Sustainable housing paradigms? The impact of reforms on the social housing sector in South Australia and Northern Ireland

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Abstract

This paper considers the impact of reform on the social housing sectors in Northern Ireland and South Australia. Over the last decade there has been substantial change in the delivery of social housing in both jurisdictions. In Northern Ireland greater policy emphasis has been placed on promoting home ownership, while in Australia the small stock of social housing has been reserved for those most in need. In addition, access to social housing has become enmeshed with the provision of other human services. Currently 45 per cent of new social housing tenants have a disability and 80 per cent of all tenants in Australia are in receipt of some form of government income support. In both Northern Ireland and South Australia housing reform has challenged the long-term survival of public housing, with growing levels of tenant debt, rising eviction rates and increasing pressure for other forms of housing assistance. This paper maps the nature of these reforms, discusses their impacts and considers the range of policy options available to governments.

Introduction: social housing and beyond

Many developed economies established large-scale public or social housing sectors in the period after 1945. In the United Kingdom public housing, primarily in the form of council housing, grew over a 25 year period to encompass approximately one third of the total housing stock. In Australia the public housing stock grew rapidly after 1949, though an ongoing program of sales from 1954 ensured that government-owned housing never constituted more than 10 per cent of the national total (Beer 1993). South Australia, however, had higher rates of public housing than other States (Marsden 1996). In both the United Kingdom and Australia in the early post war years public housing was promoted as a solution to the problems of insufficient housing stock and poor quality housing, as well as an important mechanism for providing low and modest income households with affordable housing. In large measure, government owned and provided housing was seen to offer a resolution to the problems of slum landlordism and high housing costs relative to income.

Economic restructuring since the mid 1970s, in association with social and demographic change, has transformed the way governments seek to address the challenge of providing affordable housing. The nature and rate of social and economic change in Australia and other developed economies has been substantial, with manufacturing employment nationally falling from approximately 25 per cent of the total in 1976 to 12 per cent in 2005, service sector employment has grown, full time jobs have been replaced by part time and casual work, and there has been an increasing

feminisation of the workforce (Forster 2004). Change in the arena of paid employment has been accompanied by social change and many researchers (see, for example, Amin 1994; Beck 1999) have argued that developed economies have been transformed from Fordist to Post Fordist societies. Where once industrial production dominated the economy and social life, increasingly long run manufacturing production is only one part of a much more diverse economy. As a consequence, society – its social institutions, government programs et cetera – has been reconfigured to meet the needs of this new mode of production.

The emergence of post Fordist societies has challenged conventional public housing in two fundamental ways: first, housing assistance has been caught up in broader shifts in the way in which governments seek to provide income assistance. Government-provided support is increasingly seen as point-in-time assistance, rather than a long term commitment to the wellbeing of individuals and households. There is a greater focus on market based solutions to questions of social and economic welfare. For example, the current Howard Coalition Government is encouraging sole parents to enter paid work, as it sees that participation in the formal labour market is the only viable solution to meeting the long term needs of these families. Second, processes and dynamics already embedded within the public housing sector have become more problematic. Under contemporary policy settings tenants are far less likely to be in paid work than 20 or 30 years previously, there has been a concentration of persons with psychiatric, intellectual and other disabilities in government-provided housing as a consequence of de-institutionalisation, and governments have been confronted by the reality that they cannot provide sufficient housing to meet all claims for housing assistance. The Hawke Labor Government, for example, was elected in 1983 on a platform to double the size of the public housing stock. In reality, funding declined by almost 15 per cent over the period 1989-99 (Orchard and Arthurson 2005). In addition, there has been on-going debate over the direction and targeting of housing assistance. For example, in Australia the findings of the Henderson Poverty Inquiry in the 1970s have been used to argue that after-housing cost poverty – that is, the incidence of poverty once housing costs are taken into account – is concentrated in the private rental sector, not the public rental sector (Peel 1994). The National Housing Strategy (1991) reproduced this finding and concluded that greater levels of assistance needed to be directed to private tenants.

Growing home ownership and the shift from Fordist to post Fordist models of production in Australia and the UK resulted in a changed emphasis from ‘public’ forms of provision to the notion of ‘social’ housing whereby diverse forms of provision could be encouraged. This terminological shift partly reflected growing awareness in the UK and Australia that other nations had been involved in a much more diverse array of housing support than simply through the provision of public housing. The refocussing of the debate from ‘public’ to ‘social’ housing also reflects the changing function of assisted rental housing – from supporting economic growth (Beer and Forster 2002) – to concerns over social cohesion in apparently fragmenting post-Fordist societies where groups of ‘socially excluded’ citizens inhabit increasingly residualised and unpopular housing estates”. In the past working class households were represented politically on public housing estates through the union movement and political institutions such as the Labor Party, but there is now much less political organisation within these fragmented and highly alienated public housing communities among whom only a small minority are in paid employment (Byrne 1999).

Governments in both Australia and the United Kingdom have sought to expand non-state forms of assisted housing provision and involve private and other non-government sources of finance and expertise in the development of subsidised rental housing. The
introduction of housing benefit in the UK marked the shift away from subsidising production to subsidising consumption of rental housing, with the payment of benefit decoupled from the provision of housing by specific forms of landlords. Housing benefit became payable to tenants of non-state landlords, especially housing associations but also private landlords. Housing associations in the UK, moreover, increasingly made use of private sector finance for capital development projects, while the availability of private finance was underpinned by a housing benefit system which under-wrote the repayment of private loans.

In Australia contemporary governments have expressed concern about the risk of government provided housing acting as a disincentive to engagement with the formal work force. Bridge et al. (2003) note that housing assistance programs can effectively raise the ‘reserve price’ of labour, that is, public housing provides sufficient benefit to low income households as to make it unattractive for households to enter paid work at low wages. Other research has documented poverty traps within the Australian public housing system (NHS 1992). This is a pressing policy concern as national policies of welfare assistance have taken on the dimensions of a ‘workfare’ state (Peck 2001; McClure Report 2001). Increasingly governments argue that participation in the workforce and higher levels of education are the only solutions to poverty, and government programs that have the potential to discourage participation in paid labour are not favoured. Government housing provision in Australia is also made more complex by Federalism. Over the last two decades the national government (which receives 80 per cent of public sector revenues) has increasingly favoured social security arrangements based on transfer payments. It has shied away from the direct provision of services that often have to be funneled through State Governments (Beer and Forster 2002).

In many developed economies governments have rethought their engagement with the direct provision of housing. In the Republic of Ireland governments have refocussed their policies away from assisting council provided housing to other forms of social housing. In England and Wales there has been a wholesale transfer of council owned housing to Registered Social Landlords, such as Housing Associations. In Australia greater emphasis has been placed on assisting the private rental sector meet the needs of low-income households (DSS 1996). Currently the Australian Government spends almost twice as much on housing assistance within the private rental sector ($1.6 billion per annum) as within the public rental sector ($860m per annum) (Yates 1997).

This paper considers housing policy reform and its impacts on the delivery of housing assistance in South Australia and Northern Ireland. The two are presented as case studies of change in the way governments address housing issues. Both had local forms of public housing provision which were very distinctive within their respective national systems: public housing in South Australia was established for the purpose of assisting economic growth (Marsden 1986), while the Northern Ireland Housing Executive was created as a unique administrative response to the challenge of providing public housing in an environment of intense social conflict. Both had higher levels of public housing than elsewhere in their respective nations during the 1980s, with Northern Ireland having almost 40 per cent of its stock publicly provided by 1989 – compared with 30 per cent across the United Kingdom – and South Australia having 12 per cent of its stock in public ownership – compared with six per cent nationally. Each is a marginal economy within a broader national system, they have had distinctive housing policies within a broader national framework and they have broadly equivalent population bases – 1.6 million and 1.4 million respectively. Both Northern Ireland and South Australia have entered a period of uncertainty with respect to housing policy and there is growing pressure to

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find new housing solutions. The article discusses the decline and restructuring of the public housing sector in South Australia before turning to consider developments within Northern Ireland. The final section of the paper then draws upon the two experiences to comment on the sustainability of public housing and the long-term impacts of change.

Social housing in South Australia: decline and restructuring

Background: social housing in South Australia

South Australia has a long history of innovation in government owned housing (Stretton 1989). The South Australian Housing Trust had its origins both in a post War commitment to the provision of affordable housing to working class men and women, and the determination of the mercantilist Playford Governments to use cheap housing as a tool to boost economic development (Marsden 1986). Through the 1950s, 1960s and 1970s the South Australian Housing Trust (SAHT) had a substantial building program, with higher levels of state government investment in public housing than in other parts of Australia. The SAHT also sold a smaller percentage of publicly owned dwellings than in other States or Territories, all of which contributed to the emergence of a larger social housing sector in South Australia than in any other state.

Government provided housing in South Australia has been significantly affected by new policy frameworks and new philosophies of assistance, especially at the national level. As noted previously, from the early 1990s onwards Australian Governments placed a greater focus on assisting low-income households with their housing costs by providing subsidies to private tenants. Through the 1990s Commonwealth Rent Assistance escalated rapidly to reach $1.6 billion (Yates 1997) annually while national government funding for public housing – through the Commonwealth State Housing Agreement (CSHA) – declined. At the same time, national governments demanded more stringent targeting of housing assistance provided through the public sector. In March 2000 the South Australian government brought in a segmented waiting list, under which customers seeking Trust accommodation were classified into one of four categories of housing need, with Categories 1 and 2 being the most urgent and/or most needy ‘priority’ classes. Comparing allocations across the different time periods, there has been a dramatic rise in ‘priority’ allocations. In 1995-96, 16 per cent of new allocations were ‘priority’ allocations. By 2000-2001, this figure had risen to 70 per cent of new allocations (SAHT 2002).

These changes to the supply of public housing have been introduced during a period when South Australia’s economic performance lagged the nation. While the period since 1991 has been the second longest period of sustained economic growth in Australia’s history, South Australia’s economy has grown more slowly, because of an older industrial structure, the loss of population (and especially the loss of young people) arising out of net internal migration losses and the failure to attract immigrants, ageing of the in situ population, and marginalisation within the global economy. Poorer economic performance has translated to a weaker labour market and a larger proportion of the population comprised of vulnerable households eligible to seek housing assistance.

The impact of housing reform

These macro policy changes have had several impacts on the provision of housing support in South Australia. First, there has been a significant reduction in the public rental stock in metropolitan Adelaide, which accounts for three quarters of the state’s population. As Figure 1 shows, there has been a greater decline in the public housing stock in South Australia compared with Melbourne and Sydney, albeit from a higher base. There have also been important compositional changes amongst tenants. Increasingly, public housing tenants are the most underprivileged members.
of society. Some 85 per cent of tenants receive a rebate on their rent, which means that they are almost certainly outside the formal labour force and in receipt of some form of government benefit – such as unemployment benefits, a disability pension, aged pension or supporting parent pension. Moreover, some 45 per cent of new tenants report that they have a disability (AIHW 2002) – physical, mental or intellectual – and accommodating persons with ‘complex needs’ adds to the cost of maintaining a public housing system.

The changing size and nature of the public housing system has generated an unsustainable program and policy environment. Increasingly, public housing authorities are confronted by declining revenues and rising costs. There are two fundamental processes at work. First, economically disadvantaged tenants have become a much higher proportion of their total tenant base. Very low income households are far more likely to fall behind with their rent payments, their tenancies are more likely to result in eviction and they are more likely to require services in addition to those normally provided by a landlord (Baulderstone and Beer 2003). Second, the incomes of government housing providers have fallen as national government payments have declined in both nominal and inflation adjusted terms. Hall and Berry (2003) have undertaken research on the trading position of all government housing authorities in Australia and report that all are in an unsustainable position. They depend upon the sale of stock – through ad hoc sales or urban redevelopment initiatives – to remain liquid. Over the decade 1990-91 to 2000-01 the budget surpluses of government housing providers declined by 85 per cent, while real operating costs rose 36 per cent and administrative costs rose 56 per cent. Hall and

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Berry argue that the tight targeting of housing assistance is inimical to the interests of government housing providers as they need a significant percentage of moderate income households to maintain financial viability. This situation is comparable with the health sector where private insurers rely upon the contributions of the healthy to meet the needs of the unhealthy.

Market solutions to housing need?

The SAHT, like other public housing providers, has attempted to develop new ways of meeting the needs of people on low incomes who can no longer gain access to public rental housing. Through its Private Rental Assistance program, the Trust has provided bonds to low-income households, and up until the year 2000 provided rental supplements to low-income tenants. Slatter and Beer (2003) have analysed the operations of this program and their findings form the basis of the analysis set out below.

The Private Rental Assistance program operates within the context of a regulated private rental market. The Residential Tenancies Act (1995) requires all landlords to register bonds (four weeks rent) with the Office of Consumer and Business Affairs, and makes provision for a Residential Tenancy Tribunal (essentially a small claims court) to deal with disputes between landlords and tenants. Since 1995 the SAHT has provided bond guarantees to low-income households who meet the eligibility criteria for entry to public housing but who cannot be accommodated because of excess demand. Between 1995 and 2002 the Trust issued $45.99 million in rental bond guarantees (Slatter and Beer 2003). This helped 106,306 low-income households rent homes in the private rental market. Some 82,853 of those tenancies had ended by June 2002, resulting in the release of bonds worth $34.78 million (Slatter and Beer 2003). Almost half this sum, $15.83 million, was paid out to private landlords who were awarded payments from the bonds as they were released. The landlords received these bonds because the tenants had fallen into rent arrears, had damaged the property, abandoned the tenancy or engaged in other activities that generated costs for the landlord. In the same period (1995-2002) the Trust also paid $11.08 million in exceptional grants to private tenants for rent in arrears and rent in advance. The Trust’s support for the private rental sector effectively cost $27 million over seven years, or just under $4m per year.

The Private Rental Assistance program casts the SAHT in the role of gatekeeper to, and underwriter of, the state’s private rental market. This is reflected in the fact that during the year 2000-01 SAHT bond guarantees represented 27 per cent of all commencing tenancies. The SAHT therefore has a significant impact on the private rental market, especially the lower end of the market, and this role in turn affects the operating position of the Trust. It is worth noting that there are clear parallels with the United Kingdom, which has witnessed the emergence of a new private rental fraction focussed on Housing Benefit recipients. As noted before, the Trust has had both a significant exposure ($46 million) and expenditure ($27 million) on the private rental market over the last seven years. This role is supported by monies received through the CSHA as part of that Agreement’s purpose of facilitating ‘access to affordable, appropriate and secure accommodation for those on low incomes and those with special needs’. Significantly, supporting private tenancies comes at a price to the public housing authority. First, because funds committed to the private rental sector are not available for investment in the conventional public rental stock. Second, because tenancies in the public rental sector have the potential to generate a positive cash flow, they are more stable than those in the private sector – thereby reducing the need for further public assistance – and the dwelling occupied by the public tenant has the potential to yield a capital gain.

There are tensions within the Trust’s role as an

enabling agent within the private rental market. Research by Slatter et al. (2000) found that the number of disputes between tenants and landlords resulting in appearances before the Residential Tenancies Tribunal increased threefold between 1995 and 2000, and that this increase was partly due to an increase in the number of Trust-provided bond guarantees. Slatter et al. found that Trust-provided bond guarantees were more likely to fail than conventional bonds and it may be that public tenants attach lower priority to maintaining their tenancy – and the cash value of the Trust’s guarantee – than if they were advancing their own funds. However, the growth in the number of evictions was mainly a function of a rise in the propensity of tenancies to fail. The implication here is that declining access to public housing has pushed a greater number of vulnerable households into the private market and into tenancies that they cannot sustain. Further research (Slatter and Beer 2003) into bailiff-assisted evictions found that tenancies with Trust-provided bond guarantees were more likely to result in a bailiff-assisted eviction than tenancies where the tenant provided the bond. Significantly, this research also found that tenancies with Trust-provided bond guarantees were likely to fail more quickly than other types of tenancy. Approximately one quarter of all tenants with a Trust-provided bond guarantee who were subject to bailiff-assisted eviction were in their tenancy for less than three months, with the major cause of failure being rent arrears.

The South Australian Housing Trust is caught between powerful processes that threaten the sustainability of its programs and its existence as an agent in the housing market. On the one hand, the provision of conventional government housing is no longer sustainable because of broader shifts in social policy. On the other hand, intervention in the private rental market is problematic because of the high costs and exposure of providing bond guarantees and other assistance. Moreover, policy interventions of this type appear to have limited impact. At a broad level the South Australian Government’s State Housing Plan (Government of South Australia 2005) has emphasised the provision of affordable housing rather than public or even social housing. The State Housing Plan looks to the private sector to meet the government’s housing affordability targets by requiring new developments to include 15 per cent of all dwellings as affordable housing, with five per cent set aside for high needs groups. The South Australian Government has also emphasised access to home ownership for low income households with an Equity Start loan provided through HomeStart Finance tailored to existing public tenants. The Equity Start loan provides SAHT tenants with a low cost loan to purchase their dwelling and includes a $30,000 discount on the value of their property. This initiative is intended to encourage public tenants into owner occupation.

The public rental sector is not afforded a prominent position in the State Housing Plan and this foreshadows a continuing decline in this stock. In the early 1990s the SAHT had a stock of approximately 70,000 units, by 2005 it owned 48,000 dwellings and some estimates suggest that the public housing sector will decline to 28,000 units by the year 2020. Government owned housing in South Australia therefore appears to be in terminal decline at the same time that the State Government is seeking to halve the level of housing stress in the state through the provision of an additional 19,000 affordable housing units by 2010 (Beer et al. forthcoming). Clearly, the loss of public rental housing must make this task more difficult.

Social housing in Northern Ireland: change and continuity

Background: social housing in Northern Ireland

The history of social housing in Northern Ireland has been distinctively different from other parts of the United Kingdom (Paris 2001). Housing policy was largely a matter for
the locally accountable parliament and government of Northern Ireland between 1920 and 1970, following the partition of Ireland and the creation of the Irish Free State. Levels of house building by councils were much lower than in England, Wales and Scotland, there was much less comprehensive redevelopment, and housing standards had dropped considerably behind those on the other side of the Irish Sea.

Growing civil unrest, accompanied by widespread civil disobedience and inter-communal violence, led to the breakdown of governance arrangements and the introduction of ‘Direct Rule’ by the Westminster parliament. Social housing allocation had been a contentious issue during the 1960s, when Catholics claimed that Protestant-dominated councils systematically discriminated against them both in terms of public housing construction and allocations. Local councils lost their housing and planning powers in 1971 and a new agency – the Northern Ireland Housing Executive – was created to be the sole provider of public housing. These distinctive administrative arrangements for public housing provision have endured to this day, and the Northern Ireland Housing Executive is one of the largest social housing landlords in Europe.

Continuing protests and inter-communal violence during the 1970s and 1980s resulted in a much longer period of direct rule than had been anticipated initially. During that period, however, housing conditions in Northern Ireland were substantially improved. The Housing Executive undertook massive programs of new building and slum clearance, and gained a reputation for fair and impartial treatment of all applicants for social housing. New housing associations were formed from the mid-1970s and they grew steadily, albeit at a much slower rate than in Great Britain. By the early 1990s, despite continuing social conflict, there had been a transformation of housing conditions. There was a large and high quality public sector stock – home to over 30 per cent of households – and there had been much less change in government policy priorities than elsewhere in the UK. Many British government policies had been introduced – including the right to buy – but some initiatives of the 1980s and early 1990s had not yet crossed the Irish Sea, and in particular there had been no moves towards transfer of public housing to other agencies. Whereas councils in Britain had more-or-less stopped doing any new construction by the early 1990s, and most new social housing was being provided by housing associations, public sector housing construction continued strongly in Northern Ireland well into the 1990s.

The changing face of social housing in Northern Ireland during the 1990s

The high point of public housing provision in Northern Ireland was already in the past by the start of the 1990s. Despite continuing sectarian tensions and violence, Northern Ireland gradually faced the same kinds of reforms that had been introduced in Britain during the 1980s: reduced government support for public housing, greater emphasis on expanding home ownership and, towards the end of the decade, a shift away from new building by the Housing Executive and stronger government support for housing associations (with increasing use of private finance to enable associations to undertake building using lower levels of government grant). Critically, Fordist policies that favour the direct provision of housing by governments persisted longer in Northern Ireland than elsewhere in the United Kingdom as a form of crisis management. As the political crisis of the Troubles became less urgent the state introduced post-Fordist policy initiatives.

Changing policy emphases, combined with relatively strong economic growth, resulted in a substantial shift away from public housing provision towards an increasingly buoyant and growing owner-occupied sector. Owner occupation was boosted by strong continuing sales of public housing and growth in private sector construction during the 1990s. House prices grew strongly, and average house prices...
rose above those of some Northern English regions. During the 1990s, too, there was a spectacular housing boom in the adjacent Republic of Ireland. Economic prosperity in the Republic stimulated rapid growth of employment and incomes. In addition, immigration fuelled demand so that new house building increased by over 150 per cent between 1990 and 2002 and house prices doubled between 1995 and 1998. It is inconceivable that this dramatically buoyant housing market had no effect on Northern Ireland, as growth spilled over between the two jurisdictions and investors on both sides of the border saw opportunities in the other jurisdiction. Meanwhile, the stock of social housing continued to fall in Northern Ireland, as a modest program of construction fell well below continuing high levels of sales of social housing to sitting tenants. The Housing Executive’s stock fell from a high of around 180,000 dwellings in 1981 to around 115,000 in 2003, or from 38 per cent of households to around 18 per cent.

There were increasing signs of residualisation of social housing within Northern Ireland, as in Great Britain, with growing concentrations of benefit recipients, elderly households, single young unemployed persons, long-term unemployed, and sole parent households. There was a rapidly declining proportion of nuclear families, as a declining proportion of tenant households contained anybody in the paid labour force (down to around 15 per cent in the in 2001 census) – despite significant overall growth in the number of jobs and decline in unemployment in Northern Ireland during the 1990s. Public housing in Northern Ireland remained more popular than much British council housing, however, due to much better quality stock often in very desirable locations.

The most significant housing policy change in Northern Ireland in the late 1990s was the decision to shift new social housing construction away from the Housing Executive and to housing associations. This can be considered as a key privatisation initiative as it places much greater emphasis on the need to raise private sector finance for new social housing construction. The level of new social housing production, now only undertaken by housing associations, remained high until 1999 but has fallen significantly since that time. Critically, the shift to Housing Associations as the providers of social housing saw the growth of this stock stall as market forces eroded their capacity to construct new dwellings. The 2003 Housing Order (Northern Ireland) has also introduced a number of measures which were already operating in Britain, especially measures relating to anti-social behaviour, the regulation of houses in multiple occupation and the introduction of discretionary (rather than mandatory) grants for private sector rehabilitation work.

The 2003 Order also introduced the possibility of major transfer of stock from the Housing Executive to other social landlords. There is no political will for such transfers at present, but the provision of the option creates yet more uncertainty over the future of the main social housing landlord: the Northern Ireland Housing Executive. It remains the agency with statutory responsibility for a strategic perspective on all housing in Northern Ireland, but is facing many uncertainties. Some other social housing agencies object to the Housing Executive retaining both a strategic and landlord role. Its landlord role is diminishing, as 5-6,000 dwellings are sold to tenants each year, and its capital programs concentrate on maintaining and enhancing the existing stock. Importantly, Housing Associations have a more limited capacity to provide large-scale social housing and this has been reflected in a decline in the total quantum of social housing.

The enhanced possibility of stock transfer raises the level of uncertainty about the future organisation of social housing at a time when attempts to create a devolved local Assembly are in crisis. Agreement to create a Northern Ireland Assembly and power-sharing Executive had been reached in the historic ‘Good Friday agreement’ in 1998. An Assembly was created,
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and new organisational arrangements put in place for local governance. Housing policy became the responsibility of a new Department for Social Development, which also had a strategic responsibility for housing policy. Despite much good will from many participants, the Assembly has been suspended three times and Direct Rule reinstated.

What future for social housing in Northern Ireland?

We can be confident that the future for social housing in Northern Ireland is likely to be very different from the past. There appears to be very little prospect of any significant growth in social housing supply, and the overall social housing share will probably not be much above 10 per cent of households by the next census in 2011. The future of the major social housing landlord is uncertain: the Housing Executive appears likely to continue to lose stock through sales to sitting tenants, and there could be increasing pressure for stock transfers to other landlords. A relatively prosperous private sector has become the main driver of housing change and modest revival in the private rented sector is in part due to better off social housing tenants preferring to leave the sector and take private tenancies, secure in the knowledge that housing benefit is payable if they need help with their rental payments. Owner-occupation is the dominant tenure and high quality housing remains much more affordable than in most other parts of the UK. Social housing is increasingly likely to house those unable to access home ownership, and this likelihood increases as government continues to seek to stimulate the growth of home ownership. There is widespread goodwill towards the Housing Executive and no local political parties have expressed any desire to transfer its stock to other social landlords. Even if they were to do so, however, this would only shift the responsibility for dealing with an increasingly impoverished tenantry to other agencies.

Conclusion: cross national perspectives on sustainable housing policies

There are strong grounds to question the sustainability of the current housing policy frameworks in both Northern Ireland and South Australia. In Northern Ireland the pace of change has generated considerable uncertainty for the future, while in South Australia the impacts of national policy change – through the application of more aggressive neo-liberal ideologies – have undermined the conventional ‘business’ of public sector housing provision. The SAHT’s attempts to develop alternative models of housing support have been a muted success at best and are unlikely to meet the needs of low income and vulnerable households on a sustainable basis. Supporting tenants within the private rental market is costly and too often results in tenancies that fail quickly. South Australia and Northern Ireland are small jurisdictions within the global and national stage but each encapsulates processes and tensions evident at a wider scale. To a greater or lesser degree the crisis confronting the South Australian Housing Trust is evident in every Australian State or Territory. The processes of stock transfers taking place in Northern Ireland have – in large measure – already been completed in other parts of the UK, and home ownership is the dominant tenure throughout the British Isles. Parallels can be found in other developed economies such as the Netherlands, where social housing systems have declined in response to broader changes within the system of welfare provision (Priemus 2001).

Systems of housing support in many developed economies are under pressure and changing. While this change could be thought of as a process of transition, it is reasonable to ask, to what? The public housing sector in Australia has been subject to reform since the early 1990s with a number of different funding models and frameworks experimented with and
then abandoned. Currently no clear vision of the future of public housing in Australia is evident. The processes of policy change in Northern Ireland and other parts of the UK appear more solidly based.

Peter Malpass (2005) argues that housing is the ‘wobbly pillar’ of the welfare state. Unlike the provision of health services or income support, access to affordable housing is not seen to be a ‘right’ which governments are expected to deliver against. In many ways the shift from a public housing sector to a social housing sector reflects broader trends both within the housing systems as a whole and within society. Post Fordist societies are more complex and present different challenges to government when compared with Fordist society. There is more variability in an individual’s housing and labour market career over the life course, and housing is increasingly positioned as both the site for luxury consumption and as a basic need (Beer, Faulkner and Gabriel forthcoming). These changes within society mean that there is no longer an unambiguous role for governments in the provision of housing assistance, because actions that were once seen as appropriate support for vulnerable households are increasingly viewed as inappropriate subsidies to a minority of individuals. In one sense this trend reflects neoliberal or economic rationalist impulses within governments (see O’Neill and Moore 2005) but it is also indicative of more fundamental change in the operation and functioning of contemporary society.

Finally we should ask, does it matter? Is there a need to maintain direct government intervention in housing markets in the (post)modern era? Evidence from other studies suggests there is an on-going need for effective housing assistance programs as their absence results in higher health costs through increased morbidity amongst vulnerable populations; lower rates of participation in the labour market amongst young people raised in low income households; lower levels of educational achievement; and lower levels of social capital (Bridge et al. 2003). The new models of social housing do not guarantee housing outcomes of the quality or quantity delivered through conventional public housing. As the discussion above has shown, the SAHT’s rental support programs have had limited success and in many ways they have simply served as a guarantee on the returns available to landlords. Approximately 1,000 tenants are evicted by bailiffs each year in South Australia and it is estimated that 10,000 lose their tenancies as a result of actions instituted through the Residential Tenancies Tribunal (Slatter and Beer 2003). Similarly, the Equity Start loans made available from the beginning of 2005 have had a very limited impact on the supply of housing for low income and vulnerable households. The absence of effective housing assistance programs results in higher costs within other parts of the welfare budget and lower productivity within the national economy. The demise and then re-emergence of social housing in New Zealand could be an indicator of the sector’s continuing importance within contemporary economies (Laing 2005; Badcock 2003). On the other hand, other nations such as the Republic of Ireland appear willing to embrace a future without conventional public housing. Large scale public housing institutions may well be dinosaurs dying slowly, but if they do disappear their departure is likely to come at a cost to the wellbeing of individuals and society as a whole.

References

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2. The riots in Macquarie Fields in early 2005 give poignancy to this argument, as did the earlier riots in Redfern. Even the 'race' riots of December 2005 in Cronulla, Sydney, reflect, at least in part, the alienation of low income households living in low income housing estates.

3. Baulderstone and Beer (2003) found that some tenants had been evicted up to 11 times, but as they met the eligibility criteria of the public housing authorities they were quickly rehoused. Many of these households had rent arrears three to five times the value of their total weekly income.