Public Housing and the Commonwealth-State Housing Agreement
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Public Housing and the Commonwealth-State Housing Agreement

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Major Issues

Reform of the public housing system has been prominent in the political debate recently, most notably in the context of discussions undertaken under the auspices of the Council of Australian Governments (COAG).

The two main sources of government assistance for housing are the provision of public housing (essentially through the Commonwealth-State Housing Agreement - CSHA) and the provision of rent assistance to low income tenants in private dwellings. This paper concentrates on the provision of public housing via the CSHA. It is estimated that there are 370,000 public dwellings in Australia, the combined value of which is approximately $31 billion.

The bulk of the funding provided under the CSHA is in the form of capital grants and the States and Territories have a host of housing and housing related schemes that come under the ambit of the CSHA, including schemes for public housing, community housing, loans for home purchase and rent assistance. The 1995-96 Federal Budget allocated a total of $1065.9m to the CSHA under its five main programs - untied block rental assistance ($768.1m); pensioner housing ($50.4m); Aboriginal housing ($99.3m); community housing ($75.3m); mortgage and rent relief ($31.5m) and crisis accommodation ($41.3m).

Five key concepts have been identified as approximate indicators of CSHA performance - accessibility; affordability; appropriateness, security of tenure and equity. A brief review of the evidence appears to indicate that the CSHA is performing reasonably well in terms of these indicators with the exception of arguably the most important one, accessibility. An analysis of statistics relating to waiting lists for public housing and the number of recent additions to waiting lists for public housing shows that there is a substantial shortfall in the provision of public housing dwellings.

Further, an analysis of demographic trends indicates that unless there are changes in the type of housing provided, the number of people being denied access to appropriate housing will increase. In terms of the ageing of the population it is estimated that by 2031, 20% of the population will be aged 65 years and over. This compares with an equivalent figure of 11.4% in 1991. Whilst the population is ageing rapidly the housing that is predominantly available is still detached accommodation on large, often quarter acre blocks. Such housing is not likely to be appropriate for older people who have no dependent children. As well, the changing role of women in society and the tendency towards smaller households will need to be taken into account by planners and policymakers.

Suggestions for reform to the public housing system have come from a number of quarters in recent times. For example, the Industry Commission has recommended that there should be greater transparency and accountability mechanisms in place for the State housing authorities; that there be a better delineation of responsibilities between the Commonwealth and the States such that the States become fully responsible for the purchase and construction of public housing and the Commonwealth concentrate on the provision of income support for all households; that specific and measurable performance indicators be introduced for the CSHA and that the State housing authorities should fully separate their functions of property and tenancy management. The Australian Council of Social Service (ACOSS) agrees that there should be introduced a series of performance based agreements that will allow the
performance of the CSHA to be more properly assessed. ACOSS has also advocated that the needs of tenants be better addressed through the introduction of local tenancy management and the provision of nationally-uniform appeals mechanisms and tenancy legislation; that the Commonwealth play the main role in terms of funding, planning and performance monitoring whilst the States should be responsible for ensuring that property management, tenancy services and asset management are undertaken to agreed national standards. Both the Industry Commission and ACOSS recognised the urgent need for both Commonwealth and State governments to address the housing needs of Aboriginals and Torres Strait Islanders.

At the recent (April 3/4 1995) Council of Australian Governments (COAG) meeting the Commonwealth and the States agreed to a major overhaul of the public housing system so that its operation better reflects the needs of low income earners and the location of employment opportunities. The COAG deliberations have led to a number of Commonwealth-State "agreed thrusts" for the future direction of public housing including - that more emphasis be placed on "clients" in public housing; that the addition to the stocks of public housing should include leasing from the private sector; that performance standards for future CSHA arrangements be introduced; that public housing be located closer to employment opportunities and services; that Local Government and community sectors be encouraged and supported to provide more public housing and that additional resources be allocated for the provision of Aboriginal housing.

Some of the recent initiatives announced by the Commonwealth and the States will help overcome some of the shortcomings that have been identified. However, it would appear that the fundamental problem, that of a dire shortage of public housing places, will not be significantly addressed by the reforms announced. The urgent challenge for governments is to either provide more public housing or to put into place policies that will help facilitate easier access to the private rental (or ownership) market, or both. Unless and until significant amounts of additional resources are allocated to public housing, lengthy waiting lists will continue to plague the public housing system. Given the current economic climate of economic restraint it is unlikely that these additional resources will be forthcoming in the near future. The fact that the 1995 Budget allocated $11m less under the CSHA than it did in the 1994-95 Budget suggests that the new CSHA will fall short of the "agreed thrusts" negotiated via the COAG process.
2. Introduction

The quantity, quality and location of housing is of vital importance to all Australians. Having a "roof over the head" is considered to be one of the basic necessities of life. In economic terms housing accounts for 4-6% of Gross Domestic Product per annum and approximately 20% of gross investment per annum. In social terms where one lives (and how one lives) has an important bearing on our sense of self-worth and how we are viewed by others.

Approximately 70% of Australians live in owner occupied homes; approximately 20% live in private rental accommodation; 6% live in public housing and the remaining 4% are accommodated in non-government community housing, caravans, boarding homes or are homeless.

Assistance from governments to people in housing need in Australia comes from two main sources - the provision of public housing and the provision of rent assistance to low income tenants in private dwellings. It is estimated that the total expenditure by governments on public housing is of the order of $2.5b per annum and outlays via the social security system for rent assistance exceeds $1b per annum. The emphasis in this paper is on public housing which is taken to include housing provided under the auspices of the Commonwealth-State Housing Agreement (CSHA). There are approximately 370,000 public housing dwellings in Australia, the combined value of which is estimated to be $31b.

The scope, effectiveness and equity of the current and past provision of public housing has been the subject of considerable debate in recent years. This debate has been highlighted in the very recent past by the deliberations of the Council of Australian Governments (COAG) and the release of several major reports on public housing including that of the Industry Commission (November 1993), the Australian Council of Social Service (June 1994) and the Australian Institute of Health and Welfare (January 1995). As well, the National Housing Strategy process of the early 1990s dealt with all aspects of housing provision in Australia, including public housing.

The main aim of this paper is to give a brief overview of the CSHA and how it operates as well as to discuss briefly some of the main suggestions for reform to public housing, most notably in the context of recent agreements between the Commonwealth and the States and the provisions of the 1995-96 Federal Budget.

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3. The Commonwealth-State Housing Agreement (CSHA)

A. Brief History

The CSHA commenced in 1945 and is the Commonwealth Government's main housing program. Since 1945 a series of financial assistance agreements have been negotiated between the Commonwealth and the States with a view to providing housing assistance to people in need. Current legislative authority for the CSHA is contained in the Housing Assistance Act 1989 which provides the legal framework for the latest (1989) Agreement. The Housing Assistance Amendment Bill 1992 amended the 1989 Act to extend the current CSHA to 1995-96 and the Housing Assistance Amendment Bill 1993 provided for minor changes in expenditure made available for various programs under the CSHA for 1993 to 1996.

Initiatives by the Chifley Government resulted in the first CSHA being finalised between it and the six States in November 1945. The main impetus for such an arrangement was provided by the Commonwealth Housing Commission in a report it released in August 1944. The Commission was appointed in April 1943 to assess the state of Australia's housing stock. In its report the Commission advised the Commonwealth to take an active role in providing housing for those in need. Since 1945 the Commonwealth has made continuous financial allocations to the States for this purpose. Commonwealth-State Housing Agreements have been negotiated with the States in 1945, 1956, 1973, 1978, 1984 and 1989. The Northern Territory was included in the CSHA in 1981 and in 1989 the Australian Capital Territory became a party to the Agreement. The CSHA is due for renegotiation in the 1995-96 financial year.

Section 96 of the Constitution, which allows for the Federal Parliament to 'grant financial assistance to any State on such terms and conditions as the parliament thinks fit', has been the legal avenue by which the Commonwealth has provided CSHA grants to the States and Territories to allow for the construction of public housing and the lending of funds for home purchase.

B. Current Arrangements

Approximately one half of all Commonwealth funding for housing comes under the ambit of the CSHA. The rest of the funding goes primarily to rent assistance (for those in private rental accommodation) that is provided to Department of Social Security and Department of Veterans Affairs clients; specific programs for Aboriginal and Torres Strait Islanders including the Community Housing and Infrastructure Program (CHIP) and Aboriginal Hostels Ltd (AHL) which are administered by the Aboriginal and Torres Strait Islander Commission (ATSIC); funding for organisations to provide residential care for the elderly, including nursing homes and hostels. The Commonwealth also funds a number of programs that help people into more independent living arrangements or to provide for their ongoing support needs, such as the Supported Accommodation Assistance Program (SAAP), the Home and Community Care Program (HACC) and the Commonwealth-State Disability Agreement (CSDA).

The bulk of the funding provided under the CSHA is in the form of capital grants, mainly for the provision of public housing. The States and Territories have a host of housing and housing-
related schemes that are funded via the CSHA including schemes for public housing, community housing, loans for home purchase and rent assistance.

The majority of the funding provided by the Commonwealth to the States/Territories is required to be matched by those jurisdictions on a dollar for dollar basis, half with State grants and half through home purchase assistance loans. State and Territory governments are also encouraged to combine CSHA home purchase assistance funds with private funds to expand their lending programs. As well as general funds for public rental housing and home purchase assistance schemes some funds are allocated for specific programs. The Agreement provides for an annual Commonwealth-State Assistance Plan for each State/Territory which includes an assessment of housing need, resources available and priorities for assistance. The States/Territories administer the housing operations and determine practices within the Housing Assistance Plan.

C. The 1995-96 Budget

The main areas funded in the 1995-96 Budget for the CSHA are - public rental housing, pensioner rental housing, Aboriginal rental housing, community housing, mortgage and rent assistance and the provision of crisis accommodation.

A total of $1065.8m has been allocated to the various sub-programs of the CSHA in the 1995-96 Budget - see Graph 1. It should be noted that $993.1m of the total allocated comes from the Housing and Community Amenities function in the Budget and that the remainder of the funds ($72.8m) comes from the Social Security and Welfare function in the Budget. Table 1 shows the distribution of payments of 1995-96 CSHA funds by State/Territory.

Table 1: Details of Payments to be Made Under the Commonwealth-State Housing Agreement, 1995-96 ($m) (estimated)

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
<th>TAS</th>
<th>ACT</th>
<th>NT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSHA Block Assistance</td>
<td>257.7</td>
<td>193.5</td>
<td>135.8</td>
<td>70.3</td>
<td>50.7</td>
<td>28.4</td>
<td>18.2</td>
<td>13.5</td>
<td>768.1</td>
</tr>
<tr>
<td>Pensioner Housing</td>
<td>18.5</td>
<td>11.2</td>
<td>9.8</td>
<td>4.2</td>
<td>3.8</td>
<td>1.8</td>
<td>0.5</td>
<td>0.5</td>
<td>50.4</td>
</tr>
<tr>
<td>Aboriginal Housing</td>
<td>17.8</td>
<td>3.6</td>
<td>32.4</td>
<td>16.2</td>
<td>8.5</td>
<td>1.0</td>
<td>0.0</td>
<td>19.7</td>
<td>99.3</td>
</tr>
<tr>
<td>Community Housing</td>
<td>23.4</td>
<td>17.4</td>
<td>16.8</td>
<td>6.6</td>
<td>5.7</td>
<td>3.0</td>
<td>1.2</td>
<td>1.2</td>
<td>75.3</td>
</tr>
<tr>
<td>Mortgage and Rent Relief</td>
<td>10.5</td>
<td>7.8</td>
<td>6.0</td>
<td>2.9</td>
<td>2.6</td>
<td>0.8</td>
<td>0.5</td>
<td>0.3</td>
<td>31.5</td>
</tr>
<tr>
<td>Crisis Accommodation</td>
<td>13.5</td>
<td>10.0</td>
<td>7.1</td>
<td>4.4</td>
<td>3.3</td>
<td>1.6</td>
<td>1.1</td>
<td>0.4</td>
<td>41.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>341.4</td>
<td>243.5</td>
<td>207.9</td>
<td>104.6</td>
<td>74.6</td>
<td>36.7</td>
<td>21.5</td>
<td>35.6</td>
<td>1065.9</td>
</tr>
</tbody>
</table>
least half of this matching funding must be in the form of grant funding with the rest being made up of home purchase loans. Matching of funds is not required for the rest of the CSHA subprograms except for the Mortgage and Rent Assistance program (MRAP).

The Pensioner Rental Housing subprogram provides funds ($50.4m in 1995-96) to assist pensioners and beneficiaries gain access to suitable accommodation. Funds are allocated to the States/Territories according to the number of pensioners and sole parent beneficiaries in each jurisdiction.

The Aboriginal Rental Housing subprogram provides funds ($99.3m in 1995-96) for the construction, purchase or lease of rental housing for Aboriginal and Torres Strait Islanders in need. The distribution of funds between the States and Territories is made according to an assessment of housing need as endorsed by the Australian Aboriginal Affairs Council. It should be noted that a range of other forms of housing assistance for Aboriginal and Torres Strait Islanders is provided for via the ATSIC.
Graph 1: Major Components of the Commonwealth-State Housing Agreement

- Crisis Accommodation *
- Mortgage & Rent Assistance *
- Community Housing Program
- Aboriginal Rental Housing
- Pensioner Rental Housing
- Unied Assistance

$Million (1995-96 Budget)

Source: 1995-96 Budget Paper Number 1, pp 3-138, 3-139.

*Funded from the Social Security and Welfare Function.
The Community Housing Program (CHP) provides funds ($75.3m in 1995-96) to enable local government, welfare and community organisations to purchase, construct, lease or upgrade rental housing. This subprogram, announced in the 1992-93 Federal Budget, replaced the Local Government and Community Housing Program on 1 January 1993. Funds are allocated to the States/Territories on a per capita basis with a minimum amount of funding guaranteed for each jurisdiction.

The Mortgage and Rent Assistance (MRAP) subprogram provides funds ($31.5m in 1995-96) for short term assistance to private renters or home buyers who, because of their low incomes, are having difficulties with their purchase repayments or rent payments. As well as mortgage and rent relief this subprogram also provides for deposit assistance and housing advice and referral. Funding to each State and Territory is provided on per capita basis and is required to be matched dollar for dollar. The MRAP is funded by the Department of Social Security.

The Crisis Accommodation Program (CAP) is also funded out of Department of Social Security funds and provides capital funds ($41.3m in 1995-96) for short term emergency accommodation under the Supported Accommodation Assistance Program (SAAP). The SAAP provides support services for the residents of CAP funded accommodation. Included in the types of dwellings funded under the CAP are youth refuges, women's refuges, homeless men's shelters and short-term housing.

4. Issues And Possible Reforms To The CSHA

A: The objectives of the CSHA - are they being met?

Five key housing assistance concepts have been identified with housing provision under the auspices of the CSHA - accessibility; affordability; appropriateness; security of tenure and equity. It is clear from a brief review of the evidence, where available, that the CSHA is largely meeting its objectives with respect to the majority of the broad concepts listed. However, in arguably the most important field, that of accessibility, the CSHA is clearly not producing enough dwelling units to satisfy the apparent demand.

Accessibility

Accessibility refers not only to the availability of housing for those in need but also to the ease with which household units can move to similar or new forms of tenure. It can also refer to whether certain groups have difficulty accessing housing due to factors such as discrimination.

One of the main measures of accessibility is the length of waiting lists for public housing. However, waiting list statistics should be used with some caution due to the fact that often there are many applicants listed who no longer require public housing or who are no longer eligible for it. Also, there are people in the community who, for whatever reason, may not want public housing but who would normally be eligible. As well, there will also be a proportion of potential applicants for public housing who are not aware that that particular form of housing tenure is available to them.

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5 Industry Commission, Public Housing, November 1993: 8-12.
As Graph 2 shows the number of families on the waiting list for public housing in Australia the number has increased from 126,000 in 1982-83 to 232,000 in 1993-94.

Even if allowances are made for the shortcomings of using waiting lists as a measure of accessibility it is still evident from the statistics that public housing provided under the auspices of the CSHA is far from adequate to meet the current demand. The national waiting list has grown by in excess of 80% over the period 1982-83 to 1993-94.

An alternative measure of accessibility is that of how many recent applications for public housing have been approved. If this measure is used then the apparent unmet demand is less than the waiting list statistics would indicate but there is still a substantial shortfall in the provision of public housing. According to the Institute of Health and Welfare:

Over the decade from 1982-83 to 1991-92, the number of applicants added to public housing waiting lists in a year throughout Australia tended to increase, rising overall by 36% from 86,000 to 117,000... In the same period the total population increased by 14% ... The capacity of State housing authorities to meet this demand has been somewhat mixed, both over time and across States; although over the 10 years from 1982-83 the number of dwelling units in the public sector increased by 51% ... the number of new households accommodated increased by only 39%. This suggests that tenants are tending to stay longer in public housing and shows that the ability of housing authorities to accommodate new tenants depends both on the growing stock and the rate at which existing tenants leave public housing. Notwithstanding the fact that recent additions represent a conservative estimate of demand, a substantial level of demand remains unmet.

### Appropriateness

The concept of the appropriateness of the public housing being provided is an important one and relates essentially to the physical characteristics of the housing provided and its location as well as whether or not the housing meets the needs of the occupants. Appropriate housing can be considered to be accommodation that is of adequate physical structure; that is of a size and type that suits the occupants and that allows the occupants to have access to the services and employment that the occupants need.

The most recent analysis of this concept with respect to public housing (by the Australian Institute of Health and Welfare) used the rate of under-utilisation of dwellings, and where public housing was located in terms of access to services and employment, as approximate measures of appropriateness.

The Institute defined an under-utilised dwelling as one where there are more bedrooms than are needed to adequately accommodate members of the household. Using this measure of appropriateness it concluded that the public housing sector was the most efficient of all types of housing.

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Equity

The concept of equity is a complex one but can perhaps be summed up by saying that any assessment of equity would have to include whether or not the provision of scarce public housing resources is going to those most in need. Apart from the obvious problem of there being no agreed method of determining "need", very little statistical data is available to enable firm conclusions to be made with respect to just how equitable the current provision of public housing in Australia is.

One measure of "need" is to look at the proportion of those in public housing who are in receipt of a government payment or benefit. According to the latest ABS statistics, 78% of income units who rent from a State or Territory housing authority have a government pension or benefit as their main source of income. As well, the statistics show that 62% of income units renting State/Territory housing authority dwellings have gross weekly incomes of less than $289.11

These figures do appear to indicate that the bulk of public housing is being utilised by those who could be categorised as being in "need".

B: Some demographic issues

Demographic issues also need to be assessed when discussing the provision of public housing. In this context the National Housing Strategy identified a number of trends that will influence the type of housing that is required into the twenty-first century. As these trends accelerate it is likely, unless there are changes in the type of housing provided, that the number of people being denied access to appropriate housing will increase.

One demographic trend that has already attracted a lot of attention is the fact that Australia has an ageing population. Figures provided by the Bureau of Immigration research highlight this ageing trend. According to the Bureau...

- in 1901 only 4% of the population was aged 65 and over

- in 1961 this figure had risen to 8.5%

- in 1991, 11.4% of the population were aged 65 and over

- it is estimated that by 2031, 20% of the population will be aged 65 and over

- the median age of the population has risen from 22.5 years in 1901 to 32.5 years in 1991.12

Whilst the population is ageing rapidly the housing that is predominantly available is still detached accommodation on large, often quarter-acre, blocks. Such housing is not likely to be

11 ABS Catalogue No. 4132.0, op cit.: 27.
appropriate to older people who have no dependent children and especially frail aged people living on their own. The National Housing Strategy found that...

almost half of the household heads in the middle-ring suburbs of Sydney and Melbourne are aged 50 years and over and yet most of the housing in these suburbs is family-type housing on relatively large blocks of land.13

It is obvious that policy makers will need to address the problem of providing adequate diversity of housing to ensure that the type of housing (and the associated infrastructure and services) demanded is matched by the available supply.

Two other social/demographic trends identified by the National Housing Strategy that policy makers will need to consider in the context of housing provision are the changing role of women and the tendency towards smaller households.

Referring to women in the workforce the Strategy says...

The strong upward trend in the proportion of women in paid jobs is expected to continue into the future, with 60% of Australian women projected to be in paid employment within 15 years time (compared with around 40% now). This will create a growing need for housing that is well located in relation to such services as training and childcare.14

The trend towards smaller households has been quite marked in recent years with persons per household declining from 3.83 in 1954 to 2.78 in 1989.15 At the same time the size of new homes being built is increasing - from 130 square metres (floor area for new private homes) in 1970 to 187 square metres in 1989.16 Thus, there is an obvious mismatch between smaller family sizes and larger and larger houses. The challenge for policy makers is to find ways to switch the nature and type of housing over to suit the type of households that are becoming more and more evident from the demographic trends.

C: Suggestions for reform to the CSHA

(1) The Industry Commission

The Commission's main task was to report and make recommendations with respect to how the three levels of government can deliver public housing and rent assistance in the most efficient and effective way possible.

It was of the view that:

public housing is a cost effective way to meet government housing objectives. But people have a variety of housing needs. In addition to public housing the appropriate mix of assistance measures is likely to include rent assistance, community (including co-operative) housing, and headleasing - that is, the leasing of a property by a

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14 ibid.: 9.
15 ibid.: 9.
16 ibid.: 9.
housing authority or community group for on-leasing to a tenant. The need at this stage is for funding and institutional arrangements and incentives that will allow the right mix of assistance measures to emerge.  

Some of the specific recommendations and points made by the Industry Commission included:

• that there is still a long way to go with respect to government provision of housing for those in need;

• that the key objectives of the CSHA (accessibility, affordability, appropriateness, security of tenure and equity) are 'ideals' that are not linked, in any measurable way, to how the various State/Territory housing authorities are performing;

• that there should be greater transparency and accountability mechanisms in place for the housing authorities;

• that a better delineation of responsibilities between the Commonwealth and the States be introduced such that the States become fully responsible for the purchase and construction of public housing. The Commonwealth's main role should be to provide income support (essentially via block grant rent assistance to the States) for all households in both public and private rental. The Commonwealth should also provide specific support to encourage housing provision in particular States, for say, community housing initiatives;

• that all applicants for public housing should be assessed in the same way and that each State should have a categorised waiting list so that allocations recognise the different degrees of need;

• that public housing security of tenure should be considered in the context of the 'local' area as opposed to a particular dwelling;

• that rents should be linked to market values and that the level of assistance given to tenants should be dependent upon tenant incomes;

• that the various State housing authorities should fully separate their functions of property and tenancy management;

• that the level of assistance for tenants in community housing should be similar to assistance provided to those in public housing;

• that the housing assistance provided to Aboriginal and Torres Strait Islanders should be at least at the same level as that provided to other public housing tenants;

• that the Commonwealth should come to an agreement with the States and Territories on the funding responsibility for the housing costs for Aboriginals and Torres Strait Islanders that exceed the capacity of the State public housing authorities.

(2) The Australian Council of Social Service

In June 1994 the Australian Council of Social Service (ACOSS), in conjunction with National Shelter, held a national workshop for housing workers and tenants. Following the workshop ACOSS released an issues paper on public housing which contained a number of suggested reforms designed to improve the provision of that type of housing. Some of the main comments and suggestions for reform contained in the ACOSS paper were:

- that the Commonwealth-State Housing Agreement (CSHA) continue to be the core vehicle for the provision of public housing - "...the CSHA should be the framework for a nationally-coordinated housing policy which enables affordable, appropriate and secure housing to be provided to low income and special needs in a nationally uniform manner";18

- that within the CSHA framework there be an allowance for variation in housing design due to factors such as differing local needs and cultural preferences;

- that recent governmental moves towards the introduction of performance-based agreements related to the objectives of the CSHA be supported - "...Objectives should be complemented by agreed performance measures which clearly identify commonwealth and state responsibilities. To maintain their relevance, the effectiveness of strategies to meet objectives should also be reviewed regularly";19

- that the performance data used in relation to the indicators should be "clear, reliable and nationally comparable. In addition to being assessed according to factors such as stock condition, rates of stock acquisition, and financial and other aspects of stock and asset management, housing agency performance should be assessed according to: ability to meet housing need; client satisfaction...; energy efficiency; appropriateness of location; design quality; accessibility to applicants; extent to which special needs groups are met; affordability";20

- that in terms of stock management there are two main priorities - first, the need to redevelop inappropriately-located housing stock and stock that is in poor condition and second, the need to make better use of existing stock. As well,"...the CSHA should establish national asset management and maintenance guidelines and benchmarks to minimise any potential conflict between asset management and quality of service objectives";21

- that the needs of tenants be better addressed including the introduction of local tenancy management and the provision of nationally-uniform appeals mechanisms and tenancy legislation;

19 ibid.: vi.
20 ibid.: vii.
21 ibid.: vii.
• that segmented waiting lists (as recommended by the Industry Commission) not be introduced. At present there are wait-turn allocation policies for public housing. Segmented lists would allocate tenants to housing according to assessed needs. ACOSS believes such a change would not address the fundamental problem of not enough housing stock to go around. It also believes that higher administration charges would result from the introduction of segmented waiting lists;

• that the present provision of housing for Aboriginal and Torres Strait Islander people "is grossly inadequate". Not only are more resources required to overcome this situation, but there is a need for greater self-determination with possibly the Aboriginal and Torres Strait Islander Commission playing a coordinating role. The provision of housing assistance should be part of an integrated package rather than housing being seen as a separate infrastructure need;

• that there be more transparency with respect to subsidies paid to all forms of housing tenure and that the level of support for public housing should be greater than that for other forms of tenure;

• that the cost of support services should be met by other agencies as appropriate, not by housing agencies;

• that differential rents for public housing, as proposed by the Industry Commission, be rejected. The Industry Commission was of the view that higher rents should be charged for housing in more expensive locations and for better types of housing;

• that the Industry Commission proposal to charge a premium of 2% to 3% over market rents for public housing be rejected;

• that with respect to Commonwealth and State roles and responsibilities there be a clear delineation of roles with the Commonwealth playing the main role in terms of funding, planning and performance monitoring whilst the States...should be responsible for ensuring that property management, tenancy services and asset management are undertaken to multi-laterally agreed national standards.

(3) The National Housing Strategy

The National Housing Strategy (NHS) was a two and a half year review of housing needs and policies. It culminated with the publication of "Agenda For Action" in December 1992.

The NHS dealt with housing across the board and not just the provision of public housing. It identified three preconditions for reforming the housing sector in Australia -

23 ibid.: x.
"the need to formulate an integrated set of proposals to ensure more affordable housing choices; the need to cement cooperative and coordinated relationships between the three spheres of government, involving the industry and community; and the need to provide adequate resources for housing and infrastructure".24

In the longer term the NHS argued that the CSHA should be more responsive to the housing needs of particular groups; that local governments, community groups and tenants should be more directly involved in the decision making process and that CSHA financing should be drawn from a wider pool. The NHS also argued for the introduction of performance indicators against which State Housing authorities could be judged. As well, the Strategy endorsed a "housing affordability benchmark" and emphasised the need for better links between housing and support services. It also advocated that flexibility was needed in the provision of different types of housing tenure.

(4) The Australian Institute of Health and Welfare

The Institute's report on public housing was released in January 1995 and many of its main concerns and points have been referred to earlier in this paper. However, it is worth noting the essential overall conclusion that the Institute made with respect to the provision of public housing -

Although assessing performance is always a subjective exercise (to some degree), based on the measures used in this report, it is considered that public housing is achieving better outcomes for tenants than the private rental sector in most of the areas examined. The public sector performs better than the private rental sector in providing affordable housing, alleviating poverty, providing adequate dwellings (at least in terms of dwelling amenities and a lower incidence of overcrowding), minimising the under-utilisation of houses, and in providing security of tenure for tenants. It does not perform as well with respect to facilitating access to services and employment, providing housing choice and in meeting demand.25

5. The Council Of Australian Governments

Public housing was one of the main agenda topics at the Council of Australian Governments (COAG) meeting held on April 3 and 4 1995. At the meeting the State Premiers/Tertiary Chief Ministers and the Commonwealth agreed to a major overhaul of the public housing system so that its operation better reflects the needs of low income earners and the location of employment opportunities.

More specifically the COAG deliberations, which have largely set the broad parameters for negotiations on the new Commonwealth-State Housing Agreement, led to a number of Commonwealth-State agreed thrusts for the future direction of public housing including;

- more emphasis on "clients" in public housing. One of the main vehicles for achieving this will be the establishment of tenancy managers in the State Housing Authorities;

- more emphasis on the commercial side of the management of public housing. This will be largely achieved through the establishment of property managers in the State/Territory jurisdictions;

• the addition to existing public housing stocks to include not only additional construction and purchase but also the leasing of stock from the private sector;

• the strengthening of the Local Government and community sectors that provide public housing;

• improvements to Aboriginal housing via the Indigenous Housing Strategy. (The Commonwealth has provided $86m over four years for Aboriginal housing and related infrastructure as part of the Indigenous Housing Strategy);

• the introduction of performance standards for future CSHA arrangements which will ensure that there is full public reporting against set standards done on annual basis;

• the locating of public housing closer to employment opportunities and services;

• the provision of increased choice to public housing tenants via the renewal of older, larger public housing estates.26

6. Conclusion

Many of the new initiatives announced by the Commonwealth and the States and Territories will help address some of the shortcomings that have been identified by various players in the public housing system in Australia. In particular, the increased flexibility that State and Territory housing authorities will have with respect to the types of housing provision offered and the increased emphasis on client needs should ensure a better targeting regime for public housing. However, the fundamental problem, that of a dire shortage of public housing places, will not be significantly addressed by the reforms announced. The fundamental objective of meeting public housing demand is probably the one objective that is the biggest failure of the CSHA. All the other objectives and concepts associated with the CSHA (affordability, security of tenure, equity and appropriateness) pale into insignificance if there are no public housing dwellings, of whatever standard, available for those eligible. The urgent challenge for governments is to either provide more public housing or to put in place policies that will help facilitate easier access to the private rental (or ownership) market, or both. Unless and until significant amounts of additional resources are allocated to public housing lengthy waiting lists will continue to plague the public housing system. Given the current climate of economic restraint it is unlikely that these additional resources will be forthcoming in the near future and as a consequence it is likely that calls by groups such as the Australian Council of Social Service for additional spending of $180m over three years to redevelop and improve public housing will continue to occur.27 The fact that the 1995-96 Budget allocated $11m less under the CSHA than it did in the 1994-95 Budget suggests that the new CSHA will fall short of the 'agreed thrusts' negotiated via the COAG process.