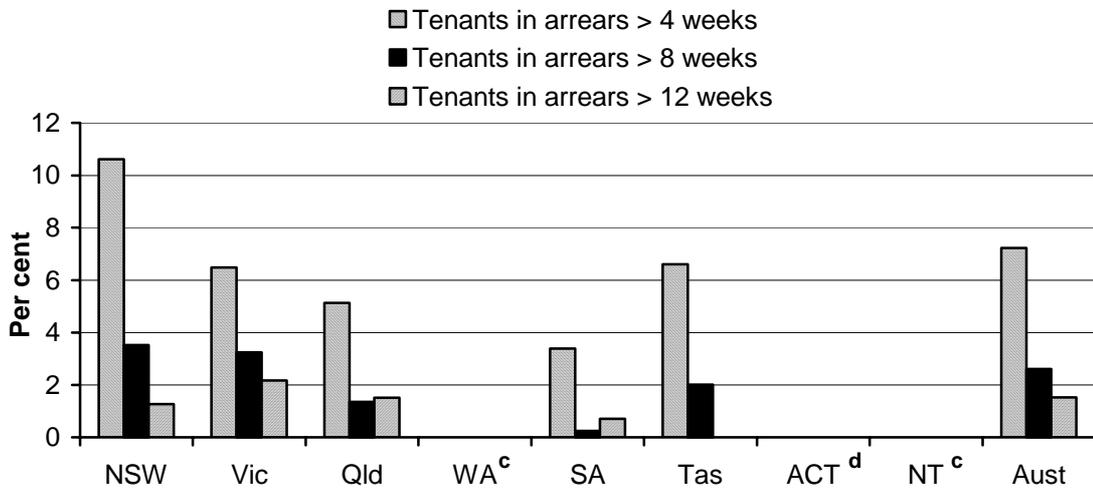
State and Territory governments have limited responsibility for rent collection practices in the community housing sector, because not-for-profit organisations usually deliver community housing. Of those jurisdictions that reported this indicator, NSW had the highest proportion of tenants in arrears for longer than four weeks in 1999 (10.6 per cent). SA had the smallest proportion of tenants in arrears for four or eight weeks, while Tasmania had no tenants in arrears for longer than 12 weeks (figure 15.27).

Figure 15.26 **Community housing tenants paying assessable income on rent, by proportion of income^{a, b}**



^a At 30 June. ^b Sourced from community housing administration collection for all jurisdictions except NSW, Queensland, Tasmania and the ACT, where data are sourced from survey collection. ^c Data are not available. Source: table 15A.30.

Figure 15.27 **Community housing with rent in arrears, 1999^{a, b}**



^a At 30 June. ^b Sourced from community housing administration collection for all jurisdictions except NSW, Queensland, SA and Tasmania, where data are sourced from survey collection. ^c Data are not available. ^d The ACT had no community housing tenants with rent in arrears. Rent data referred to 199 households only. Also, data for Community Housing Canberra properties transferred is for part year only. Information related to 36 CORHAP properties and was based on the 'book value' of the asset rather than a recent property valuation. These figures were not available for Community Housing Canberra.

Source: table 15A.33.

Efficiency — acquisition and management of property

These data should be interpreted with caution because the relative contribution of government towards total costs varies according to the contributions of community organisations. Further, costs may reflect the location and value of land.

Across all sized dwellings, purchase costs were higher than construction costs, on average, in NSW, Queensland and the NT in 1998-99. However, construction costs exceeded purchase costs, on average, in Victoria, WA and SA. Average construction costs were highest in Victoria (\$135 000) while the average cost of purchase was lowest in SA (\$83 000) (table 15.6).

Table 15.6 Average costs to government of construction and purchase of community housing stock, 1998-99 (\$'000)^a

	NSW ^b	Vic	Qld	WA ^c	SA ^d	Tas	ACT	NT	Aust
One bedroom									
Construction	76	89	75	71	100	..	na	..	79
Purchase	68	112	135 ^e	40 ^f	68	..	na	..	77
Two bedroom									
Construction	119	101	102	86	93	..	na	37	95
Purchase	180	128	120	90	88	87	na	117	131
Three bedroom									
Construction	176	128	165	90	94	..	na	55	107
Purchase	175	144	136	110	83	98	na	..	133
Four or more bedroom									
Construction	..	285	..	97	146	..	na	..	148
Purchase	262	145	145	123	110	62	na	..	164
Average									
Construction	106	135	92	88	94	..	na	39 ^g	98
Purchase	154	132	131	87	83	87	na	117	126

^a Sourced from community housing administration collection for all jurisdictions except Tasmania, where data are sourced from survey collection. ^b Costs of acquisition included a Resitech on-cost fee of 4.0 per cent per project. Costs of construction included a Resitech on-cost fee of 8.9 per cent per project. ^c Most construction projects consist of multiple dwelling configurations. Construction costs could not be broken down by dwellings of differing bedroom numbers. In many cases the cost of construction at a dwelling unit level were calculated using existing data of the average construction costs for public housing constructions. These data are broken down to a unit level (categorised by number of bedrooms) and allow for differing costs throughout different regions of WA. Costs exclude land costs because these data were too difficult to access for this exercise. ^d Land costs were included at current market value. ^e Includes the purchase cost of multiple dwelling one bedroom boarding house units. ^f Includes the purchase of a lodging house (18 rooms). ^g The construction figures appear to be low. The stock was constructed by the Christian Outreach Centre at low cost. NT Housing supplied \$270 000 through the Community Housing Program and the Christian Outreach Centre provided the balance to \$350 000 in cash and kind. **na** Not available. **..** Not applicable.

Source: table 15A.32.

Commonwealth Rent Assistance

This Report provides data for Commonwealth Rent Assistance performance indicators for the first time. Data are for Commonwealth Rent Assistance recipients who were clients of the Department of Family and Community Services only. Data excludes those paid Rent Assistance by, or on behalf of, the Department of Veteran's Affairs or the Department of Education, Training and Youth Affairs. Unlike public and community housing data, Commonwealth Rent Assistance data are collected centrally via Centrelink and the Commonwealth Department of Family and Community Services.

Accessibility

Achieving access to services is an important reason for government to fund services. The objective may be to provide access to all in the community or to a particular target group (see chapter 1).

Over one million individuals across Australia were receiving Commonwealth Rent Assistance at June 1999, of whom approximately 2 per cent self identified as being Indigenous (Aboriginal and/or Torres Strait Islander peoples). Nationally the proportion of individuals receiving Commonwealth Rent Assistance who identified as being Indigenous was higher than their representation in the overall community. The NT had the highest proportion of self identified Indigenous individuals receiving Commonwealth Rent Assistance (12.7 per cent) in 1999, while Victoria had the lowest proportion (0.4 per cent) (table 15.7).

In general terms, Commonwealth Rent Assistance is automatically paid once it is established that eligibility exists. A key eligibility requirement is the receipt of an income support payment or more than the minimum rate of family allowance. The only eligible customers who are not paid would be those affected by recording errors or program errors.

Table 15.7 **Individuals receiving Commonwealth Rent Assistance, by Indigenous status and geographic location, 1999^a**

	<i>Unit</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>	<i>SA</i>	<i>TAS</i>	<i>ACT</i>	<i>NT</i>	<i>OT^b</i>	<i>Aust</i>
<i>Non-Indigenous</i>											
Individual recipients	no.	343 970	226 309	240 737	85 064	66 887	24 846	9 253	5 459	229	1 002 754
– In capital city	no.	na	na	na	na	na	na	na	na	na	na
– In rest of State	no.	na	na	na	na	na	na	na	na	na	na
– As a proportion of all recipients	%	98.2	99.6	97.1	98.0	99.2	98.5	99.0	87.3	99.1	98.2
Non-Indigenous population, as a proportion of total population ^c	%	98.7	99.6	97.7	97.7	98.9	97.6	99.2	77.1	na	98.5
<i>Indigenous</i>											
Individual recipients	no.	6 147	913	7 317	1 692	562	384	90	794	2	17 901
– In capital city	no.	1 433	388	1 963	823	361	138	..	413	..	5 519
– In rest of State	no.	4 714	525	5 354	869	201	246	90	381	2	12 382
– As a proportion of all recipients	%	1.8	0.4	2.9	2.0	0.8	1.5	1.0	12.7	0.9	1.8
Indigenous population, as a proportion of total population ^d	%	1.3	0.4	2.3	2.3	1.1	2.4	0.8	22.9	na	1.5
Total individual recipients	no.	350 117	227 222	248 054	86 756	67 449	25 230	9 343	6 253	231	1 020 655

^a At 18 June. ^b OT: Other Territories, comprising Jervis Bay, Christmas Island and Cocos (Keeling) Island. ^c Total population aged 20 years and over. Based on actual population, ABS, *Population by Age by Sex, 1998* (cat. no. 3201.0, 1999). ^d Total population aged 20 years and over. Based on low series population projections, ABS, *Experimental Projections of the Aboriginal and Torres Strait Islander Population, 1998* (cat. no. 3231.0, 1999). **na** Not available. **..** Not applicable.

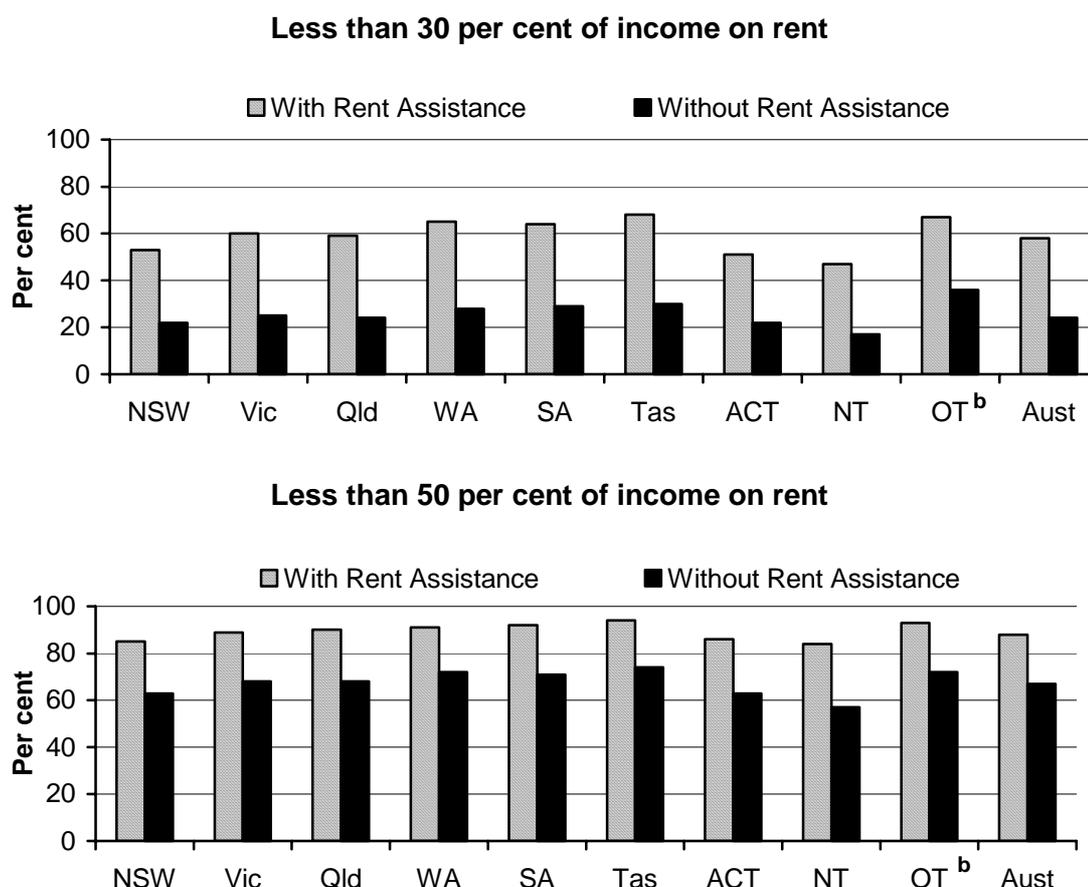
Source: table15A.36.

Choice and affordability

Affordability reports the proportion of income spent on rent with and without Commonwealth Rent Assistance. Nationally 24 per cent of income units not receiving Commonwealth Rent Assistance spent less than 30 per cent of income on rent in 1999. Across jurisdictions this proportion ranged from 17 per cent in the NT to 36 per cent in other Territories (figure 15.28). Once Commonwealth Rent Assistance was paid (thereby reducing the rent paid by the amount of the assistance), the national proportion of income units who spent less than 30 per cent of income on rent increased to 58 per cent. Across jurisdictions this proportion ranged from 47 per cent in the NT to 68 per cent in Tasmania (figure 15.28).

Without Commonwealth Rent Assistance, 67 per cent of income units across Australia spent less than 50 per cent of income on rent. This increased to 88 per cent once Commonwealth Rent Assistance was received (figure 15.28).

Figure 15.28 **Proportion of income spent on rent with and without Commonwealth Rent Assistance, 1999^a**



^a At 18 June. ^b OT: Other Territories, comprising Jervis Bay, Christmas Island and Cocos (Keeling) Island.

Source: table 15A.37.

In terms of the geographic spread of recipients, approximately half of all postal areas included in the 1996 Census contained 70–150 income units that received Commonwealth Rent Assistance per 1000 private dwellings. The majority (68 per cent) of postal areas contained fewer than 150 income units receiving the payment per 1000 private dwellings. Only 1 per cent of postal areas did not include any income units receiving Commonwealth Rent Assistance (table 15.8).

Table 15.8 Geographic spread of income units receiving Commonwealth Rent Assistance, 1996

	<i>no.</i>	%
Postal areas not containing Commonwealth Rent Assistance income units ^{a, b}	16	1
Postal areas containing Commonwealth Rent Assistance income units ^c		
Less than 70 ^d	502	21
70–150 ^d	1 126	47
150–200 ^d	390	16
200–250 ^d	164	7
250–300 ^d	93	4
More than 300 ^d	82	3
Total number of postal areas in 1996 Census	2 373	100

^a Total number of postal areas in the 1996 Census where no income units were receiving Commonwealth Rent Assistance. ^b One third of the private dwellings in this group were in the Macquarie University, the Williams RAAF Base and the World Trade Centre. ^c Total number of postal areas in the 1996 Census where income units were receiving Commonwealth Rent Assistance. ^d Number of income units per 1000 private dwellings.

Source: table 15A.38.

Appropriateness

Appropriateness incorporates a range of indicators designed to measure whether assessments of eligibility and payment levels for Commonwealth Rent Assistance are accurate and appropriate. There is a formal review process for decisions related to the payment of Commonwealth Rent Assistance. In general, customers who are dissatisfied with a decision are encouraged to discuss the matter with the original decision maker before taking the matter further, although this is not a necessary step. Authorised Review Officers conduct a quick and informal internal review of the decision. Customers who are dissatisfied with the Authorised Review Officer's decision can appeal to the Social Security Appeals Tribunal. The Social Security Appeals Tribunal is an independent body with decision making powers. Either the customer or the Commonwealth Department of Family and Community Services can seek a further review of Social Security Appeals Tribunal decisions by the Administrative Appeals Tribunal.

A total number of 212 persons appealed to an Authorised Review Officer in 1998-99, representing approximately 0.02 of 1 per cent of persons being paid

Commonwealth Rent Assistance (table 15.9). Approximately 68 per cent of finalised appeals to either an Authorised Review Officer or the Social Security Appeals Tribunal involved the original decision being confirmed, while 32 per cent led to the original decision being set aside or varied, or the appeal being withdrawn/dismissed. In the case of the Administrative Appeals Tribunal, 67 per cent of finalised appeals involved the original decision being confirmed, while 33 per cent led to the original decision being varied (table 15.9).

Table 15.9 Outcome of all Commonwealth Rent Assistance appeals finalised in 1998-99

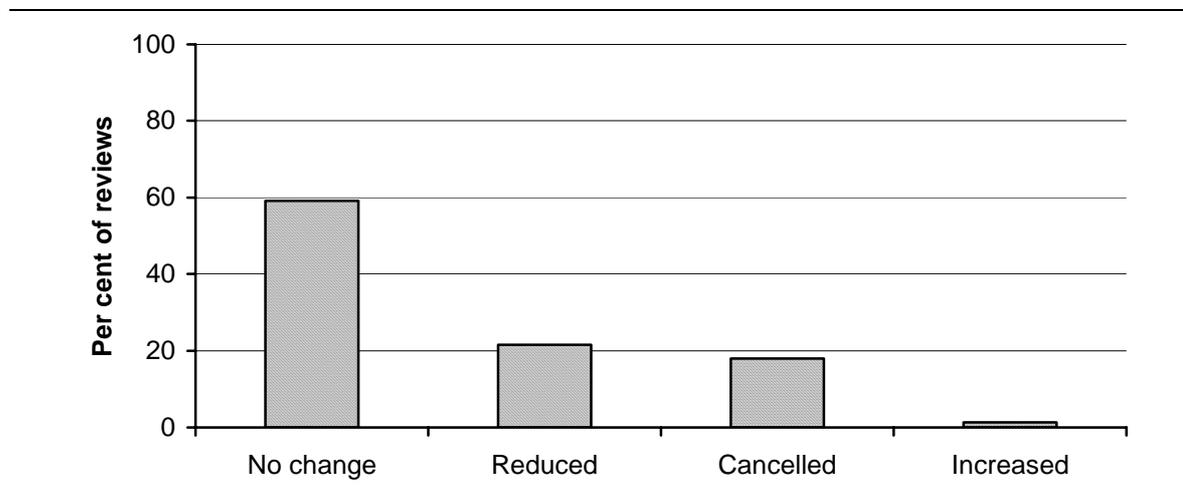
<i>Outcome</i>	<i>Appeals to ARO</i>		<i>Appeals to SSAT</i>		<i>Appeals to AAT</i>	
	no.	%	no.	%	no.	%
Original decision affirmed	144	68	27	68	2	67
Original decision set aside	52	25	5	12	0	0
Original decision varied	13	6	4	10	1	33
Appeal withdrawn/dismissed	3	1	4	10	0	0
Total finalised	212	100	40	100	3	100

ARO = Authorised Review Officer; SSAT = Social Security Appeals Tribunal; AAT = Administrative Appeals Tribunal.

Source: table 15A.39.

Centrelink relies on risk based review activities, of which some are specifically targeted at Commonwealth Rent Assistance. Centrelink conducted 24 926 risk based reviews in 1998-99, resulting in Commonwealth Rent Assistance being cancelled in 18 per cent of cases, reduced in 22 per cent of cases and increased in 1 per cent of cases (figure 15.29). Estimated fortnightly savings were \$426 248.

Figure 15.29 Adjustments to Commonwealth Rent Assistance payments resulting from a risk based review, 1998-99



Source: table 15A.40.

Quality customer service

Twice a year, Centrelink engages external consultants to carry out a range of quantitative research to gauge customer satisfaction with its performance and community perceptions of its image. The surveys are not specific to Commonwealth Rent Assistance but may be broadly indicative of the views of Commonwealth Rent Assistance recipients. The latest statistics are for November/December 1998, of which the key findings included the following:

- 65 per cent of clients were satisfied with the overall quality of Centrelink's people, services and information;
- 73 per cent of clients were satisfied with services delivered in person;
- 61 per cent of clients were satisfied with services delivered over the telephone; and
- 40 per cent of customers preferred to do business over the telephone rather than in person.

Administrative efficiency

The ratio of running costs to outlays for Commonwealth Rent Assistance is estimated to be 0.015 per cent. The cost of delivering Commonwealth Rent Assistance cannot be separately identified. Total Centrelink running costs have been apportioned across programs on the basis of work effort surveys. Running costs are estimated to be \$21 650 per year per 1000 Commonwealth Rent Assistance recipients. This estimate is subject to survey inaccuracies and is indicative only.

15.5 Future directions in performance reporting

Reviewing the public housing performance measurement framework

As noted previously, a new four-year multilateral CSHA was recently negotiated (section 15.2). The Steering Committee is working with the housing sector to undertake a review of the public housing performance measurement framework as part of the development of a National Housing Data Agreement for the new CSHA.

A new national performance measurement framework is likely to be linked, at a broad level, to the guiding principles expressed in the 1999 CSHA. These principles have been used to identify broad national objectives for the measurement of effectiveness and efficiency.

The framework will build on the existing Steering Committee framework of performance indicators and on previous work undertaken within the housing sector. Given the common interests in collecting nationally comparable data on housing assistance and in reducing the reporting burden and duplication across CSHA requirements, those of this Review, and other external requirements (for example, State budgets and annual reports), the development of a consistent set of national performance indicators for all data collection processes is intended. Data for the measures included within the new performance measurement framework are likely to be available for the 2001 Report.

Improving the measurement of unit costs

The Steering Committee will work with the housing sector in the development of a national data dictionary, providing input into the refinement of financial reporting definitions and counting rules. This should improve the comparability and accuracy of unit cost information in future Reports.

Aboriginal and Torres Strait Islander peoples' access to mainstream services

In May 1997 the Prime Minister requested that the Steering Committee give priority to developing indicators that reported on the performance of mainstream services in meeting the needs of Indigenous Australians. For the first time, this Report includes information on the total number of Indigenous households in community housing and the number of new Indigenous households in community housing (for NSW, Queensland, Tasmania and the NT). Data are also reported on self identified Indigenous persons' access to Commonwealth Rent Assistance, by capital city/rest of State. A range of strategies (outlined below) will aim to increase the availability and coverage of nationally consistent data on the provision of housing services to Indigenous clients.

Reporting is still in its early stages and some data are available for most jurisdictions. Figures are reported on the total number of Indigenous households in public housing for Victoria, Tasmania and the NT, and data are available for new Indigenous public rental households for all jurisdictions except NSW and the ACT. Data are also available on the number of Indigenous households on the public housing waiting list for all jurisdictions except SA, WA and the ACT.

National Indigenous data management strategy

Through the Housing Ministers Reform Agenda for Indigenous Housing (1996), the National Indigenous Housing Data Management Group has developed a national data management strategy. The identification of Indigenous people in mainstream housing assistance programs has been given a high priority. State and Territory housing authorities have not regularly collected this information from their tenants, relying almost entirely on data provided by tenants when they first apply for assistance. There is also no national consistency among providers in identification standards for Indigenous status, as applied to people, families and households. The National Indigenous Housing Data Management Group is working with public and community providers — through the National Housing Data Agreement — to improve data in this area.

In addition, a companion Agreement on National Indigenous Housing Information has now been signed by most jurisdictions, the Aboriginal and Torres Strait Islander Commission, the Torres Strait Regional Authority, the Australian Institute of Health and Welfare and the Australian Bureau of Statistics. Other jurisdictions have indicated in-principle agreement and are expected to sign this year. The purposes of the agreement are: to put into place a process for determining and collecting Indigenous housing data according to agreed national standards; to provide a core national set of data that will satisfy the accountability needs of governments; and to yield information about housing need and assistance. It is expected that the implementation of the agreement will commence early in 2000. Some preliminary data on community managed Indigenous housing was collected for 1998-99, but was not adequately consistent for national aggregation or interstate comparisons. The agreement outlines a range of timelines (box 15.8).

Community Housing Infrastructure Needs Survey

The Community Housing Infrastructure Needs Survey (CHINS) collects information from each Indigenous organisation that manages or owns community housing, with additional infrastructure information collected for discrete Indigenous communities. The survey was conducted on behalf of the Aboriginal and Torres Strait Islander Commission from August to October 1999.

Housing information includes the number, condition and size of community houses, repairs and maintenance expenditure, and the amount of rent collected. Infrastructure information includes details of water supply and quality, power supply, sewerage, drainage and solid waste.

An Australian Bureau of Statistics publication is expected to be released by the end of March 2000 presenting summary information at the national and State levels (including the NT) as well as containing maps that show the distribution of Indigenous housing organisations and discrete communities across Australia.

Box 15.8 Timing of the Agreement on National Indigenous Housing Information

- Within the first year of the agreement:
 - establish the operational structure and a working process for data development, together with a prototype National Minimum Data Set; and
 - establish the communication process and requirements for sector development underpinning the national data collection.
- Within two years:
 - have an agreed National Minimum Data Set and supporting data definitions, procedure documents and guidelines regarding the collection and use of housing data, which includes measures of need; and
 - establish a schedule for sector development to support national data collection.
- Within three years:
 - reach agreement on the implementation schedule for the full National Minimum Data Set; and
 - commence a review of the costs and benefits of the agreement.
- Within five years
 - agree on and implement at least a partial collection; and
 - review the costs and benefits of the agreement and make recommendations for the future operation of the agreement.

15.6 Jurisdictions' comments

This section provides comments from each jurisdiction on the services covered in this chapter. Appendix A contains detailed statistics and short profiles on each State and Territory, which may assist in interpreting the performance indicators presented in this chapter. The information covers aspects such as age profile, geographic distribution of the population, income levels, education levels, tenure of dwellings, and cultural heritage (such as aboriginality and ethnicity).

Commonwealth Government comments

“ This is the first year for which performance information relating to Rent Assistance has been provided for the Report on Government Services.

Rent Assistance performance information is reported on a stand-alone basis. The information included in this report will provide a reference to gauge future progress.

The performance information framework adopted for this report is better suited to the direct provision of services rather than financial assistance. The framework also fails to reflect that Rent Assistance is paid as a supplement to other income support payments, which have their own objectives. Because of this, the indicators need to be interpreted with some caution.

Because Rent Assistance is provided as a financial supplement it has the flexibility to cope with changing demand and provide customers with a high degree of choice about where they live and the quality of their housing. This choice involves a tradeoff with the consumers after housing income.

Therefore, it is important to recognise that the Rent Assistance program has no specific benchmark for affordability. The adoption of an affordability benchmark would fail to recognise the element of choice exercised by customers who place a higher value on housing than others in comparable circumstances.

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New South Wales Government comments

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The demand for housing assistance in NSW has increased due to various market conditions. House prices and rents have increased substantially in Sydney over the last decade and are, on average, the highest in Australia. In this period the median house price in Sydney rose by about 200 per cent compared with a CPI increase of 60 per cent. There has also been a decrease in the availability of affordable stock with 60 per cent of low cost housing stock disappearing from the Sydney rental market between 1986 to 1996. Of the remaining low cost stock in 1996, 45 per cent was unavailable to low income households as it was occupied by medium to high income households.

There are currently 97 000 households on waiting lists for public and community housing. On average this has grown by approximately 2000 households a year since the early 1990s partly as a result of the market conditions outlined above which make it difficult for many low income earners to access affordable accommodation.

Social housing in NSW remains highly targeted to people who are disadvantaged in finding appropriate and affordable housing in the private market. In 1998-99 more than 98 per cent of rebated public housing tenants would not have been able to find affordable private rental accommodation of an appropriate size in their current location.

In the context of an already highly targeted social housing sector and increasing demand, NSW continues to focus on the efficiency, effectiveness and quality of services provided.

In the last year NSW has particularly focused on improving the maintenance and upgrading of existing stock. This is reflected in the results of the customer satisfaction survey. For example the proportion of public tenants in NSW who are satisfied or very satisfied has continued to increase while the proportion dissatisfied has continued to fall.

During the last year the Department of Housing transferred 3826 dwellings to the Aboriginal Housing Office as part of the NSW Government commitment to increasing the diversity of services and opportunities for self determination for Aboriginal people. Therefore despite new supply, the overall level of public housing stock has increased only slightly during the year. The transfer will build on the NSW Government commitment to ensure appropriate and accessible housing for Aboriginal and Torres Strait Islander people.

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Victorian Government comments

“ With renewed funding guaranteed through a four year CSHA to commence in July 1999, Victoria’s Office of Housing was in a strong position to expand its acquisition program during 1998-99 and 2,481 public rental and community housing properties were acquired during the year.

The Supported Housing program, for people who are frail aged or have disabilities and have support requirements, was expanded to 886 properties.

With the acquisition of 114 properties during the year, the total number of properties managed by the Aboriginal Housing Board Victoria (AHBV) grew to 1,011 at June 1999. At the end of the year, almost 1,600 Indigenous households were being assisted either through the AHBV or rental general public housing.

As in previous years substantial funds were also expended on upgrade of public rental and community managed properties in order to maintain a sustainable asset base.

Allocations on a priority basis continued to grow during the year, with half the allocations into public housing made on a priority basis with an average waiting time to allocation of 2.8 months.

The last phases of the agreed reforms to manage demand were introduced during the year with the expansion of rental and eligibility reforms to Community Housing and the introduction of the Segmented Waiting List for public housing. The effectiveness of Housing reforms will be reviewed during 1999-2000.

1998-99 was the first full year of the Transitional Housing Program linking medium term housing and support for homeless people. An estimated 8,100 homeless households were assisted during the year. The effectiveness of this program will also be reviewed.

The home renovation advice service was significantly expanded to provide 3,124 inspections — an increase of 585 over the previous year. The service assists aged or disabled home owners to make their home safe and secure and continue independent living in their own home.

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Queensland Government comments

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Providing adequate and appropriate housing can contribute to a better environment in which to bring up children, improved health, and the ability to take up education and training and participate in the workforce. During 1998-99, the Queensland Department of Housing has been re-examining its entire approach to the provision of housing assistance.

The result is a new Integrated Policy Framework designed to help the Department focus on its clients — the families and individuals needing housing assistance — and to be more responsive to the needs of local communities. The Department has adopted the following eight principles to guide its renewed direction. These principles place a clear emphasis on achieving successful housing outcomes, sustaining housing opportunities, and client and community service delivery standards:

- pursue successful housing outcomes for low income people within Queensland's housing system;
- offer levels of assistance on the basis of assessed housing need and respond to changing need;
- provide a mix of housing assistance options and ensure a particular focus on the most vulnerable people;
- pursue excellence in standards of service delivery and foster a positive community view of all Department services and activities;
- ensure client service delivery is well integrated across the Department and with other agencies and the community;
- maximise client choice;
- pursue sustainability of the Department's assets and services; and
- provide leadership in community renewal and affordable housing innovation, including the design and planning of low cost housing.

Public rental housing has continued to show good performance for the fourth year of these data collections with improvements in customer satisfaction and arrears management, and a reduction in overcrowding.

The quantity and quality of data received from community housing organisations for the 1998-99 Data Collection is similar to that received in 1997-98. A total of 347 data collection forms were forwarded to community housing organisations funded wholly or partly through the CSHA. Organisations returned 214 and this represents a 62 per cent return rate (63 per cent in 1997-98). Of these, 190 contained complete, valid data.

While there is a slight decrease in the number of returns received in 1998-99, the quality of the data remains consistent. Community Housing will continue to review the collection process, seeking an increase in the volume of returns for future years.

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Western Australian Government comments

On 16th June 1999 the new Ministry of Housing became operational. The Ministry was created from the former Homeswest, and recognises the five major business units of home ownership, rental assistance, Aboriginal housing, residential land supply and rural housing (the Government Employees Housing Authority and Country Housing Authority). The Ministry aims to give these five units a sharper focus and the Government a comprehensive approach to housing in WA.

Home ownership continued to be of high priority during the 1998-99 financial year. The formation of the Ministry of Housing saw the administration of all home loan schemes centralised under the Keystart administrative structure. During the year home ownership schemes assisted 6398 WA households with home finance. This resulted in an injection of \$613.1 million into the State's housing industry.

As part of the New Living concept, agreements were signed for the 'new north' project, the biggest urban renewal program ever undertaken in WA. These agreements, together with similar agreements for other locations, will complete the dismantling of all public housing estates, with the aim of meeting the goal of public housing being self effacing and merging with the general community.

1998-99 saw another large "construction and spot purchase" program, with 1134 commencements for public housing including 21 display homes for seniors to demonstrate best practice in affordable housing for seniors over 55 years of age and 62 purpose built dwellings for people with disabilities. In addition, 56 units were commenced for the Aboriginal Housing Urban Program, 35 for the Aboriginal Housing Remote Program, 40 for the Crisis Accommodation Program and 108 for the Community Housing Program.

During the year, a review of all rental and maintenance policies was undertaken, in conjunction with the community sector. These policy documents were provided to customers in electronic format. Major policies will soon be available on the new Ministry of Housing web site, enabling rapid updating of policies, which will then become immediately available to the public.

Work commenced on the implementation of a 'Balanced Scorecard' reporting system which will give management a succinct and comprehensive view of organisation performance. Indicators have been developed and are grouped under four key result areas of Sustainability, Customer Service, Internal Processes and Learning and Innovation measures.

South Australian Government comments

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SA has a significant public housing sector which provides housing for approximately 10 per cent of South Australian households. The community housing sector provides housing for less than 1 per cent of households although it is experiencing steady growth as part of a strategy to increase diversity, increase housing choice and improve the flexibility and responsiveness of the range of housing options which are available.

To improve housing outcomes for Indigenous Australians an Aboriginal Housing Authority has been established to manage the provision of both urban rental housing and community managed housing in rural and remote areas. Growth in this program is also being supported through the allocation of additional resources.

The relatively large public housing sector in SA is the result of building programs during the 1950's and 1960's which were influenced by broader economic objectives, including the construction of housing for working families and an expansion program during the 1980's.

This historical focus on the provision of housing for working families has left the State with large and ageing estates of three bedroom housing, many of which are on the urban fringe. With the growth in the proportion of singles and smaller households now being housed there is often a mismatch between household type and dwelling size resulting in a higher reported rate of underutilisation than other States, although much of the three bedroom stock has similar floor areas to modern two bedroom dwellings.

The Housing Trust also has a substantial dwelling maintenance and upgrade task. These asset management issues are being addressed through a range of measures including active sales and urban regeneration programs which will contribute both to community development and financial viability.

High levels of public housing combined with property market conditions have meant that SA has below national average proportions of households in public housing who would be in need (at the 25 per cent rent to income level) if they had not received assistance. Even so the majority (over 80 per cent) of tenants in public housing receive a rent rebate because of their need for assistance. The profile of community housing tenants is similar.

With the implementation of reforms to eligibility and allocation arrangements priority is being given to those most in need of housing assistance. Associated with this changing profile of need, linkages are being developed with other support programs to address often complex needs and improve the stability of tenancies for households which would otherwise be vulnerable to housing crisis.

Overall, the effectiveness of housing assistance programs in SA continues to improve. They are achieving both high levels of customer satisfaction and good levels of efficiency.

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Tasmanian Government comments

“ Since September 1998, Housing Tasmania has strengthened its focus on assisting individuals and families to achieve good housing outcomes and further understanding the interrelationship between housing and health and wellbeing factors. This has resulted in a key objective of developing and delivering housing systems that strengthen community capacity and enhance an individual’s sense of ownership and control over their housing.

Positive results have been achieved through community engagement in the broadacre areas of Bridgewater, Gagebrook and Ravenswood through the Bridgewater/Gagebrook Urban Renewal Program (BURP) and the Ravenswood Walk Talk Program. Redevelopment of Radburn areas in Clarence Plains continued and further development work commenced in Clarence Plains (Clarendonvale Connect) and Shorewell. The net effect of this effort has been a 20 per cent reduction in vacant dwellings, taking the total number of vacant dwellings down to 675.

This has been achieved within a property market that shows a continued position of oversupply. Due to population shifts, continued low interest rates and high levels of both public and private provision, the Tasmanian property market continues to show strong affordability and availability. Within Housing Tasmania, this has reflected in a general decline in the number of public housing applicants (total applications reduced 13 per cent from 1997-98). Given this, Housing Tasmania has concentrated effort on further reducing stock levels and repositioning the remaining stock base.

Total stock numbers have decreased by 1.1 per cent to a year end portfolio of 13,590 properties, which still represents a relatively high market share of approximately 7.9 per cent. This reduction has been achieved by the continuance of a dedicated sales program, targeting sales of low demand public housing. Supporting this has been the first full year of the Deposit Assistance Scheme (75 households assisted) and the continued promotion of home ownership through the Home Ownership Assistance Program (HOAP), which issued some 200 loan approvals for the year to the value of \$9.4 million.

Consistent with the above, the principal capital effort has focused on renewal and regeneration of existing stock, with particular emphasis placed on unit complexes for the elderly and people with special needs.

Public rental continues to represent an affordable housing option, with the majority of tenants paying between 21 and 23 per cent of their income as rent. The direct debit scheme introduced in the previous year has been widely accepted, with approximately 42 per cent of eligible tenants now participating in the scheme.

Public housing remains highly accessible, with approximately 50 per cent of all applicants being housed within 6 months, and 68 per cent of all applicants waiting for less than 12 months. Strong performance in terms of affordability and accessibility are reflected in the Customer Satisfaction Survey, with in excess of 70 per cent of survey recipients indicating high levels of satisfaction in these areas.

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Australian Capital Territory Government comments

During 1998-99 there was continued emphasis on the rejuvenation and restructuring of the ACT's public housing stock to improve the quality of dwellings and match stock more closely to the needs of clients. This restructuring process will take a number of years given the size of the stock portfolio (12,000 dwellings, worth over \$1 billion) and the poor quality of much of this stock. This restructuring will lead to an improvement in the housing stock index over the coming years.

The ACT's public housing stock is characterised by a relatively high proportion of three-bedroom dwellings and bed-sit units, whereas there is a high unmet demand for one and two-bedroom dwellings. One measure adopted by the ACT Government to address these concerns is the construction of an additional 200 units of older persons' accommodation, with 1998-99 being the second year of this three-year program. *ACT Housing* is also developing a multi-unit property plan to address the tenancy and property issues associated with its major sites.

During the year, decisions were taken to sell MacPherson Court to the community housing provider Community Housing Canberra Ltd (CHC) for demolition and redevelopment, and sell Lachlan Court to provide funds for the redevelopment of Burnie Court. The consequent need to relocate tenants from MacPherson Court and the overall stock adjustment process has had some minor impact on *ACT Housing's* ability to allocate properties to new tenants and on waiting times to enter public housing. Despite this, the ACT still has good levels of accessibility and relatively low waiting periods for entry into public housing.

The 1998-99 year also saw further evidence of the Government's commitment to the expansion of the community housing sector with the transfer of 200 dwellings to CHC. A total of 83 dwellings were transferred in 1998-99, with the balance to be transferred in 1999-2000. The Government has also indicated that an additional 100 dwellings per year for five years will be transferred to the community sector. With the expansion of the community housing sector there will be an increased emphasis on the collection, analysis and monitoring of community housing data and the identification of community housing costs.

Since 1 July 1998, all new tenants and residents (people who reside with tenants of ACT Housing but are not party to the tenancy agreement) in public housing pay 25 per cent of their household income on rent, capped at market rent. Pricing adjustments for 'existing tenants' (that is, tenants in public housing prior to 1 July 1998) are being made in stages of 1.5 per cent each year from 1 January 1999, until they reach 25 per cent. Further reforms to pricing, tenure, allocation and eligibility announced by the Government are being reviewed by a Select Committee of the ACT Legislative Assembly.

Northern Territory Government comments

“ In April 1998, the NT Government introduced a package of reforms, known as Housing 2003, designed to reform the provision of housing services in the Territory. These reforms have transformed the delivery of public housing services in the Territory with the following improvements in evidence:

- reduced wait times;
- increased proportion of rebated tenants;
- market rent being paid by ineligible tenants;
- dwelling sales to tenants more than tripling;
- development of cluster style seniors housing; and
- the commencement of a construction program of one and two bedroom units.

In a few short years housing in the Territory has moved from being universally provided to now being targeted to meet the specific needs of those for whom the private market is not a viable option. Perhaps because of this, the NT continues to perform in the mid-range for most performance indicators in this report. This is reflective of the changing role that housing has in the development of the Territory.

The NT Government delivers housing assistance to Indigenous people through its partnership with the Indigenous Housing Authority of the Northern Territory (IHANT). Information in this report does not include the NT Government's commitment to the provision of housing and related infrastructure to Indigenous communities.

Other than Indigenous community delivered housing, the community housing sector is extremely small in the NT. Due to the size of the sector, the NT's community housing data for this report is incomplete. The NT's emphasis for community housing is to continue to encourage the development of flexible housing provider models, particularly targeting the provision of specific, unmet housing needs.

The NT's results in the National Customer Satisfaction Survey demonstrate increasing levels of overall satisfaction in the provision of housing services, with significant improvement evident in very satisfied scores, over the four years that the Survey has been undertaken. The result of close to seventy five per cent of Northern Territory customers satisfied with treatment by staff is indicative of a responsive, customer focused housing provider.

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