



Victoria Law Foundation - Knowledge Grant No. K20-023

The growth of community housing: what does it mean for tenants?

Preliminary Research Report

November 2020

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Abbreviations

ABS - Australian Bureau of Statistics

AHURI - Australian Housing and Urban Research Institute

AIHW - Australian Institute of Health and Welfare

CH - Community Housing

CHO - Community Housing Organisation

CHIAVic - Community Housing Industry Association Victoria

DHHS - Department of Health and Human Services

DoH - Director of Housing

DTAF - Department of Treasury and Finance

HA - Housing Association

HP - Housing Provider

LT - Community housing defined as 'Long Term'

LT (excl. RH) - *Community housing defined as 'Long Term' excluding Rooming Housing*

PH - *Public Housing*

RH - *Rooming Housing*

THM - *Transitional Housing Management*

Total LT - *Community housing defined as 'Long Term' including Rooming Housing*

VCAT - *Victorian Civil and Administrative Tribunal*

VHR - *Victorian Housing Register*

Introduction

The purpose of this research is to examine the effects of different social housing arrangements on tenants' rights. This preliminary research report identifies the extent to which different social housing landlords evict tenants and appear as the applicant in the daily hearing lists of matters to be determined in the VCAT Residential Tenancies List.

The findings below are the result of an analysis of two principal data sources:

- a) **Housing Registrar Performance Standards data published on Data Vic by the Department of Treasury and Finance in 2019 (DTAF 2019).**
 - i) This contains de-identified information about the number of tenancies, exits and evictions in the Community Housing (CH) sector down to the level of individual Community Housing Organisations (CHOs). Housing Registrar data assigns random codes to HAs and HPs for every year data is recorded. While this research was able to link Housing Association data between years, the CHOs listed in Registrar data must be identified to gain a more detailed understanding of the causes of eviction in the sector, identify trends over time and link the data to external sources.
- b) **Data collected independently from VCAT Residential Tenancies List daily hearing lists.**
 - i) This data specifies the number of VCAT hearings in which a social housing landlord was the applicant over a particular period. It also identifies the specific social housing landlord making the application.

This analysis is moreover informed by a comprehensive overview of relevant secondary

literature and other primary sources¹. The report finishes with a summary and discussion of findings and an account of research project progress.

1. Defining the registered community housing sector

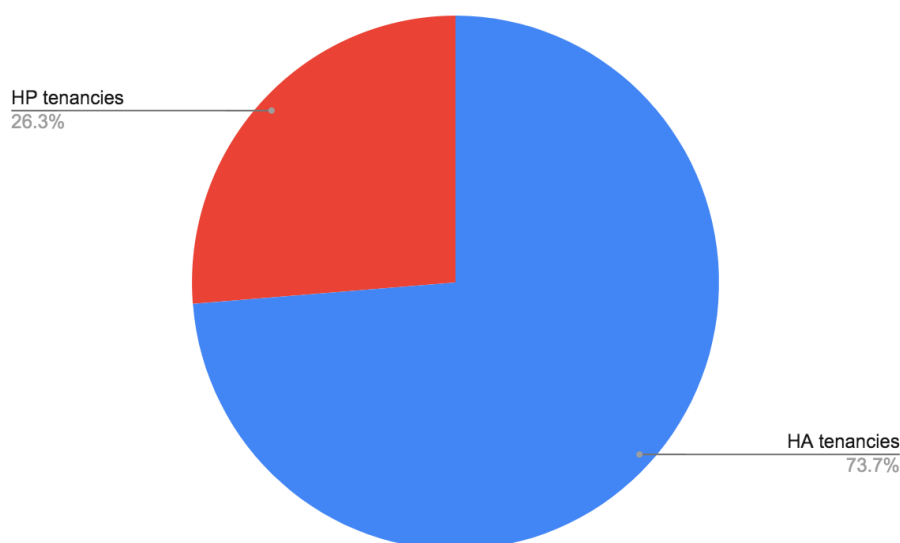
‘Social housing’ is an umbrella term that refers to public housing (PH) – owned and managed by the Director of Housing – and community housing (CH) – managed and/or owned by not-for-profit NGOs.

Community housing - registration type

The community housing (CH) sector is highly variegated. According to AIHW (2020), there are 103 community housing organisations in Victoria. Only 39 CHOs are registered with the Housing Registrar, which is the relevant regulatory body. These CHOs manage an overwhelming majority of CH tenancies.

For clarity, this research will focus on CHOs registered with the Housing Registrar. Registered agencies are subject to data reporting requirements and are obligated to list certain policies on their websites, ensuring that their practices can be more readily understood, compared and analysed than non-registered CHOs.

Figure 1: Housing Provider (HP) vs. Housing Association (HA) share of CH sector tenancies



¹ Partial reference list at conclusion of report.

The Victorian regulatory system divides CHOs into two types: Housing Associations (HAs) and Housing Providers (HPs). At June 30, 2019, there were 10 Housing Associations managing 13,517 tenancies and 29 Housing Providers managing 4,817 tenancies of all types (total tenancies 18,878).

Housing Associations manage more tenancies, are more financially stable and own more of the properties that they manage. To qualify as a HA, an agency must demonstrate to the Housing Registrar its capacity to increase scale. HAs are the fastest growing portion of the community housing sector. DTAF (2019) data shows that between 2009 and 2017, HAs have become dramatically less likely to manage rooming houses (RH) and transitional housing (THM) tenancies as a share of all their tenancies.

Housing Providers (HPs) are more numerous, typically manage a smaller number of tenancies and are more likely to devote a higher proportion of their stock to specialised housing types, rooming houses and THM. In 2017 (DTAF 2019), Housing Providers managed 67% of all RH and 53% of THM tenancies in the sector. They are therefore more likely to manage less secure occupancy types.

Community housing – tenure type

Housing Registrar data released by the Department of Treasury and Finance (DTAF 2019) divides community housing tenancies into 2 main types: long term housing (LT) and transitional housing (THM). The same categories are used by CHIA Vic (Community Housing Industry Association) and AIHW.

Long term (LT) housing is an ill-defined term that refers to CHO tenancies that are deemed ongoing², including in rooming houses owned and/or managed by CHOs but excluding transitional housing.

² This definition is broad and includes: 1. DHHS owned properties managed by CHOs under guidelines set by DHHS; 2. Long term tenancies in properties owned and managed by CHOs; 3. Long term tenancies in properties head-leased to CHOs by private owners but managed as community housing; 4. Some NRAS properties; 5. Other 'affordable housing' properties - for example those provided for under Affordable Housing Agreements with local councils; 6. Rooming house tenancies; 7. All tenancies to which both categories of Victorian Housing Register eligibility apply.; 8. Cooperative housing subject to varying degrees of top down control by Common Equity Housing Limited or small rental co-op Housing Providers.

In Housing Registrar data long-term community housing is further categorised in three ways:

1. Long-term, excluding Rooming Housing (LT excl. RH)
2. Rooming Housing (RH) only
3. Total LT, including RH (Total LT)

Rooming houses in the community housing sector are often older rooming houses which have been refurbished and provide a higher standard of accommodation than current private rooming houses. CHOs own 114 of 1100+ rooming house properties in Victoria.

While rooming houses are considered by CHOs to be a form of long term housing, they have significantly higher exit and eviction rates than LT (excl. RH) community housing (DTAF 2019), and therefore appear to be a less secure form of occupancy. Unlike THM, rooming houses are not managed through a separate government-funded program. Rooming house allocations are managed through the Victorian Housing Register and subject to its eligibility criteria³.

Transitional housing (THM) is a short to medium term tenancy type. THMs are intended to act as a 'stepping-stone' to longer term tenancies in private or social housing. THM properties are leased by DHHS to THM providers. They are presently funded by the Housing Establishment Fund as part of the National Affordable Housing Agreement and do not conform to the same eligibility requirements mandated for registration with Victorian Housing Register. THMs makes up 20% of CHO managed housing (Housing Registrar 2019). THMs are excluded from analysis below⁴.

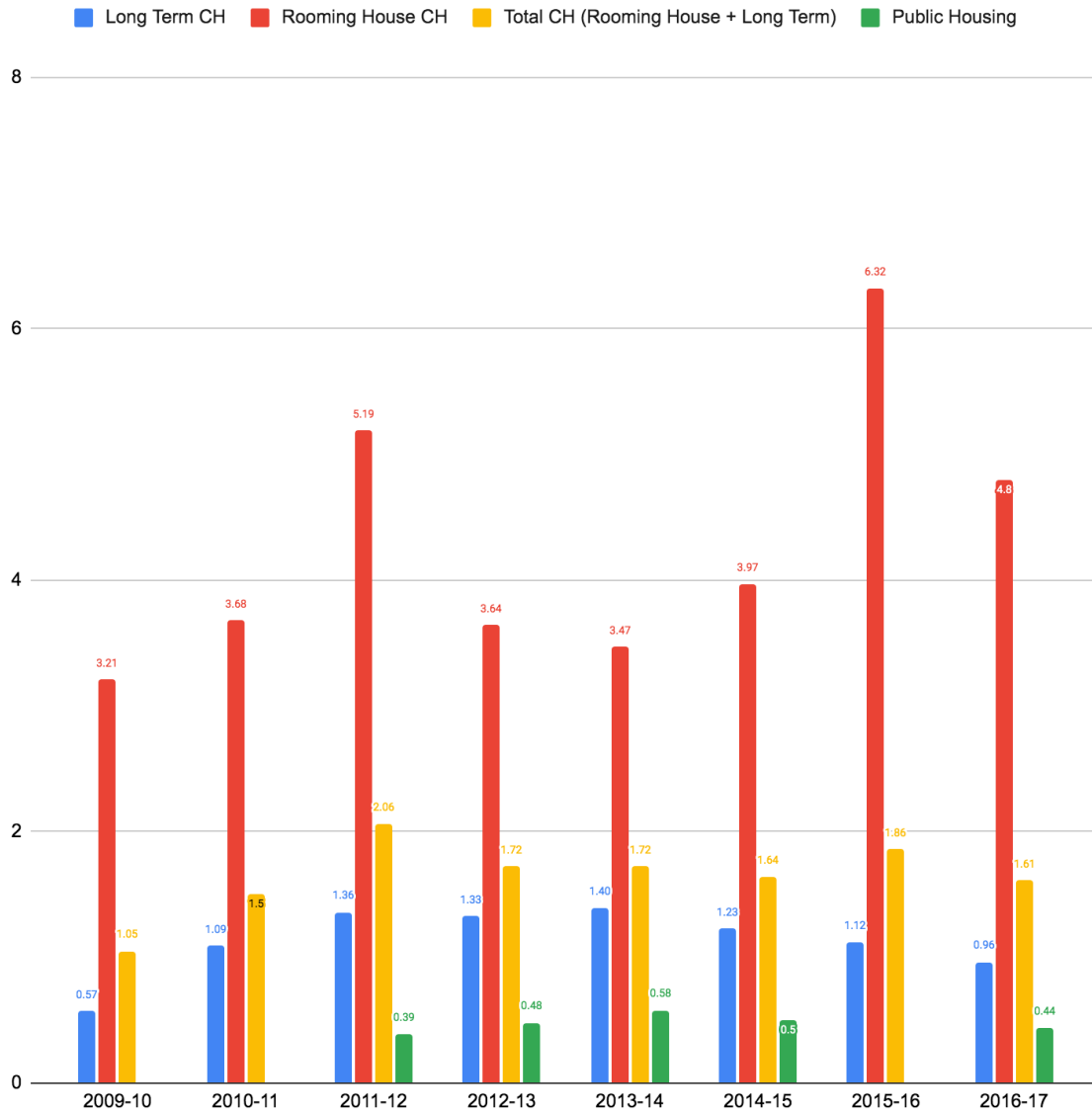
³ The Victorian Housing Register (VHR) came into effect in 2018. It unifies public and community Housing waiting lists. VHR participation is conditional on CHOs allocating housing to a set percentage of disadvantaged "priority access" tenants (75%). However, in practice CHOs are able to list 'exceptions' in their VHR agreements that drive down the percentage of priority access intakes. VHR participation gives CHOs access to government funding and grants.

⁴ This is because THM is not counted as 'social housing' in stock/tenancy counts of most sources and is not subject to VHR allocations criteria.

2. Findings: eviction rates in Victorian social housing over time⁵

Figure 1: Evictions as % of tenancies by social housing type 2009-17

Evictions % of Tenancies by social housing type



⁵ All data in this section excludes THM.

The eviction rate in public housing⁶ is below all community housing tenure types in the years where data for public housing was available. Evictions were 2 to 3 times more likely in LT (excl. RH) community housing than in PH, and 4 to 12 times more likely in RH⁷. This suggests that even the most secure CH tenancy types offer less security of tenure than PH (*Fig. 2 - below*).

This view is confirmed by *Table 1 – below*. It suggests that community housing landlords accounted for a disproportionate share of LT (excl. RH) social housing evictions in the financial years between 2012-13 and 2016-17 (inclusive). About 15% of social housing tenancies – those managed by CHOs - accounted for 30% of LT (excl. RH) social housing evictions across this period. The three CHOs with the highest eviction rates in each listed year managed around 5% of social housing tenancies yet were responsible for at least 15% of LT (excl. RH) social housing evictions.⁸

Table 1: Public and community housing share of social housing tenancies and evictions

▲	2016-17	2014-15	2013-14	2012-13
CH % SH evictions	30.6	31.0	29.7	35.2
CH % of SH tenancies	16.6	16.7	15.8	14.5
PH % SH evictions	69.4	69.0	70.3	64.8
PH % SH tenancies	83.4	83.3	84.2	85.5
Top 3 CH evictors % SH evictions	15.4	19.6	16.7	15.6
Top 3 CH evictors % SH tenancies	5.5	5.1	5.3	5.2

⁶ In this report eviction rates are expressed as a percentage of the number of tenancies at the start of the financial year. This measures the number of social housing exits caused by eviction throughout the course of that financial year. Evictions in CH are usually expressed as a percentage of exits by the Housing Registrar, individual CHOs and CHIA Vic. To facilitate comparison with PH, and also to avoid inconsistencies that might result from variations in exit rates, evictions are expressed here as a percentage of tenancies rather than exits.

⁷ Pending the outcome of FOI requests, our method of attaining eviction rates in public housing relies on eviction numbers reported in journalistic and secondary sources. True eviction rates may therefore differ from those reported here. However, as the high discrepancy between CH and PH eviction rates shown here would require PH eviction numbers to be doubled or tripled in order to equal the eviction rate in CH, we are confident that the findings above are reflective of real trends.

⁸ The totals in Table 1 are derived from a combination of AIHW and Housing Registrar data sources to remove Rooming Housing tenancies from findings. This decision was made because publicly available community housing totals published in AIHW and Productivity Commission reports include tenancies managed as RH and/or by the non-registered community housing sector if they are publicly funded. As such, the eviction share of community housing tenancies reported in these official sources may be considerably higher than those presented in Table 1, as they include RH tenancies with a higher rate of eviction.

These findings indicate that:

- community housing accounts for a disproportionate share of LT social housing evictions, even when insecure tenancy types are excluded; and
- a minority of CHOs are responsible for a disproportionate number of evictions in relation to the number of tenancies they manage, likely elevating the sector wide eviction rate.

Figure 2: LT (excl. RH) evictions as % of tenancies by social housing landlord 2011-2017

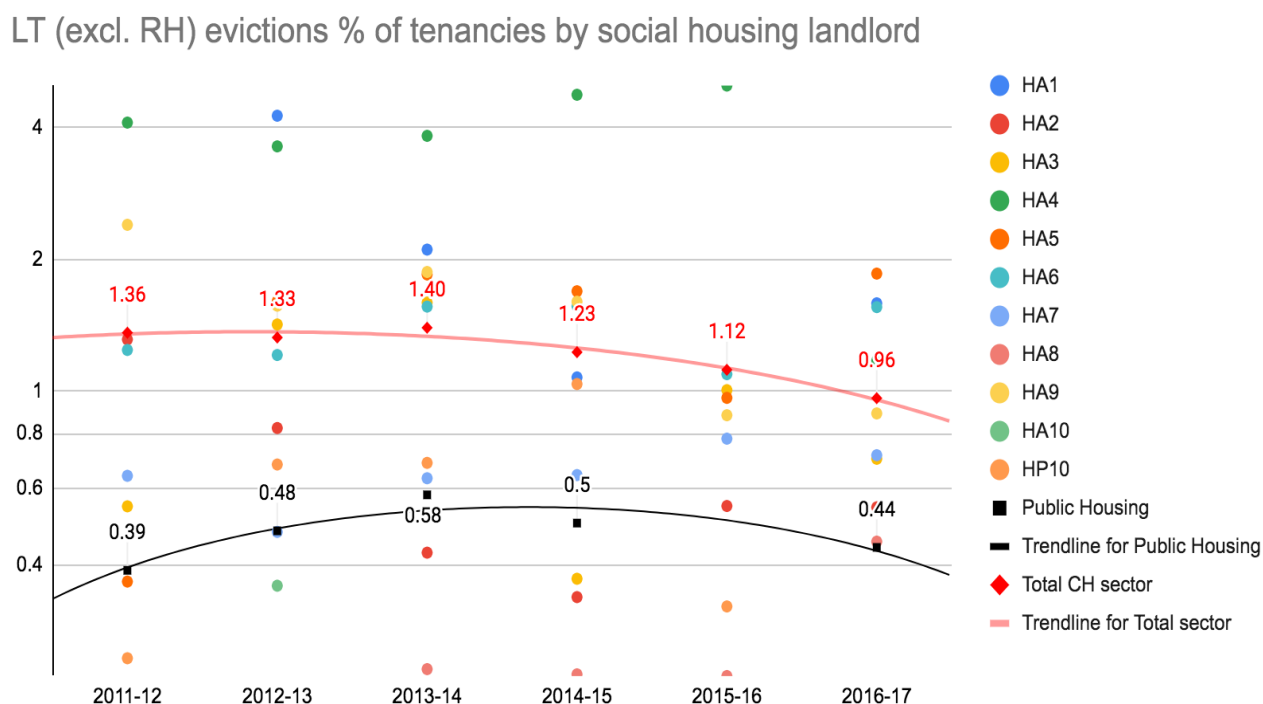


Figure 2 compares the LT (excl. RH) eviction rates of the 10 Housing Associations registered in 2017 and onwards, between 2012-17⁹. It shows that the eviction rate of many HAs fall below the CH sector trendline, and some falls below even that of PH. In other words, it confirms that a minority of CHOs account for a disproportionate share of overall LT (excl. RH) evictions and exhibit a higher proclivity to evict tenants.

⁹ Two HAs in Fig. 2 were HPs before the end of the 2016 financial year. HP10 merged with HA4 in 2016-17, meriting its inclusion. The previously dramatic eviction rate of HA4 plummeted in 2016-17, presumably due to its merger with HP10 which had historically lower eviction rates.

3. Findings of VCAT hearings daily lists (July 1 - September 11, 2020) and comparison with Housing Registrar data

Since June 2020 we have collected data from daily hearings lists published for the Residential Tenancies List at VCAT (available on the VCAT website). The data presented below reflects a snapshot of residential tenancies hearings from July 1 - September 11, 2020^{10 11}.

During this period, the details of 5,500 applications to VCAT were collected. Table 2 lists the number of hearings in which either a registered CHO or the Director of Housing were listed as the applicant. If multiple hearings with duplicate reference numbers were listed, they were removed and thus counted as a single hearing on this table in order to obtain an accurate picture of applications made.

Around half (19 of 39) registered CHOs appeared as applicants on the residential tenancies list during this period. All 10 Housing Associations are represented along with 9 Housing Providers.

¹⁰The degree to which this data reflects actual trends can be questioned due to the small sample period under review. Data representativeness will increase as more VCAT trials data is collected and sorted.

¹¹ A single day is missing from the sample period.

Table 2: Number of VCAT residential tenancies hearings in which a CHO was the applicant (July 1-September 11, 2020)

1	Aboriginal Housing Victoria	6
2	Community Housing Ltd	14
3	Common equity housing limited	1
4	Southerners equity rental housing cooperative	1
5	Housing Choices Australia	24
6	Housingfirst	2
7	Haven Home Safe/Loddon Mallee	24
8	Rural Housing Network/Beyond Housing	6
9	Unison	33
10	Wintringham	1
11	Womens housing	5
12	Baptcare	4
13	Each Housing	2
14	Eastcoast Housing association	6
15	Launch Housing	2
16	Salvation army	21
17	Servants Community housing	2
18	St Kilda Community Housing	3
19	Uniting Housing	5
20	YWCA	17
21	Housing Associations total	117
22	Housing Providers total	56
23	Director of Housing	136

Figure 3: % of social housing VCAT residential tenancies hearings by social housing type

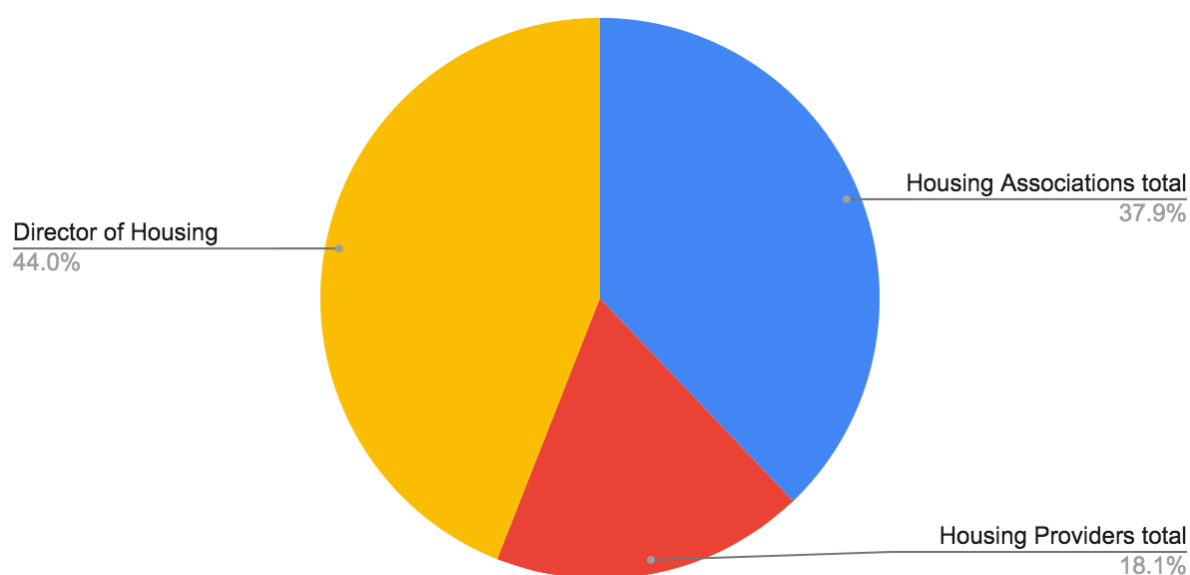
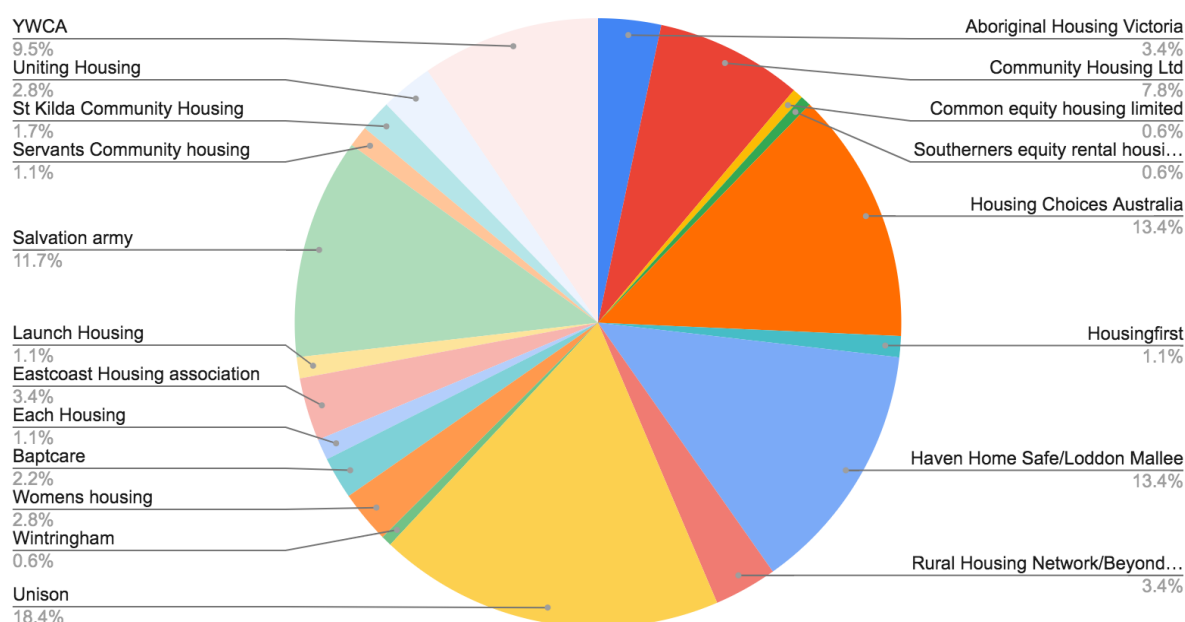


Figure 3 shows that CHOs accounted by 56% of social housing landlord applications to VCAT. According to AIHW (2020), DHHS managed 62,096 public housing tenancies in Victoria. According to the Housing Registrar (2019) the registered sector managed 18,768 tenancies in 2019.

This implies that during the sample period a community housing tenancy was roughly 3 times more likely than a public housing tenancy to appear on the VCAT residential tenancies list, if the number of community housing VCAT applications is measured as a percentage of tenancies managed.

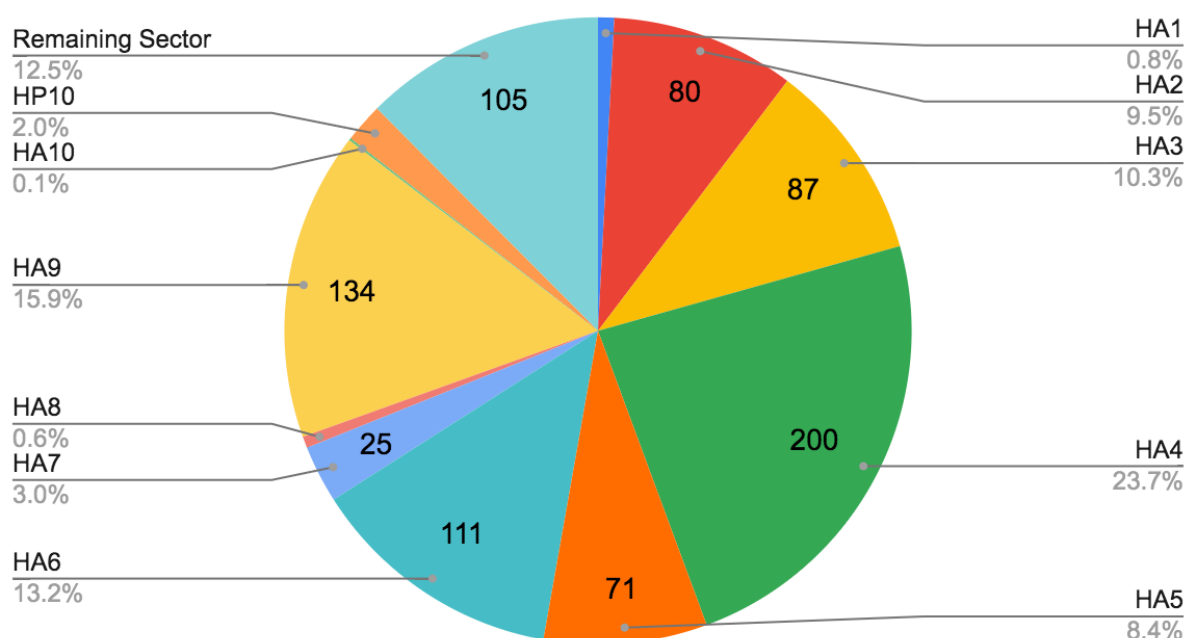
Figure 4: % of Community Housing VCAT residential tenancies trials by applicant (July 1-September 11 2020)



VCAT residential tenancies applications involving CHOs were heavily concentrated during the sample period (fig. 4). Six CHOs accounted for 74.2% of community housing sector applications. They were: Community Housing Ltd Vic (CHLV Ltd); Haven Home Safe (HHS), HousingFirst (HF), Salvation Army Housing (SAH), Unison and the Young Women's Christian Association (YWCA). Two of these, (SAH and YWCA) are HPs and the remainder are HAs.

These CHOs manage about 7,000, or about 40% of rental units, in the community housing sector, yet were responsible for 75% of VCAT community housing applications to the residential tenancies list during the sample period. However, their high rate of application may stem from all top 6 VCAT applicants managing a large proportion of THM and/or RH tenancies.

Figure 5: % of total LT (excl. RH) evictions 2011-2017 by de-identified CHO



For comparison, figure 5 gives a breakdown of all long-term (LT excl. RH) evictions in Housing Registrar data occurring between 2011 and 2017 (DTAF 2019). It shows a high concentration of total evictions within a small number of CHOs, even when RH and THM properties are excluded. Of the 840+ LT (excl. RH) evictions that occurred between 2011-17, 6 Housing Associations accounted for 80% of these evictions. This may suggest that even when RH and THM are excluded from analysis of VCAT hearing data, there would remain a high concentration of VCAT applications among a small number of CHOs.

More detailed research involving observation of VCAT hearing is needed to assess the degree to which RH and THM tenancy types appear in CH sector applications, and whether similarly disproportionate rates of VCAT application are evident amongst LT (exc. RH) community housing tenancies when compared to public housing.

It is notable that of the top 6 LT (excl. RH) evictors in figure 5, only 2 (HA4, HA6) evicted significant numbers of RH tenancies in the 6-year period in question (DTAF 2019)¹². Meanwhile, though all evicted a number of THM tenancies, 2 had not done so since July 2012 (DTAF 2019)¹³. This may suggest that the top CHOs listed as applicants in figure 4 do not apply at the same rate for all occupancy types.

¹² Not shown in fig. 4.

¹³ Not shown in fig. 4.

4. Summary and discussion of findings of VCAT hearing and Housing Registrar Data analysis

Findings:

- a) Tenant placement in community housing leads to a higher likelihood of eviction than in public housing.
- b) The above remained the case when less secure forms of tenure (rooming house and THM) were excluded from analysis.
- c) The distinction between Housing Associations and Housing Providers does not appear to be an accurate predictor of security of tenure due to high variation in eviction rates within both registration categories.
- d) In the sample period, Community Housing Organisations were considerably more likely than the Director of Housing to appear as the applicant in the daily hearing list of matters to be determined in the VCAT Residential Tenancies List.
- e) A handful of CHOs account for a disproportionate share of evictions and VCAT applications according to Registrar data and preliminary VCAT findings.
- f) Evictions remain heavily concentrated in a small number of CHOs even when RH and THM are excluded, according to Registrar data.

These conclusions confirm the finding of Guy Johnston et al (2019) that “public housing [appears] to be a very strong protective factor reducing risks of homelessness. [...] community housing on the other hand appears to not offer the same level of protection.”

They seem to mirror and perhaps exceed the finding of AHURI (2019) that in NSW, non-publicly managed social housing landlords are twice as likely the public housing landlord, to submit tenancy termination applications. However, as these studies do not specify whether RH and THM tenancies are included in their findings, it is difficult to know the degree to which they are reflective of trends in LT community housing excluding RH and THM.

It is our view that CHO policies offer fewer rights and/ or less consistently applied protections than public housing. The problem is compounded by a lack of effective regulation by the Housing Registrar. Our research so far seems to support this assumption. However, the degree

to which variation in CHO internal policy impacts the eviction/VCAT application rates of individual CHOs requires further research involving practical observation of VCAT hearings and comparison of individual CHO policies.

5. Research progress and future directions

Progress to date:

- Reviewed all secondary literature concerning social housing exits and evictions in Victoria, as well as broader secondary literature (from academic, government and NGO sources) concerning the social housing sector in general. We have found very little scholarship that addresses our research questions directly; and a little that does so indirectly. Most current research on social housing fails to adequately distinguish between community housing and public housing.
- Reviewed all other publicly available primary data about the social housing sector: AIHW, the Productivity Commission, DHHS Annual Reports, ABS and the National Social Housing Survey, dating back more than a decade where possible.
- Conducted a thorough analysis of publicly available quantitative data concerning registered Community Housing Organisations and the tenancies that they manage, supplied to the Department of Treasury and Finance by the Housing Registrar. This has included an exhaustive effort to link de-identified Housing Registrar data about individual Housing Associations between years.
- Collected and sorted data from daily VCAT residential tenancies hearing lists from July onwards.
- Reviewed “grey literature” produced by all 10 Housing Associations, the Housing Registrar and CHIA Vic, including annual reports for every year available, parliamentary submissions, select internal policies and other information available on their websites.

In progress:

- Requesting more detailed, specific and updated data about social housing landlords, evictions and tenancies from the DHHS, Housing Registrar and/or DTAF. Obtaining

identified data about specific CHOs is a priority, as well as more consistent DHHS evictions data over time.

- Exploring further analysis of Housing Registrar data using more advanced quantitative methods. This may allow us to identify the likelihood that certain CHO characteristics correlate with a higher likelihood of eviction.
- Continuing to collect, sort and analyse VCAT residential tenancies hearing lists, which are released daily.
- Expanding our review of CHO “grey literature” to include all 29 Housing Providers.

Future:

- We intend to collect data about residential tenancies applications involving social housing landlords and tenants through direct observation of VCAT hearing as soon as VCAT re-opens to the public. It will allow us to explore a range of data points previously inaccessible through publicly available hearing data including (but not limited to):
 - a. Outcomes
 - b. The influence of tenant participation on the outcome of the hearing
 - c. The reason for the application (i.e. rental arrears; anti-social behaviour etc.)
 - d. The social housing tenure type
 - e. Demographic characteristics of tenants involved
- Analyse data obtained through informal or FOI requests as it is released.
- Compile a final report.

Potential:

- Assess the cost of purchasing raw AIHW data from their “Community Housing Data Collection” containing detail down to individual social housing households. This could allow for more thorough analysis of social housing demography and control for factors that make AIHW data less representative (i.e. the presence of non-registered agencies and rooming houses).

- Create a “tenants’ rights scorecard” that will allow us to compare and rate the degree to which individual CHOs protect tenants’ rights in their internal policies, using DHHS policies as a reference.

Key references¹⁴

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¹⁴ This is a partial list of references limited to those directly cited in this report.