Public Housing in Australia: Stigma, Home and Opportunity

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Housing and Community Research Unit

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Public housing is generally viewed as a failed endeavour that has accentuated poverty and social disadvantage to the extent that it is now in danger of falling by the wayside of mainstream policy debates and action. Its remit has become so closely associated with providing for those on the lowest incomes and highest needs that the sector and particular neighbourhoods have generated problematic reputations. This has meant that not only has public housing become a form of housing of last resort, but that negative public perceptions have themselves also created a socially excluding force, whereby tenants are seen as being in some way different or deficient even while survey evidence shows that public tenants value and enjoy many aspects of their housing.

There is nothing intrinsic to public housing that is problematic per se, rather the negative perception of public housing can be traced back to the failure of successive governments to provide sufficient investment. The subsequent decline of public housing and stock levels has not only resulted in long waiting lists and difficult management challenges, in respect of allocations and rent setting, it has also reinforced the economic and social divide between tenants of public housing and the rest of the community.

Our aim in this paper is to stimulate debate about the role of public housing. We have set out to provide an analysis of the causes of its problematic status alongside suggestions to secure substantial improvements, that could create a housing sector better geared to providing opportunity and inclusion, rather than stressing difference and non-participation. At a time when public and political attention is turning towards ways to invest in the future of our communities there are real opportunities to improve the housing system to help a broader range of income groups and, by doing so, to create a more balanced and less crisis-prone sector.
EXECUTIVE SUMMARY

1. The changing place of public housing in Australia

- **The role of public housing**
  - It is important to be clear about why we have public housing and what role it plays. Public housing was built following intense lobbying about the problems experienced by low-income households in the private rental market and a collapse of the owner occupied sector after the Second World War. For the last sixty or so years or so, public housing has often played a role of maintaining social diversity in higher income areas by serving accommodation for lower paid workers and households. We have lost sight of the need for quality, affordable accommodation to be provided to low and moderate income earners in order to provide opportunities and security. As the sector has been neglected and under-invested over time, public perceptions of the sector have also become more negative.

- **The decline of public housing**
  - Public housing has declined in both absolute numbers and as a proportion of the total number of dwellings over the past decade. In 1996 around 5% of households rented public housing; by 2006 this had declined to 4%. While much of this decline has been compensated by growth in the community housing sector we are no ‘better -off’ in terms of the overall scale of public housing in Australia during a context of economic growth and pronounced housing affordability problems.

- **Declining public investment**
  - Public spending on public housing has fallen by more than 11% over the past decade. This has helped contribute to increased operating deficits and the targeting of tenants on low incomes and high needs. Declining investment has also stifled the possibility of an effective construction programme to expand the role of the sector at a time of severe housing affordability problems.

- **The concentration of disadvantage**
  - Social residualisation refers to the growing proportion of low-income and high needs households in public housing. As public housing has declined in numbers so a shifting remit to tackle housing need has led to the greater targeting of households. Inevitably, without growing investment in the sector, the concentration of poorer and higher service cost households has been significant. This has led to further financial viability problems while also producing pockets of social exclusion, thus further stigmatising the sector as one of last resort – places and people to be avoided.

- **The growing stigmatisation of public housing**
  - This combined set of forces has produced a stigmatised housing sector; in political and social terms. Governments have proved unwilling or generally lack interest in the investment needs of public housing, often seeking to transfer or reduce stock levels. Socially the effect of disinvestment and residualisation has tended to produce neighbourhoods which have held back tenants in various aspects of their economic and social lives.

- **Excluding the excluded**
  - Since admission to public housing is conferred by low income or high needs this has created pockets of exclusion and disadvantage, the worst off have been selected and gathered together. This process has tended to be lost in public commentary which mistakes cause and effect and sees public tenants as welfare ‘dependant’ or uninterested in economic opportunities. Public housing has created a system that collects the excluded, but further excludes residents from opportunities because of the secondary impacts of exclusion played out by the media, prevailing social values and the lack of accessible opportunities.

- **Portrayal of public housing**
  - Analysis of public and political debate shows that public housing is usually portrayed as a failure. This image is difficult to shift as lobby groups promoting public housing have had far less impact than powerful commercial interest groups, representing developers and the housing industry. Furthermore, within government itself there has been a valorisation of the private sector’s role in welfare delivery and a view that public expenditure, where possible, should be reined in. The sector now occupies a subsistence position in which merely maintaining poverty is seen as better than making places and homes better. Thus debate has become less about generating choices and options for the community and more about a punitive approach to welfare delivery with the logic that making the sector an unpleasant place to live may force people leave. Yet the reality is that people are already in public housing because they have few other options.
2. Ways forward

- **Investment and wealth** – In an era of pronounced wealth, there needs to be a greater recognition of public housing as the basis for social and economic participation, and a move away from a residualised welfare sector. This implies investment in the sector but also a fundamental resetting of policy priorities in relation to owner occupation that has entrenched privilege while disregarding the already neglected. There needs to be a level playing field for housing tenure to facilitate more meaningful choices. Housing-related subsidies and revenues should be redirected to those who are deemed to be in need and with a view to generating higher levels of economic participation and growth.

- **The role of the media** – Two things are apparent here. First, that media reporting of particular neighbourhoods in general and of public housing in particular has tended to create a sensationalist impression of life in these areas that distorts public impressions. However, it is also the case that these impressions are generated because of the significant concentrations of problematic households in particular areas. Avoiding pockets of deprivation is important to helping reset community attitudes to create better functioning social spaces for their residents.

- **Physical and social investment** – There is little hope for the future of public housing and for those who depend on it without significant capital and recurring investment. **Resources should be made available for an immediate construction programme to address housing need for low and moderate income households.** This investment would bring substantial benefits for low income groups since research evidence already highlights that housing stress is lowest among public tenants. Investment at a time of significant budget surpluses could be undertaken by establishing a future fund for public housing using transfers from budget surpluses, with ‘draw downs’ from the fund timed to suit the economic cycle. Such a step would have a less inflationary effect and could be used to develop mixed-tenure neighbourhoods of high quality, thus stimulating the building industry and destigmatising public housing neighbourhoods, which would be less concentrated and seen as places of choice and opportunity.

- **An investment programme in public and social housing should be combined with a broader emphasis on the effective functioning of metropolitan labour markets and economies and environments** - Essential services and neighbourhood quality should be seen as a broader issue. Problems in urban areas should be connected to an agenda of investment and public management by which positive urban, social and community change could be aided.

- **Both public and community housing can provide effective responses to housing need** – There is little to be gained from an entrenched debate about who is best situated to provide the right kind of investment or management model. Regardless of which options are ultimately seen as viable it is essential to recognise three fundamental goals around social housing in moving forward:
  i. Investment – There should be responsibility to tackle and successfully address housing need across the community.
  ii. Sustainable communities – Social housing providers should be charged with balancing the meeting of housing need with ensuring the creation of socially mixed and, thereby, more sustainable neighbourhoods.
  iii. Accountability – Social housing should be operated on a non-profit basis with effective public accountability to ensure that particular groups are not discriminated against or excluded on the basis of inability to pay.
**Stigma:** a mark of social disgrace, e.g. stigma attached to being redundant (Collins Dictionary).

For many, public housing is now seen as housing of the last resort, rather than choice, as was the case in the past. It is this association with welfare housing and special needs that has contributed to the stigmatising of those suburbs where there is a higher than average concentration of public housing tenants.

(Palmer, Ziersch, Arthurson, and Baum et al, 2004: 412).

The residualisation or marginalisation of social housing leads to deprived neighbourhoods where socio-economically disadvantaged tenants are being concentrated. These areas increasingly take on a problematic reputation. The residents are socially stigmatised merely for living in a stigmatised area.

This discussion paper has been written to provide a frank assessment of the place of public housing within the broader Australian community – its importance, role and underlying rationales. Public housing has seen declining investment in real terms over past decades and continuing neglect by State and Commonwealth Governments. Recent research undertaken by the Australian Centre for Economic Studies shows that the real value of funds for public sector housing had fallen by 11% between 1996–97 and 2004–05, or 19% in per capita terms (Parnell, 2008). This factor in particular is intrinsically linked to the declining status of the sector, but is also linked to the diminished role of public housing in coping with housing need and a general absence from political debate at both the Commonwealth and State/Territory levels of government. This decline in the status of public housing has had impacts on neighbourhoods where such housing is prevalent, and to tenants of the sector who are increasingly seen as staying there out of necessity, rather than choice.

In this discussion paper we argue that declining investment, political neglect, social stigma, and concentration of poverty in the sector have detracted from a broader understanding of the significant role and need for public housing in Australia. Fundamentally the labelling of the sector with a welfare role has contributed to the rationale that public housing serves as a depository for individuals with acute needs, rather than the basis for integration into economic and social opportunity.

**Underlying problems of public housing**

- Reduced investment in real terms
- Low reputation
- Concentration of low income and high-need tenants
- Stigmatisation of public housing in popular media outlets
- Reduced revenues and higher costs as a result of social concentration

In this discussion paper our aim is to reconsider the role of public housing and, the changing social face of the sector and its financial problems and to suggest positive ways forward to address the broader stigmatisation of both the sector and its tenants. Our arguments are not new and in many cases we have drawn upon the published work by housing academics such as Kemeny, Berry, Burke, Wood, Dean, Hastings and Yates, among others. Nor is our discussion intended to be overtly political, though our arguments do raise questions about how the broader community comes to view more vulnerable groups within its midst. Our central concern is with the impact that stigma and residualisation have had on the economic and social consequences for tenants – existing and prospective – that may arise as a result of indifference and the subsistence funding of the sector.

It seems clear that there is a need to provide a platform by which public engagement and debate on the role of public housing can be generated. We hope that this paper will help to structure this debate by informing community and policy-maker opinion on the kinds of decisions that may need to be made to produce fairer and higher quality outcomes for low and moderate income households nationwide. **There is little hope that problems of affordability, tenure security, access to services and opportunities in education and work can be achieved without seeing greater investment in housing in general, and in public housing in particular.**

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1 Throughout this paper we refer to public housing to denote the stock managed by the State Housing Authorities. Social housing is used to refer to community and other forms of low-cost housing provision.
Back to basics: What is the role of public housing?

Public housing has moved from being a general needs tenure, in which a range of groups lived, to one containing a much larger proportion of high need and deprived tenants. These changes are at the root of a more general problem which, that relates to the ongoing viability of public housing and the quality of life and opportunities of residents in the sector. The sector has had a low political profile over the past decade, declining investment and construction, and the increased targeting of services.

The public provision of public housing

Merit goods have traditionally been developed in response to a failure by markets and individuals to solve particular problems. Housing is well-understood to be core to the livelihood of individuals and households, such that, as a community, we have provided public housing for those who either cannot afford to enter market-rate housing, or for whom private enterprise would prefer not to cater:

• public housing is best understood as an essential response to meet the need for low-cost accommodation
• this sector lies within a rate of return that could not effectively be developed, or run profitably, by private enterprise
• grassroots pressure and demonstrable evidence of social need has been instrumental in moving politicians to see housing as a fundamental right
• it is widely accepted that no household should be made homeless or excluded where they could not afford either market rates for purchasing or renting their own accommodation.

However, as commentators in Australia and the UK are now observing, the operation of public housing in relation to acute social need is having unintended and problematic outcomes.

The under-funding of public housing

The extent of the under-funding of public housing is set out in a paper by Wright-Howie (2004). Funds for the Commonwealth State Housing Agreement (CSHA) have declined in real terms by 28.4% percent between 1992–93 and 2002–03 as illustrated in Figure 1 below.

Figure 1: CSHA funding (less GST compensation) in real terms 2001-02 dollars

In response to the decline in CSHA funding, State Housing Authorities have injected their own resources to make up some of the shortfall. However, more recently, consultancy research undertaken for the Commonwealth government by the Australian Centre for Economic Studies suggests that the real value of funding had fallen by 11% between 1996–97 and 2004–05 or 19% on per capita terms (Parnell, 2008). State housing authorities (SHAs) have undertaken cost-saving measures to mitigate the impact of under-funding including selling off a proportion of their housing stock.

It is worth considering why the Commonwealth government has reduced funds for public housing. First, the Commonwealth government under Prime Minister Howard, was committed to supporting the private rental and owner occupied market in relation to the problem of affordable housing by switching resources from funds earmarked for public housing to low-income households in the private rental market, and for subsidies to first time home buyers (see Caulfield 2000 for a discussion) which have particularly benefited higher income owners.

Second, there was an assumption that State governments would address the shortfall of public housing funds. However, perhaps because of the increased pressure for health and education spending, until the last few years, when housing affordability has become widely reported in the media, State governments have been reluctant to provide resources to address the expenditure shortfall. However, largely in response to public concern about the long waiting lists for public housing, SHAs have now sought to inject their own resources. So for example in Tasmania, for example, the State government initiated its ‘Affordable Housing Strategy’ committing ($45 million). While in other states such as New South Wales, and Queensland resources have been provided to low cost housing development companies such as City West Housing in Sydney and the Brisbane Housing Company (see Gabriel and and Jacobs 2006 for a discussion).

What has been the impact of the decline in public housing funds? A number of negative factors have been compounded. Berry (2003) has outlined some of the consequences of under-investment in public housing, including longer waiting lists for those deemed eligible for public housing and State housing authorities having to sell public housing stock as a way of reducing operating deficits. Other consequences include the deterioration in the physical condition of the existing public housing stock and a limited capacity to increase the supply to meet the demand for public housing.

Parnell (2008) reports that the ratio of social housing (public and community housing units) to the number of households has fallen from 5.6% to 4.9% in recent years, while the actual decline of public rental stock has fallen from 5.2% to 4.3%. The limited funds that have been made available to SHAs is one of the main reasons why much of the new housing in the post-war period has been in low value locations, often quite far from transport hubs, employment opportunities and city centres.

1.1. The growing stigmatisation of public housing

In a review by De Decker and Pannecooke (2004) the authors claim that people are not so much resistant to public housing, rather they do not want to see the tenants of such housing living near them. This says much about public perceptions and the reality of social residualisation in this sector; that public housing has come to be predominantly filled with high need and deprived households, this concentration in particular neighbourhoods has generated negative public perceptions.

Most importantly these perceptions have real consequences including:

- the low political priority attached to investing in public housing;
- the stigmatisation of public tenants in other areas of their social lives;
- the tendency for public housing to be rejected by local governments and other residents, and;
- the perception that people who enter public housing are in some way problematic, rather than that eligibility is based primarily upon need.

Because public housing has been seen as a kind of social dumping ground this has hindered the capacity of the sector by creating wider community resistance to any substantial proliferation – its very ability to do its job better is compromised by the way that it currently performs in the public’s eyes.

There has been growing public vilification of places that fail to deliver certain standards of living, such as the ‘Craptowns’ series of books in the UK. On one level there is significant community mythmaking and jokes about places. When this is directed at poorer places individuals in those areas may become identified with the
broader characteristics of the area they live in. Thus living in an area of high unemployment may mean outsiders make similar assumptions about an individual’s work status. In short, the problems of local areas are projected onto particular residents. As we discuss later this has critical implications not only for those who enter public housing but also for social cohesion of the wider community.

A real difficulty in such social labelling is that it may be difficult for residents to manage poor reputations in other critical areas of their life, particularly in relation to education and work. So we can see a significant consequence of the stigma of public housing relayed through housing and individuals and operating to further exclude residents from critical opportunities that not only might improve their own situations, but would also be effective in addressing longer-term issues around labour, skills shortages and economic participation. A perverse outcome of targeting social need is that such groups are further excluded – this appears to be a critical failure of public investment and social resources.

**Examples and consequences of stigma in certain neighbourhoods**

- programmes or articles about the area focusing on crime, drug abuse, pollution, etc.
- programmes or articles about crime, drug abuse, pollution, etc. using the area as a case
- visible pollution, graffiti, vandalism, drug addicts hanging around, etc.
- vacant houses, empty shops
- poor schools
- friends, relatives and colleagues are reluctant to visit
- services won’t deliver, taxis won’t come to the area
- shortages of doctors, teachers, etc.
- discrimination on labour market
- higher insurance premiums; credit and financial services are denied
- advertisements for easily available houses
- property values lag behind (Wassenberg, 2004: 226)

Of course particular areas do not have one particular image; as Dean and Hastings (2000) show, a particular estate or neighbourhood may have many images and complex associations based on the particular social history and quality of amenity in a locality. In Australia, as elsewhere, many impoverished suburbs do not simply suffer material disadvantage but also suffer from these poor reputations. Viewed as ‘places’ that are home to ‘problem people’ (Dean and Hastings, 2000), such reputations can reinforce many of the difficulties of these suburbs.

The media, in particular, but by no means exclusively, contribute to the stigmatisation of certain suburbs, and those who live in them, by promoting images and reputations of suburbs overrun by drugs, crime, mental health issues, youth disorder and that recurring maligned figure, the ‘single mother’ (Mee, 2004). Such stereotypes paint a picture of a bleak, transient existence, where residents have no commitment to property, their fellow residents or their community. These negative images have an impact on residents’ health and wellbeing by adding to the ways in which they are socially and economically excluded (Palmer et al., 2004: 411).
One of the most important impacts of residualisation has been that it makes it more difficult to secure affordable housing approvals through planning committees. Proponents of social diversity across neighbourhoods to ensure more sustainable areas have argued that not only does a geographical spread of public housing help to reduce the stigma of place but also that these programmes logically help to reduce the management costs associated with (Atkinson, 2008) concentrations of high needs, disruptive or other social problems that arise as such concentration increases to an unsustainable level. It is important also to return to recognise why we have public housing and that as a community we should shoulder a responsibility to make provision for those households with the fewest of choices and opportunities.

1.11. The decline of public housing in Australia

We now highlight the changing social profile of public housing, as well as the overall scale of the sector. Two issues are immediately clear from this analysis:

1. The overall scale of the sector, in relative and absolute terms, has declined significantly, thus compromising the ability of the sector to cope with problems of housing need and social vulnerability.

2. The social composition of the stock is now firmly comprised of low-income households. This itself is, in part, a function of the first condition, as fewer houses combined with targeted allocations policies will produce this result.

Table 1 below shows how the overall absolute scale of public housing dwellings in Australia and its States has declined over the past decade using census data at three points in time. Across Australia as a whole we can see that around 23,000 dwellings have been lost to the sector and that all of the States and Territories have lost stock during this period. These losses have a number of causes, including stock transfers, sales schemes and some demolition activity as part of renewal policies.

As at the 2006 Census, Australia’s total stock of public housing comprised 306,696 dwellings (public housing is defined here as occupied private dwellings rented from a State or Territory housing authority). Figure 2 below shows the actual numbers of stock lost to each State and Territory over the past decade. Here we see that the largest loss over this period occurred in South Australia, which had 12,548 fewer public housing dwellings in 2006 than it did in 1996. Of the States and Territories, only Victoria and Queensland had a net increase in dwelling numbers between 1996 and 2006 (of 3,258 and 2,504, respectively).

<table>
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<th>1996 Census</th>
<th>2001 Census</th>
<th>2006 Census</th>
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<tr>
<td>Australia (including OT)</td>
<td>329,830</td>
<td>318,292</td>
<td>306,696</td>
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<td>117,692</td>
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<td>10,452</td>
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<tr>
<td>Northern Territory</td>
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<td>5,307</td>
<td>4,710</td>
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<tr>
<td>ACT</td>
<td>10,738</td>
<td>9,884</td>
<td>9,310</td>
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Figure 2: Net change in public housing dwellings, 1996—2001 and 2001—2006
Regardless of these losses it is essential to look at the scale of the sector as a proportion of total dwellings. This can be shown as follows in Figure 3, below. Here we can see that, as a percentage of the total dwelling stock, public housing in Australia declined from 5.1% in 1996 to 4.0% in 2006. Public housing makes up the largest proportion of the dwelling stock in the ACT (7.6%), the Northern Territory (7.0%) and South Australia (6.6%). Its size as a share of the housing stock is actually smallest in Victoria (2.9%) and Queensland (3.2%).

Figure 3: Public housing as a percentage of total dwellings, 1996—2006
Table 3 below brings in the community housing sector (defined as dwellings rented from a housing co-operative, community group, or church group). We can see that this latter sector still makes up only a very small share of Australian dwellings (51,164 or 0.7% in 2006). However, community dwelling numbers have increased, by about 18,000 dwellings, over the period 1996 to 2006, almost compensating for the stock lost in public housing. These increases were largest in New South Wales, Queensland, and the Northern Territory.

Table 3: Public, community and total dwelling numbers

<table>
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<th>2001</th>
<th>2006</th>
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<td></td>
<td>Public Housing</td>
<td>Comm. Housing</td>
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<tr>
<td>Australia (incl. OT)</td>
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I.iii. The changing social profile of Australian public housing

We have noted there is a significant link between the size of the public housing sector and its social composition. As overall stock levels have declined, this has increasingly meant that this stock has been targeted to those in greatest need. This has particularly affected the ability of public housing to create more socially mixed, sustainable and ‘normal’ communities.

As allocation policies have become more targeted so a loss of discretion and the effective management of neighbourhoods has been made problematic. This has produced a more general effect - the spatial ghettoisation of low income and high needs households. Under constraints in annual spending and declines in capital works spending, this has meant that the ability to create mixed communities, while tackling social need, has been dramatically compromised.

It is difficult to deny that public resources should not help those most in need, yet this logic has also undermined the broader advantages that this social investment might have for the lives of tenants and their communities.

The most important justification which remains valid is to enable those who would not otherwise be able to do so to afford to live in housing of acceptable quality, and to do so while avoiding the area polarisation which would result from the operation of the free market. However, the way in which social housing and subsidies operate in Britain today often reinforces rather than counters social polarisation and divisions (Hills, 2001: 1887).

While Hills is referring to the contemporary situation in the UK, his argument is also applicable in the context of Australian public housing. The ultimate logic in Australia is that public housing should be reserved for the poorest. The problem with this situation is that this opens the way for the stigmatisation of tenants in their daily social lives as the areas they come from are seen as welfare-dependant ghettos. There is, then, a deep systemic problem in that the housing system produces outcomes that are undermining, not only to the social life of these communities, but also the public business models underpinning them as revenues decline (Berry, 2003).

Of course income is only one social dimension upon which the reputation and problems of public housing are founded. As Palmer et al. (2004) note, the growing concentration of people with mental health needs has a significant impact on the reputation and daily-lived experience of residents in this tenure:

In 2002—2003 over 35 per cent of new allocations to public housing in South Australia were made to tenants who identified as having one or more special needs, for instance, homelessness, mental health and domestic violence.

**Labour force participation**

Compared to other housing tenures, public housing tenants have a much lower rate of employment. Of course it is important to see why these socio-tenurial relationships occur. It is not surprising that many tenants do not work because entitlement to the tenure is generally based on having a low income and few household resources. This is highlighted in Figure 4 below. Here we see that whereas 26% of public housing tenants are employed (full- or part- time), 77% of home purchasers and 65% of private renters are working. Outright home owners have a lower rate of employment (46%) than the rate for persons in all tenure types (57%) – this being likely to do with higher rates of retirement.

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2 This data has been sourced from a customised 2006 Census table commissioned from the ABS: ‘Number of Persons Aged 15 or more by Area of Enumeration by Labour Force Status by Tenure and Landlord Type’.
Public housing tenants are much more likely to be non-participants in the labour force than adults in the other tenures. Only 19% of home purchasers and 28% of private renters are not in the labour force. For public housing tenants, the rate of non- labour-force participation is several times this, at 62% (see Figure 5 below). Of those public housing tenants who are in the labour force, the unemployment rate is much higher than those for other tenure types. The unemployment rate for public housing tenants is 8%, compared to 6% for private renters, 3% for home purchasers, and 2% for outright home owners and this was highest in Tasmania (10%).

Figure 5: Labour force status of public housing tenants by State/Territory, 2006

The majority (62%) of adult public housing tenants in Australia are not in the labour force, and this has implications for how the tenure is viewed. Clearly it would be difficult to expect this tenure to represent a typical cross-section of the community, yet the general concentration of this social profile means that the broader community has come to view the sector as being inherently problematic.

1.iv. Understanding the crisis

We have set out the extent of under-funding and its wider economic and social consequences. Given the growing demand for affordable accommodation, it is worth considering why there has been a lack of investment in public housing over the last 20 years. Two explanations are compelling. First, in policy circles, the discernable narrative is that public housing is a failure. Attempts to challenge this view have has proved difficult; public housing tenants have little political weight and have been ineffective as a lobbying group to secure additional investment when compared to other welfare pressure groups lobbying for extra health funds. The ineffectiveness of the public housing lobby is compounded further because more influential industry pressure groups, have prioritised the need for increased subsidies for first time buyers and a relaxation of planning protocols to free up more available land for development.

Second, within government itself, there has tended to be a valorisation of the private over and above the public. In part this can be traced back to the criticisms of public sector bureaucracy advanced by the exponents of neo-liberal ideology in the late 1970s and 1980s. In short, public sector agencies have been encouraged by successive governments to adopt private sector and commercial practices as a way to reduce the financial cost of public provision. Supporters of neo-liberalism (the application of private markets as the primary means of running economies and tackling social issues) have portrayed public housing as wasteful and ineffective, advocating that welfare expenditure should be reigned in. How can these negative perceptions of public housing be challenged?
Creating sustainable and included communities

In part 2 of our paper, we move to consider effective ways of reinstating the position of this tenure to one capable of more effectively addressing the needs of low-income and vulnerable and other moderate income households. The limited support for public housing, its portrayal as a failed service and the association of public housing tenants as socially excluded, have established a narrative of decline about the future of public housing. All of this makes the challenges for reinvigorating public housing considerable. What then can be done and how should policymakers proceed?

The first issue to address is at what level stigma operates in the public housing system. Is it about the position of individuals or, of particular types of neighbourhoods, or the tenure of public housing within Australian society that is problematic? We argue that all three of these scales are implied in the problem, yet it is perhaps the funding and position of public housing itself that is most significant, as these issues help to determine local neighbourhood conditions.

2.1. A culture of investment and private wealth

Australian society has become increasingly seduced by the role of housing, and its purchase, for personal gain and financial security. The ongoing fallout from speculative purchase, high loan-to-value ratios, and risky lending and borrowing behaviour has resulted from this. The place of public housing in times of significant gain from rising house values has highlighted the marginal status of public housing. Governments, both Commonwealth and State, have shunned funding at a time of significant national and State wealth, but also at a time of rising housing stress. In short, links can be made between a tendency, not only to celebrate the ‘Australian dream’, but also to work with subsidies and incentives that have privileged more affluent owners without considering the needs of those who are now more firmly locked out of ownership. This is illustrated in part by the most recent census which showed a fall in the homeownership rate.

Action points:

- There needs to be greater political interest in how to move forward to modernise, improve, invest and resolve the problems of the public housing sector.
- The private affluence of many, and the lure of investing in homeownership, can be linked to the shadow status of public housing. A more equitable funding model across the tenures in a national housing policy needs to be aimed for in order to address disadvantage and reap the benefits of social investment for future households and the broader economy.
- Immediate efforts to help might include slowly removing capital gains exemption to owner occupiers while injecting significant monies into capital works programmes, operated by SHAs or community housing providers.
2.ii. Destigmatising public housing

While not underestimating the challenges in securing extra resources, there is a plethora of evidence from abroad showing that investment in public housing is an essential first step if problems such as poverty, low educational attainment, crime and poor health are to be addressed. However, this investment needs to be targeted in an effective way.

One of the most important lessons to emerge from international practice is that the benefits of investment in public housing renewal can be short-lived unless strategies to address the stigmatisation of public housing are undertaken in tandem.

One of the most interesting reports in recent years is Robertson, Smyth and McIntosh’s (2008) study commissioned by the Joseph Rowntree Foundation in the UK. The research team examined the histories of three neighbourhoods in Stirling, Scotland that were built in the 1920s and 30s to see what factors shaped their reputation. Among their conclusions was that prejudices towards public housing are difficult to shift, are often established at an early stage of their history and are buttressed by perceptions that public housing is an inferior form of tenure.

The work of Robertson et al. suggests that the period when new housing is built is often the time when opinions are formed about its reputation, so despite efforts to regenerate public housing in later stages, improvements are often short-lived. Robertson et al.’s work is an indication of the challenges that confront agencies working in the area of public housing renewal. In Australia, the problem of public housing’s poor status is made explicit in survey work undertaken by Burke, Neske and Ralston (2004), they report that as many as 46% of Australian households, living in private rental accommodation and in receipt of Commonwealth Rental Assistance, claim they would not consider applying for public housing because of its stigmatised status.

It is apparent from the work of Robertson et al. and Burke et al. that the challenges to overcome stigma are substantive, and some would argue, in the current context, insurmountable. However, there is also evidence from recent research undertaken by Dean and Hastings (2000) that substantive progress can be made if investment is accompanied by carefully designed marketing and communication strategies. In short these strategies need to be carefully tailored to the perceptions of small groups of influential business representatives - real estate professionals, local businesses, residents, prospective first time buyers and parents with school age children.

These strategies are based on marketing and communication strategies that aim to reward key stakeholders for developing their understanding of public housing and their awareness of its benefits and role. Their research highlights the benefits that can accrue from policies that seek to break the cycle between ignorance and stigma. They advance strategies based on the principle of exchange that can help address misconceptions about the role of public housing and the overall community-wide benefits that accrue from sustainable investment strategies. The methods promoted by Dean and Hastings (2000) centre on urban renewal programmes but their findings have relevance for Australian agencies seeking to challenge stigmatisation and overcome opposition to the provision of public housing.

However, it is important to state that there are no quick-fix solutions. Challenging stigmatisation requires action on a range of fronts. The lessons from international practice (particularly the work of Dean and Hastings, 2000) are two fold. First, we have to be realistic about what can be achieved, that the fortunes of public housing tenants will remain problematised so long as public housing remains a residualised form of tenure. Therefore strategies to tackle stigma will be ineffective unless these underlying problems are also addressed.

Action points:

- Strategies to address stigma will not work in isolation. This said, image management needs to be seen as an important component of housing management practice, and there is scope to influence the perceptions of private sector professionals such as insurance companies, large employment agencies, and estate agents through carefully targeted strategies.

- Developing effective working relationships with the media can establish a more positive narrative about public housing by, for example, reporting on the success of public housing in assisting households in need or new regeneration schemes that highlight how the sector is changing.
2.iii. Role of the media

The challenges housing professionals working in the public housing sector face are compounded by the negative stories that appear in the media. It is not uncommon, for example, for current affairs programmes and newspapers to connect problems of anti-social behaviour and crime with public housing. Programmes such as 60 Minutes often feature stories that reinforce the perception that many public housing tenants are anti-social neighbours. Yet, while sensationalist media coverage distorts the positive role of public housing, we are not suggesting that there are no tangible problems on public housing estates, or that a small minority of tenants are culpable for much of the anti-social behaviour that takes place.

We would argue that there are effective interventions to secure more positive stories about public housing that can be developed that help to better reflect the satisfaction of public tenants. For example, establishing good working relationships with media outlets could increase the range of stories such as community initiatives and, educational and sporting successes. However, the important point is that negative images of public housing appear in the media because that is how public housing is currently framed. In this respect, the media is not the creator of the negativity surrounding public housing but its irresponsibility is in certain instances reinforcing existing perceptions in pernicious ways.

Action points:

- Dean and Hastings (2000) provide two valuable suggestions including a ‘nurturing strategy’ in which a media officer working for a public housing agency seeks to establish a good rapport with journalists and editors through personal contact, and by hosting networking events. The second strategy they identify is focused on communications and the need for more informative press releases that can be adapted by media outlets (the latter suggestion is based on feedback from journalists who cover public housing issues in the UK).
- Additionally, we would suggest encouraging public tenants themselves to act as representatives as well as local housing officers. A positive story of public housing is always more authentic if tenants and local staff are able to proffer their views. A media training course for interested tenants and staff might be a useful first step.

2.iv. Increasing physical and social investment

It is clear that for public housing to become a tenure that fits more closely with household ambitions for opportunity, investment is required on a number of levels. An emphasis on management responses (targeting, inter-agency working) to public housing problems will not ultimately be sustainable where we continue to fail communities by not investing in the modernisation and expansion of stock. Many of the management-related strategies put in place by the SHAs are effectively substitutes for the need for direct action around State funding and investment. This situation has arisen for a number of reasons, but it is critical to recognise that both State and Commonwealth governments have failed to invest adequately in public housing, with spending at both tiers declining over the past decade and more.

In many cases the question of State debts to the Commonwealth government has become an ongoing saga without apparent site of any resolution. A way forward would be for both tiers of government to establish a mechanism to secure the reduction of debt, so that annual spending on improvement and expansion can take effect. As we have already noted, at a time of concern about inflation such investment could occur could be managed by establishing a future fund for public housing and investing at an appropriate time in relation to the economic cycle. Increased funding, then, relates to inadequate public house conditions, to overall stock supply, and to service delivery (given the high needs of the drug, alcohol and mental health issues of many tenants).

There is increasing evidence that the decline in public housing levels and the broader housing affordability crisis have left a hard wedge of private rental accommodation that contains significant
numbers of households who are in pronounced stress (far greater than that found in the mortgage belt). It is likely that an expanded public housing sector could help to ameliorate the problems of these groups and to address their service needs in ways that are currently concealed within the emphasis on private solutions.

How would a revitalised public housing sector help socially excluded tenants? In terms of disengagement and, social and economic exclusion, a more vibrant and better-resourced public housing investment programme could provide the catalyst for enhanced facilities (schools, health centres) and would help to provide greater employment opportunities, new retail outlets and community infrastructure. Needless to say, such investment could act virtually to help reduce public spending over longer periods of time but reducing the reliance of public tenants on other public services – by promoting better employment, education and health outcomes.

To reiterate, our argument is that social exclusion can be addressed, but that this will require policies that adequately resource public housing. We also wish to argue that the current allocation policies that prevent all but very high need applicants being able to access public housing are ultimately undermining any efforts to address social exclusion. While we understand that current allocation policies are symptomatic of the limited funding streams for public housing, the policy of only allocating properties to high needs at the very least should be reviewed.

The final point we wish to make in this section relates to the organisational knowledge that professionals working in the public housing field have acquired in addressing the problems of high need tenants. In the research projects both of us have undertaken for AHURI (Australian Housing and Research Institute) on anti-social behaviour and private rental support programmes we were impressed by the professionalism of staff and the assistance for tenants with complex needs. Our concern is that much of the support that is available for public housing tenants cannot be replicated in the private rental sector where the problems faced by high need tenants are effectively hidden from the public gaze. Tenants forced to live in the private rental markets are especially vulnerable to unscrupulous landlords and there are insufficient resources within the welfare sector to help private sector tenants who experience difficulties in managing their tenancies.

All of this raises a further important issue about service delivery and the role performed by State and the Commonwealth governments. It has become clear that the issue of urban infrastructure is a growing concern, in relation to housing and transport in particular. Integrated policy solutions are required and a narrow focus simply on housing, or any other silo of government responsibility, is increasingly inadequate in framing the kinds of response that are required.

Action points:
- New and significant funding for a national capital works programme dedicated to mixed-use and mixed-tenure neighbourhoods is a fundamental requirement to balance the housing system, expand public or community housing and tackle problems of housing need, housing stress and affordability. In particular this investment is required to enable a broader social base to public housing and the creation of more mixed localities thus reducing stigmatisation and enabling public housing to be a stepping stone to opportunity.
  - The role of community housing, in increasing supply and management of public housing, could be examined in order to help destigmatise the tenure and to bring it closer to community accountability.
  - State housing authorities should review the compatibility of policy goals in relation to allocation criteria including: targeting need and creating socially diverse neighbourhoods. This might include: the suspension of means tests when an offer of public housing is made, regardless of any improvement in economic circumstances; and the removal of income thresholds for existing public tenants.
  - A charter for infrastructure entitlement - Professor Phillip O’Neill of the University of Western Sydney has argued that we need to see the creation of a Charter of Infrastructure Entitlement so that an agreement over what should be seen as basic and essential rights to community services and conditions can be established (Atkinson, Dalton et al, 2007). In the UK there has been significant central government action around similar ‘floor targets’ and these have been essential in setting out a broader vision of the need for greater social fairness and the need to tackle social exclusion.
2.v. The risks associated with social exclusion

We have already noted Berry’s (2003) concerns about the implications of an under-resourced public housing sector. Our concern is that an under-funded public housing sector will entrench social exclusion and have significant implications for the wider economy, social participation and neighbourhood quality. Public housing should be an enabler for low income households that provides security and shelter, enhancing the capacity for individuals with limited and wider opportunities to participate in society and access services.

The value of the concept of social exclusion is that it recognises that poverty is more than just material deprivation and includes social relationships, participation and access to services. As for the risks that stem from being social excluded, Saunders, Naidoo and Griffiths (2007) identify the following:

- disengagement in forms of social action;
- service exclusion (e.g. access to health, education);
- economic exclusion (e.g. access to jobs, training).

Their research, based on extensive surveys, suggests that public housing tenants are, along with unemployed people, among the most socially excluded in Australian society. At an individual level, public housing renters who experience social exclusion are likely to experience considerable stress that can affect health outcomes and social relationships. It is also judged to be an important contributory factor for individuals who engage in crime and anti-social behaviour (Flint, 2006).

Though many of the problems of social exclusion are associated with deprived neighbourhoods, the problems associated with social exclusion have wider implications that go beyond the individual. The resources expended on addressing social exclusion have significant implications for welfare budgets that are already stretched, such as in health and education. In explaining social exclusion it is easy to fall into the trap of attributing the causal factors to fecklessness or individual failure. Yet this attribution, while appealing in its simplicity, overlooks the extent to which social exclusion is also the consequence of economic, social and housing policies that have been pursued in recent years.

2.vi. Action by tenants and agencies to address stigma

One of the important messages we want to get across in this discussion paper is that there are specific activities that can be used to have a positive impact on the future of public housing and the lives of its residents. It is imperative that we see public housing tenants not as passive victims of wider structural processes but as agents able to determine their own course of action, often hindered by their relationship to the state and to landlords. There are a number of examples of activities that tenants undertake to promote their neighbourhood; for example, maintaining their property and gardens, acting as good neighbours and engaging in community activities. The extent of existing social solidarity is noted in the tenant satisfaction survey for the Australian Institute of Health and Welfare (AIHW) published in 2007. The survey reveals the sense of social solidarity felt by many public housing tenants. For example, the percentage of tenants surveyed by the AIHW attributed public housing to ‘feeling more settled in general’ (90%) and ‘being able to continue living in the area’ (89%). The high level of support for public housing can be seen as one of its most positive attributes and in this sense it provides a contrast with some of the more anonymous suburbs that have been built in recent years.
As we have argued, the social concentration of poverty and relative deprivation within the public housing sector has meant that the broader community has come to see it as providing, or indeed needing only to provide, a welfare role. This has meant that tenants feel socially excluded from participation in life in a range of social and institutional settings, particularly in relation to work, education and health services. Anecdotal evidence continues to support the possibility that postcode discrimination operates to exclude those living in particular locations. This suggests that where we live may affect the opportunities we have in life and that areas of concentrated disadvantage operate to restrain the possibilities for social advancement that a wider, ‘included’, society takes for granted.

Evidence from research in the US, for example, has suggested that where neighbourhoods see increases in the number of low income households over certain thresholds, that levels of social distress, crime, and the quality of local services deteriorate more rapidly. There is a need to plan for greater income diversity within all neighbourhoods so that pockets of extreme social depression are avoided, thus helping to alleviate two problems:

1 the way in which ghettoised poverty may help to reproduce that poverty by constraining opportunity and creating negative social environments, and;

2 by ensuring that all neighbourhoods are of a certain standard as a right of all households. In the US public housing tenants have already successfully taken the Federal government to court for placing them in segregated neighbourhoods with little opportunity for advancement.

Action points:

- Use of the planning systems to promote new development that creates a mix of affordable and private/public housing is clearly essential. These methods have been effective in creating better functioning, more economically prosperous and less costly to run neighbourhoods (in terms of public spending).

- Public housing is not only a cost to housing departments - its problems cross a wide range of budget headings, including education, health, policing, social services, mental health and drug addiction services and so on. Creating more socially diverse areas is therefore an important step to prevent the overload of these services while thinning out social need so that stigma is reduced.

- There is a need to promote housing, urban policy and related objectives (e.g. education, health and policing for example) to re-make neighbourhoods more thoroughly in ways that help to promote self-reliance, vitality, endogenous economic growth and the containment of local spending, thus this promoting a more virtuous circle of human life in these spaces.

We have provided a framework to illustrate how these proposals are interconnected. The framework is set out in Table 4 below.
Table 4:
Sources of social and tenural stigma

<table>
<thead>
<tr>
<th>Source of stigma</th>
<th>Examples</th>
<th>Examples of effects</th>
<th>Housing policy responses</th>
<th>Other public policy responses</th>
<th>Effectiveness</th>
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</table>
| Individual and household | • Worklessness  
• Disability  
• Sexuality  
• Identity | • Non- or low participation/exclusion from particular social field, e.g. labour market | • Tenant participation  
• Policies  
• Community capacity building | • Anti-discrimination legislation | Moderate-High |
| Neighbourhood | • Reputation attached to physical qualities/amenity  
• Reputation | • Shame of residents  
• Withdrawal from social participation  
• Indignation/‘playing up’ to stereotypes | • Investment/maintenance by SHAs  
• Sales schemes  
• Challenges to media by residents and advocates | • Planning system - planning gain and mixed tenure  
• Media management | High |
| Tenure | • Preferences directed away from public housing | • Low political priority of public housing  
• Lower morale among management and workforce | • Increased investment  
• Virtuous effect of increased stock levels and social diversity  
• Operation as tenure of choice | • Inter-agency working and partnerships (e.g. health, police, education) | High |
| Macro/economic | • Income and social/economic resource inequalities  
• Poverty, inequality  
• Social segregation | • Work towards a more tenure neutral housing system (e.g. reducing subsidies to owner-occupiers) | • Redistributive fiscal responses | Very High |
| Discursive/ideological | • Negative portrayal of public housing in the media.  
• Public housing perceived as policy failure within government | • Reinforces stigmatisation  
• Establishes public housing as a problematic tenure  
• NIMBYism | • Media strategies to address stigma  
• Targets to create a modern public housing system | • National guidelines for media reporting  
• Greater recognition of the role of public services | Moderate |
CONCLUSIONS

In this paper we have discussed the current context within which public housing operates, but we have also tried to set out some of the compelling economic and social reasons for additional investment in public housing. The challenge for government is all the more considerable because public housing is increasingly portrayed as accentuating poverty. This has compounded the problems not only for the communities living in public housing but also for those agencies seeking to make the case for more investment.

The corollary of under-investment, targeting and decline has been that low and medium income households have been both let-down and excluded from a sector that itself does not effectively act as a stepping stone to social opportunities and economic participation. A vicious circle has been set up whereby declining investment has led to the sector becoming less viable financially. As SHAs have divested these assets their ability to cope with housing need has been further compromised. It is difficult to sustain the argument for increased targeting (to help address need) while compromising the ability to deal with that need by overseeing a decline in stock levels. Both of these policy directions need to be countered head on.

Without additional investment public housing will continue to be associated with poverty and policy failure rather than as an element of public governance that is both a source of pride and a commitment to create enabling pathways for low and moderate income households. As private housing has become increasingly sought after for its ability to deliver gains for private wealth accumulation we are at risk of losing sight of the core reason that public housing exists.

There is a need to boost ambitions and to help manage the national housing market and the broader economy in ways that help to create more sustainable and diffuse equity gains. There is little advantage to a boom- and- bust cycle, even less to one that generates significant intergenerational gaps in wealth and provision for financial security. As countless housing commentators have argued, there is a significant need for a more ‘tenure neutral’ array of housing policies that allow the tenure system to play a more functional and effective role in the nation’s economy. Such a system would rein-in spending and subsidy on homeownership (to leave it as a more genuine private market) while investing for lower income Australians.

This would also mean that choices based around labour market mobility and personal wealth requirements could be more effectively accommodated by transition through the tenure system. This might see households ‘starting’ in public and private rental accommodation and purchasing when they are ready, rather than feeling a need to buy in a panic. Further, for those households unable or unwilling to buy, the choice or constraint not to do so should not be seen as a problem. Private rental markets and public housing should be seen as complementary to a wider ambition to make the housing system work for the economy and the welfare of all families and households.


