Submission of the Equality Rights Alliance to the Productivity Commission’s Reforms to Human Services – Issues Paper

20 February 2017
Equality Rights Alliance

Equality Rights Alliance (ERA) is Australia’s largest network advocating for women’s equality, women’s leadership and recognition of women’s diversity. We bring together over 60 organisations with an interest in advancing women’s equality. ERA welcomes the opportunity to make this submission to the Productivity Commission’s Human Services Inquiry.

Responding to the Issues Paper

“Across the world, the range of affordable housing is diminishing in the context of privatisation and individualisation of housing provision. There is clearly a need for more affordable housing options across tenures.”

Patricia Kennett and Chan Kam Wah

As we have highlighted in previous submissions to this inquiry, the provision, delivery and management of human services is critical to the advancement of gender equality and the status of women. Processes of human services reform must integrate gender impact analyses in all stages of policy development. A starting point for this analysis is to look at the gendered patterns of use and gendered pathways into human services. For example, looking at housing assistance, women make up 56% of public housing tenants, 64% of Commonwealth Rent Assistance recipients and 59% of those seeking assistance from specialist homelessness services. Further, this analysis should extrapolate differential or disproportionate impacts of policy reform on women. A process of gender impact analysis is crucial in identifying opportunities to address gendered inequalities and advance gender equality. We recommend that gendered considerations and analysis are built into the human services inquiry.

ERA supports the principles of quality, equity, efficiency, responsiveness and accountability in the Issues Paper. However, we remain concerned and disappointed at the narrow scope of the inquiry, particularly the confinement of the Issues Paper to considerations of competition and contestability. A broader scope could examine a range of operating environments for the human services sector to meet the quality, equity, efficiency, responsiveness and accountability objectives. ERA supports the report’s focus on co-design of services with both service providers and use. This process of collaboration should not be confined to the question of co-design, but looked at more broadly in the inquiry.

Given the context of funding and resource constraints outlined by many community organisations who have made submissions in the previous stages of this inquiry, we would like to take this opportunity to again reiterate this overriding issue for the provision of housing and homelessness services in Australia. A narrow focus on competition reform within this environment ignores fundamental and overriding structural issues. In particular, the “chronic underinvestment” in public housing which has eroded the effectiveness of the system is not accounted for. “If construction levels over the past 20 years had matched those in the 1980s, the total stock would today be about 200 000 units greater than what it is,” which is equivalent to the number of applicants on public and community housing waiting lists. While we support the principle of  

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1 P Kennett and C Kam Wah, Women and Housing: an international analysis, Routledge, London, 2011
2 Australian Institute of Health and Welfare, Housing Assistance in Australia 2016 Supplementary Data Table 6: Number of tenants in social housing by age, sex and program, at 30 June 2015, Canberra, 2016
3 Data on rent assistance income units by sex provided by Department of Social Services
4 Australian Institute of Health and Welfare, Specialist Homelessness Services Supplementary Tables 2014-15 Table CLIENTS.1: Clients and support periods, by age and sex, 2014–15; Canberra, 2015
5 Women’s Housing Company in Senate Standing Committee, Out of Reach? The Australian Housing Affordability Challenge, Parliament of the Commonwealth of Australia
6 K Jacobs et al, What future for public housing? A critical analysis, Australian Housing and Urban Research Institute, Melbourne, 2010
informed user choice, for people seeking affordable housing, it is difficult to see how reforms to increase competition and contestability will increase user choice when demand for affordable housing and specialist homelessness services far outweighs available supply.

Housing stress and homelessness are multifaceted issues necessitating action and intervention through multiple levers. ERA is concerned that reforms to increase competition and contestability to improve user choice in affordable housing will be limited and ineffective without reform and initiative across other policy areas that touch housing affordability, such as tax policy. “Housing policy is a classic wicked problem, with complex interrelationships between finance and investment instruments, policy and regulation approaches, institutions and the general public.”

Olney and Gallet, in Issues in Market-Based Reform of Human Services: Lessons from Employment Services, posit that “market-based reforms are not a panacea for wicked problems.” In this light, we reiterate our concern from our previous submission, that introducing competition and contestability reforms in isolation from housing reform elsewhere has the potential to exacerbate existing problems for people already experiencing trouble securing affordable housing.

Notwithstanding our overarching concerns in relation to the scope of the inquiry, we offer the following in response to requests for information:

- **Request for Information 7**: The adequacy of current support provided to help tenants transition out of social housing, what could be done to improve this support, and who should provide this support.

- **Request for Information 8**: How the level of support to social housing tenants should be set and the benefits and costs of each model, including its effects on incentives for households to obtain or maintain employment, fiscal implications for governments, and its effect in outcomes for service users.

- The potential for support to differ across households, groups and regions, or to change, depending on the length of tenure.

- The equity implications of having different models of support applying across social and private housing.

A range of housing assistance and support options is required to meet the diversity of experiences of housing in Australia. This range of responses, commonly referred to as the housing continuum, facilitates the provision and availability of assistance and support that is commensurate with the level of need. Adequate funding and resourcing across the continuum is critical to the effective functioning of housing assistance. The question of transitioning or moving people out of modes of assistance has focused on ‘transitioning out of social housing,’ but a more pressing concern is the fact that increasingly people are left to access more intensive forms of housing support when their housing needs have spiraled as a result of ‘light-touch’ assistance not being available or effective due to resource constraints. For example, an individual in rental stress or facing eviction may need housing support through financial assistance or brokerage. However, pressure on services may mean that this individual is unable to access this support and potentially, down the track requires more intensive assistance through specialist homelessness support. The question, or objective for policy makers of ‘transitioning’ tenants from one form of housing assistance should be secondary to the objective of ensuring people are able to access the appropriate assistance that meets their needs.

Similarly this objective of people being able to access assistance that appropriately meets their needs should frame the question of equity. Uniform approaches to housing assistance can be a blunt instrument.

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which have a greater chance of achieving sameness in policy framework but entrenching and exacerbating inequity in outcome. This is the case with proposals to eliminate systems of income-based rent to ensure parity between public housing assistance and community housing assistance. As the extremely high levels of demand for public housing suggest, issues of inequity arise because of the misallocation of housing assistance which sees people inappropriately allocated support which does not meet their housing needs. We reiterate from our previous submission that extending CRA to public housing tenants will ultimately erode the housing safety net by introducing insecurity into what has been the cornerstone of stability in Australia’s housing system.

Finally, ERA remains concerned at ongoing suggestions that income-based rent setting is a disincentive to maintaining or obtaining employment. The residualisation of public housing in Australia has created a situation where “the relatively low employment rates for public housing tenants are due to their characteristics, not their receipt of housing assistance.”

- **Request for Information 7:** The role of the private housing market in providing homes for households in need of social housing, and the costs and benefits of reform to unlock this potential (examples could include social housing providers leasing properties from the private sector or providing assistance to households to access the private rental market)

- **Request for Information 9:** What factors governments should consider in selecting service providers, including the types of providers that can best provide social housing, and the minimum scale of provider needed to efficiently provide social housing?

The provision of assistance to facilitate access to the private rental market is currently occurring through CRA. As discussed earlier, there is an inappropriate reliance on CRA from individuals who would otherwise qualify for social housing. In fact, 897,000 of the households living in the private rental market satisfy income eligibility tests for public housing. Currently just over 40% of the 1.3 million income units receiving CRA are in housing stress after receipt of CRA. However, without CRA, almost 70% of income units would have paid more than 30 per cent of their gross income on rent. The large proportion of CRA income units in rental stress points to the inadequacy of current assistance in overcoming the unaffordability of the private rental market. Further, the private rental market presents other challenges, particularly for people experiencing multiple and intersecting marginalisations or disadvantage. For example, single mothers, women who have experienced family and domestic violence, people with disabilities and Aboriginal and Torres Strait Islander people report experiencing discrimination in securing tenancies in the private rental market. If the private rental market is to be relied on in housing people in need of social housing, significant reforms to make the market more accessible and friendly are required.

The government’s role in social housing provision should not be confined to that of market steward, commissioning and selecting service providers. While ERA welcomes the report on innovative financing models to improve the supply of affordable housing by the Affordable Housing Working Group, we caution that the proposed bond aggregator model is just one lever in response to a multifaceted problem. It is

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critical that governments recognise the role of public housing as a necessary instrument of regulation and intervention in the housing market\textsuperscript{13} and continue to directly invest in public housing. Further, we reiterate our concerns with for-profit companies directly managing and providing social housing and highlight the experiences of social housing privatisation in Germany which resulted in an overall decline in stock as well as rent increases for tenants.\textsuperscript{14}

The factors which governments should consider in selecting providers then becomes about expertise and practice and experience in delivering specialist housing that is both affordable and appropriate for a diversity of people. While mainstream providers of affordable housing are more likely to be able to deliver social housing at a larger scale there must be a focus on smaller, specialist providers in the mix. Housing provision must reflect the diversity of housing need within the population. The capacity to tailor housing that is responsive to the diversity of the population is vital and includes considerations of the capacity for providers to deliver housing services that are culturally appropriate, secure, appropriately located and designed. To this end, all new build housing must meet the Silver Standard Design in the Livable Housing Australia guidelines. All new builds should be accessible for people with disability and our ageing population. Finally, overcoming and challenging the practice of “creaming,” where people least in need are prioritised, must be at the forefront of considerations in developing a framework for provider selection.

\textsuperscript{13} M Aalbers and A Holm, \textit{Privatising social housing in Europe: the cases of Amsterdam and Berlin}, Berliner Geographische Arbeiten, no. 110: 12-23, 2008
\textsuperscript{14} J Lawson et al, \textit{Transforming public housing in a federal context: Inquiry into affordable housing industry capacity}, Australian Housing and Urban Research Institute, Melbourne, 2016