

*Final Report*

# **A Review of Private Rental Support Programs**

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## **ABBREVIATIONS**

AIHW	Australian Institute of Health and Welfare
CA\$H	Colony Assistance Service for Housing
CHSA	Commonwealth State Housing Agreement
CEAS	The Canberra Emergency Accommodation Service
CRA	Commonwealth Rent Assistance
FaCS	Family and Community Services, Commonwealth Department of
HEF	Housing Establishment Fund
NACAB	National Association of Citizens Advice Bureaux
OCBA	Office of Consumer and Business Affairs
ORB	Office of Rental Bonds
PRSP	Private Rental Support Program
QDoH	Queensland Department of Housing
RTA	Residential Tenancies Authority
SAAP	Supported Accommodation Assistance Program
SAHT	South Australia Housing Trust
SHAs	State Housing Authorities
THM	Transitional Housing Management.
VOH	Victorian Office of Housing

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## EXECUTIVE SUMMARY

This Final Report presents the findings of a project undertaken by a team of AHURI based researchers to review Private Rental Support Programs (PRSP) in each Australian State and Territory. The overall aim of the project is to assess the effectiveness of the programs in assisting low-income tenants. The rationale for the project is that over the coming years many low-income households will be reliant on the private rental market as a consequence of the high costs of homeownership and limited availability of public housing. Though private rental costs are generally less expensive than purchasing a home, there are expensive start up costs when renting that can result in tenants experiencing housing stress and difficulties in managing their tenancy.

Private Rental Support Programs (PRSP) is the term used to describe the broad range of services provided by State and Territory housing authorities to assist low-income tenants at the start of their tenancy. The programs are 'one-off' forms of support and are additional but distinct from Commonwealth Rental Assistance. The support provided is different in each State and Territory but can entail bond loans, rental grants, reimbursement of relocation expenses and other 'one-off' grants.

There is very little published research on the operation of private rental support programs both in Australia and internationally. However, from the evidence collected a number of findings emerge. First, Australian States and Territories provide more extensive 'one-off' support schemes than elsewhere. Second, though there is a perception amongst some policy makers that PRSPs are complex to administer and difficult to evaluate, the benefits that accrue for tenants are generally regarded as significant and valuable. Third, although landlords are generally supportive of the schemes there are some who are reluctant to consider housing tenants in receipt of PRSP. Fourth, the effectiveness of the PRSP is often undermined by tight rental markets which both limit the scope for tenants to exercise choice and accentuate higher rental costs.

The findings from the Australian wide research project show that though each State and Territory PRSP has similar aims, the actual operation of each program varies considerably. Five out of the eight housing authorities (Northern Territory, South Australia, Queensland, Victoria, ACT and Western Australia) operate bond loan repayment schemes. In Northern Territory, South Australia and Western Australia a repayment scheme only commences once the landlord makes a claim on the bond at the end of the tenancy. In New South Wales, eligible tenants receive a bond grant that is not required to be repaid. In Tasmania a bond guarantee scheme is in place.

It was generally recognised that PRSPs provide financial support at a time when tenants struggle to find the necessary resources to start their tenancies. For this reason, they are viewed as an effective policy intervention within the confines of their overall aims (i.e. 'one-off' support) but for tenants experiencing 'on-going' or episodic forms of housing stress the capacity of PRSP remains limited. In addition, a number of barriers were identified that had the effect of undermining the programs, including limits on the amount of support provided and antipathy from some landlords who were reluctant to house tenants in receipt of PRSP. The operation of PRSPs is also hindered by gaps in current assistance particularly in the areas of information regarding tenants rights and responsibilities and support for the development of life skills. The consensus amongst housing and welfare professionals was that PRSPs would be more effective if 'on going' support mechanisms could be established for tenants in the private rental market but that the limited resources available are not currently sufficient for this mode of operation. Innovative policies to address these barriers have been established in Tasmania with the introduction of an enhanced

PRSP including the employment of tenant support workers to provide more long-term support for vulnerable tenants in the private sector. South Australia is also exploring strategies to support PRSP customers' tenancies through the Private Liaison Demonstration Project currently underway.

Finally, though States and Territories housing authorities were keen, in principle, to develop performance measures to assess the success of the schemes, it was generally recognised that it is difficult to draw meaningful judgements from either process or output measures because of the effects of market factors on the accessibility and sustainability of tenancies. The aim of developing more sensitised measures to assess PRSP effectiveness requires a mode of longitudinal analysis that can track the experiences of tenants in receipt of Private Rental Support.

# 1 INTRODUCTION

This report is the final output of the research project undertaken by a team of AHURI based researchers to review private rental support programs (PRSPs) in each Australian State and Territory. Previous outputs from the project include: a Positioning Paper, which explained the conceptual framework for the project, produced a review of relevant literature, summarised each State and Territory's PRSP and presented findings from a pilot study undertaken in Tasmania; and a Work in Progress Report, which outlined details of preliminary research findings.

The Final Report builds on the earlier outputs of the research by presenting the findings from the State and Territory reviews. The introduction (Chapter 1) discusses the policy context and program objectives of PRSPs, summarises relevant literature and sets out the main gaps in knowledge. Chapter 2 sets out the aims of the research and explains the data collection strategy, including the rationale for the Tasmanian pilot study and how the findings were used to inform the research investigations in the remaining State and Territories. Chapter 3 provides a summary of the international literature and an overview of PRSP provision in Australia. Chapters 4 through to 5 present the main empirical research findings. Chapter 6 (the conclusion) summarises the overall findings and sets out the emerging issues that arise.

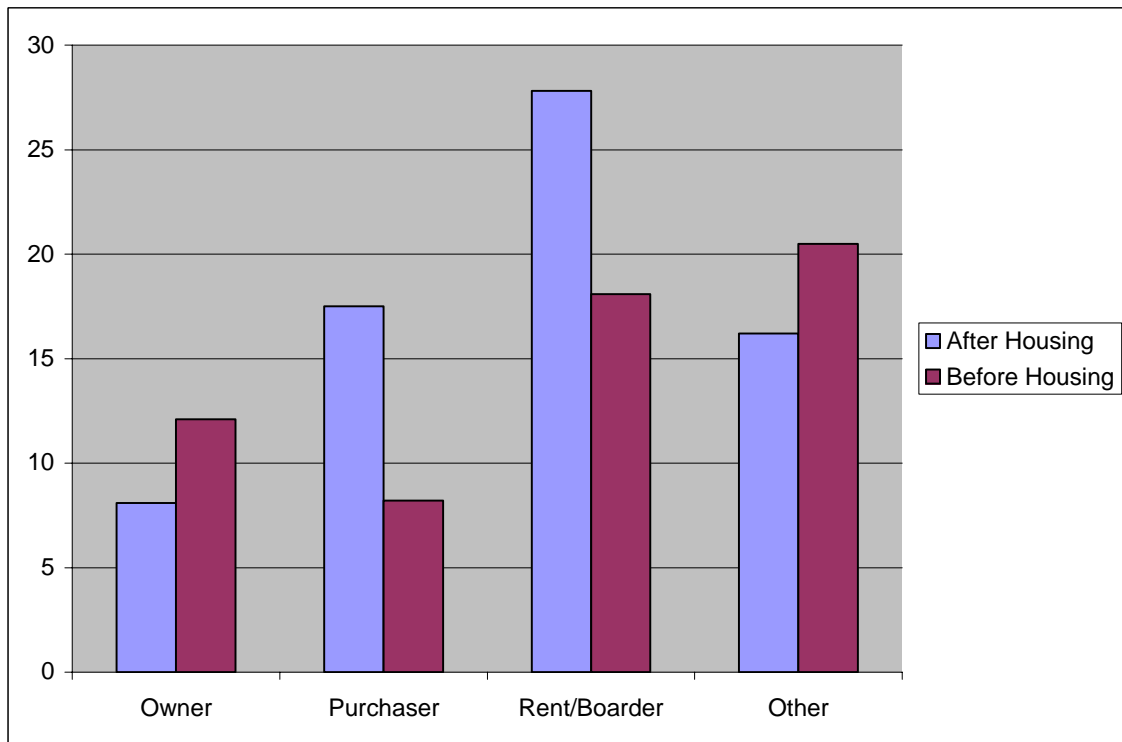
## 1.1 Policy Context

Though the majority of Australian households own or are in the process of buying their home, there are a large number of households who rent either from private or social housing landlords. The Australian Bureau of Statistics (ABS 2003) estimate that as many as 1,633,568 households rent from a private landlord (just over a quarter of the total number of households). Historically, the private rental market was generally regarded as an interim tenure for those who required accommodation for the short term (for example students studying for a qualification, workers on seasonal contracts and those waiting to purchase a home or move into public housing). However, in recent years, the demand for private market properties has increased for a number of reasons. Firstly, house prices have increased making it more difficult for newly formed households to purchase a home. Secondly, there has been an overall decrease in the public housing stock available for rent (Hulse 2002). Though the overall supply of private rental properties has increased by 34% between 1986-1996, mainly as a consequence of homeowners choosing to buy a second property specifically to let for middle and upper income renters, the actual number of properties at the bottom end of the market has fallen over the same period by 28% (AIHW 2003a).

The increase in demand for private rental properties has enabled many landlords to charge higher rents. The 1999 Australian Housing Survey (ABS 2000) found that as many as 35% of private renters spent more than 30% of their income on housing related costs. The Smith Family report (Harding, Lloyd and Greenwell 2001) reported that within the lowest income quartile of households, young single people, sole parents and couples with young children were more likely to experience housing stress than other household groups. Figure 1 below (devised by Harding et al 2001) and reproduced from the Positioning Paper) shows how low-income private renters and boarders are more likely to be in poverty than either low-income homeowners or purchasers and their propensity to be in poverty is increased by the housing costs they face.



**Figure 1: Estimated Poverty Rates for Individuals in 2000 by Housing Tenure Before and After Housing**



The cost of renting in the private market varies considerably across Australia. The highest rents are in areas of high demand such as Canberra, Sydney and Melbourne though research undertaken by National Shelter and the Australian Council of Social Services (2003) reports that rental properties in all capital cities in Australia have become less affordable for low-income households in the period between 1986-1996. Recent data supplied by the Productivity Commission (2004) shows that the vacancy rate in the private rental market (June 2003) varied from 6.5% in Darwin to just 2.4% in Hobart. Over the same period, median rents were highest in Canberra (\$280 per week) and lowest in Perth (\$177 per week).

For those low-income renters who rent in the private market, the most difficult time is often the start of a new tenancy when money has to be paid up front for a rental deposit, transporting furniture and utility connection charges. Private Rental Support Schemes have been established in each State and Territory to provide financial assistance to households moving into private rental accommodation and to offset the risks associated with late rental payments and other debts. The Australian Institute of Health and Welfare have estimated that as many as 95,000 are in receipt of PRSP (11.2% of all private renters).

The type and form of assistance provided varies between each State and Territory but usually includes one or more of the following.

- Bond loans, grants and guarantees
- Assistance with rent payments, advances and arrears
- Other assistance including relocation expenses, utilities connection charges, advice, and information.

It is important to note that PRSP is a different income supplement to Commonwealth Rental Assistance - a means tested supplement paid to low-income renters to help meet the costs in high rental locations. However, the objectives of PRSPs and CRA are broadly similar to help low-income tenants manage their tenancies and meet their housing related costs.

It is likely that low-income households will continue to experience problems in the private rental market. Housing market projections supplied by the ABS indicate that the demand for private rental property is likely to intensify and by 2021 the number of households in Australia is likely to be between 9.4 and 10 million; an increase of between 38% and 46% from the 6.9 million households recorded in 1996. Alongside the impact of a rise in the number of households, there are other factors that are likely to compound the problems for low-income renters. For example, it is predicted that many more middle-income households will choose to rent their home (for a discussion see Yates and Wulff 2000) and many landlords are expected to take advantage of recent increases in house prices by capitalising their asset and selling their property (ABS 2003a).

## 1.2 Program Objectives

The details of the private rental market set out above provide the context in which State and Territory housing authorities have developed policy programs to ameliorate the difficulties encountered by many low-income households. As already stated the main objective of PRSPs is to assist low-income households to manage their tenancy successfully. The financial subsidies made available can help offset both intermittent and periodic instances of housing stress. In addition, the programs provide a practical way by which accommodation standards and the repair responsibilities of landlords can be monitored. For the housing agencies, PRSP resources are seen as a valuable way to reduce the risk of households becoming homeless.

Though the PRSP is primarily for the benefit of tenants, there are important advantages for the landlord. As the Tasmanian Pilot Study showed, landlords who rent to tenants in receipt of PRSP report that they are more successful in collecting outstanding debts associated with uninsured damage to the property, theft and loss. The support provided by agencies for tenants to access the rental market also assists in minimising the chance of properties remaining empty. The benefits that accrue from PRSP investment have ensured its continued financial support from both the Commonwealth and State Governments. However, the type and extent of provision is different in each State and Territory although each housing authority is committed to ensuring cost effective management practices in the delivery of services (CHSA 2003). As the State and Territory reviews made clear, the level of funding provided by housing authorities is contingent on overall budgetary priorities and an assessment of housing market conditions.

The most recent figures (FACS 2004)<sup>1</sup> show that in 2002/3 Commonwealth and State Governments together spent \$80.33 million on providing PRSP across Australia (\$27.98 million was spent on rental assistance<sup>2</sup>, \$49.06 million on bond loans or grants and \$4.77 million on one-off payments for removal expenses). There has not been any overall review or audit of Australian PRSP practices although some states notably Tasmania (Hinton 2003a 2003b; Jacobs 2002), South Australia (Slatter and

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<sup>1</sup> The funds for PRSP is sourced from untied CSHA budgets (i.e. Commonwealth and States).

<sup>2</sup> This sum is separate from funds provided for Commonwealth Rental Assistance (CRA)

Crearie 2003) and New South Wales (Housing Department NSW 2001) have conducted internal reviews on different aspects of PRSP provision. The complexity of the programs as well as the different geographic and housing market conditions affecting renters and service providers has meant that there are significant gaps in knowledge. In particular:

- The benefits of the schemes for clients and the problems that might arise in relation to access and accommodation
- The types of models that can be deployed for effective monitoring of PRSP activity and the problems associated with interpreting data
- Gaps in service provision and/or duplication; for example other services that overlap with one or more component of PRSP
- The effectiveness of support schemes for the level of investment incurred.

The need to fill these gaps in knowledge and provide a better understanding of PRSP in each State and Territory constituted the initial impetus for the research project. The precise aims of the project and the methods that were used to collect data are set out in the next chapter.

## 2 RESEARCH AIMS AND METHODOLOGY

### 2.1 Aims and objectives

Up to this point, the Final Report has provided details of the policy context, program objectives of PRSP and some of the main gaps in knowledge. This chapter reports on the overall aims of the project, summarises the methodology devised to answer the research questions and how the data collected was analysed<sup>3</sup>.

The overall aim of the project was to review the effectiveness of the support provided by all State and Territories to low-income householders seeking private rented accommodation. Within this overall aim, the research had four key objectives:

- To examine the effectiveness of current support in relation to access and retention of accommodation
- To explore ways PRSPs can enhance low-income householders' capacity to find suitable accommodation
- To identify gaps and/or duplication in service provision
- To make appropriate recommendations for effective monitoring of PRSP activity.

### 2.2 Project methodology

The data collection was undertaken in two stages. The first stage of the project entailed three distinct tasks:

- *An international literature review* of practices in the UK, Canada and New Zealand. This information provided a useful context for the discussion of Australia's private rental market and the challenges of providing support to low-income households.
- *A summary of each Australian State and Territory PRSP*. It was deemed necessary to collect up-to-date information from all State and Territory housing authorities to map the services available and future development priorities. Though output data is collected by the Commonwealth Department of Family and Community Services (FACS 2003 and 2004), it was necessary to provide detailed descriptions of the services provided in each jurisdiction (set out in the Positioning Paper and then précised in the proceeding chapter).
- *A Pilot Study conducted in Tasmania* to test the efficacy of the data collection techniques and the utility of the research questions. The Pilot Study was deemed an essential first step before commencing the State- and Territory-wide reviews. Tasmania was selected as the Pilot Study because its PRSP incorporates the full range of assistance (bond and rent assistance, advocacy and relocation expenses). The Pilot Study proved invaluable in helping to refine the research questions and data collection techniques for the remaining reviews. The findings of the Tasmanian study are published in the Positioning Paper.

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<sup>3</sup> A more detailed discussion of the methodological approach is set out in the Positioning Paper

The second stage of the project entailed the following three tasks:

*Review of data collection techniques* through a meeting of all the research team to review the collection methods used in the Tasmanian Pilot Study and assess their utility for the remaining State and Territory Reviews. The major changes to the data collection techniques piloted in the Tasmanian study were: first; refining the research questions so that more information on the key aims of PRSPs could be obtained and second; a switch to individual interviews rather than focus group meetings with private renters in order to capture more data. The modifications in data collection methods, following the pilot study, are set out in table 1 below.

**Table 1: Modifications in data collection methods following the pilot study**

<b>Pilot Study Techniques</b>	<b>Objectives</b>	<b>Pilot Study Outcomes</b>	<b>Modifications</b>
Focus group meeting with senior Policy Officers responsible for overall PRSP strategy	To explore overall aims and objectives of PRSPs and discuss methods to evaluate services	Worked well and provided useful overview but difficult to obtain precise answers to all questions	Additional questions are required to explore in more detail the key aims of PRSPs and how these are achieved
Focus group meeting with low-income renters who do not receive assistance	To explore reasons why tenants choose not to use the service	Difficult to arrange and poor turnout, tenants provided individual feedback but not appropriate in a focus group setting	Individual interviews with renters instead of focus group (4 interviews)
Focus group with private sector tenants in receipt of private rental support	To collect views on the PRSP and hear of tenants' experiences	Low turn out and tenants reluctant to exchange experiences with each other	Individual interviews more appropriate to find out tenants' experiences
Interviews and focus group with two sets of practitioners responsible for administering PRSPs	To discuss access, retention and effectiveness of PRSPs	Generally worked well but important to separate policy makers from practitioners	Interviews with senior policy makers with overall strategic responsibility and a focus group with practitioners who administer PRSPs Questions modified to identify overall aims of PRSPs in more detail
Interviews with Peak Body representatives	To gain an overview of PRSPs	Effective and provided useful evidence but best undertaken as a focus group	Focus group meeting with Peak Bodies i.e. Shelter, Tenants Union, Landlord Representative Bodies

*Agreeing a data collection template and research schedule.* The research team agreed a data collection template specifically designed to explore five research questions

- What are the aims of PRSPs in each State and Territory and to what extent are these aims being met?
- How is success currently measured? What are the most appropriate performance indicators to judge the success of PRSP?
- How effective are PRSPs for enabling low-income households to access and retain their accommodation?

- What other options are available for low-income households to enhance their capacity to afford private rented accommodation?
- What are the gaps in service provision and where does duplication exist?

To answer these questions a research schedule was agreed, requiring each State and Territory research team to undertake the following activities

- 4 interviews with senior policy officers with overall responsibility for the PRSP
- 1 focus group discussion (6 participants) with practitioners responsible for delivering PRSP
- 1 focus group or 4 interviews with peak body agencies such as Shelter, Tenants Union and Landlord/Real Estate Institute
- 4 interviews or 1 focus group with tenants who use the PRSP and interviews with those tenants who have chosen not to access PRSP

*Data collection and analysis.* Data for all the State and Territories (with the exception of the Pilot Study) was collected in the period September to November 2004. The modification to the data collection techniques, as set out Table 1, enabled the research team to address the problems apparent in Tasmanian pilot study. However in the Northern Territory, two of the interviews were conducted by telephone because of difficulties in setting up meetings in the period when the research team member was in the Territory. Also, despite considerable efforts on the part of agency officers, it was not possible to secure tenant participation in the NT study and the tenants' perspective was provided from the experiences a NT Shelter representative. Appendix 1 to the report provides details of the interviews and focus group in each of the States and Territories.

In the case of the clients who were interviewed, a small remuneration fee was provided to cover travel expenses and time expended. Research interviews and focus group meetings were either recorded or transcribed and analysed thematically in order to identify patterns, similarities and differences (Rice and Ezzy 1999). Quotations from interviews and focus groups were selected to illustrate the overall objectives of the project. Though the data cannot constitute a representative sample, it does capture contemporary views of professionals and low-income renters in the eight State and Territory studies. The analysis of data was also informed by the international literature review and observations made about the PRSP set out in the Positioning Paper. The thematic areas informing the analysis are set out below.

**Table 2: Thematic Areas**

**Strategy:** capturing the overall aims of PRSP in each State and Territory and the objectives of the services provided.

**Effectiveness:** the success of PRSP in assisting renters and the extent to which aims and objectives were being met.

**Alternatives:** options for low-income tenants to manage their tenancy other than PRSP, exploring the views of tenants who choose not to access PRSP

**Gaps:** shortfalls in service provision and the implications for tenants

**Evaluation:** ways in which PRSPs can best be measured and the challenges of evaluation.

### *Policy Forum*

Finally a meeting/forum between State and Territory Officers and policy officers to generate shared performance monitoring indicators that can be used as a minimum data set across jurisdictions was convened in April 2005.

### 3 REVIEW OF INTERNATIONAL LITERATURE AND STATE AND TERRITORY PROVISION

The review of international literature relating to private rental support programs published in the Positioning Paper revealed a paucity of research on 'one-off' tenant support programs in countries with similar private rental markets. Table 1 below reproduced from the Positioning Paper shows the mix of housing tenures in countries with a broadly similar housing market.

**Table 3: Housing Tenure mid-1990s, Selected Countries** <sup>4</sup>

Country	Private Rental (%)	Social/Public Rental (%)	Owner-Occupation (%)
Australia	24	6	70
United Kingdom	11	21	68
Canada	30	7	63
New Zealand	19	11	67

#### *United Kingdom*

The UK still has a large social housing sector and a relatively small private rental market; as the table above shows just 11% of households rent in the private market. The most substantive research on support mechanisms for private renters at the start of their tenancy was undertaken by Rugg (1996). She reported how the programs made available in the UK are primarily operated by voluntary organizations, although there has been a move by some local councils to coordinate services. Her research estimated that there are about 200 schemes in operation and they usually provide financial support in the form of rental deposits, furnishings, removals and advice.

Evaluation of these schemes indicates that tenants valued assistance with rental deposits and landlords were generally supportive of guarantees, though at the lower end of the market some landlords had concerns about the bureaucratic requirements in establishing rental guarantee schemes. Rugg concluded her research by arguing that PRSP are an effective preventive measure to offset conflicts between landlord and tenants.

Another research project carried out by the National Association of Citizens Advice Bureaux (NACAB 1998) reported that as many as 50% of their clients renting in the private market were unable to secure the return of their landlord deposit. The project highlighted the failure of landlords and tenants to manage their contractual arrangements and called for a custodial bond scheme to address the problem. In response to pressure from NACAB and other welfare lobbyists, the UK government piloted two rental deposit schemes in five different locations. The first option entailed a tenant's deposit being held in a building society account and in the event of a dispute, a housing ombudsman undertaking arbitration. The second option allowed the landlord to retain the deposit on the condition that they had private insurance to cover the deposit in the event of a dispute with the tenant. The two pilot studies were evaluated by Rugg and Bevan (2002) who found that the scheme reduced the risk of landlords forfeiting tenants deposits illegally. Rugg and Bevan recommended that

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<sup>4</sup> Source: adapted from Badcock and Beer (2000).



explicit contracts be in place so that landlords and tenants are aware of their rights and responsibilities. The UK government decided not to proceed with extending the pilot study nationwide because of concerns about the costs of administering the schemes.

#### *Canada*

Canada's private rental market is extensive and as many as 30% of all households rent their home. There is no published research on PRSP but ad hoc schemes are in operation in many of the provinces. Provincial governments have put in place legislation to protect renters and each rental deposit is paid into a central bond bank that is resourced by the cumulative interest that accrues. In the event of disputes, residential tenancy tribunals or small claim courts arbitrate.

#### *New Zealand*

New Zealand like Canada operates a custodial tenancy deposit scheme requiring landlords to lodge tenant deposits with a bond board. The bond board are self-financing as the interest that accrue from deposits are used for administering the scheme. However, not all landlords comply with the scheme and the government estimates that as many as 10% of landlords do not comply with the legislation.

### *3.1.1 Summary*

It is evident from the review of international literature that PRSP varies considerably in each of the countries with a similar housing market to Australia. Each country operates different policies to support tenants at the start of their tenancy though none appear to be as extensive as the schemes that have been established by Australian States and Territories. The most likely explanation for the dearth of schemes is that government assistance for renters is mainly provided by ongoing rental assistance so that tenants can more easily afford market rents. It was also evident that support programs require complex management and administration and since much of the private rental market appears to be self-regulating, there is a reticence to intervene. In Australia, PRSP have been maintained because policy makers recognise the demand for public stock exceeds the available supply. In addition, the increasingly high costs of owner-occupation have acted as a barrier for many low-income households. The private rental market is for many the only available option.

## **3.2 Overview of PRSP in Australia**

The remainder of this chapter provides background information on each of the PRSPs provided by State and Territory housing authorities and expands upon information first presented in the Positioning Paper.

In contrast to the UK, Canada and New Zealand, the combination of Australia's high level of home ownership (70%) and small public sector stock (6%) has meant that a large proportion of households rent in the private market (Purdon 2000). As already stated each State and Territory operates different programs depending on the resources available and the housing market circumstances. Tasmania, Victoria and New South Wales provide the most comprehensive schemes whilst ACT, Northern Territory and Western Australia have limited their assistance to bond assistance only. Queensland and South Australia provide help with rent alongside bond assistance.

The data on the programs within each State and Territory are published by the Commonwealth Government (AIHW 2003b and 2004) on an annual basis. The data includes the total number of households who have been assisted, the value of assistance, number of households with outstanding repayable debts and the instances where debts have been written off. However, because each State and Territory provides its own unique form of assistance, the scope for meaningful

comparison is very limited. Table 3 below (reproduced from the positioning paper) summarises the forms of assistance in each State and Territory. Further details of each State and Territories' PRSP provision is set out in chapter 4.

**Table 4: Summary of Private Rental Assistance By State and TerritoryC**

State/ Territory	Bond Assistance	Advance Rent	Rent Arrears	Removal	Utilities	Temporary Accommodation	Bond Board
NSW	Bond Grant Scheme  RentStart Standard – 75% Bond. RentStart Plus up to 100% of bond	RentStart Standard – 2 weeks. RentStart Plus 3 weeks	Up to 4 weeks in 12 months or 2 weeks if within 2 yrs			4 weeks in 12 months. 2 more weeks in extreme circumstances	Yes
VIC	Bond Loans and bond grants outsourced to HEF	Housing Establishment Fund (HEF) 2 weeks as crisis response – outsourced	HEF 4 weeks as crisis response – outsourced	HEF In crisis – outsourced	HEF Some capacity in crisis – outsourced	HEF If in crisis	Yes
QLD	Bond Loans	One-off rental grant for 2 weeks					Yes
WA	Bond Loans						Yes
SA	Bond Guarantees	Up to 2 weeks with a max up to 4 weeks in a 2 year period – Grants and (very occasionally) Loans	Confirmation of rent arrears req – up to 4 weeks with max of 4 weeks in any 2 yr period - grants		Occasional transport costs	Short term if domestic violence	Yes
TAS	Bond guarantees/grants – outsourced to community organisations	1-2 weeks for new tenancy	2 weeks max & once in 12 months	Average of \$200			No
ACT	New Pilot Bond Loan Scheme operating from July 2003						Yes
NT	Bond loan (partial grant if escaping domestic violence)						No

(Adapted from Hinton 2003a)

A breakdown (reproduced from the Positioning Paper) of the numbers of households assisted for the year 2002/3 by type of provision is set out below.

**Table 5: Number of Households Assisted by Type of Assistance 2002-03**

State/ Territory	Bonds	Rent in Advance/Arrears	Relocation Expenses	One-off Grants <sup>5</sup>
NSW	16,756	8,587	73	4,660
VIC	13,938	26,934	2,104	1,028
QLD	17,397	671	-	-
WA	15,359	-	-	-
SA	13,650	11,600	-	-
TAS	3,882	750	148	4,849
ACT <sup>6</sup>	-	-	-	-
NT	655	-	-	-
Indigenous Households	2,521	880	8	145
<b>Australia</b>	<b>81,637</b>	<b>48,542</b>	<b>2,325</b>	<b>10,537</b>

Source: (AIHW 2004).

The table below shows the value of assistance in financial terms to new households

**Table 6: New Households in Receipt of PRSP and Value of Assistance (2002-3)**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUST.
<b>Total New Households</b>	30,076	44,004	18,743	18,068	25,250	9,629	0	1339	143,725
<b>Total Value of Assistance (\$'000s)</b>	\$34,158	\$14060	\$11,820	\$6,121	\$11,966	\$1339	\$0	\$868	\$80,332
<b>PRSP Cost per New household</b>	\$1,135	\$320	\$630	\$339	\$474	\$139	\$0	\$648	\$559

Source: FACS 2004

It is clear from both tables that the number of people assisted and the financial resources spent on PRSPs constitute a significant investment by Commonwealth, State and Territory Governments.

### 3.3 State and Territory PRSPs

This section provides details of each State and Territory PRSP and information on the range of support provided. It is in the main descriptive providing a context for the analysis which is set out in chapters four and five.

#### 3.3.1 Victoria

In Victoria, there are two schemes. These are: a bond loan scheme, and a Housing Establishment Fund (HEF). The bond loan is administered by the

<sup>5</sup> One-off grants include services such as housing assistance advice and information.

<sup>6</sup> Data for the ACT was not available in the most recent AIHW 2004 report.

Office of Housing (VOH), through its local housing offices. The HEF is provided in the form of a non-repayable grant, rather than loan. It is funded by VOH but delivered through the Transitional Housing Managers (THMs) and a number of other community-based non-profit agencies providing crisis housing services for households in or at risk of homelessness.

#### *The Bond Loan Scheme*

The bond loan scheme is a reasonably straightforward and well-established program in Victoria. It is administered directly through the VOH at the local office level by VOH officers and based on a standard set of eligibility criteria. Applicants must be permanent residents of Australia and meet stringent limits on current income and asset holdings; these income and asset limits vary with household type and the number of children within the household (see Table 4). An applicant is ineligible if their rent on the dwelling in question exceeds 55 per cent of that household's gross weekly income before tax; this restriction aims to avoid assisting tenants into tenancies that are financially unsustainable. Applicants are also excluded from the scheme if they own or part-own a dwelling or have not fully repaid any earlier bond loan. Likewise, applicants must have met any past or current liabilities on public housing tenancies.

There are also maximum limits on the amount of the bond loan which vary with the size of the rental dwelling (i.e. the number of bedrooms). Currently, the maximum limit for a four-bedroom house (or larger) is \$1,200. In share-house situations the eligible tenant receives a bond loan determined by the total bond loan allowed divided by the number of residents in the dwelling.

The tenant is required to repay, at the end of the tenancy, any portion of the bond withheld by the landlord to meet unpaid rent or rectify damage to the dwelling. Any disputes between the tenant and the landlord with respect to damages or unpaid rent are adjudicated in the Victorian Civil and Administrative Appeals Tribunal. Before seeking a bond loan the tenant must have secured, in writing, the offer of the rental dwelling.

In 2002-2003, the total number of tenants assisted through the bond loans scheme was 13,938 (AIHW, 2004).

#### *The Housing Establishment Fund*

The Housing Establishment Fund is part of the Victorian Government's Homelessness Service System (HSS). HEF is aimed at providing assistance to people facing an imminent housing crisis, by helping them to secure accommodation in the private rental market. More specifically, HEF aims to:

- provide clients with direct assistance in accessing private rental housing;
- secure private tenancies at risk;
- assist clients to access overnight or emergency accommodation and related services where no other option is available;
- promote exit points out of the HSS and into long-term affordable housing.

The scheme objectives are to: prevent homelessness by assisting households in housing crisis to secure or maintain private rental housing; target resources to those households in greatest housing need; complement other services to households in housing crisis; and increase understanding of the extent and nature of housing crisis through a comprehensive data collection system.

HEF assistance can be provided for the following purposes: bond; payment of rent in advance to secure a private tenancy; payment of rent in arrears (and therefore, forestall eviction); storage costs for possessions; removal expenses; overnight emergency accommodation; purchase of essential furniture or domestic appliances (e.g. bedding, refrigerator) and lock changes.

HEF is *not* available for: material relief (e.g. food, travel, clothes, personal expenses); household expenses (e.g. utility costs, property repairs); payment of VOH debts (e.g. rent in advance, arrears or outstanding bonds); or VOH bond loan top up payments.

The maximum current grant under the HEF is dependent on household size (see Table 2).

**Table 7: Maximum Housing Establishment Fund (HEF) Grants**

Household Size	Maximum grant	HEF
Singles and couples (1 Bedroom)	\$700	
Families with 2 children or 2 sharing adults (2 Bedrooms)	\$800	
Families with 3 or 4 children or 3 sharing adults (3 Bedrooms)	\$900	
Families with 5 or more children or 4 or more sharing adults (4 or more bedrooms)	\$1,200	

The Transitional Housing Management (THMs) agencies are the major gateway for access to HEF. Around 20 THMs, funded by the VOH as a central component of the government's homelessness and emergency housing policy, receive about 90 per cent of the annual HEF funding of \$6.3 million to allocate to eligible applicants. The remaining funds are allocated to and distributed by selected community sector agencies, including The Women's Domestic Violence Crisis Service of Victoria, some Supported Accommodation Assistance Program (SAAP) agencies (reflecting historical commitments) and a number of small crisis agencies.

Eligibility for HEF includes an income means test, ostensibly linked to current income eligibility for public housing. However, agencies distributing HEF do have discretion (based on guidelines) to provide assistance to households in crisis even when they exceed the income limit. Most recipients are likely to be partly or fully dependent on Centrelink incomes. However, the scheme also covers people in crisis who do not have current incomes, including those who are not eligible for Centrelink benefits, like recently released prisoners, people unable or unwilling to engage with Centrelink and non-residents or people on some temporary visas. The asset limits are also based on current public housing eligibility limits, though agencies have the capacity to judge the extent to which assets held by the applicant could reasonably be realised to assist in the current crisis. The asset limit is higher (\$60,000) if the applicant has a disability that would require significant construction changes to the dwelling.

The HEF is somewhat more flexible in form and implementation than the bond loan scheme. For example, grants can be made to households who have outstanding debts to the VOH for past bond loans or rent. Inevitably, there will be some variation in interpretation of the rules and use of discretionary judgments across the dozens of agencies administering the former scheme.

### 3.3.2 Queensland

Queensland's housing authority provides an interest free bond loan and a once-only rental grant to help specified at risk tenants meet the first two weeks of rent.

#### *Bond loans*

In Queensland, the Bond Loan Program was established in the early 1990s to replace an earlier program of bond guarantees. The Bond Loan 'is an interest free loan to people who cannot afford to pay a full rental bond to move into private rental accommodation' (QDoH 2004). All rental bonds in Queensland must be lodged with the Residential Tenancies Authority (RTA), and a Bond Loan is a sum of money lodged with the RTA in the name of the tenant, rather than a cash payment to the tenant.

In 2003-04, the Department of Housing provided Bond Loans to 17,378 households, at a program cost of just over \$12 million (QDoH Annual report 2003-04). Similar levels of assistance and budget are anticipated for the following year. The broad stated purpose for Bond Loan and Rental Grant Programs is "to allow access to the private rental market" (QDoH Annual report 2003-04).

Bond Loan eligibility is presently based around four principal conditions:

- An income and affordability test (see income table below; rent payable must equate to less than 60% of such income, unless applicant is in a hostel, boarding house or similar and receiving a range of services);
- An assets test (applicants must not own residential property or a moveable dwelling, and must also have less than \$2,500 in household savings);
- A residence status test (applicants must be residing in Queensland or intending to move to Queensland, and must be either an Australian citizen, permanent resident, or temporary protection visa holder; and
- A prior debts test (applicants must be clear of outstanding debts with the Department of Housing).

**Table 8: Combined household income limits (based on gross income<sup>7</sup>) as of 1 June 2004:**

Type of Household	Weekly Income
Single Person, no children	\$582
Single person with one (1) child	\$722
Single person with two (2) children	\$838
Single person with three (3+) or more children	\$955
Couple, no children <b>or</b> Two (2) singles	\$722
Couple with one (1) child <b>or</b> Couple and single <b>or</b> Two (2) singles and one (1) child <b>or</b> Three (3) singles	\$838
Couple with two (2) children <b>or</b> Three (3) singles and one (1) child <b>or</b> Two (2) singles and two (2) children <b>or</b> Four (4) singles <b>or</b> One (1) couple, one (1) single, one (1) child	\$955
Couple with three (3+) or more children <b>or</b> One (1) couple, one (1) single, and two or more (2+) children <b>or</b> Two (2) couples, one or more (1+) children <b>or</b> Five (5) singles <b>or</b> Other households with five or more (5+) people including two (2) adults	\$1071

*Application, repayment and refund processes*

To apply for a bond loan, applicants are required to complete an application form, and provide the Department with proof of identity and evidence of income from either Centrelink or from earnings. The application form includes sections on the household, the rental premises, the nature of the tenancy and declarations of eligibility. The landlord or managing agent for the property is also required to sign this form.

At present, the application for a bond loan must be made prior to a tenancy agreement being entered into, a process requirement originally designed to prevent tenants from being bound by a lease but then finding themselves ineligible for a bond loan.

Once approved, bond loan recipients have the bond lodged with the Residential Tenancies Authority (RTA) on their behalf, and are then required to commence repayments. The standard repayment rate is calculated at \$20 per month. There are several repayment methods available, including use of a repayment card, Bpay,

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<sup>7</sup> Source: QDoH 2004: [http://www.housing.qld.gov.au/pdf/income\\_limits.pdf](http://www.housing.qld.gov.au/pdf/income_limits.pdf) (accessed Oct 04). Includes "all forms of income received by the applicant, such as wages, Centrelink benefits, Family Allowance Supplement, Youth Allowance, other Centrelink special purpose payments".

cheques or money orders, cash payments or 'EasyPay', which is a direct debit scheme operated by Centrelink where repayments are automatically deducted from a pension or benefit and transferred to the Department. It is a condition of bond loan approval that if the applicant is in receipt of an eligible Centrelink payment, the applicant must establish EasyPay as a method of bond loan Repayment.

At the end of the tenancy, the tenant submits a bond refund application form to the RTA, and repaid monies are paid out in the following order of 1. The landlord (if any claim for some or all bond is received); 2. Department of Housing; and 3. The tenant (based on what has been repaid, minus what has been claimed by the landlord).

Bond loans can also be transferred to another property, but only where the whole bond is being moved, and also where there are no changes to the applicant household. This process does require the approval of the landlord, and the sequencing of releasing the bond for a new tenancy as the old tenancy is being ended may preclude use of the transfer process. Applicants are able to apply for a second Bond Loan prior to the earlier loan being finalised.

### *Rental Grant*

Eligibility for Rental Grant assistance is broadly same as for bond loan, except that applicants must also meet at least one of the following conditions:

- spent more than 28 days in emergency housing, a women's shelter or other "approved centres";
- been discharged from a correctional facility, having served at least 12 months;
- been discharged from a mental health facility, having been resident at the facility for at least 12 months;
- currently subjected to domestic violence; and/or
- Exiting a community-based rent scheme into the private rental sector.
- In addition all applicants for a rental grant must meet all of the criteria for a bond loan.

Time limits apply for each of these cases, and relevant documentation may also be required.

The application process is virtually the same as for Bond Loans. Upon approval of a Rental Grant, the Department forwards a cheque made payable to the landlord or agent for two weeks' rent.

### *Financial data*

A key issue for Queensland has been controlling loan arrears. The number of loans in arrears as a percentage of all loans has fallen significantly since the early 2000, when the rate sat at almost 65%. It has now declined to around 40%. The increasing use of EasyPay is believed to have played a large part in this trend.

While the annual bond loan program budget is roughly \$12m, the Department of Housing will get back some \$9-10m annually (in part because of the way the product works), so is broadly righting off some \$2m or 15% of the budget. In practice, the Department may also receive up to \$0.75m in recovered debts, so costs are actually reasonably contained.

The average value of a bond loan has risen from \$525 in mid-1999 to \$750 in mid-2004. Clients who are in receipt of Centrelink benefits make up about 85% of all bond loan clients, although at the moment only about 40% of bond loan clients use the EasyPay system.



### 3.3.3 New South Wales

#### The Rentstart Scheme

The Rentstart Scheme is operated by the NSW Department of Housing. It provides financial assistance to low-income households at three levels:

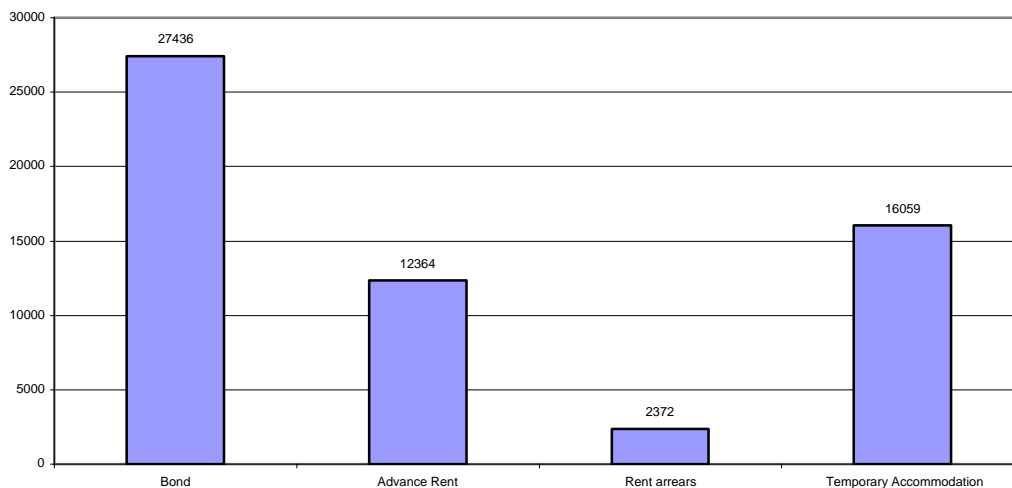
*Rent Start Standard.* This provides seventy-five per cent of the bond and can also be extended to assist low-income tenants in other forms of accommodation (for example, hostels, caravan parks and boarding houses) with security and key deposits, so long as the accommodation is likely to be sustainable for a period of twelve months.

*Rent Start-Plus.* In addition to providing the standard level of assistance this provides two weeks rent in advance. In special circumstances, this extends to include one hundred per cent of the bond.

*Rent Start-Tenancy Assistance.* This provides four weeks rental arrears in order to maintain a tenancy. It cannot be provided more than once in a twelve-month period and only two weeks rental arrears can be provided where a client has received four weeks rental arrears in the previous two-year period.

In addition, the Department also provides assistance with temporary accommodation for low-income private tenants in a crisis situation. In total, in 2002-2003, the NSW Department of Housing assisted more than 36,500 households under this program at a cost of \$23.6 million. Figure 2 below shows the types and units of assistance provided in 2002-2003<sup>8,9</sup>.

**Figure 2 Rent Start- Type and Units of Assistance Provided in 2002-2003**



To be eligible for private rental support in NSW, renters must meet all the public housing eligibility criteria. In addition to these criteria, applicants must not have more than \$1000 in savings, must not be a current property owner, must be able to prove that they can afford the rental, and intend to remain in the property for twelve months or more.

8 Source: Based on Figure 1.3: NSW Dept of Housing, Annual Report 2002-2003

9 Note that some clients receive multiple assistance so sum is greater than 36,500

To claim for Rent Start-Plus, applicants must be able to demonstrate that they are experiencing difficulties in their current housing arrangements. Difficulties that would render an applicant eligible for the higher level of assistance include: homelessness or threat of homelessness; domestic violence; harassment or abuse; aged under 18 years and at risk; residing in a refuge; living with HIV/AIDS; living with a disability; having just been released from jail; being a refugee or asylum seeker.

Prior to August 2002, the Department provided indemnities for utility security deposits and assistance with removals. However, a review of the Rent Start Program, conducted in 2001 (Housing Department of NSW 2001) highlighted the low take-up rate of assistance with utilities and the duplication of this service by other agencies. This assistance has now been removed.

A tenancy guarantee program is currently being piloted. Guarantees will provide landlords with up to \$1000 to cover any damage (or, if the damage is severe, the excess on the insurance policy) that may occur during the tenancy. This is seen as a way of assisting people into tenancies who would otherwise have trouble accessing the private rental market. It also gives landlords assurances about renting to tenants that are identified as being high risk. NSW is also exploring ways that Rent Start can be delivered by selected Supported Accommodation Assistance Program providers as part of a package of housing and support. It is anticipated that this will work to improve the accessibility of PRSP by encouraging delivery through community agencies (Hinton 2003b 16).

### *Special Assistance Subsidy Schemes*

The Special Assistance Subsidy Schemes were introduced by the NSW Department of Housing to provide a prompt housing response for people assessed as being in priority need and who were living with HIV/AIDS or disabilities.

The Special Assistance Subsidy scheme provides a rental subsidy to people living in the private rental market and who are approved for priority housing to ensure they are not financially disadvantaged whilst they wait for a suitable Department of Housing dwelling. The subsidy contributes to their weekly rent by making up the difference between the amount the client pays and the reasonable market rent for a dwelling comparable to Departmental dwellings. Clients pay a similar amount of rent as they would if living in a dwelling owned by the Department.

The scheme has two sub-programs:

Special Assistance Subsidy -Special (SAS-S) targets people living with HIV/AIDS. To be eligible for the Special Assistance Subsidy -Special clients must:

- be HIV/AIDS positive
- be eligible for public housing, and
- meet the 'Priority Housing' criteria.

Clients approved for this subsidy can choose to either:

- move directly into public housing once a suitable vacancy becomes available
- move from public housing into private rental accommodation
- remain in private rental accommodation and receive the subsidy, or
- receive the subsidy while waiting for public housing.

Special Assistance Subsidy-Disability (SAS-D) targets people living with disabilities. To be eligible for the Special Assistance Subsidy -Disability clients must:

- be eligible for public housing
- be approved for priority housing, or
- have reached their turn on the public housing list.

SAS - D is only intended to be provided on a short-term basis. Clients are required to move to a suitable Departmental dwelling when it becomes available.

### *Private Rental Brokerage Service*

*The Department is also currently piloting a Private Rental Brokerage Service. The objective is to assist clients with complex needs to access and maintain private sector tenancies. This service is aimed at clients who are homeless, or at risk of homelessness who are having difficulty accessing private sector tenancies and who may not be able to meet the criteria for priority housing.*

The scope of the project includes: assessing the client's housing needs and ability to sustain a private tenancy; assisting clients to obtain access to private rental accommodation including advocating for clients where necessary; engaging the co-operation of a range of support services to assist clients to establish and maintain sustainable tenancies; and developing partnerships with local real estate agents and landlords and promoting the acceptance of social housing clients in private rental accommodation.

Clients are expected to meet the public housing eligibility criteria and have complex and multiple needs.

It involves the Department monitoring the tenancy rental payments, property care and support requirements. Typically, tenancies are monitored for 3-6 months. An exit strategy is then developed in conjunction with support services and the client once it is clear the tenancy is not at risk.

Key factors that determine the likelihood of success include having a supply of affordable accommodation, a skilled worker with the ability to assess clients with complex needs and ongoing links with support services.

### *3.3.4 Tasmania*

#### *Service Delivery*

The private rental support programs are delivered by two church based welfare organizations Colony 47 CA\$H (Colony Assistance Service for Housing) and Anglicare's Private Rental Assistance Scheme. Anglicare manage PRSP in Launceston and the North of the State while Colony 47 manage services in Hobart and the rest of Southern Tasmania. Funds for the services are provided by Housing Tasmania and the services available include bond and rental grants and guarantees. There are no loan schemes available so that no recipient of PRSP is required to pay for any support provided. When a tenancy is terminated, landlords are expected to repay the bond to the welfare organization providing the funds.

The demand for funds has resulted in both Colony 47 and Anglicare setting limits on the funds that can be provided to any claimant. The eligibility criteria deployed to assess claimant requests are listed below.

**Table 9: Income Assessment Thresholds for PRSP in Tasmania**

Threshold <sup>10</sup>	Single	Couple	+1 Child	+2 Children	+3 Children <sup>11</sup>
<b>Per week</b>	\$336.00	\$559.00	\$593.00	\$627.00	\$661.00
<b>Per fortnight</b>	\$672.00	\$1118.00	\$1186.00	\$1220.00	\$1254.00

The assistance available for low-income renters who qualify for PRSP is:

- A 75% bond repayment (which can be offered retrospectively if needed)
- Discretionary funds to help the claimant meet rent arrears and outstanding utility bills.
- Help with removal expenses and advice.

At the end of a tenancy, landlords are contacted so that bond monies can be returned or, if appropriate, provided with a claim form to justify bond being retained. In circumstances where the tenant has left and the bond not repaid by the landlord, the agencies contact the landlord directly.

Anglicare and Colony 47 introduced bond guarantees as an alternative to bond cheques and currently guarantees account for 40% of all bond assistance. Bond guarantees are generally accepted by most of the large landlords and real estate agencies as an alternative to cash. At the termination of a tenancy, the landlord informs the bond guarantee provider about whether a claim will be made for cash reimbursement.

Housing Tasmania is currently piloting and evaluating enhanced services to assist low-income private renters. The new schemes provide intensive tenancy assistance packages with additional financial and non-financial support to those with short-term financial difficulties. They also expand eligibility for PRSP to the 'working poor' by increasing the income thresholds for applicants. In addition, Housing Tasmania is outsourcing a tenancy support program for households who have experienced difficulties with managing their tenancy. They are expected to support an additional 12,000 households commencing in Autumn 2005.

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10 These levels are correct as of February 2004 and are subject to change quarterly in line with Centrelink Health Care Card Limits.

11 For each additional child add \$34.00 per week.

### 3.3.5 Western Australia

#### *Provision*

In Western Australia, Private Rental Support in the form of a bond loan is provided directly by the State Housing Authority (SHA) through branch offices. The program has been in operation 15 years and approves some 14,000 loans per annum. The average loan is approximately \$400, and the total expended each year is in the order of \$5.8 million.

The scope of assistance currently available is:

- A no interest loan up to the threshold defined by household composition.
- Discretionary allowances – extra funds or debt forgiven in certain emergency situations.

Provision does not include assistance associated with moving expenses or other incoming expenses such as utility connection charges. Renters in shared houses or boarding houses cannot access PRSP. Public housing tenants cannot access a loan in the first three months after vacating a public housing property.

#### *Funding*

The number of people in the household determines the maximum funds available for each loan:

**Table 10: Available Funds**

<b>Household</b>	<b>Funds Available</b>
Single	\$400
Couple	\$550
Couple + 1 Dependant	\$550
Couple + 4 Dependents	\$740 a bonus of up to 40% is paid in some remote northwest areas.

In the majority of cases, the loan is not enough to cover the whole bond, but in cases where the bond is smaller than the threshold, only the amount covering the bond will be approved.

The loan is paid back at a standard rate of \$15 per fortnight through direct deduction and takes some 12-18 months to pay off. Given that the average length of tenure is 8 months, some tenants may need a second or third loan on top of the original to access the next homes. Approval for the loan is a relatively quick process once the applicant has lodged an application. A verbal confirmation of the approval can be given within the hour, but the cheque may take 1-2 weeks to be issued to the landlord or agent.

Currently 24% of bond loan accounts are in arrears. The SHA operates a bond recovery section but in practice, most costs are recouped when tenants return to the SHA for further assistance.

### 3.3.6 South Australia

#### *Structure and Operation*

In South Australia, the PRSP is administered by the Housing Trust. The overall aim of PRSP is to assist households to 'obtain and maintain' tenancies in the private rental market. To this end, it provides two forms of assistance: financial assistance and information.

#### *Financial assistance*

Financial assistance is provided through repayable bond guarantees and through non-repayable grants for rent in advance and rent in arrears.. Bond guarantees and grants of rent in advance to obtain a tenancy, account for most activity under the program. Grants for rent in arrears, which might help to maintain a tenancy, constitute a small proportion of activity and expenditure.

#### *Information*

Information, advice and advocacy assistance are available to households applying for PRSP during assessment interviews with officers of the Trust and over the telephone. This assistance is usually accessed when households start looking for obtain accommodation.

#### *Eligibility*

To be eligible for assistance, an applicant must have: at least 3 months' residence in South Australia; a low-income (not more than 35% above the appropriate Centrelink income); and no ownership interest in residential premises. He or she must also show that the rent to be paid does not exceed 55% of the household income of a couple or 65% of a sole parent or individual applicant's income. Assistance is not normally available if the applicant has any existing debts owing to the Trust, nor if the applicant has been evicted from a Trust property within the six months before their application (12 months if the eviction was for 'difficult and disruptive' behaviour). A recent change to eligibility guidelines means that bond guarantee assistance is now available to Trust tenants wishing to move into private rental.

In special circumstances, an applicant may be able to overcome problems with eligibility (for example, an existing debt to the Housing Trust, short residence period, property ownership) by demonstrating an acute need for assistance under the 'Priority Eligibility Criteria' (these are currently quite broad). Applicants who can demonstrate actual or imminent homelessness or who are experiencing domestic violence may obtain emergency assistance under the priority criteria. Housing Trust data shows an increase in the number of customers seeking assistance under priority criteria, from 11,501 in 1997 to 14,541 in 2003. The main recorded reason for priority approval being granted was imminent homelessness of applicants with an existing debt to the Housing Trust (SAHT 2004).

#### *Assistance*

Bond assistance can be provided as a bond guarantee, or in limited circumstances, as a cash bond (when the accommodation is deemed as outside the jurisdiction of the Residential Tenancies Act, e.g. a caravan park). There is no requirement for an 'up front' contribution from the applicant and there is no expectation to pay contributions during the life of the tenancy. However, bond losses are repayable. If, at the end of the tenancy, the landlord successfully claims payment against the guarantee, this loss will constitute a debt from the tenant to the Housing Trust. Bond guarantees are lodged with the Tenancies Branch of the Office of Consumer and Business Affairs (OCBA), as required by the *Residential Tenancies Act 1995*.

A non-repayable grant can be paid to cover up to two weeks' rent in advance. Customers usually receive one week's rent. It is very rare for a customer to receive rent in advance other than as an adjunct to a bond guarantee.

Customers can also receive advice, information and advocacy in identifying and finding suitable accommodation. This is usually delivered either in the course of telephone inquiries from customers to Trust offices, or during Housing Assessment interviews with Housing Trust staff when a customer applies for, or enquires about, assistance.

Finally, customers in crisis can receive assistance to stay in a hotel or motel for up to a maximum of six nights in any 12-month period. This is restricted to households in crisis who cannot access any other tenure.

#### *Maintaining a tenancy*

A non-repayable grant may be paid to cover rent arrears up to a maximum of four weeks' rent, for over a four-year period.

Ongoing financial assistance in the way of 'rent relief' may be paid to households up to a maximum of \$25 per week. This scheme was closed to new applicants in May 2000, but still supports existing customers who continue to meet the eligibility criteria. There were 1622 customers receiving Rent Relief on the 30<sup>th</sup> June 2004.

Ongoing financial assistance to students through the 'Student rent relief scheme' - provides up to a maximum of \$25 per week to full time tertiary students who have had to relocate more than 75 kms to attend a tertiary institution. A total of 51 students were receiving rent relief assistance on the 30<sup>th</sup> June 2004 (SAHT 2004).

#### *3.3.7 Australian Capital Territory*

The ACT has a tight rental supply with rising rents. A 2002 Ministerial Investigation into Housing Affordability found that in the ACT there was an overall rate of housing unaffordability of 8 percent, or 9,200 households in 2001, with 17 percent of those households renting. The report found that "In 2002, only 19 percent of total new rents for rental properties in the ACT could be afforded by people at the top of the two lowest income quintiles" (Report of the Ministerial Taskforce on Housing Affordability, 2002: v). The Canberra bushfires of January 2003 put added pressure on a rental market with already low vacancy rates.

There is a limited supply of low-cost private rental housing. This situation is further exacerbated by households on higher incomes choosing to live in cheaper accommodation. The average rental bond in the ACT has risen from \$887 in August 2002 to \$1040 in August 2004.

#### *Support Provided*

Presently in the ACT there are two separate rental bond loan schemes in operation. The first is the ACT Rental Bonds Loan Scheme operated by Housing ACT. The second is a much smaller program operated by the Canberra Emergency Accommodation Service (CEAS), which is a joint project operated by Anglicare and Lifeline Canberra. Neither scheme is widely advertised.

### *Housing ACT's Rental Bonds Loan Scheme*

This scheme was instituted in July 2003 following the abolition of an earlier scheme in 2001. In the earlier system all bond loans had to be paid at the end of the tenancy. Certain difficulties with the repayment system meant that many of the loans went unpaid. A new scheme was devised upon the recommendation of the Ministerial Taskforce on Housing Affordability. To be eligible an applicant must:

- Be at least 16 years of age.
- Meet the eligibility criteria for public housing, except:
  - Where the household consists of one person only and that person's weekly income does not exceed 80 per cent of ACT average weekly earnings.
  - Where the household consists of one independent person and one other person only and the weekly income of the independent person does not exceed 110 per cent of ACT average weekly earnings.
  - Where the household consists of two independent persons only and the combined weekly income of those persons does not exceed 110 per cent of ACT average weekly earnings.
  - Where the household consists of more than two persons and the weekly income of the applicant or the combined weekly income of the joint applicants plus 10 per cent of the combined weekly income of all other independent persons in the household is not greater than 110 per cent of ACT average weekly earnings plus 11 per cent of ACT average weekly earnings for each person in the household in excess of two persons.
- The total monthly rent and repayment amount must not exceed more than 40% of the gross monthly income.
- Must not have an existing debt with Housing ACT or have breached a term or condition of a tenancy agreement with Housing ACT.
- Must have entered into or proposes to enter into a residential tenancy agreement for a dwelling in the ACT in which a rental bond is required.

Housing ACT provides 80 percent of the bond for an approved applicant, with the client to provide the remaining 20 per cent. After an application is approved, Housing ACT will pay 80 percent of the rental bond directly to the Office of Rental Bonds (ORB) once the ORB has received a copy of the document assigning the client's rights in the bond to Housing ACT.

A contract is signed by Housing ACT and the client outlining repayment details. Repayment is via direct debit on a weekly or fortnightly basis, with a minimum \$20 per fortnight. The first payment is due on the first of the month, four months after the loan agreement was first entered into.

If the loan is repaid prior to the termination of the tenancy, Housing ACT advises ORB that it is no longer has an interest in the bond.

The agent/landlord has first call on the bond at the termination of the tenancy. If there is any bond remaining after the agent/landlord has drawn on their entitlement and if Housing ACT still has a registered interest in the bond, the bond is transferred to Housing ACT. Any bond balance remaining after repayment of the loan is returned to the client. Where the client still has a debt, normal debt collection procedures are followed.

There have been about 289 applicants to the new scheme, with 102 approved (March 2005).



### *The CEAS Fund*

The CEAS Fund provides financial assistance to help people access emergency accommodation, maintain existing rental accommodation and enter into long-term rental accommodation. A bond loan scheme is one aspect of the Fund. It was originally instituted informally to offset the abolition of the ACT Rental Bonds Loan in 2001, and remains in place now to offset gaps in eligibility of the Housing ACT scheme. It has limited funding available and currently has about 8 participants (since June 2004).

The CEAS Fund's scheme provides:

- 100% of the bond to approved applicants.
- Access to people who are homeless or are at risk of becoming homeless regardless of age, race, gender, sexuality or religion; single people and parents, families, indigenous people, people with a disability and refugees.
- To access the CEAS an applicant must:
  - Live in the ACT, or be able to demonstrate extensive family and employment networks within the ACT.
  - Be on a low-income.
  - Not have cash or other assets which could be used for accommodation.
- Repayments are specified according to income, commonly about \$10 a week, and are directly debited via Centrepay.
- CEAS will generally assist if the proposed tenancy is judged to be a viable one.
- CEAS have no debt recovery resources. While Centrepay arrangements may be in place, they can be cancelled by the client at any time.

The ACT Rental Bonds Loan Scheme run by Housing ACT is funded from within its existing budget. The CEAS Fund is a combination of funding from SAAP and the ACT Department of Disability, Housing and Community Services.

### *3.3.8 Northern Territory*

In the Northern Territory, PRSP is administered and delivered by Territory Housing through its area offices. The Program is designed 'to enable (clients) to access private rental housing, which includes permanent, on site caravans'. It can 'provide clients with a greater choice of housing options as well as assisting them to gain safe, secure and affordable housing in the private sector while waiting for public housing' (*Manual 2004: 158*).

Assistance under the Northern Territory Program includes:

- assistance with *bonds*
- exceptionally, assistance with *rent in advance*.

Compared with other States and Territories, the Northern Territory has a distinctively high proportion of indigenous households and a very high proportion of renting households. A full 28% of households rent in the private sector. There is no organisation that represents either tenants' or private landlords' interests in the Territory and no Rental Bond Board but since 1 March 2000, residential tenancies have been regulated by the *Residential Tenancies Act 1999*. Bond assistance is in

the form of an interest free loan, although people escaping domestic violence may be eligible to receive part of their bond assistance in the form of a non-repayable grant. Bond loan clients are required to sign an agreement that they repay the bond at a minimum rate of \$10 per fortnight by direct deduction from Centrelink benefits or pay.

Bonds must not exceed four weeks rent and are paid directly to the landlord or agent. They are held in trust accounts for return to the tenant at the end of the tenancy, subject to any claims to cover outstanding tenancy costs. Disputes concerning bonds fall within the jurisdiction of the Commissioner of Tenancies.

### *Eligibility*

The eligibility criteria for bond assistance are the same as access to public housing in respect of income, property ownership, outstanding debt and an unsatisfactory public housing history. However, additional criteria may apply. Applicants must have been residents of the Northern Territory for 3 months before they apply for bond assistance. This requirement may be waived for clients with extenuating circumstances, such as victims of violence or sponsored refugees. Any applicant seeking a partial grant will normally be expected to produce supporting documentation.

The amount of bond assistance available to an applicant will depend on the applicant's household income and the rent to be paid on the private dwelling. The rent must not exceed 60% of the applicant's gross household income. Commonwealth Rent Assistance may be included in this calculation even if the applicant is not currently in receipt of it, so long as he or she would be eligible. The maximum weekly rent of a private rental property to which bond assistance can be applied is \$300.

During the financial year 2002-2003, 655 new households in the Northern Territory were assisted with repayable bond assistance to a total value of \$428,000. Of these households, 147 were recorded as indigenous. In addition, 684 new households were assisted with (partly) non-repayable bond grants to a total value of \$440,000: the Northern Territory was the only jurisdiction to record this type of assistance for the year. At 30 June 2003, 486 households had repayable bond debts totalling \$460,000 outstanding (AIHW 2004:7).

## **3.4 State and Territory Overview**

The preceding summaries show the extent to which PRSP differ. In this overview section, consideration is given to the aims, eligibility and delivery of the different programs (a more detailed analysis is provided in Chapters 4 and 5). Five of the eight State and Territories (South Australia, Northern Territory, Victoria, Queensland and Western Australia) operate bond loan and repayment schemes. In Queensland, Northern Territory and Western Australia, a repayment scheme is established after a loan is approved, enabling the client to repay the loan in instalments. In Victoria and South Australia, a repayment scheme applies only when a landlord makes a claim on the bond once a tenancy is terminated. In New South Wales and Tasmania, clients of PRSP receive a bond grant that does not require repayment. Table 11 below summarises the different repayment models in operation.

**Table 11: Bond Loan Repayment Procedures**

State /Territory	Bond Assistance	Repayment Scheme
NSW	Bond Grants	Bond is repayable to the housing authority at the end of the tenancy, less any portion payable to the landlord
VIC	Bond Loans and Grants	Repayment is made in full or part from Residential Tenancies Bond Authority to housing. The client must repay to housing any portion of the bond loan paid to the landlord as compensation for rental arrears or damage to the property
QLD	Bond Loans	Repayments of \$10-15 per fortnight are calculated according to weekly income and rent paid.
WA	Bond Loan	Bonds are repaid at a flat rate of \$10-15 per fortnight
SA	Bond Guarantees	The value of the Residential Tenancy Tribunal validated claim against a trust bond guarantee by the property owner/agent is met by the Trust.
TAS	Bond Guarantees	Repaid in full, or in part, by the property owner/agent, to Colony 47/ Anglicare at the cessation of the tenancy
ACT	Bond Loans	The minimum repayment amount, excluding the final payment, is \$10 per week or \$20 per fortnight.
NT	Bond Loans	The applicant pays a minimum of \$10 per fortnight off the bond loan by direct deduction from benefits or pay

(Source Hinton 2003a)

In spite of the differences in provision, each State and Territory has similar aims. These are to:

- target their provision effectively and keep costs down
- reduce the number of bond loan accounts that fall into arrears
- encourage private landlords to let their properties to households in receipt of PRSP.

In broad terms whilst PRSP can be viewed as a means to help overcome the problems faced by many low-income households. The form of intervention varies across jurisdiction, depending on overall social objectives of each State and Territory Government and the resources that are available. In general terms, PRSP are supported because they are seen as an effective way of assisting households at the start of a tenancy and enhancing the chances of successful tenancies. In this respect, there are mutual benefits to both landlords and tenants. This said, it is evident that each component of PRSP has slightly different objectives. For instance, bond assistance is provided to help tenants meet the costs of a deposit at the onset of the tenancy. Advance payments (available in all States except for NT and ACT) are to help tenants with the first rent instalments. Rent arrears payments are available to tenants in NSW, VIC, SA and TAS within strict eligibility rules. Removal expenses are provided in recognition of the costs of moving home in VIC and TAS. Finally, temporary accommodation is available for tenants in NSW and SA under certain conditions (e.g. domestic violence).

Each State sets its eligibility criteria for determining bond loans. In all State and Territories the criteria is based on Centrelink health care and pension card limits and/or public housing (ACT, NT, NSW). However, each State and Territory has provisions for officers to use their discretion, if deemed necessary. With the exception of NSW, TAS and ACT, tenants with outstanding debts to the State Housing Authority are not eligible for a bond loan, Apart from ACT, rent must not exceed a specified proportion of total weekly gross income (ranges between 50-65% max).

Finally, as for delivery, Tasmania differs from all the other States and Territories in that it has subcontracted the provision of PRSP to two agencies, Colony 47 in the South of the State and Anglicare in the North.

## 4 AIMS AND SUCCESS OF PRIVATE RENTAL SUPPORT PROGRAMS

### 4.1 Introduction

As stated in the previous chapter, PRSPs share a common focus of helping low-income households access private rental accommodation. There are however, a number of issues associated with this overarching goal. This chapter focuses on three key topics. First, it outlines the aims of PRSP. Second, it describes the extent to which these aims are being met. Third, it outlines evaluation issues and the performance indicators that are currently used or suggested as ways of measuring the programs' success.

#### 4.1.1 *Stated aims of PRSP*

This section highlights two findings. First, there are differences between the formal, stated aims of PRSP and those articulated 'on the ground' by practitioners implementing the programs. Second, there are also differences between jurisdictions. This supports the argument that it is inaccurate to describe the available options in terms of a singular form of support.

On first analysis there was agreement over the key aim of the private rental support programs: to assist clients to move into private rental accommodation. As one client service officer from Queensland succinctly stated: "to get people into housing". A practitioner from Victoria described the scheme as helping people "across the doorstep of renting". The clients of these programs did not have the necessary resources to embark on a private tenancy; they may have had no money for the bond (equivalent to four weeks rent) and two weeks advance rent, or they may have saved only part of the money from their previous tenancies. PRSP offered a means of overcoming these barriers.

However, the data made it clear that there were jurisdictional differences in what it meant to "get people into housing". In some states, the aim was confined to initial access to the private rental market. For example, in the Northern Territory, the formal aim of the program was to assist individuals and families who have limited resources to access private rental housing while they wait for public housing, or as an alternative to public housing. In Queensland, strategic policy and program managers were clear that the program was simply to move people into the private rental market – an issue of access rather than ongoing affordability.

In other jurisdictions, the aim extended further to include the maintenance and sustainability of tenancies. For example, a senior policy officer in Housing ACT cited the object of the bond loan scheme as providing:

Financial assistance to eligible persons in the ACT experiencing financial difficulties in meeting a requirement to pay a rental bond. A supplementary aim might be to assist those eligible for public housing wishing to be housed in the private market to maintain a private tenancy and thereby reduce pressure on the public housing system.

The aims of the New South Wales *Rentstart* schemes were described as assisting access to private rental accommodation, assisting with relocation and adjustment, maintaining tenancies for those at risk, and providing temporary accommodation in crisis situations.

In Victoria, the Housing Establishment Fund aims to:

- Provide clients with direct assistance in accessing private rental housing and securing private tenancies at risk
- Assist clients to access overnight or emergency and related services where no other option is available; and
- Promote exit points out of the Homelessness Service System and into long-term affordable housing (VoH 2003)

The Victorian bond loan scheme is seen by senior policy officers as a means of moving households in or at risk of crisis into sustainable housing, and policy practitioners claimed the implementation of the bond loan scheme maximises the possibilities of a sustainable tenancy. One senior policy officer explained the rationale for this:

The major threat to the effectiveness of these services arises not from the types of product offered but from declining affordability in the longer term. It is a fundamental principle of Victoria's approach to private rental assistance that clients not be assisted into unsustainable arrangements.

This difference in aims has implications for how success might be measured, and reported gaps in the services offered – these concerns are discussed in more detail, below.

In practice, the aims of programs are linked to the need to manage shortages in public housing. The support was seen by both clients and service providers as a stopgap measure until public housing became available, or as an alternative to public housing. Queensland administrators noted the program's significance in the context of low public housing vacancies, as did those in Western Australia and New South Wales. Victorian senior policy officers saw bond loans as a means of helping household access private rental accommodation until public housing became available. Interviews with Northern Territory service providers suggested that some clients used bond loans strategically, entering the private rental market as a secondary option, when they realised they would exceed the eligibility limits for public housing. Thus, PRSP, largely in the form of bond assistance, allowed practitioners to manage public housing stocks and waiting lists, minimise the demand for emergency accommodation, and meet housing needs through less expensive options. A Queensland senior policy officer noted that:

From our point of view, if it means we can assist someone to get access to a private tenancy and hopefully maintain that tenancy so that they don't join the waiting list for a much more expensive program like public housing, then that's a good thing.

Western Australian service providers also noted that facilitating a movement into the private rental market had benefits for the tenant: greater choice in terms of housing types, sizes and locations.

In sum, all schemes aim to provide access to the private rental market, but some extend their focus to issues of maintenance and sustainability. In many jurisdictions, data suggest a latent aim: in light of ongoing shortages of public housing, the programs become a means of managing the needs of clients without having to rely on scarce and sometimes non-existent housing resources. PRSPs are, in practice, the only realistic option available.

#### 4.1.2 Meeting the aims of the PRSPs

The data collected suggests that, generally speaking, service providers believed that the programs were effective in meeting the aim of facilitating access to the private rental market (thereby assisting individual households), while also minimising demands on public and emergency housing (assisting management and policy objectives).

Despite the challenges that arise from the administration of the services, those working in the field saw programs moving people into private rental accommodation in instances where they otherwise would not have had the resources to do so. Service providers and policy officers pointed to anecdotal and impressionistic evidence to support claims of effectiveness. Tenants in receipt of assistance also stated that it was useful in accessing housing of a reasonable quality (although not necessarily stability) in circumstances where they would not have been able to generate bond, or a combination of bond and moving costs. As one peak body in NSW stated about the Rentstart scheme:

It helps people at a moment of crisis, either getting a bond together, or getting behind in the rent. It doesn't do anything to address affordability issues. If people can't afford the rent it will help them only once in 12 months but not solve the problem.

Whilst the PRSP are widely perceived to be achieving their aims, participants in most jurisdictions noted a number of barriers to more efficient and/or effective service delivery. Some of the problems related to the competitive and expensive private rental market. Rents are high, and the limits on the amount of support offered meant that PRSP did not always cover a necessary proportion of the bond. Additionally providing a 'one-off' payment of a loan or bond grant could not lower ongoing rental costs to create a sustainable tenancy.

There were also difficulties in negotiating the practices and expectations of those who manage rental properties. Focus groups and interviews among tenants suggested discrimination against those in receipt of PRSP but practitioners in the jurisdictions rejected this claim and instead pointed to the demands for a quick turnaround time in submitting bond monies and taking up a lease, and competition that allows owners and managers to choose the 'best possible tenant'. Other difficulties lay with the management of the programs, for example, failing to publicise the service to those who need them most (an issue raised in Tasmania, Victoria, ACT and Queensland), and policing the repayment of bond loans and grants (by both tenants and landlords); an issue raised in all jurisdictions. These issues are discussed in more detail in Chapter 6. Still others related to the characteristics of clients, most notably their complex and joined-up needs, and the mismatch between these needs and the one-off support and financial focus of PRSP. However, the overall impression remains one of a set of useful and effective services.

## 4.2 Challenges in Measuring Outcomes

### 4.2.1 Existing measures of success.

Before discussing the successes and failures of PRSP, it is important to describe the formal mechanisms available for measuring outcomes. There is an absence of shared, concise and systematic measures of the success of private rental support programs. This absence has arisen due to a dearth of evaluation processes, the focus of evaluations, data collection difficulties and challenges in making comparisons across jurisdictions. While useful, existing evaluation processes nevertheless have difficulties in unravelling market processes and program organization, and are not always referenced to the stated aims and outcomes of the programs.

#### *4.2.2 Absence of evaluation processes*

Formal evaluations of PRSPs have not been undertaken in all jurisdictions. Western Australia and Northern Territory reported that formal review processes are scheduled for the near future, and these processes are seen an opportunity to establish benchmarks and measures of success. In the case of the ACT, the program has only recently been established and it is too soon to evaluate. In Queensland, responsibility for the program has been shifted between sections, which has led to a lack of opportunity to implement consistent data collection and monitoring. In other jurisdictions (e.g. South Australia and Victoria), recent review results are not yet available. A review of the NSW scheme's operational policy is currently scheduled; it was last reviewed in 2001. Specific details of how each State and Territory evaluate their PRSP schemes and the data collection methods used to achieve this is set out in the Appendix 2 to this report.

#### *4.2.3 Focus of evaluations*

Additional difficulties are associated with a narrow range of issues covered by the evaluations and performance indicators. Evaluations may focus on only one element of a program. In particular, they may address operational procedures rather than broader program strategy and outcomes. For example, Queensland service providers note that the bond loan program is possibly the most reviewed product in the Department, examined on average once a year. However, the reviews focus on operational issues. A policy officer commented: "We have never asked the question, 'Is it a good product?'"

#### *4.2.4 Data collection difficulties*

There are also difficulties in data collection, notably maintaining contact with clients. For example, the New South Wales Department of Housing attempted a longitudinal study of *Rentstart* clients in 2002. The difficulty in contacting clients after they received assistance led to an unacceptably low response rate, and the project could not be completed. The Victorian Office of Housing is currently developing a new integrated monitoring system that can track recipients of the Housing Emergency Funds grant through time and housing tenure. This would allow a more direct measure of success in facilitating both access and maintenance of tenancies and facilitate a more 'joined up' response to housing needs.

#### *4.2.5 Problems of comparison*

Significantly for developing an integrated national approach to PRSPs, there are differences in the structure and rules of private rental support programs, and in stated aims. This means that even if performance indicators were systematically developed and applied, there may be difficulties of comparison across the jurisdictions.

In sum, there was an absence of systematic review processes. Existing measures of performance were commonly ad hoc, informal, or impressionistic. Those measures incorporated into the formal review process in some jurisdictions were not used in others. Interviews with policy officers and workers did not suggest that the performance of PRSPs were measured against benchmarks, which makes it difficult to discuss degrees of success. The measures identified in this study included the following.

### **4.3 Current and Prospective Performance Measures**

The Queensland Department of Housing periodically administers a client satisfaction survey and the latest one included 1000 clients. The surveys aim to identify any serious or widespread problems with the program or dissatisfaction with its administration. They are not designed to measure program success. Outcomes



suggest high levels of client satisfaction. In a less formal way, Victorian local policy officers did not note high levels of complaints about the scheme. It is important to ensure that services are responsive to clients' needs, but there are limits with this measure of performance. As noted earlier, it may be difficult to maintain contact with clients in order to gather their feedback. Additionally, the preferences of clients may not match the stated aims of the programs and so cannot be used as a measure of this element of performance.

#### *4.3.1 Access issues*

The Tasmanian study referred to the number of households receiving support from the PRSP as a possible performance indicator; this is currently adopted in Victoria, where practitioners also suggested that growth over time might be an effective measure. Both Victoria and New South Wales have also used this measure, and ACT interviewees referred to a similar measure of the number and value of new bond loans. Tasmanian interviewees argued that this data would provide some basis for determining if PRSP advertising had reached its target audience. ACT uses a related measure, on an ad hoc basis: the percentage of applications approved, and reasons for denying applications, or tenants withdrawing them. Both types of data would provide an indication of the availability of PRSPs – the first step in ensuring the funds can be deployed to support private rental arrangements.

External factors will impact on these measures. Applications will be shaped in part by the level of vacancies in the market – low vacancies mean that people will not be able to move properties, making PRSP applications irrelevant. Tenant withdrawal of applications may be impacted by a series of issues outside of the purview of the programs, and as has already been noted, there are difficulties in obtaining this type of data.

#### *4.3.2 Repayments and defaults*

In Tasmania, data is collected on the average bond lost for each month as a proportion of the average assistance paid out per household. The ACT uses measures of default, defined as the number of direct debits being dishonoured, not those in arrears. South Australia uses a tally of bond outcomes (wholly, partly and not claimed by landlords). The South Australian Housing Trust is planning to dispute (on behalf of clients) a percentage of claims made by property owners. To this end, an arrangement has been made with the residential tenancies branch to receive information about the claims made on bond guarantees. (In SA the customer has 10 days to respond/dispute a potential claim against the bond). This has enabled the Trust to identify 'serial claimants'. It is hoped that this will result in financial savings for the Trust and customers – i.e.; the Trust will not have to pay out as many guarantees and it will avert or reduce customer bond debt in some instances. Northern Territory practitioners also noted the low loss rates on bond, although this measure was used in an impressionistic way. New South Wales interviewees also suggested this might be an appropriate measure.

Bond loss can be used as an indicator of the cost effectiveness of the programs. It also has the potential to reflect the extent to which clients are developing the skills necessary to stay and compete in the private rental market (payment of rent, property maintenance), although this is not an explicitly stated formal aim of the programs. However, there are also limits to this measure. First, the differences between loan and grant schemes will require different methods of measurement across the states and territories. In loan schemes, ongoing repayment by the client may be a measure of success but those administering grant schemes will need to wait until the end of the tenancy. Second, client loan repayment is a different issue from landlords returning bond – the first goes to the economic efficiency of PRSP, the second reflects the

development of useful life skills. Third, Tasmanian staff pointed out that bond is not returned until the end of a lease and there is often a time delay between quitting the property and the payment of the bond. Other factors included landlords and tenants failing to notify agencies when the tenancy ended, and repayment of the bond to the tenant rather than the agency. This is a reflection of the lack of a central bond authority in the state.

#### *4.3.3 Establishment and duration of tenancies*

Northern Territory practitioners provided anecdotal evidence of the short search time in looking for accommodation. Interviewees in the Tasmanian and Victorian studies described the duration of tenancies as a useful measure. This would be true in all states where maintaining stable tenancies is a stated aim. New South Wales practitioners also suggested tenants should be tracked to determine this information. In a related approach, Victorian interviewees suggested noting the number or proportion of households re-presenting for assistance, or remaining on/moving back onto public housing waiting lists. However there are many factors that influence the establishment and length of a tenancy. Establishment is significantly affected by the number of vacancies generally, the types of houses available, the cost of rent and the amount of competition for available stock. A lease may be ended due to the sale of the house, employment opportunities, relationship breakdown or the establishment of a new relationship – PRSPs cannot impact upon these factors.

#### *4.3.4 Affordability of tenancies*

Tasmanian practitioners suggested that one benchmark of success might lie in the proportion of tenants who are paying rent less than an affordability benchmark (for example, rent that is lower than 30% of income). However, as with other measures, the workings of the market play a large role in this. PRSP may only support tenancies that fall below a particular proportion, but they cannot influence supply and demand in the marketplace.

#### *4.3.5 Dependency on assistance*

Victorian interviewees suggested that measuring the level of dependence on other forms of assistance might be an appropriate measure. Those in New South Wales suggested that measuring the type of assistance offered would also be useful. The first measure may be valuable if the relevant forms of support are carefully defined to reflect the one-off nature of the programs; they are not designed to take the place of on-going income assistance, for example, but to plug any shortfalls that occur during a change in accommodation. The New South Wales suggestion would provide some data on what services were most useful to clients. This is a different issue to the extent to which the supports facilitate the transition into private rental accommodation.

### **4.4 Developing appropriate performance indicators**

The preceding list of current and prospective measures of success highlights a number of important points that need to be considered when developing a set of effective performance indicators. First, to restate a key theme of this report, generating shared measures of success will remain an ongoing challenge. While individual indicators may be relevant to particular states, the suite of shared measures is likely to be small, making comparisons difficult.

Second, all measures of success must be linked to the stated aims of the programs, rather than the equity or social justice concerns of client service officers and senior policy officers. For example, creating sustainable tenancies, while socially desirable, may be irrelevant for evaluation purposes in some jurisdictions. Similarly, levels of client satisfaction may reflect an excellent style and process of service provision but cannot be used as a comment on other objective outcomes.

Associated with this, it is important to consider what needs to be reviewed. South Australian participants expressed concerns that reviews may focus too much on activity, at the expense of outcomes. Housing Tasmania participants suggested that it is necessary to think carefully about the different components of the program so that each is measured by appropriate indicators. Associated with this point is the suggestion of including both quantitative and qualitative measures: so that in the words of one South Australian practitioner, it is possible to monitor “what’s actually happening in those tenancies”. This would facilitate the recognition of subjective measures (the difference that PRSP makes to recipients), i.e. developing life skills, repaying debt, maintaining long-term tenancies (even if they did end in debt).

Third, and perhaps most challengingly, developing indicators necessitates unravelling the impact of the programs and the broader social and economic context in which they are being implemented. The effect of particular programs or strategies may be undermined by an increasingly expensive or competitive private rental market. Some measures, for example the return of bond grants, will be subject to the practices of landlords and real estate agents. For example, in the ACT only one in five households have their bonds returned in full. Developing indicators therefore requires a careful examination of process and outputs. Measuring the efficiency of processes, or activity, (e.g. turn-around times, determinations of eligibility) is a separate and perhaps more straightforward exercise than measuring outputs, but the outputs more directly reflect on the aims of PRSP and hence whether those aims are being achieved.

Finally, there are challenges with data collection. Potentially, the collection of raw data will become the responsibility of client service officers and others at the ‘coal face’. This may increase the duties of already busy people. And, as our own experiences have shown, methods relying on voluntary client participation may not be a feasible way of generating core, routine data.

## **4.5 Summary**

In terms of aims, all programs focussed on facilitating entry into the private rental market, and some extended their aims to developing ongoing and affordable tenancies. These explicit aims were informed by ongoing issues surrounding the shortage of public housing, so that for many policy officers PRSP improved the management of a scarce resource. The different aims indicate the inaccuracy of conceptualising the programs as a single system of support. Rather, they may be better described as a collection of strategies directed toward increasing the presence of low-income households in the private rental market.

The separateness of these programs is further emphasised by the absence of shared performance indicators. Some jurisdictions have not yet implemented formal evaluation processes, and some of the measures canvassed in this chapter have been applied on an *ad hoc* basis. The development of relevant, quantifiable and comparative indicators is further complicated by the impact of the marketplace upon the accessibility and sustainability of tenancies, and the need to consider what exactly should be measured: process or outputs? This will continue to be a challenge to the development and use of performance indicators.

While practitioners, policy officers and tenants see the programs as an effective and useful device in allowing people to move into the private rental market, much of their evidence is anecdotal and based on impressions rather than systematic study.

# 5 EFFECTIVENESS OF PRIVATE RENTAL SUPPORT PROGRAMS, GAPS IN PROVISION AND DUPLICATION OF SERVICES

## 5.1 Introduction

This chapter describes the effectiveness of PRSPs, and their relationship to other accommodation support options. The data, drawn from the perceptions and experiences of participants in the programs and practitioners, show that the programs are generally seen as a success. However, there are significant concerns that the form of one-off financial support is limited. The programs are not effective in addressing structural constraints and the often complex needs of clients. This chapter first examines the effectiveness of PRSPs to facilitate the access to, and retention of, accommodation by eligible renters (i.e., questions associated with the key formal aims of the programs). It will then describe gaps in provision of PRSPs. Finally, the chapter overviews other options available to support those in private rental accommodation and whether PRSPs duplicate other services.

## 5.2 Accessing accommodation

The data collected suggest that practitioners in particular believe that PRSP are an important resource for low-income households attempting to enter the private rental market. However, concerns were raised over the impact of market expectations and the intersection between the market and the structure of programs. These issues were presented as challenges that impacted upon the effectiveness of the programs; they were not described as undermining the general usefulness and success of PRSPs.

The programs are considered as a success in supporting people to access accommodation by those who administer them or are affected by them. Client service providers, senior policy officers and renters participating in the study acknowledged the significance of bond loans in particular. Clients initially applied for the programs because they did not have the bond money, or because they were not able to cover the combined costs of bond, rent in advance, utility connections and moving expenses. Without the loans, the tenants stated they would have not been able to move, or would have lost their preferred accommodation. Other benefits flow from the services. In jurisdictions where bond assistance comes in the form of a loan, its repayment can potentially provide tenants with their own financial resources if they move to new accommodation: 'forced saving' as one Queensland tenant described it. This was also evident in the case of one Western Australian tenant who, having paid back the bond loan, was able to move into new accommodation with no outstanding debts, and money saved for the new bond. Those providing the services were very much aware of the significance of these programs.

Despite a general belief in the effectiveness of the programs, interviewees raised a number of concerns. Some of these reflected the expectations of landlords and real estate agents, others the intersection of market characteristics and program administration. These issues are best understood as barriers that militate against the effectiveness of the programs for some clients, rather than overwhelming bars to their success.

### 5.2.1 *Expectations of Landlords*

'Blacklisting' people based on their prior behaviours can be a problem. In these cases, even if a welfare agency or service provider approves an application for bond, the application for tenancy will not be accepted by the real estate agent. This cannot be overcome through the provision of bond, and can be a significant barrier in accessing private rental accommodation.

In Queensland, landlords may reject applicants with a bond loan because they do not want to lodge the money with the Residential Tenancies Authority. Potentially the landlord will pocket the money for their own uses, rather than holding it as a guarantee against losses and damage that may occur as a result of the particular tenancy. This barrier occurs in the informal and less expensive rental markets, which may be all someone on a low-income or dependent on Centrelink payments can afford. Paradoxically, in some instances, those with the most need for bond loans may find themselves further disadvantaged by the service.

Landlords may see bond monies as their entitlement, to be retained regardless of the state of the property when the tenant quits. As a result, the tenant cannot draw upon the existing bond money to support their next move. They may find themselves no further ahead as a result of using a PRSP and no more likely to be able to access private rental accommodation when looking for new accommodation. This is most likely to be a problem in jurisdictions like Tasmania, where no bond authority exists. A Tasmania client service officer stated:

I've had calls from landlords saying 'When's this bond going to come? I need it, I've got bills to pay'.

Even in those states that have centralised lodgement mechanisms, complaints are made over landlords' behaviours. A Queensland renter stated:

They're really looking after themselves there ... 100% ... it's a scam, that's all it is.

The perception of PRSP may be another barrier in accessing private rental accommodation. There were reports, most commonly from tenants, of discrimination against prospective tenants with bond loans regardless of their other characteristics. Anecdotal evidence suggested that some real estate agents have a policy of refusing applicants in receipt of a bond loan, or will prefer someone with privately raised money, all other things being equal. One Queensland tenant noted:

It looks as if you can't save the money for the bond, you're already behind the eight-ball financially, and that you're not going to maintain the standard rent in advance.

In Western Australia, real estate agents acknowledged participation in the bond loan scheme as a factor used to identify the most and least desirable applicants. Discrimination can be based in a number of characteristics (for example, practitioners noted discrimination against indigenous families and those with a large number of children). Financial status is one of these factors and bond loans may be seen to indicate a lack of necessary funds to maintain the tenancy. In Western Australia, most application forms carry a direct question about whether an applicant is seeking bond assistance.

That real estate agents are discriminatory is a commonly held belief, but it is a difficult charge to prove. It is not explicitly articulated and concerns are often couched in terms of a competitive rental market (see below). Another Queensland tenant stated

I did get refused a few flats and I did think that it [the bond lease] was the possible reason, but no-one would ever say that.

If discrimination does occur, it limits the housing options available to renters, and may push them into the informal rental market, or force them to deal with landlords directly. In these instances, negative outcomes are by no means guaranteed, but people may lose some of the institutional protections offered when renting through registered real estate agents.

It may be that the bond loan *per se* was not the basis for any discrimination that occurs. Other social factors contributing to a need for financial support, for example, age, employment or relationship status, were also perceived in a negative light. Western Australian tenants noted that discrimination against Aboriginal applicants is widespread, as is discrimination against large families with young children. There were reports by tenants that any bond submitted had a significant chance of not being returned, regardless of the conduct of tenants. A bond loan scheme will not address these problems.

Bond assistance applicants may be further disadvantaged in a competitive rental market because agents and owners are reluctant to wait for the application process to be completed when other prospective tenants have the bond immediately available. A Tasmanian client service worker stated:

Then they [the clients] expect it to be approved that afternoon.... Quite often when they have a property they have to sign their lease that afternoon and they have to pay the money that afternoon. Real estate agents say 'you have to do this and this and this. If you don't take the property I've got someone else who has the cash up front'. And that's a perfectly reasonable stance to take as a business. It's also putting pressure on people and putting the pressure back onto us.

These concerns reflect the demands of the market, rather than directly discriminatory attitudes towards recipients of PRSPs. In the ACT, this problem has been mitigated by introducing a 24-hour maximum delay from approval of the application to the bond monies being paid.

Some service providers contradicted claims of discrimination and pointed to landlords and property managers actively promoting the bond schemes and deviating from their formal application process in order to facilitate a bond support application. In the ACT there was support for the bond loan scheme among property managers and landlords, and in Queensland, tenants and service providers reported that property managers or landlords were referring people to the scheme.

In South Australia, recognition of these difficulties has contributed to the development of the *Private Rental Liaison Demonstration Project*. This has been funded from July 2003 until June 2006, under the Social Inclusion Initiative. The project seeks to develop successful private tenancies that are stable and claim-free. It works on the basis of early intervention and prevention via practical support in establishing the tenancy and on-going home visiting and phone contact for the first three months of the tenancy. Part of this process aims at establishing links and good relationships with property managers, and building their confidence in the PRSP. It is hoped this will also widen the choice of accommodation available to clients.

### *5.2.2 Intersection of the market and program structure*

Other barriers to facilitating access to the private rental market arose from the intersection of the market and the structure of the programs. Issues of eligibility and limits on the amount granted or loaned had the potential to support movement into private rental accommodation but this potential was undermined by competitive and expensive rental markets. For example, in ACT, bond loans are issued when monthly rent and loan repayment costs do not exceed 40% of a household's gross monthly income. This requirement can be waived on a discretionary basis. In Victoria, it is 55% and in New South Wales it is 50%. The expensive rental market means that

accommodation costs are much higher than this figure. In instances where the 40% measure is not waived, the programs cannot help people access private rental accommodation, or at least limit their choices in doing so. Thus, people may be faced with the choice between access to bond assistance and access to a realistic range of accommodation options. An alternative scenario was reported by the Northern Territory service providers. They pointed out that the maximum 60% rent/income ratio of the program (i.e. rent could not be greater than 60% of the tenant's income) encouraged people to access tenancies that were not affordable in the long term.

The high costs of bond, in addition to the expenses of moving house, meant that even when contributing their own money, clients often needed a sum equivalent to 100% of the bond amount, rather than the smaller proportion offered in some jurisdictions. For example, the ACT scheme offers 80% of the bond amount. In Western Australia, the amount is determined with reference to household composition rather than the cost of a bond but tenants noted that this formula did not necessarily generate enough money to reduce client contributions to an affordable level. However, the Western Australian scheme allows an additional 40% on the maximum loan threshold in remote and thus high cost areas. Queensland service providers remarked on the practice of limiting the proportion of bond that can be loaned to clients: some people are approved for bond loans but cannot accept them or move into a property because they still lack money for rent in advance and the connection of utilities. One service provider stated:

I think the main problem with the Bond Loan is that it's alone in a whole range of responses you could make to get people successfully tenanted in the private rental market.

Other problems arise in relation to the management of the schemes. In some jurisdictions, outstanding loans or limits on the number of applications can result in those in need missing out. For example, in South Australia existing debts with the housing trust will create a bar on eligibility, save in circumstances of acute need. The question of pre-existing debt is common across the jurisdictions. The relatively low amounts of money loaned allow a stretching of resources across the client population, but do not necessarily facilitate prioritising those in most need.

### *5.2.3 Retaining accommodation*

As noted in the previous chapter, retaining accommodation is beyond the formal aims of many programs. Regardless of formal aims practitioners were less enthusiastic about the extent to which PRSP can assist in maintaining established tenancies. These concerns related less to the nature of the programs themselves and more to high private rental costs, the characteristics of clients and the general instability of the private rental sector.

#### *High rental costs*

Rents are high, and people may struggle to meet their weekly accommodation costs. While some senior policy figures may limit the aims of the programs to accessing housing – not the long-term sustainability of a tenancy – service providers emphasised the difficulties of surviving in a competitive and high priced rental market. Additionally, Western Australian staff noted a seasonal dimension to affordability, with housing costs in some towns rising during peak tourist seasons.

The high costs of rent meant that the challenges facing clients extended beyond simply raising money for bond and initial moving and set up expenses. A member of a Victorian peak body noted:

... the level of need is so great and because there are structural problems in the housing market that means that the people's problems of relocation are just a

small part of the problem. The main problem that people experience is that their income is inadequate to meet the costs of rental housing in the current market.

In short, one-off assistance in the form of bond loans and grants may not be enough to help people sustain tenancies in the face of high rent and low-income – a weekly challenge. One service provider in the ACT noted

The private rental market should be a viable option, but it is simply too expensive and is often beyond the reach of low-income earners. The reality is that the current market is pushing people into public housing, because they simply can't sustain private tenancies.

Housing ACT staff also noted the problems that arise from the lack of ongoing assistance to maintain a tenancy. These challenges were only partially mitigated by Commonwealth Rent Assistance, due to the way it is applied in high rental cost areas. These difficulties are exacerbated by the generally insecure Australian rental market, a characteristic that reflects the small scale and particular approach of individual landlords (Yates and Wulff 1999). Thus, discrimination, high costs and instability in the market lead to frequent moves and the attendant costs among groups least able to afford them.

#### *5.2.4 Client characteristics*

Client service officers in all jurisdictions noted that maintaining tenancies is difficult for many of their clients, who did not necessarily have the skills to budget in the face of income pressures. A practitioner in the ACT stated:

People have complex and varying needs, and some don't manage their finances well and need close case management. Recognition of this fact needs to be built into the scheme.

Thus, providing financial counselling in the course of administering PRSPs became an unofficial part of the application process. There is a need to develop financial skills, in light of what one Queensland officer has described as:

a complex combination of lifestyle, upbringing, etc. to be able to plan financially.

Northern Territory practitioners pointed out that young people in particular needed support in "life skills, decisions, bills, rent". But, as a practitioner from South Australia noted

there's no commitment to support after the money has been acquired. You can't require them to lock into services.

This need for financial skills support is exacerbated by the reliance on Centrelink payments (the majority of clients in all jurisdictions) or low or casual wages. Additionally, people may move into accommodation with high levels of pre-existing debt, making it difficult for them to afford the ongoing costs of renting. Western Australian officials who noted that a small percentage of households were responsible for a high proportion of turnover, arrears and losses in the program argued for the need to extend the forms of direct assistance offered; household budgeting, life skills and maintenance skills were suggested. In this jurisdiction, field experience suggests that offering this support may lead to positive outcomes including behaviour change, extended tenancies and a higher rate of bond return.

#### *Additional factors*

Stable tenancies rely on a set of external factors that are beyond the scope of PRSP. Investment strategies and a buoyant housing market may lead to rental properties being sold, and require households to look for new accommodation. People may move for employment opportunities, because their relationship breaks down, or



because a new relationship is established. Finally, low-cost rental accommodation is often of a poor standard, and people may move when they find something of a better quality.

In sum, data suggest that PRSP are largely seen as a useful means of enabling people to access private rental accommodation but there are barriers that impact upon success. None of those identified however were related to the functioning of the programs themselves. Rather, they reflect the demands and expectations of the market. Participants are rather less sure about the usefulness of PRSP in assisting with the maintenance of tenancies, pointing to the high cost of renting and client characteristics; both factors are beyond the scope of PRSP. Many of these problems are the outcomes of gaps and duplication in service provision. There are barriers that, while not directly related to the official aims of the programs, impact upon the efficient provision of services and the maximization of clients' ability to enter and stay within the private rental market.

### **5.3 Gaps in current assistance**

There are gaps in current assistance available through PRSP. These include: the provision of information on tenants' rights and responsibilities; a failure to meet moving expenses; a failure to develop the life skills necessary for maintenance of a successful tenancy; limited practitioner knowledge; a failure to adequately address the limitations of both loan and grant schemes; tight eligibility requirements that can lead to those in need missing out; and limited publicity accorded to the scheme. These gaps impact upon clients' ability to access and maintain private tenancies. In so doing, they undermine the explicit aims of PRSPs, and affect their efficiency and usefulness in other areas.

#### *5.3.1 Provision of information*

Providing money to enter the private rental market is only one element of access – protection from illegal or irregular actions on the part of landlords is also an important issue. Interviews suggest that the emphasis on financial support needs to be complemented by the provision of information on tenants rights and responsibilities. None of the participants in this study described concerted attempts to provide such information. Its absence may be impacting upon reclaiming bond monies. In the ACT, the Tenants Union and the Canberra Emergency Accommodation Services argued the need for a support program that extends beyond financial support to include general support, negotiation and advocacy services, and information on tenants' and landlords' rights and responsibilities. Extending services in this way may facilitate the maintenance of sustainable tenancies through negotiating between expectations, responsibilities and behaviours that may otherwise lead to evictions or losing bond monies; outcomes that in turn make it more difficult to find alternative private rental accommodation.

The discriminatory perceptions and practices of landlords and real estate agents were also identified as potential problems (although there was disagreement over the extent to which this perception was correct). These may reflect a gap in information provision if they are based on an incorrect understanding of the workings of the bond loan scheme or its role in the finances of potential tenants. Extending services beyond direct financial support to incorporate publicity to private landlords and their agents may help programs to achieve their aims of facilitating access to the private rental market. As a tenant support worker in WA commented:

Discrimination against indigenous people is an endemic feature of the private rental market, particularly large families with children.

A tenant added:

The first time I tried to use it I was up front about it with private real estate agents but as soon as I mentioned bond assistance or Homeswest you would get a look from them and you could tell they weren't impressed with having to wait for the money. To me they had a perceived stereotype of a Homeswest tenant – low-income, unemployed. So, after that we learnt not to mention Homeswest by putting down a cash deposit to secure the house and then telling them. But even then, they may raise the rent on you in six months time to get you out.

An alternative response can be found in Queensland. In this jurisdiction, the application cannot occur until a property is found. However, the Queensland government is considering introducing pre-approved loans up to a certain value in order to minimise the chance that clients may lose a property because of the application process. In New South Wales, a tenancy guarantee program is being piloted: up to \$1000 will be guaranteed to cover any damage to the property sustained during the tenancy.

### 5.3.2 *Moving expenses*

Participants remarked on the high additional costs of entering the private rental market. Some service providers argued that meeting a proportion of the bond costs enables clients to put their money towards rent in advance, connection of utilities and moving expenses. Others note that irrespective of bond support, clients do not have any additional money, and so cannot afford to enter the market. This becomes in effect a gap in the provision of financial services. One Queensland officer commented:

Because we don't have some of these other products, the expectations on the bond loan can become too high. It becomes the *de facto* consolation prize.

In Queensland, there are two service areas piloting a limited contingency fund to be used for moving and establishment costs for people affected by the closure of boarding houses. Boarding house closures create significant challenges for service providers who are faced with peaks in demand that cannot be met by the limited stock of public housing. The project is currently small and provides a solution for some residents who are able to find alternative housing but do not have the means to relocate. It may also be a way of exploring the provision of housing establishment costs for private renters more generally.

### 5.3.3 *Life skills*

Finally, service providers noted that PRSP do not approach the challenges facing clients in a holistic way. In particular, there is no formal provision for the lack of budgeting and maintenance skills that contribute to sustainable tenancies. In practice, some service providers are offering informal advice at the time of application or in subsequent meetings. Again, extending the schemes beyond financial support may make it easier in the long run to successfully meet the aims of the programs. This requires a more 'joined up' approach, including case management, so that financial assistance becomes one of a suite of relevant services offered to clients. In recognition of some of these issues, the State government has funded a pilot project, the South Australian *Private Rental Liaison Demonstration Project*, through the Social Inclusion Initiative. The project aims to assist PRSP customers achieve successful (i.e. stable and claim-free) private tenancies. As part of this process, Private Rental Liaison Officers initiate and implement early intervention and prevention strategies to maximise the chances of achieving successful tenancies. These include an information, advisory, mediation and referral service for customers throughout the tenancy, and monitoring new tenancies during their first three months by phone calls

and home visits (a similar program is currently being piloted and evaluated in Tasmania). As one tenant support worker in SA said:

Where there is more direct support in assisting tenants with their budgeting and housing/life skills, behaviours change, tenancies are extended and bonds are recouped.

#### 5.3.4 *Practitioner knowledge*

Addressing gaps in practitioner knowledge would facilitate the provision of integrated services. Victorian interviewees suggested there is a need for a deeper understanding of the factors that contribute to sustainable tenancies. This knowledge would be most easily developed through better communication with different service providers, so that Office of Housing data is supplemented with the insights of those working in fields such as mental health, domestic violence support, juvenile justice, corrections and drug policy and support.

#### 5.3.5 *Repayment issues*

Additional limitations and gaps are not directly referenced to the aims of the PRSP but are nonetheless significant. They have the potential to impact on the programs' financial efficiency and the resources devoted to them. The efficient provision of resources is not an explicit aim in any state, but the more efficient the services, the greater the resources available to assist households. Difficulties were reported in both loan and bond schemes. Client service officers working under both schemes recognised the significant resources needed to manage loans, and chase and recover debts, from the client and landlord. This is not always successful. In Western Australia there is an annual shortfall of \$500 000 of unpaid debts and program officials noted that a small proportion of high risk tenants were generating the highest turnover rates, the highest levels of arrears and the largest bond losses. These failures may reflect a lack of life skills. In practical terms, this is a gap in the management of the programs. To some extent, it is being mitigated through promoting payment options like direct debit (ACT) and Easipay (QLD), which encourage clients to meet their repayment obligations.

Client service officers in jurisdictions offering grants rather than loans believed that when there is no requirement to pay back the money, people are less likely to take responsibility for their tenancy agreements and behaviour as tenants. This perception was also held in the ACT (which offers bond loans):

With grants, recipients have no requirement for mutual obligation or to understand the need to budget and manage finances. Generally, grants may not be accounted for as rigorously as loans, creating an environment for recipients to seek additional grants as they enter new tenancies.

A Tasmanian client service officer noted that:

One of the great things about ownership of the bond is that then it matters if you don't do the right thing (i.e. ensure the return of bond monies).

Another related:

I had a tenant yesterday who wants a new bond and he had a bond within the last twelve months, which is on his current property. And I said to him 'How does it look? What are the chances of getting this bond back?' And he said 'I won't get this one back because I haven't been paying my rent so that I can save up for the new property'.

These experiences suggest that schemes providing grants struggle to educate clients on the role of bond in tenancies. Successfully filling this information gap could potentially empower clients by teaching them about the responsibilities and rights that

offer protection in all rental circumstances, irrespective of who provides the bond. It would also minimise the financial losses of service providers, with monies being recycled to meet the needs of additional households.

The critique of grant schemes does not mean that loan schemes run without difficulties. They are also associated with problems and inefficiencies. The critiques directed to them suggest that to date, there is not enough evidence to support a claim that one program type is better than another; both are marked by strengths and weaknesses.

One source of loan scheme difficulties lies in client debt. In Queensland, where bond assistance comes in the form of a loan, a service provider notes that the increasingly high rents translate into large bond sums. People may borrow up to \$1000 and be asked to meet a minimum repayment schedule of five dollars a week. In Queensland, tenants considered this to be affordable, and some were repaying the loan at up to double the minimum repayments. In Western Australia, in contrast, where the repayments are a little higher at \$15 per fortnight, some of the tenants stated they found the schedule difficult to meet. Borrowing and then repaying large sums adds to households' weekly costs, and so may impact upon the ability to maintain a tenancy. As a tenant in WA remarked:

\$15 might not seem much to you but it is a lot to me. I had to go a long time without stuff to catch up on all the money I had to fork out.

Service providers in Queensland also noted that borrowing relatively large amounts of money with low repayment requirements places clients in long term debt, which may last after they quit the residence for which the bond was originally borrowed. One Queensland program administrator commented

For some people, the way the bond loan's repaid, it sets people up to fail, sets people up with a debt. If it takes two years to repay and the tenancy is three to six months, they're going to leave that tenancy with a debt.

This has implications for the accessing of future assistance, as in most jurisdictions, eligibility requires that no outstanding debts are owed to the relevant government programs or authorities. The Victorian bond loan program has mitigated this by allowing people placed on the priority segment of the public housing list to negotiate to pay the outstanding sum over a period of time.

A Queensland tenants' advocacy service noted another outcome of debts. When monies remain outstanding, tenants may not be motivated to dispute any landlord claims against the bond, even when they are spurious, because the money is seen as the Department's. Thus the debt remains uncleared. Jurisdictions have attempted to minimise the possibility of loan default through direct debit (ACT) and Easipay (QLD). Western Australian service providers noted the importance of timing, so that assistance is provided before the household accumulates large debts or loses their bond due to bad behaviour.

### *5.3.6 Eligibility*

Other gaps relate to eligibility requirements. The question of income levels has been discussed earlier. It is interesting to note that income eligibility standards are still referenced to public housing eligibility in NSW and policy officers note that the relevant income levels haven't been reviewed since 1992. Thus, there exists a group of people who while living on low-incomes are not eligible for priority public housing or assistance in the private rental market through this scheme.

The length of residence has also been raised as an issue. These requirements can be waived in some instances in the Northern Territory and on a discretionary basis in the ACT. The Queensland Department is currently considering removing its 6 weeks local residency rule. Additionally, outstanding debts owed to the relevant authorities and schemes mean that people are ineligible for further assistance, regardless of their level of need.

In Western Australia, recipients of community housing are not eligible for bond assistance; the State Housing Authority takes the position that public assistance has been provided through the subsidised development. Providers argue that those in receipt of this form of housing are high risk tenants who incur greater costs with little prospect of saving a bond, and who thus need the assistance more, or at least as much as, other groups. In Queensland, the bond loan scheme is currently still referenced to eligibility for public housing – it is a pre-requisite of eligibility for the scheme. This is currently being reconsidered and reflects a move to recognising the significance of the scheme on its own terms, rather than with reference to the management of public housing stocks.

### *5.3.7 Publicity*

There is some evidence to suggest that there are gaps in the publicity accorded to the schemes. In the Northern Territory there is a sense that potential clients may not be aware of the scheme despite information being circulated to relevant agencies as written material and by word of mouth. A previous Tasmanian study has also noted the ad hoc rather than systematic advertising of the scheme (Jacobs 2002). A Victorian policy practitioner commented that information about the relevant schemes was distributed to clients of welfare services, which may mean that other households who struggle but do not present to agencies miss out on needed support:

Client groups who are working but have a low-income are often not aware of such schemes.

In the ACT, peak body agencies are concerned at the low rate of take up of the schemes, arguing it suggests that its effects are not being spread widely enough. Tenants in the ACT also believed the scheme was not as well known as it should be. This reflects the practice of only advertising the scheme in brochures and posters in Government shopfronts and Housing ACT sites. Housing ACT staff stated they do not actively refer people to the services, so as not to raise people's hopes.

An alternative point of view was offered by a South Australian practitioner, who described the scheme as 'a passive service, demand driven and not actually marketed' but argued that it was nonetheless well known to the individuals and agencies needing it.

A lack of information is also evident with regard to how the schemes are administered. While well known as an option, some of the ACT tenants who had not applied for bond assistance were not aware of how quick and straightforward the process was. On the other hand, service providers in Tasmania believed that information clearly setting out the process and its timing might facilitate more realistic expectations among clients. Queensland senior policy officers pointed to the need for more explicit information, in particular with regards to the nature of the scheme as a loan rather than a grant, and the consequences that would flow if repayment obligations were not met.

In sum, while service providers see PRSP as a key component of support for low-income clients, and are generally satisfied with their effectiveness in facilitating access to the rental market and sustainable tenancies, a number of gaps exist. Many relate directly to the management of the programs, while others raise problems in addressing only one element of a complex issue which is at least partially related to

the lack of affordable rental housing. Questions of access and maintenance of tenancies will always be partially dependent on the structures of the market. This is particularly true in light of insufficient public housing in the states and territories, the decline of low-cost lodging house accommodation, and a lack of supported accommodation for clients with special needs.

## **5.4 Duplication in the current system**

In contrast to the concerns over gaps in the current programs, rather less information was provided on the issue of duplication of services. Practitioners believed that there was little or no duplication. Additional forms of financial support were seen to complement PRSP rather than duplicate it.

Duplication was not seen as a problem in NSW following the 2001 review. In particular, this had identified duplication of support for utilities costs provided to pensioners and some clients of the Department of Community Services. Following this review and in light of the low rates of take up, these services were discontinued. In Victoria, there is little concern over the duplication of services in the Housing Emergency Fund and Office of Housing bond loan scheme – approximately 2% of HEF grants are for bond assistance.

New South Wales' participants noted that the *Rentstart* program effectively duplicated responsibilities held by the Commonwealth under the Commonwealth Rent Assistance Program. However, in practice the Commonwealth does not provide adequate private rental market assistance. Practitioners were concerned the current expensive rental markets mean that the amounts offered under *Rentstart* reduce rental costs but do not always make them easily affordable.

Rather than duplication, additional sources of support were seen as complementary resources for those in critical need. Service providers in Western Australia, Northern Territory and Tasmania all made this point. In Victoria, where outstanding debts with the Office of Housing render people ineligible for further assistance, the HEF grants are a 'fallback position'. Victorian and Tasmanian interviewees noted the possibility of 'double dipping', whereby a household applies to multiple agencies for relief; possible with no integrated monitoring system. However, Tasmanian service providers suggested that if this does occur, people are not getting an adequate level of support anyway.

In sum, duplication was not considered to be a significant issue in the context of PRSP. This may reflect its nature as a form of one-off service provision, which differentiates it from many of the additional income and housing support services available to clients.

### **5.4.1 Private sources of support**

Interviews and focus groups with people who were eligible for PRSP but chose not to take it highlight some of the privately sourced alternatives to institutionalised programs. The data collected suggest that some people are able to draw upon relatives. In other cases, people were able to come to an agreement with the landlord whereby they could pay off the bond in instalments. Finally, some people managed to scrape together enough money to meet the bond and associated expenses.

Those who did not apply for or accept bond loans offered a limited set of reasons. The first was the fear of discrimination against bond loan/grant applicants and recipients – these issues have been dealt with in greater detail in the sections 5.2 and 5.3, above. The second reason, presented by those in the Tasmanian focus group, related to the application process:

I had a bond through Anglicare and I just felt that I didn't want to do that again. I didn't want to do that again because I just felt that it was such a nuisance doing that the first time.

One woman had previously successfully applied for a bond through Anglicare but her circumstances made her nervous about using the service again:

I had an Anglicare lady phone me at half past six the night I applied, that night she phoned, from Hobart or maybe Launceston. A fax of an application has arrived. And it was the first time I had the phone on in my life, in my name, and I had a strange woman asking me what's my address and where was I living and I had just left a nasty situation and she could be my mother-in-law's neighbour for all I knew.

Additionally, people's often uncertain circumstances make them uncomfortable with using their entitlements in case worse is around the corner:

... and I thought I would stand on my own two feet sort of thing, so that's all I had to do with Anglicare. And she [the case worker] impressed upon me several times during the phone call that I could only take this once every twelve months and I thought "ugggh". It just felt so constricting and so confining ... I was reluctant to because I wasn't quite sure what the next week was going to bring. So I know that they are always there for desperation purposes but this time I just didn't feel so desperate.

In sum, some people were able to use informal sources to access the necessary one-off funds in order to move into accommodation. However, these are by no means available to all eligible people. Financial support from relatives may be limited or unavailable due to family breakdown and estrangement, or because the family itself is not in a financial position to provide any support. Coming to an arrangement with a private landlord may mean trading institutional protections for access to housing. It should also be noted that it might be difficult to find a landlord who is willing to enter into such arrangement; real estate property managers will not do so. Finally, people may be able to scrape together the necessary monies through savings, but again, this is not an option for those whose low-incomes do not provide the necessary amount of money. None of the informal sources of funds should be presumed to be widely or easily available, or a reliable alternative to PRSPs.

#### *5.4.2 Institutional and government funds*

While practitioners identified few duplicate sources of funding, people did have access to a range of complementary funds that supplemented the PRSP. These were not specifically allocated to bond assistance or moving expenses associated with movement into the private rental market, but were used by clients for this purpose. While tenants were theoretically able to identify and access these supports themselves, client service workers often directed them towards particular options, based on knowledge of client histories.

The following table summarizes the additional forms of support available in the states and territories. It must be noted that this table aims only to illustrate a range of the types of support available; it is not an exhaustive listing of options and their availability in particular states and territories.

**Table 12: Additional Forms of Support Across Jurisdictions**

<b>Assistance</b>	<b>NSW</b>	<b>QLD</b>	<b>TAS</b>	<b>ACT</b>	<b>NT</b>	<b>VIC</b>	<b>SA</b>	<b>WA</b>
SAAP top up funds	✓	✓	✓	✓	✓	✓	✓	✓
<b>Assistance</b>	<b>NSW</b>	<b>QLD</b>	<b>TAS</b>	<b>ACT</b>	<b>NT</b>	<b>VIC</b>	<b>SA</b>	<b>WA</b>
Emergency Relief Program (Cth)	✓	✓	✓	✓	✓	✓	✓	✓
Centrelink advance payment	✓	✓	✓	✓	✓	✓	✓	✓
Rescheduling of debt repayments by utilities companies	✓	✓	✓	✓	✓	✓	✓	✓
CRA	✓	✓	✓	✓	✓	✓	✓	✓
Commonwealth concessions (e.g. healthcare card)	✓	✓	✓	✓	✓	✓	✓	✓
Food vouchers, cash relief and inexpensive goods from charities			✓				✓	
Debt reduction program halving accumulated debts in return for regular payments								✓

Alternative sources of funding are directed towards a range of circumstances. Some, such as concessions, food vouchers, cash relief and inexpensive household goods, debt reduction and rescheduling options, can be used to minimise financial stress that can accrue from the ongoing costs of maintaining a tenancy, particularly in areas where rents are high. In this regard, Commonwealth Rent Assistance remains one of the most significant sources of financial support for those in the private rental market. Others, such as SAAP top-up funds and the Commonwealth Emergency Relief Program are used to help those in immediate housing crisis. Monies from a Centrelink loan can in practical terms be directed to almost any use. None are directly associated with the aims of PRSP, and so do not duplicate its funding and support. Overall, their significance suggests that assistance with housing costs may be most useful when considered in a holistic way that takes into account the relatively high costs posed by a move into the private rental sector for those on low incomes.



## 6 CONCLUSION

This chapter synthesises the findings from the research in order to draw some conclusions about the effectiveness of Private Rental Support Programmes (PRSPs), how that might be enhanced and how performance might best be monitored in the future.

It is important to keep in mind that PRSPs across jurisdictions, despite similar aims, operate with different structures, eligibility criteria and procedures. This means that they are best understood as a spectrum of separate programs rather than a single form of provision. This makes the task of comparing the effectiveness of schemes and different program models complex and not necessarily productive, particularly given the additional variation in housing markets between states and territories that will inevitably impact on what PRSP schemes can achieve.

Attempts to clarify how far any PRSP is achieving its key aim of assisting access to the private rental market is hampered by poorly developed monitoring and evaluation frameworks. However overwhelmingly clients and workers in all jurisdictions see PRSPs as positive and valuable for those who seek to enter the private rental market but do not have the financial means to do so unsupported. In addition, duplication of services was not considered to be a significant issue since PRSP is regarded by practitioners as a form of one-off service provision separate from the additional income and support services available to tenants. These findings mean that PRSPs can certainly, in part, be seen as meeting their aim of facilitating access to the market. However, in the absence of consistent and comparative performance indicators that can measure outcomes in the longer term, more quantitative data on the extent to which they are able to do this is unavailable. So too are measures of the effectiveness of different PRSP models in achieving these aims.

What is clear is that there are a series of barriers which impact on more effective facilitation of access to accommodation. These are not related to the functioning of the programs themselves but rather reflect the demands and expectations of prospective landlords in the housing market. This means that:

- Although there is no conclusive evidence of discrimination against PRSP recipients per se, some practices do disadvantage them. For example, intense competition for accommodation, the expectation that people have ready access to bond and rent in advance and occasionally illegal landlord practices mean prospective renters do not always have access to a wide range of choice in accommodation or are unable to effectively compete against others with higher incomes or different social characteristics
- The high cost of renting means that support may be withheld when the rental costs exceeds a certain proportion of the applicants' income
- Even with support, some households are not able to accumulate the monies for the residual bond costs, rent in advance (where applicable) utility connections and moving expenses. This means that PRSPs may be limited in their ability to assist the most disadvantaged.

There is less confidence about the usefulness of PRSPs in assisting with maintaining tenancies (not formally applicable in all jurisdictions) and whether this is achieved or not is less obvious. PRSPs are not able to directly impact upon the high ongoing costs of renting in the private market. The rent itself, in addition to utilities and other living expenses, means that many households would benefit from on-going support. One-off assistance may not be enough to help people sustain tenancies in the face of high rent and low-income that presents a weekly challenge. Client characteristics also operate as a barrier and although budgeting, household maintenance and negotiation

skills are not part of most PRSPs they nevertheless have a direct impact upon the success of a tenancy and the return of the bond at the end of a tenancy. There is a mismatch between the complex and joined up needs of tenants and the one-off support and financial focus of PRSPs. These factors are beyond the scope of rental support programs as they are currently structured although Tasmania is currently piloting an enhanced service which has the ability to provide proactive and on-going support to 'at risk' tenancies over a six-month period.

Other issues and gaps also influence the efficient workings of the programs even if they do not impact on the formal aims. These include:

- the provision of information about the scheme and the rights and obligations of all parties
- a lack of systematic advertising of the program and its requirements
- practitioner knowledge about the range of options available
- little support for the development of life skills in clients
- the costs of moving expenses, difficulties associated with repayment of bond loans and the determination of eligibility

Some of these difficulties are mitigated through other sources of support – informally through families and friends, private negotiations with landlords and other government or charitable programs which aim to minimise housing crisis and financial stress. These are seen as complementing rather than duplicating PRSP. They are also ad hoc and not part of a holistic provision for this group.

This report suggests that when PRSPs are located in the broader social and economic context one-off financial solutions will at best be a 'band aid' solution, particularly with clients on low-incomes experiencing on going financial stress. Initial access to money is only part of the challenge; without an integrated approach to developing skills and knowledge necessary to survive in private rental accommodation PRSPs cannot address a multi-dimensional problem.

Overall, in the light of the absence of shared measures and differences between jurisdictions, little or no longer term monitoring of the outcome of tenancies and the impact of external factors it is not possible to measure how far PRSPs are able to promote access and maintain tenancies. Answers to these questions will always be partially dependent on the structure of the market, particularly in the light of insufficient public housing, a decline in low-cost housing and a lack of supported accommodation for special needs clients. Nonetheless, it is an important and valued response to some of the particular issues faced by those with low-incomes in the private rental market and it can be improved and enhanced.

An important part of addressing these issues is to improve the evaluation frameworks within which PRSPs operate. To effectively monitor PRSPs so that they can comprehensively address whether they are achieving their aims of improving access (and in some cases improving retention and sustainability) requires longer term monitoring either on a snapshot basis or periodically to see what happens to tenants. This requires resources and commitment. However given the identified differences between schemes and the housing markets within which they operate generating shared performance indicators which can be used for comparative purposes is challenging. There may be some that apply in all jurisdictions but their numbers are likely to be small.

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## APPENDIX 1 DATA COLLECTION METHODS

### NSW

- Senior policy officers in the NSW Department of Housing – three staff provided input (an officer with direct involvement in the review of the Rentstart scheme, an operational policy officer and a manager of operational policy).
- A focus group discussion with seven client service officers located in a regional office of the NSW Department of Housing. The client service officers had worked for the Department for between two and twenty two years, working in a variety of metropolitan and non-metropolitan offices providing Rentstart assistance.
- Interviews with workers from two peak bodies – Shelter and Tenants Union of NSW (TUNSW). The Tenants Union worker prepared for their interview by seeking inputs from workers in Tenant Advice and Advocacy Programs (TAAPs) across NSW.
- Interviews with fourteen tenants in Sydney. This work was done as part of another AHURI study on non-shelter outcomes. As part of the project, the NSW Department of Housing included an interview question about Rentstart.

### QLD

- Five private tenants who are present users of the Bond Loan Program were interviewed by telephone;
- Six private tenants who would have been eligible for private rental support programs, but did not use them were interviewed: three by phone and three in a small focus group at a local community centre;
- Four Department of Housing Area Office-based program practitioners, such as Program Managers and service deliverers, participated in a focus group discussion at an Area Office; and
- Four senior policy officers involved in setting strategic directions for a range of programs, including private rental support programs, were interviewed, two together in person, and two separately by telephone.
- In addition, the Tenants' Union of Queensland provided some written comments in response to email questions about the programs.

### SA

- Five focus group discussions with: (a) senior policy makers from the Housing Trust and the Department for Families and Communities; (b). practitioners from the Housing Trust; (c). members of the Landlords' Association of South Australia; (d). members of the Real Estate Institute of South Australia with extensive experience of private rental, including tenancies supported by the Private Rental Support Program and (e). housing support workers from a large non-government agency.
- Seven individual face to face interviews with: 4 private sector tenants in receipt of private rental support; 1 private sector tenant who not in receipt of PRSP

assistance; a representative of Shelter SA and a representative of the South Australian Financial Counsellors Association (SAFCA).

## **WA**

- An analysis of existing data sources including documents provided by the SHA
- One focus group with policy and program officials from the SHA who are directly responsible for the operations of the Bond Assistance Program. Two of these staffers had managed the program for over 10 years.
- Interviews with tenant advocacy workers (2) familiar with the program, and tenant support staff (2), who provide direct assistance to 'at risk tenants' using the program
- A series of interviews with tenants who had used the program (6), and tenants who were eligible but had not used the program (3).
- Interviews with estate agents familiar with the program (4), including one managing a large portfolio of housing held 'temporary' by state government departments.

## **TAS (PILOT STUDY)**

- Four focus group discussions (private sector tenants in receipt of private rental support; tenants in the private sector who choose not to access PRSP; practitioners employed by Anglicare; and practitioners employed by Colony 47).
- Interviews and discussions with senior policy makers working for Housing Tasmania and peak body agencies (Shelter, The Tenants' Union and the Real Estate Institute of Tasmania).

## **VIC**

- Interviews with four senior policy officers in the OOH.
- A focus group discussion with four officers involved with the delivery of the relevant housing services, located in the OOH regional offices. An interview with one worker at a community (non-profit) agency.
- Interviews with workers from two peak bodies – Victorian Council of Social Service (VCOSS) and Tenants Union of Victoria (TUV).
- Interviews with three tenants who had not received support from the two schemes.
- Interviews with two tenants who had received support from the two schemes.

## **ACT**

- 2 focus group discussions with policy officers from Housing ACT and a practitioner from Gateway Services, who administers PRSP in the ACT, with written answers provided for the questions.
- Face-to-face interviews with senior officials from peak body agencies (Canberra Emergency Accommodation Services, The Tenants' Union, the Real Estate Institute of the ACT) and from the Office of Rental Bonds.
- Two face-to-face interviews with private renters who choose not to access PRSP, and one interview with one private renter in receipt of private rental support.

## **NT**

- Face to face interviews included staff from the Department of Community Development, Sport and Cultural Affairs; the Real Estate Institute of the Northern Territory (REINT) and a representative of NT Shelter
- Telephone interviews with a staff member at the Darwin Community Legal Service and a staff member in the Office of the Commissioner for Tenancies

## APPENDIX 2: STATE AND TERRITORY PRSP: AIMS AND METHODS OF PERFORMANCE REVIEW EVALUATION

STATE/ TERRITORY	PRSP AIMS	PERFORMANCE REVIEW/EVALUATION OF PRSP	DATA COLLECTION METHODS USED TO REVIEW PRSP
VIC	<p>Bond Loan Scheme: Provides loans to those on low incomes to access private rent market</p> <p>Housing Establishment Fund: Provides grants to those on low incomes to access crisis accommodation and/or private rental/bonds.</p> <p>Brokerage: Brokerage is being piloted through Victorian Homelessness Strategy pilots, Housing Options for Women escaping Family Violence Private Rental Brokerage (PRB), and the Mental Illness Discharge Pilot</p>	<p>Last reviewed March 1999. Main outcomes were changes to amount given to households for bond</p> <p>Last reviewed in 2003, to clarify use of HEF, client group and reporting arrangements.</p> <p>External consultants are currently evaluating VHS pilots. Interim reports indicate positive outcomes for clients. Lessons from the PRB are being incorporated into revised Family Violence responses, announced in the May State Budget, under the Fairer Victoria social justice policy.</p>	<p>Consultation forums, written submissions to test policy effectiveness and ensure consistent application of policy for those who are homeless or at risk of homelessness, clarification of HEF to be used as a grant rather than a loan; supported by data analysis.</p> <p>Data analysis, client and service interviews, surveys, etc.</p>
WA	<p><b>Bond Assistance Loan:</b> To assist income eligible people, with limited finances, who are homeless or likely to become homeless, by providing a loan for the rental property.</p>	<p>Private Rental Bond Assistance Loan Scheme Survey – 2003/04</p> <p>Sample survey of bond applicants to determine the success and barriers low-income people encountered entering the private rental market.</p> <p>A review of the bond levels will be undertaken in 2005.</p>	<p>The survey involved:</p> <ul style="list-style-type: none"> <li>• Development of a database, survey form and consent/confidentiality form.</li> <li>• Establishment of volunteer survey group.</li> <li>• Analysis of findings to establish: <ul style="list-style-type: none"> <li>- Success in securing accommodation.</li> <li>- Lack of success and whether due to ethnicity and/or disability.</li> <li>- Length of tenancy and if short term, the reasons such as, rise in rent, etc.</li> </ul> </li> </ul>



<b>QLD</b>	Enhance access to private rental market	Review of bond loan policies undertaken 2004 Satisfaction survey undertaken every 2 years	Data analysis, satisfaction survey
<b>TAS</b>	Provide a range of financial and non-financial assistance to low income recipients trying to access or maintain a tenancy in the private rental sector.	<ul style="list-style-type: none"> <li>- PRSS service evaluated during 2004.</li> <li>- Expanded PRSS and Intensive Tenancy Support initiative under the AHS evaluated during 2004.</li> <li>- Ongoing monitoring of targets/outcomes for basic PRSS on a quarterly basis.</li> </ul>	<ul style="list-style-type: none"> <li>- External Consultant using both quantitative data and survey form.</li> <li>- Combination of quantitative data and client case studies</li> <li>- Internal analysis of data provided by contracted service providers including both number and profile of clients assisted and actual expenditure.</li> </ul>
<b>NT</b>	Provision of the Bond Assistance Scheme is aimed at increasing access to private sector accommodation for low-income earners through assisting with initial on-costs of renting.	The Bond Assistance Scheme is currently being reviewed to ensure it is increasing access to the private rental market for low income Territorians.	Analysis of internal data relating to the uptake of Bond Assistance Scheme.
<b>ACT</b>	Assist people on moderate incomes to access the private rental market	Scheme currently under review to evaluate its performance since introduction in July 2003 and to determine any need to modify the eligibility criteria	Accessing internal statistical material gathered for applications to date
<b>SA</b>	Assist people on moderate incomes to access the private rental market	<p>Formal review is undertaken approx. every 10 years (major). Most recent review commenced in May 2003.</p> <p>Informal analysis occurs monthly but main focus is quantitative – financial and numbers using programme, dollars in and dollars claimed.</p>	<p>Major review used substantial data interrogation – demographics of users over last five years, debt levels of individuals, numbers of returning customers, analysis of bond claims. Reason for seeking assistance, numbers of customers with disability, where customers were exiting from when accessing service (shelter, prison etc).</p> <p>‘Desk top audit’ reviewing customers contact /service PRSP.</p>

<p><b>NSW</b></p>	<p><b>Rentstart</b></p> <ul style="list-style-type: none"> <li>• <u>Rental bond</u> and <u>advance rent</u> are provided to assist clients to establish a private sector tenancy, or adjust a tenancy in line with changes in their circumstances.</li> <li>• <u>Rental arrears</u> are provided to assist clients to maintain a private sector tenancy, thereby preventing eviction and possible homelessness.</li> </ul> <p><b>Special Assistance Subsidy Schemes</b></p> <p>To provide affordable and secure accommodation for those approved for priority housing who may have to wait longer for suitable public housing because of their specific needs.</p> <p><i>Private Rental Brokerage</i></p> <p>Assist clients with complex needs who are at risk of being excluded from the private rental market to access and maintain a private sector tenancy.</p> <p><i>Tenancy Guarantee Scheme</i></p> <p>Increase access to private rental accommodation for those most at risk of exclusion due to discrimination or lack of a rental history. The program is administered by non-government agencies.</p>	<p>A formal review was undertaken in 2001 to assess outcomes for clients, the cost of delivering the program, outstanding policy issues, and the mix of services provided.</p> <p>Review 2000 to determine whether these products continue to offer cost-effective housing solutions.</p> <p>Pilot from May 2003</p> <p>Review November 2004</p> <p>An evaluation of the Tenancy Guarantee Scheme was completed in late 2004. The evaluation report was positive and recommendations are being implemented.</p>	<p>The review employed consultations with operational and policy staff across the Department, analysis of internal financial and operational data and review of documentation.</p> <p>The Department attempted a longitudinal study of Rentstart clients but was unable to complete the study due to the inability to contact sufficient numbers of client by phone. A mail survey was not attempted due to the complexity and sensitivity of the issues being canvassed.</p> <ul style="list-style-type: none"> <li>• Staff interviews</li> <li>• File audits</li> <li>• Health data</li> <li>• Disability data</li> <li>• Rent data</li> </ul> <p>Administering agencies provide quarterly reports that include data on client demographics, needs, client usage and outcomes.</p>
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## **AHURI Research Centres**

Sydney Research Centre  
UNSW-UWS Research Centre  
RMIT-NATSEM Research Centre  
Swinburne-Monash Research Centre  
Queensland Research Centre  
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