

# **‘Individualised forms of welfare provision and reform of Australia’s housing assistance system’**

Keith Jacobs

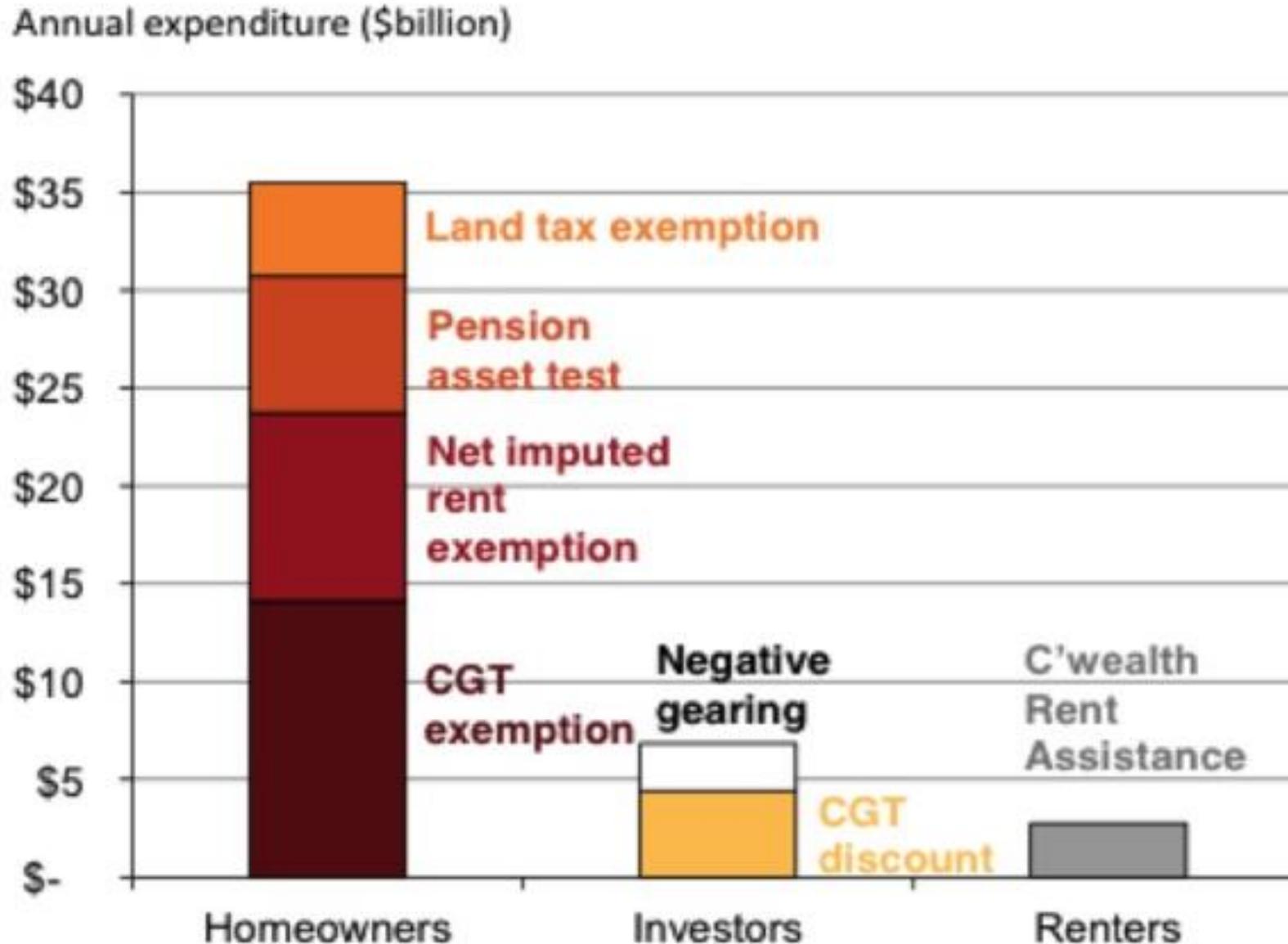
Kath Hulse

Wendy Stone

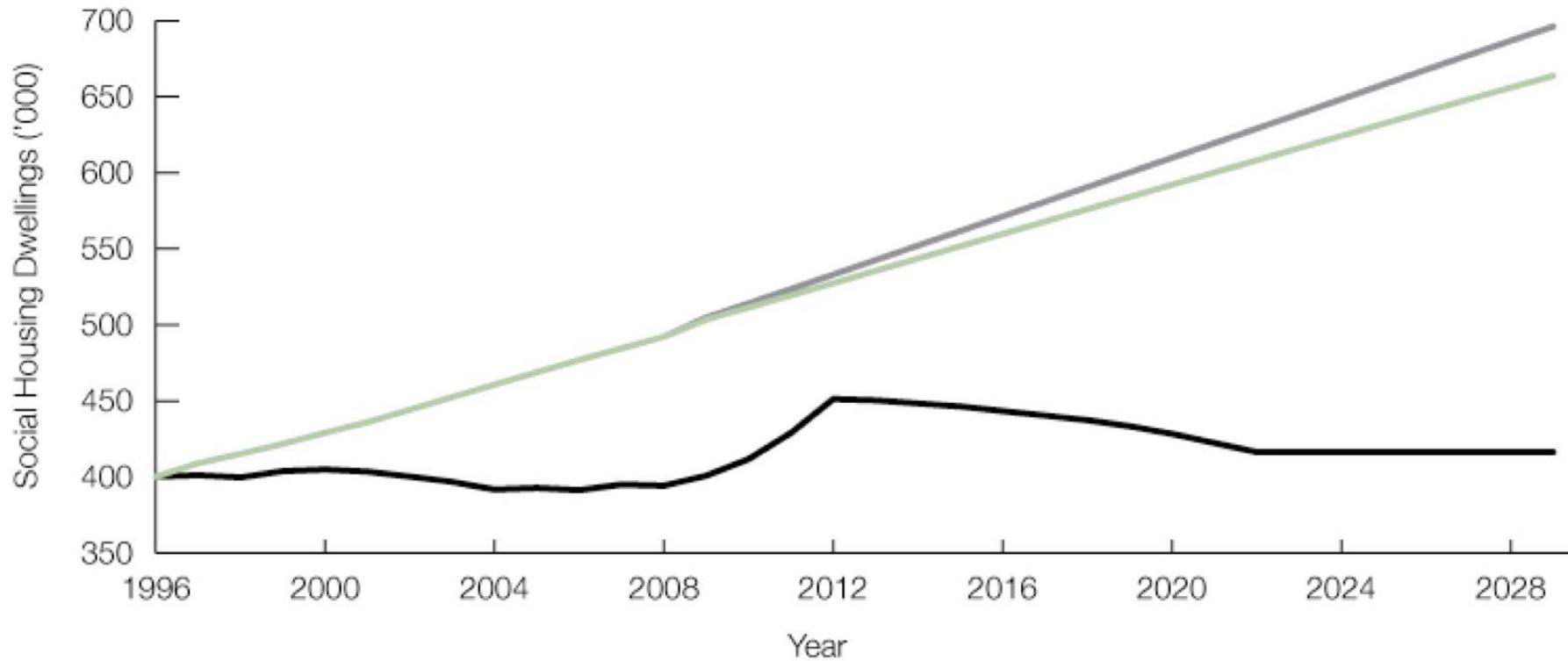
Ilan Wiesel



# Annual government expenditure on housing policy (Kelly, et al. 2013)



# Shortfall in social housing



- Social housing required to keep pace with low household growth
- Social housing required to keep pace with medium household growth
- Actual/projected social housing dwellings

# Contemporary Reform Agenda

- **Policies are demand focused rather than attentive to supply issues**
  - Extension of choice through market based mechanisms and flexible forms of service delivery.
  - Stock transfer of public housing to community housing agencies
  - Client based support programs for the homeless
  - Homeownership support via subsidies
  - Inputted tax subsidies for homeowners and rental investors.

# Australian Housing Interventions

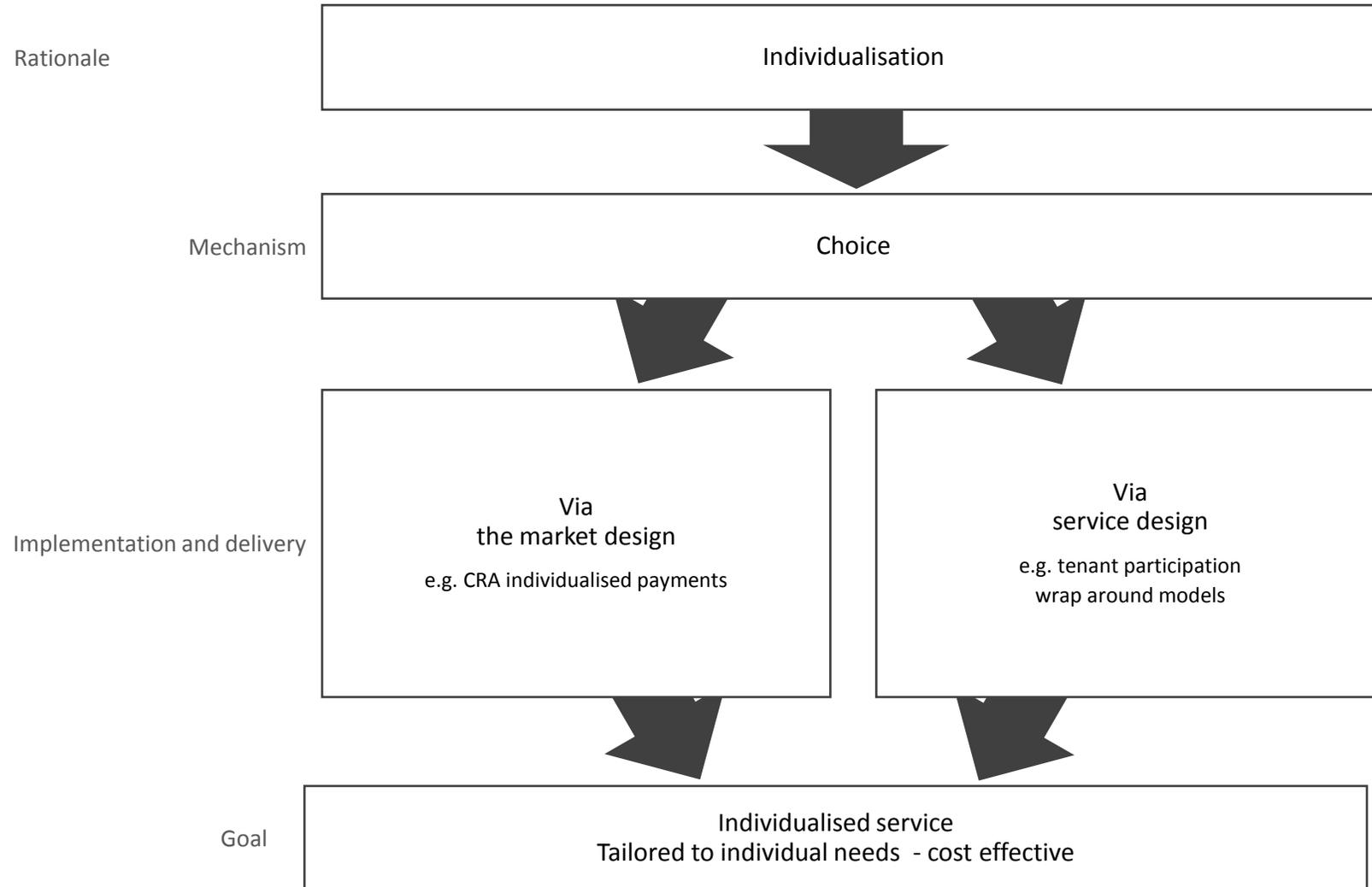
## **Via Market Design**

Commonwealth Rental Assistance  
Private Rental Support Schemes  
Aboriginal Homeownership Schemes.  
NDIS

## **Via Service Design**

Wraparound care provision  
Specialist homeless services  
Active support' transition to retirement  
Tenant and consumer engagement projects

# Investigative Framework



# Key questions

1. What lessons can be learned from international experiences and examples of extending individualised forms of welfare provision to incorporate housing assistance?
2. What type of housing assistance packages could respond to the increasing diversity of need for accommodation and related support in Australia?
3. How could individualised forms of housing assistance work in practice, using the National Disability Insurance Scheme (NDIS) as an example?
4. How could housing assistance policy in Australia respond to, and link with, social policy innovation around individualised welfare assistance?

# Research Program 2014/2015

## **Theoretical discussion paper**

### **Three projects.**

Project (A) examples of individualised welfare reform practices in both Australia and overseas to answer questions 1 and 2.

Project (B) a quantitative modelling of household demand and review of housing assistance provision/innovation in order to answer questions 2 and 4

Project (C) a case study based on the National Disability Insurance Scheme (NDIS) to answer questions 3 and 4.

### **Final Report**

# Programs that are not consistent with an individualised approach?

- Stringent allocation policies
- Prescriptive housing management practices
- 'No choice' forms of service delivery
- Institutionalising people living with disability
- 3 strikes approach to anti-social behaviour

# International examples of individualisation practice

- Universal credit UK
- Choice based lettings NL
- Insurance home care NL
- Housing Vouchers US
- Tenant Participation and Cooperatives DK

# Key Findings

- Customised delivery of housing assistance services, as assessed by service providers, can be effective in assisting diverse population groups with a range of needs.
- This approach does not in itself deal with the problem of lack of supply nor necessarily give power to clients to make decisions on their own behalf. Some clients are vulnerable and will need advocates to ascertain and represent their views (including family members and support workers). High standards can be achieved through adequate funding and attention to the quality of relationships between clients and providers.

# Risks of imposing competition on housing organisations

- Individualisation through market mechanisms and customisation of services changes the dynamics of service provision. Competition can engender an organisational culture in which other service agencies are seen as threats rather than as collaborators. Additionally, competition can accentuate an overt focus on short-term performance goals at the expense of welfare and relational aspects of care.

# Demand side interventions and quasi markets

- One widely used means of individualisation is demand side assistance to improve access to *existing* private rental housing markets. The research found that this type of assistance is of limited effectiveness if the market does not respond through improving supply.
- Another means of individualisation is through *creating* markets (or quasi markets) for welfare services. Applying the learning from Australian and international experience, this could entail private, not for profit and government organisations competing to provide different types of housing assistance. Housing assistance clients could have a personal budget to access the 'bundle of assistance' they require. There are practical difficulties in applying this approach to housing assistance which involves assets as well services.

# Continuing experimentation

- Continuing experimentation with different models of housing assistance individualisation, and good evaluation, is required to establish what works, and for whom, in an Australian context. Individualisation is a 'how to question' rather than a goal of housing assistance policy which properly focuses on citizens having access to adequate, affordable and suitable housing.

# NDIS

- The National Disability Insurance Scheme (NDIS) is a worked example of individualisation through personal budgets and creation of markets. It will shape the housing choices and experiences of people with disability. At this juncture it is anticipated that at full rollout of the scheme in 2019 between 83,000 -122,000 people will struggle to secure appropriate low-cost housing
- If NDIS is to meet its full potential, additional supply-side subsidies, integrated with finance and design innovations, are required to meet future NDIS participants' housing needs. Attention to design and location can deliver savings on support provision and recoup some of the capital costs of housing developments

# Conclusions

- Demand side initiatives to extend 'choice' will have only limited impact.
- Market based reforms, expensive and difficult to oversee
- Promoting 'housing' as an investment good through generous tax arrangements or as an opportunity for 'profit' has accentuated problems for low income households
- Marginal private rental sector likely to become a permanent feature of the housing system.
- No substitute for **sustained investment** to boost the supply of social housing.