

Auditing for the Australian Capital Territory

The Auditor-General is head of the Auditor-General's Office. He and his Office act independently of the Government. The Office assists the Auditor-General to carry out his duties, which are set out in the Auditor-General Act 1996, by undertaking audits of management performance and the financial statements of public sector bodies. The aim is to improve public sector management and accountability by firstly, ensuring the Legislative Assembly and the electorate are provided with accurate and useful information about the management of public sector resources and secondly, by providing independent advice and recommendations for improving the management of public resources.

PA98/13

20 October 1998

The Speaker
ACT Legislative Assembly
South Building
London Circuit
CANBERRA ACT 2601

Dear Mr Speaker

In accordance with the Authority contained in the *Auditor-General Act 1996*, I transmit to the Legislative Assembly my Report titled "*Management of Housing Assistance*".

This audit was undertaken with the assistance of KLa Australia.

Kurt Munro of this office also assisted with the audit.

Yours sincerely

John A Parkinson

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1. REPORT SUMMARY

1.1 INTRODUCTION

The ACT's stock of public housing, valued at about \$1.2 billion, is one of the major assets owned by the community. The assets consist of over 12,200 dwellings, representing almost 11% of all ACT residential properties, and houses more than 50% of the ACT's residential tenants. The percentage of households residing in public housing in the ACT is almost twice the national average of 5.8%.

The audit was undertaken due to the social importance of public housing and its associated costs.

The opportunity was also taken to audit two other forms of housing assistance. These were KickStart Grants and Rental Bond Loans.

Most of the costs of the activities covered in the audit were met in 1997-98 from the Department of Urban Services' Output Classes 2.2 *'Delivery of Housing Assistance'* and 3.1 *'Provision of Accommodation'*. Some costs were met from Output Class 1.2 *Ministerial Services*.

The activities covered by this audit are directly managed by ACT Housing in a "provider" role. The Department of Urban Services undertakes the "purchaser" role and as part of this role is responsible for policy in relation to housing assistance.

In this Report wherever the general term "management" is used it includes all those with powers or responsibilities to control operations or make decisions related to the provision of housing assistance.

1.2 SCOPE OF THE AUDIT

Delivery of Assistance through Provision of Public Housing

The audit included the activities for screening applicants against eligibility criteria as a prerequisite to granting access to public housing services. The audit reviewed the eligibility criteria for effectiveness, equity and efficiency of application. A comparison with other jurisdictions was also made. Maintenance of the applicant waiting list was also reviewed.

The audit covered the calculation of rents payable by public housing tenants. All ACT Housing properties have a market rent assessed which is subsidised for tenants by a reduction of their rents payable to a “basic rent” set according to household incomes. The methods of setting basic rents were reviewed as part of the audit which also included comparing ACT methods with those of other Australian jurisdictions.

The audit included an evaluation for effectiveness, equity and efficiency of the avenues available for appeals against public housing decisions. The ACT’s security of tenure practices for tenants were also examined.

The audit did not include tenancy matters such as repairs and maintenance of properties or rentals being charged to full market rent paying tenants.

Supported crisis and emergency accommodation for homeless families, single men, single women, young people and women escaping domestic violence is provided through the Commonwealth Supported Accommodation

Assistance Program (SAAP). This assistance which is the responsibility of the ACT Department of Children's, Youth and Family Services was not included in the audit.

KickStart Grants

The KickStart grants scheme provides for 500 grants of \$5000 to be made available annually to assist low income first home buyers to purchase either an existing ACT Housing property or a new house/land package. The audit included analysing whether the scheme has been achieving its intended objectives and whether the scheme has operated efficiently.

Rental Bond Loans

Rental Bond Loans are low value loans, to a maximum of \$600, made to assist eligible applicants to rent in the private market. Approximately 500 loans are advanced each year involving approximately \$250,000. The audit reviewed the effectiveness and management of the scheme.

1.3 COMPARISONS WITH OTHER JURISDICTIONS

The audit included obtaining information from other Australian jurisdictions for comparison with the ACT on matters such as eligibility criteria for public housing and methods of assessing rent payable. The comparative information used was provided by the other jurisdictions. Because of differing methodologies and terminology it was not feasible to completely verify the interstate information however care was taken to ensure that the information used was reasonably comparable.

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1.4 AUDIT OBJECTIVES

The objectives of the audit were to provide independent opinions to the Legislative Assembly on:

Public Housing Assistance

- whether management has delivered effective assistance through the provision of public housing; and
- whether the assistance provided through public housing has been delivered efficiently.

KickStart Grants Assistance

- whether management has delivered effective assistance through KickStart Grants; and
- whether assistance provided through KickStart Grants has been delivered efficiently.

Rental Bond Loans Assistance

- whether management has delivered effective assistance through Rental Bond Loans; and
- whether management has efficiently delivered assistance through Rental Bond Loans.

The independent opinions formed as a result of the audit are set out in the shaded box below.

OPINIONS ON AUDIT OBJECTIVES

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Public Housing Assistance

- Delivery of assistance through public housing has been *very effective*; and
- Delivery of assistance through provision of public housing has been *inefficient*.

KickStart Grants Assistance

- KickStart grants have delivered *effective* housing assistance; and
- The assistance provided through KickStart Grants has been delivered *efficiently*.

Rental Bond Loans

- Assistance delivered through Rental Bond Loans has been *neither effective or efficient*.

1.5 INVOLVEMENT OF MANAGEMENT IN PREPARATION OF THE REPORT

During the process of the audit, findings as they emerged, were discussed with Departmental management. Management's comments and viewpoints were taken to account in preparing drafts of the Report. A final draft of the Report was supplied to the Department with a request for comments on the draft. The Department provided a response and the Report was revised where considered appropriate to reflect those comments.

1.6 BASES FOR AUDIT OPINIONS

The basis on which each audit opinion was formed is set out following:

1.7 DELIVERY OF ASSISTANCE THROUGH PROVISION OF PUBLIC HOUSING

Effectiveness

The opinion that *delivery of assistance through provision of public housing has been very effective* is based on the following positive audit findings:

Positive Effectiveness Findings

- ACT income eligibility criteria for access to public housing complies with the Commonwealth State Housing Agreement (*Chapter 2*);
- For ACT single persons income eligibility for access to public housing is similar to other jurisdictions (*Chapter 2*);
- For ACT couples and couples with children the ACT income eligibility allows access to public housing to significantly higher income earners than does other jurisdictions (*Chapter 2*);
- ACT rent setting practices comply with the Commonwealth State Housing Agreement (*Chapter 3*);
- The rent setting methods have resulted in significant financial assistance to public housing tenants averaging \$83 weekly (*Chapter 3*);
- Policies for the frequency of reviewing rents payable are fair and equitable (*Chapter 3*);
- ACT public housing tenants have greater security of tenure than tenants in the private sector (*Chapter 4*);

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- ACT public sector housing tenants have greater security than public housing tenants in Victoria and Queensland (*Chapter 4*);
- On the evidence available to audit the procedures for processing applications are considered to be fair and equitable (*Chapter 5*);
- Generally initial eligibility assessments are being carried out in accordance with the laid down procedures; consequently those being placed on the applicant list meet the eligibility criteria (*Chapter 5*);
- An appeal process exists which enables applicants to have public housing decisions reconsidered including decisions relating to priority housing (*Chapter 6*);
- The appeals process has a number of different levels with one being the Administrative Appeals Tribunal; Administrative Appeals Tribunal decisions can be appealed to the Federal Court (*Chapter 6*);
- The vast majority of appeals are rejected indicating that Housing's decisions are generally sound (*Chapter 6*);
- Maintenance of the Applicant List has in the past been poor; however it is now reasonably satisfactory (*Chapter 7*);
- The information sought from people listed in the Applicant List and Housing's procedures to verify this information ensure that applicants who have become ineligible through changed circumstances are removed from the list (*Chapter 7*);
- The applicant list is regularly reviewed (*Chapter 7*); and

- Waiting times for public housing in the ACT are considerably less than in the other jurisdictions compared. (*Chapter 7*)

Audit Comments

The large number of positive findings supports the overall audit opinion that assistance provided through provision of public housing in the ACT is very effective. It must be pointed out, as summarised later in this Chapter, that many of the practices being utilised to achieve the effective outcomes are very inefficient.

Negative Effectiveness Findings

Although there were many positive effectiveness findings on public housing assistance there were also several negative findings. These follow:

- The ACT income eligibility criteria is difficult for many applicants to understand (*Chapter 2*).
- Inconsistent application of the term household income between the initial eligibility assessment stage and the rental calculation has led to the basis of calculating rentals favouring some tenants; the benefit is estimated to aggregate around \$0.6m per annum (*Chapter 3*);
- A major variation between the ACT's rent setting methods and the other jurisdictions compared is in the treatment of rent payable calculated from residents' incomes (*Chapter 3*);
- The current policy whereby residents are charged 10% of income, instead of the 25% typically paid by tenants provides a benefit to households with residents which is not received by households without residents; if

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residents' incomes were assessed at the same rate as tenants' incomes it is estimated that additional rent of around \$2m per year would be received by Housing (*Chapter 3*);

- 'Security of tenure' practices have enabled a significant number of tenants to have accommodation in excess of their needs (*Chapter 4*);
- Current security of tenure practices do not allow for regular review that all public housing stock is being used to meet the needs of those with the greatest needs for public housing (*Chapter 4*);
- The process for assessing priority housing necessarily has judgemental elements and accordingly may not always lead to the correct decisions being made in the first instance (*Chapter 5*);
- Fewer applicants are removed from the applicant list as a result of being allocated public housing than are removed for other reasons (*Chapter 7*);
- A review of rent calculations disclosed that for many tenants there was some form of error in the calculation of their rent; the existence of errors creates inequities in that many tenants are paying more than they should while others are paying less; the errors identified were both human and system errors (*Chapter 8*).

Audit Comments

The negative findings identify areas where the audit considers that action should be taken. Addressing these matters will improve the

current effectiveness of delivery and eliminate inequities.

Efficiency

The opinion that *delivery of assistance through provision of public housing has been inefficient* is based on the following findings:

- The ACT income eligibility criteria is complex generating inefficiencies for assessing public housing applications (*Chapter 2*);
- The actual processes involved in setting rentals are more complex than necessary generating errors and inefficiencies (*Chapter 3*);
- The complexity of the initial assessment processes used to assess applicants against the eligibility criteria generates inefficiencies (*Chapter 5*);
- High numbers of appeals against Housing decisions are initiated (*Chapter 6*);
- The appeals system is a costly three stage system with no cost or other disincentive to appellants who may initiate frivolous or vexatious appeals (*Chapter 6*);
- The computer system (ISIP) which contains applicant records and the applicant list is inefficient and uneconomic; (*Chapter 7 and 8*);
- The annual cost for processing applications and maintaining the applicant list is excessive at \$1m annually (*Chapter 7*);
- Many errors were detected in rent calculations and although individually not significant in dollar amounts the quantity of

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the errors indicates very poor management practices (*Chapter 8*); and

- Management procedures for introducing changes to the core computer system (ISIP) have not worked properly; one consequence is that a recent change to the ISIP system has led to extensive corruption of the tenant incomes data from which rental charges are calculated (*Chapter 8*).

Audit Comments

The operational inefficiencies identified in this audit reflect a management culture which in the past has not responded to efficiency issues as they have arisen. Many of the issues identified in this audit should have been well known to an informed management. The audit view is that appropriate levels of staff have not been prepared to take ownership for rectifying problems in their areas of responsibility.

As reported earlier the assistance delivered has been assessed by the audit as being very effective. The audit evaluation of efficiency however has disclosed that many of the practices involved in delivering the assistance, although contributing to effectiveness, are very inefficient. The audit is of the view that many existing practices could be streamlined, modified or deleted without the effectiveness of the assistance being affected.

It is acknowledged that the present management are heavily involved in examining all public housing activities including those covered by this audit. Remedial action has already been implemented in some areas.

Concluding Comments On Public Housing Assistance

As the audit has shown public housing assistance to ACT residents in need is very

effective. In the view of the audit this is mainly a product of the large number of residences owned by the ACT. With a large stock of residences eligibility criteria for access to public housing by new tenants can be easier in the ACT than in jurisdictions with less stock. Similarly the large stock reduces the necessity for existing tenants who are no longer in need of assistance to be required to vacate the public sector housing in which they are residing.

The audit also revealed that there are many inefficiencies in public housing assistance practices. It is the audit's opinion that these should be addressed. Some of the inefficiencies are generated, at least partially, by the design of the eligibility criteria, the basic rent setting processes and security of tenure practices. These factors should be revised to improve the efficiency of public housing assistance.

1.8 DELIVERY OF ASSISTANCE THROUGH KICKSTART GRANTS

Effectiveness and Efficiency

The opinion that *KickStart Grants have in the most part delivered effective housing assistance* and the opinion that *assistance provided through KickStart Grants has been delivered efficiently* are based on the following findings:

- KickStart grants are effective in targeting young buyers with lower incomes (i.e. under \$45,000);
- KickStart grants are providing assistance to a new market of households who would

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previously have had difficulty obtaining home loans; and

- Administering KickStart grants is very low cost as most of the work is carried out by approved lenders.

Negative Finding

- A significant amount of relevant data is missing from the database used to record KickStart grants details.

Audit Comments

While the KickStart grants have been generally effective the scheme has not been successful in some aspects as indicated by the following:

- The taking up of KickStart grants has fallen short of the 500 available annually; the annualised take up rate since the inception of the scheme is approximately 300; and
- KickStart grants have been ineffective in moving people from public to private housing.

Nevertheless the KickStart grants scheme has proven to be an effective way of assisting some ACT residents who have previously not owned a residence to purchase their own home earlier than would otherwise have been possible.

It is also recognised that, as only an estimated 350 new homes have been purchased with the assistance of the grants, the scheme's impact on creating employment in the residential building sector or to take up part of the stock of vacant new houses and land has not been great. It has however made a contribution.

An objective of the scheme is to assist tenants in public housing to take up loans to acquire

their own homes. As only 43 loans have been made to public housing tenants (equivalent to 1.4% of Housing's applicant list at the end of March 98) success in achieving this objective is quite minor.

1.9 DELIVERY OF ASSISTANCE THROUGH RENTAL BOND LOANS

Effectiveness and Efficiency

The opinion that *assistance delivered through Rental Bond Loans has been neither effective or efficient* is based on the following findings:

Effectiveness

- Theoretically the rental bond loan scheme is an effective mechanism to provide prompt assistance to eligible people to access the private rental market; however it has not been managed to achieve its intended purposes.

Efficiency

- The system for managing the rental bond loans has been mismanaged in recent years resulting in many loans being in default with no action taken to recover the outstanding amounts; and
- the program is very expensive to deliver and manage.

Audit Comments

The rental bond loans scheme is very costly for what it produces and has been managed ineffectively. The true position with outstanding loans is not known with any

certainty. It is clear however that large numbers of outstanding loans will never be recovered.

1.10 FUTURE ACTIONS

The following suggestions for future actions are presented as guidelines for addressing the audit findings which should be addressed.

Public Housing Assistance

- Income eligibility criteria should be reviewed with a view to simplification to aid applicants' understanding and the efficiency of assessing eligibility;
- Unless the income eligibility criteria or access to public housing is altered as previously suggested, consideration should be given to making the methods of assessing income eligibility the same as for assessing basic rents payable;
- For equity reasons the amount of residents' incomes to be taken to account in assessing basic rents should be reviewed;
- Consideration should be given to modifying the current security of tenure practices by the introduction of lease agreements with fixed periods; the agreements should include provision for renewal;
- The formula for assessing basic rents should be reviewed with a view to simplification and elimination of potential for errors and inequities;

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- The current appeal mechanism should be reviewed with the intention of reducing the costs involved while maintaining appellants' opportunities to have public housing decisions impartially reviewed;
- The core computer system (ISIP) should be modified or replaced to improve efficiency and management information for decision making; and
- The methods of compiling and maintaining the applicant list should be reviewed to reduce the costs of these activities including identifying whether there is a need for a full eligibility assessment at the time of application as well as immediately prior to residence allocations.

KickStart Grants Assistance

As the KickStart Grants scheme is due to cease in the near future no suggestions for further action are made.

Rental Bond Loans

- The Rental Bond Loans scheme should be reviewed in its entirety as it has not operated efficiently or effectively; if it cannot be made to meet its theoretical objectives it should be abandoned; and
- Efforts should continue to identify and recover outstanding loans where reasonably feasible.

1.11 DEPARTMENTAL RESPONSE

In a response to this Report the Department of Urban Services advised the following procedural changes which have been, or are being implemented:

As part of the renegotiation of a new 1999 Commonwealth-State Housing Agreement (CSHA), the Territory has agreed to review its assistance measures with a view to achieving national consistency on such issues as eligibility criteria and tenure arrangements and to reduce inequity between relative levels of assistance in the public and private sectors.

Consistent with this national reform process, changes to rental rebate arrangements were announced in the 1998-99 ACT Budget.

As from 1 July 1998, all new public housing tenants will pay 25 per cent of their household income in rent. The amount of rent will not exceed the market rent for the property.

For existing public housing tenants, these new arrangements will be introduced from 1 January 1999. This means that the level of rent paid as a percentage of household income will be increased by 1.5 per cent per annum until 25 per cent of household income has been reached.

Simplified administrative arrangements for rent rebate adjustments were also introduced from 1 July 1998.

These reforms will greatly improve the efficiency and equity of the delivery of housing assistance through simplifying procedures, and the subsequent calculation of the rent payable and rebates. The simplified and streamlined processes will remove some administrative processes, reduce errors and

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misunderstandings, assist tenants and staff to better understand the rental assistance policies and how they are to be applied, and improve equity amongst tenants.

Other measures are also being undertaken to improve the efficiency and effectiveness of ACT Housing, These include:

- *implementing the separation of the purchaser and provider responsibilities to better define roles and responsibilities, improve the transparency of decision making and aid better resource allocation;*
- *replacing the aged and inefficient business information computing system (ISIP) for tenancy management;*
- *reviewing the operations of the Applicant Service Centre to reduce costs by removing the duplication of assessments at the time of application and time of housing; and*
- *reviewing the financial management and reporting arrangements within ACT Housing to ensure more timely, effective and relevant management information and reporting.*

The Rental Bond Loan Scheme is currently under review. In the meantime, better record keeping and debt recovery procedures are being instituted to more effectively manage the program.

2. ELIGIBILITY CRITERIA FOR PUBLIC HOUSING

2.1 INTRODUCTION

This Chapter outlines the criteria, as existing at the time the audit was conducted, which applicants must meet in order to be eligible for public housing in the ACT.

The audit compared the ACT's income eligibility criteria with the income eligibility criteria applicable in some other Australian jurisdictions. The results of the comparison are included in this Chapter.

The criteria was evaluated for its effectiveness and equity and also whether the criteria is efficient to implement.

2.2 SIGNIFICANT FINDINGS FROM THIS CHAPTER

Effectiveness and Equity

- *ACT income eligibility criteria complies with the Commonwealth State Housing Agreement;*
- *For ACT single persons income eligibility for access to public housing is similar to other jurisdictions;*
- *For ACT couples and couples with children the ACT income eligibility allows access to public housing to significantly higher income earners than does other jurisdictions; and*

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- *The ACT income eligibility criteria is difficult for many applicants to understand.*

Efficiency

- *The ACT income eligibility criteria is complex generating inefficiencies for assessing public housing applications.*

2.3 ELIGIBILITY FOR PUBLIC HOUSING

Before an applicant can be placed on the applicant list they must generally meet all the set eligibility criteria however the Commissioner for Housing has a discretion to waive most eligibility criteria requirements where it is considered appropriate. The key eligibility criteria are:

Measure	Criteria
Income	For a single person income must not exceed 60% of ACT Average Weekly Earnings (ACTAWE). For two persons combined income is not to exceed 100% of ACTAWE plus a further 10% of ACTAWE for each additional person.
Residency	Applicants must live or work in ACT; For priority housing the requirement is that applicants must have been resident in the ACT for a minimum of 6 months. Applicants must have Australian citizenship or permanent residency status.
Age	Applicants must be 16 years and over and must receive an independent income
Assets	Applicants assets must not be more than \$20,000. Assets counted do not include personal belongings, furniture, personal car or assets which cannot be realised.
Real Estate	Applicants are ineligible if they own or have an interest in real estate.

2.4 INCOME ELIGIBILITY

Households whose income exceeds ACT Housing's limits are ineligible for rental housing assistance.

For single people their incomes must not exceed 60% of the ACT Average Weekly Earnings figure as published by the Australian Bureau of Statistics.

For households of two persons, assessable income must not exceed 100% of the ACT Average Weekly Earnings. For households of more than two persons assessable income must not exceed 100% of ACT Average Weekly Earnings plus a further 10% of ACT Average Weekly Earnings for each additional person. Assessable income is the total gross weekly income of the applicant or joint applicants plus 10% of the income of any other household member whose income is at least \$100. Single applicant's jointly seeking family accommodation will be subject to the single accommodation income barrier.

Most sources of income are included when assessing applicants' incomes however all of the following are excluded:

- Austudy loan (received by a dependant);
- Austudy Pensioner Education Supplement;
- Basic Family Payment (Family Allowance or Child Endowment);
- Bereavement Payment;
- Book Allowance;
- Child Care Cash Rebate
- Child Disability Allowance;
- Domiciliary Nursing Care Benefit;
- Double Orphan Allowance;
- Educations Allowances paid by the State Government for administration fees, fares and child care assistance for primary and

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secondary students. (Administration Charge Allowance, Fares Allowance, Child Care Allowances);

- Education Entry Payment;
- Fares Assistance;
- Formal Training Allowance (paid with DSS pension or benefit);
- Foster Allowance;
- Home Child Care Allowance;
- Income of dependents under 18 years of age;
- Mobility Allowance;
- Multiple Birth Allowance;
- Non-realizable assets e.g. superannuation rollover funds, lifetime annuities;
- Orphan pension (if recipient is under 18 years of age);
- Pharmaceutical Allowance;
- Telephone Rental Allowance;
- Remedial Tuition Allowance;
- Travel, Meals and Accommodation Allowances;
- War Disability pension for that portion in excess of a DSS entitlement;
- Youth Disability Allowance; and
- Family Tax Payments.

2.5 COMPLIANCE WITH CSHA REQUIREMENTS

Although the Commonwealth State Housing Agreement (CSHA) does not specifically prescribe any income eligibility requirements, it is considered that the policies adopted by ACT Housing comply with the relevant objective of the CSHA which is *to provide housing assistance to persons on low incomes and other persons who are unable to access or maintain adequate and appropriate housing.*

2.6 COMPARISON WITH OTHER JURISDICTIONS

A comparison with the New South Wales, Victoria and Queensland jurisdictions, reveals there are different approaches to determining income eligibility.

The following is a summary of the income eligibility tests which are applied:

State	Examples of Income Eligibility
ACT	Income eligibility is maximum of \$416 for a single person and \$694 for couples with extra \$69 for each additional person
New South Wales	Income eligibility is maximum of \$395 for a single person, \$500 for couples, \$580 for three people, \$665 for four people, \$720 for five people and \$775 for six people.
Queensland	Income eligibility is maximum of \$437 for a single person, \$542 for couples, with \$87 for each additional person.
Victoria	(Is based on Centrelink income eligibility.) Income eligibility is maximum of \$410 for single person, \$685 for couple and \$697 for couple plus one child.

To illustrate the differences between each jurisdiction's maximum income eligibility criteria the following comparisons are provided of the maximum incomes for single persons and for families of two parents with varying numbers of children.

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Comparisons of Maximum Incomes for Eligibility to Public Housing

	ACT \$	NSW \$	QLD \$	VIC \$
Single	416	395	437	410
Couple only	694	500	542	685
Couple with 1 child	763	580	629	697
Couple with 2 Children	832	665	716	709
Couple with 3 Children	901	720	803	721
Couple with 4 Children	970	775	890	733
Couple with 5 Children	1039	830	977	745

Audit Comment

As the preceding comparisons and comments show there is variation in maximum income eligibility rates across Australian jurisdictions for access to public housing. Compared to the other jurisdictions the ACT maximum income eligibility for single applicants is similar to other jurisdictions compared, but for couples without children it is similar to Victoria but significantly higher than NSW and Queensland.

Comparing the maximum allowable incomes for couples with children produces a clear disparity between the ACT and all other jurisdictions compared.

On the basis of the comparisons made with three other Australian jurisdictions it is clear that many ACT residents, who are eligible for ACT public housing, would not be eligible for public housing in other jurisdictions.

2.7 EFFICIENCY OF THE CRITERIA FOR IMPLEMENTATION

Audit Comments

The criteria for assessing income eligibility is complex. The assessment is complicated by the exclusion of many forms of income and by differentiation between “tenants” and “residents”. Reducing the complexity would increase the efficiency of processing applications. It is considered that this could be achievable without affecting access and equity considerations.

The simplest system being used is in Victoria where income eligibility derives from the applicant (or one member of a couple) receiving at least \$1 of Commonwealth pension/allowance, Austudy or Service pension through Centrelink.

Centrelink, when assessing people’s entitlements to receive Commonwealth pensions or allowances, examines factors which are similar to factors ACT Housing addresses in its income eligibility assessment processes. If the Victorian model was adopted i.e. where receipt of any pension or allowance satisfies the income eligibility test, then clearly significant efficiency gains could be realised by ACT Housing.

An audit review of Housing’s Applicant List (*Chapter 7*) revealed that around 90% of the approved applicants waiting for public housing in the ACT receive some form of Commonwealth payment. This means that if the Victorian system was adopted in its entirety some 10% of applicants who would currently be assessed as eligible for ACT public housing would not be assessed as eligible.

Adopting the Victorian approach in its entirety would alter the accessibility opportunities for

larger ACT families. In the ACT, for each additional child, the eligibility income currently increases by approximately \$70 compared to only \$12 in Victoria. ACT larger families' interests could be maintained by adopting the Victorian method with modifications to ensure that the housing needs of larger ACT families continue to be met.

More work would need to be undertaken before any decision was taken to adopt the Victorian model as the basis for assessing eligibility to public housing in the ACT, particularly for ensuring that all those in need in the community have access to public housing in an efficient, effective and equitable manner and taking account of any particular needs for housing in the ACT.

The audit is not necessarily advocating that the Victorian system should be adopted. The discussion is provided to illustrate that a close examination of a variety of methods of assessing income eligibility is likely to identify a method which is suitable to the ACT's equity considerations while being less complex than the current method.

2.8 POTENTIAL REASONS FOR DIFFERENT ELIGIBILITY CRITERIA ACROSS JURISDICTIONS

There may be reasons why applying uniform eligibility criteria in all jurisdictions would not be appropriate. ACT local factors which may need to be considered include:

- a high cost of living in the ACT (eg. higher heating costs).

- Private properties available at low cost rent in the ACT may be limited when compared with other jurisdictions. If this is the case (and available data supports this) ACT households with incomes comparative to other jurisdictions may be unable to access low cost private rental properties and therefore have no choice other than public housing.
- Except for Sydney, Canberra's availability of low cost housing for purchase is less than in other major cities. In 1996 less than 14% of ACT houses sold for below \$109,000. This compares to Sydney 2%, Melbourne 20%, Brisbane 21%, Hobart 52% and Adelaide 60%. (REIA, Market Facts, June 1996).

Another factor could also be that the ACT, with public housing stock levels higher than in other jurisdictions, may need to set easier entry levels in order to ensure its housing stock is fully tenanted.

2.9 DEPARTMENTAL RESPONSE

In response to the negative findings from this Chapter the Department of Urban Services has advised on 15 September 1998:

“..... the criteria for assessing eligibility for access to public housing has been revised and streamlined to improve efficiency and ensure a better understanding of requirements by applicants and tenants.

The ACT has some unique factors which affect the delivery of housing assistance, these need to be considered in the formulation of policy and

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criteria for providing assistance. For example, the ACT has a limited supply of low to median rental properties in the private sector market compared to most of the other States and Territories. Accordingly, those on moderate incomes who may be able to obtain reasonably cheap private rental accommodation in the other States have no option but public housing in the ACT,

The primary concern is to provide housing assistance to those on low incomes or otherwise unable to access and maintain adequate and appropriate housing as provided for in the Commonwealth-State Housing Agreement.”

3. RENTS PAYABLE FOR PUBLIC HOUSING

3.1 INTRODUCTION

ACT Housing is required to provide affordable and secure rental accommodation with a rent setting method for people on low to medium incomes to comply with the Commonwealth State Housing Agreement.

This Chapter sets out the ACT methods, as existing at the time the audit was conducted, for setting rents for public housing tenants. A comparison with the public housing rental practices of some other Australian jurisdictions is also provided.

3.2 SIGNIFICANT FINDINGS FROM THIS CHAPTER

Effectiveness and Equity

- *ACT rent setting practices comply with the Commonwealth State Housing Agreement;*
- *The rent setting practices have resulted in significant financial assistance to public housing tenants averaging \$83 weekly;*
- *Policies for the frequency of reviewing rents payable are fair and equitable;*
- *Inconsistent application of the term household income between the initial eligibility assessment stage and the rental calculation has led to the basis of calculating rentals favouring some tenants; the benefit is estimated to aggregate around \$0.6m per annum;*

- *A major variation between the ACT's rent setting practices and the other jurisdictions compared is in the treatment of rent payable calculated from residents' incomes; and*
- *The current policy whereby residents are charged 10% of income, instead of the 25% typically paid by tenants provides a benefit to households with residents which is not received by households without residents; if residents' incomes were assessed at the same rate as tenant's incomes it is estimated that additional rent of around \$2m per year would be received by Housing.*

Efficiency

- *The actual processes involved in setting rentals are more complex than necessary generating errors and inefficiencies.*

3.3 AUDIT APPROACH

The audit approach for evaluating the effectiveness, equity and efficiency of rental charging policies involved:

- reviewing policies existing at the time of the audit;
- reviewing legislation and supporting policy and procedure manuals; and
- ensuring that ACT policies complied with the Commonwealth State Housing Agreement.

As an aid to reviewing ACT policies the ACT's rental policies were compared with some other jurisdictions.

3.4 COMPLIANCE WITH COMMONWEALTH STATE HOUSING AGREEMENT

The intent of the Commonwealth State Housing Agreement is that public housing should be provided which is affordable, secure and appropriate to the needs of people who are unable to access and maintain adequate housing. Affordable means *the housing costs of a household, after taking into account housing assistance, do not exceed agreed benchmarks related to income.*

Under the Commonwealth State Housing Agreement, when a tenant does not have sufficient financial capacity to pay full market property rents, rents are to be set taking to account the following:

- the level of incomes, including income from assets, of the tenants and other household members;
- the number of dependant children in the household and the receipt of Family Payments from the Department of Social Security;
- rent setting policies which should result in tenants with similar capacity to pay, paying similar rents; and
- the minimisation of poverty traps.

Under the Commonwealth State Housing Agreement housing rent setting is to be based

on no household being required to pay more than 25% of gross assessable income in rent. The Agreement also requires that rents must be reviewed at least annually.

Audit Comment

In respect of those areas reviewed in this Chapter, the policies of ACT Housing comply with the Commonwealth State Housing Agreement.

3.5 GAZETTAL OF RENTAL FORMULA

In accordance with the *Housing Assistance Act 1987* the rental formula is required to be gazetted. The gazetted ACT rental formula effective from 1 July 1996, is shown in the boxes at the end of this Chapter.

Audit Comment

The Housing Assistance Act 1987 has been complied with in that the rental formula has been gazetted as required by the legislation.

3.6 RENTAL REBATES

Differences between the rents set according to the rental formula and the market rentals for the properties occupied are referred to as rental rebates.

Market rentals are based on advice received triannually from an independent valuer. The valuations are based on the results of a sample of properties which is then extrapolated to all

other properties. Market rentals are adjusted annually in line with changes in the private rental market in the ACT from advice provided by the Australian Bureau of Statistics. Market rents are set on the basis of a flat rate for each type of dwelling (eg. 2 bedroom flat) then adjustments are made for amenity and location.

Rental rebates are an indicator of the financial assistance provided to Housing tenants who are unable to pay the market or full rent of the public housing they occupy.

Tenants who are assessed as able to pay the full market rents are required to pay the full rent. The scope of this audit did not include assessing whether Housing's market rentals were consistent with rentals for similar properties owned by private investors.

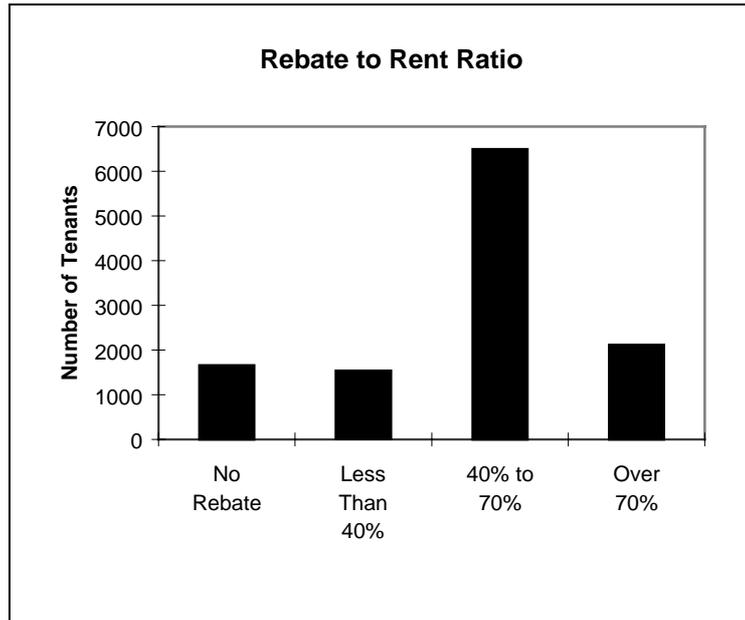
3.7 LEVEL OF FINANCIAL ASSISTANCE PROVIDED

At the end of March 1998, implementation of the rental practices has resulted in 10,100 tenancies (86%), out of total of 11,745, paying rents at less than market values. The value of the assistance provided is approximately \$44m. This averages out at an annual \$4,300 per property or \$83 per week.

The following chart shows the ratio of reduced rents to the market rent for all tenancies receiving reduced rentals. It shows that most tenancies receive a significant benefit, with over 55% of tenancies receiving a benefit of between 40% and 70% of the market rent.

Figure 3.3: Rebates to Market Rent

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Audit Comments

The vast majority of tenants in ACT Housing receive significant financial assistance in the form of reductions from market rents averaging \$83 per property per week.

3.8 PERIODIC REVIEWS OF RENTALS CHARGED

Housing policy provides for rental reviews each twelve months for tenants receiving income types such as:

- Old age pensions;
- Disability; and
- Veteran Pensions.

For all other income types the rental charge is to be reviewed every six months.

Audit Comment

If followed, the policy set for periodically reviewing rents is a practical approach to ensuring that rents being charged are based on household incomes which are reasonably current.

3.9 WEEKLY INCOME USED FOR RENTAL CALCULATIONS

The term *weekly income* is used throughout the gazetted rental calculation formula.

The *weekly income* to be used in the rental calculation is detailed in Housing's policy and procedure manual. Generally all income received is to be included in *weekly income*. There are some types of income however which are specifically excluded. The exclusions are generally sources of income which are non income tested allowances, pensions or other benefits expected to be used in their entirety for a specific purpose.

Examples of excluded income types are Austudy Supplement Loans, Bereavement Allowances, capital gains realised, disability pensions, payments or allowances paid under the Department of Veteran Affairs Entitlement Act 1986, and Basic Parenting Allowances.

3.10 ANOMALIES IN THE RENT SETTING FORMULA AND PROCESSES

Variations Between Household Weekly Incomes Used For Assessing Eligibility And Weekly Incomes For Assessing Rents Payable

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As described in *Chapter 2* of this Report eligibility to be placed on the applicant list for public housing, amongst other things, is based on household weekly incomes being below certain maximums. The policy manual defines assessable weekly income for eligibility for public housing purposes as *total gross weekly income of the applicant or joint applicants plus 10% of the income of any other household member whose income exceeds \$100*. This means that when assessing eligibility for public housing purposes incomes of joint applicants are combined.

In contrast calculating the rent payable is based on separate incomes.

If rental calculations were based on combined incomes higher rents would be payable than under the separate incomes method being used. The difference arises because stepped rates are used to calculate rents payable (*see boxes at the end of this Chapter*). For example, for a couple who both receive a Newstart allowance equivalent to \$145.05 per week, the weekly rent using separate incomes is \$63.82 while using combined incomes the rent would be \$67.32 per week.

When requested Housing were unable to provide the source which permits them to use one method for eligibility assessments and another for rental assessments.

Audit Comment

Housing's rental policy specifically defines tenant to include both the tenant and his or her spouse. It seems therefore that the current method of separating incomes for setting rentals is inconsistent with Housing's own policy.

It has been estimated that the impact of using the separate income method over the combined household method is additional assistance to one group of tenants aggregating around \$0.6m annually.

Treatment of Residents Income

Households can comprise tenants, spouses, dependants and residents in accordance with the gazetted rental formula. For purposes of calculating tenants' rents the gazetted rental formula requires that 10% of residents' weekly incomes is to be added to the rent calculated on the tenants' incomes providing the residents earn more than \$100 per week.

Resident is defined as '*an independent person residing in the property who is not a tenant*'. Tenants are the occupants who have been allocated the property and have signed the tenancy agreement. Under the definition tenants' dependent children are not classed as residents however tenants' relatives and friends residing with the tenants would be.

Currently some 1,760 occupants are classed as residents.

Audit Comment

There appears to be little reason why residents' incomes should be assessed at only 10% when tenants are assessed at 25%. Both tenants and residents are being assisted similarly through the provision of public housing. The residents' incomes are part of the households' total incomes.

It can be argued that the percentage of residents' incomes to be taken to account for setting rents should be less than tenants since residents do not have the same rights in relation to the occupied properties which tenants do i.e.

they are not parties to the tenancy agreements signed with Housing. This argument could perhaps be supported as a reason for a difference between the percentage of income paid by a tenant as rent and the percentage payable by a resident. It is unlikely however that the argument would support a difference of 25% of income for a tenant and 10% for a resident.

Later in this Chapter a comparison is provided of rents charged in the ACT with those charged in other jurisdictions. The comparison shows that the ACT's 10% for residents, while equivalent to Queensland, is lower than both NSW and Victoria. In Victoria residents pay 25% the same as tenants.

The 1,760 resident occupants of ACT public housing have an annual combined income recorded in Housing's database of \$12.7m. If the rent charged were 25% instead of the current 10%, (a differential of 15%), the additional rent charged would be around \$2m annually. That is, a benefit of \$2m is being provided to households with residents, which is not available to households without residents.

3.11 COMPARISON WITH OTHER JURISDICTIONS

The table on the following page summarises the methods of setting rents for public housing in the ACT, New South Wales, Victoria and Queensland.

The basis for calculating rent payable varies across jurisdictions ranging from the simplest to understand and administer which is the straight flat basis used by Victoria to more complex

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stepped bases. The Queensland calculation method appears the most complex.

In discussion with the Welfare Rights and Legal Centre it was confirmed that the stepped method used in the ACT is regarded as complex and is not always understood by tenants.

State	Basis for Calculating Rent Payable
ACT	<p><i>Tenants:</i> 22% of the first 25% of ACTAWE, 25% of next 25% of ACTAWE, 30% of next 50% of ACTAWE. Up to a maximum of either 25% of income or to market rent. Rent is calculated on separate incomes.</p> <p><i>Residents:</i> contribute 10% of income.</p>
NSW	<p><i>Tenants:</i> If tenant only receives a pension, rent is 20% of pension. Non pension income is assessed on sliding scale from 20% on income up to \$350 up to maximum of 25% on income up to \$650. Maximum rent payable is the market rent. Rent is calculated on combined incomes.</p> <p><i>Residents:</i> aged 18-20 pay 12.5% of income, 21-24 pay 20% and over 25 pay 20%.</p>
Victoria	<p><i>Tenants:</i> Rent payable is 25% of income.</p> <p><i>Residents:</i> Rent payable is 25% of income.</p>
Queensland	<p><i>Tenants:</i> Rent payable is based on assessable income, less a 'Tax Allowance'. The Tax Allowance ranges from nil up to weekly income of \$109, \$2 for weekly income of \$110, increasing to \$59 for any weekly income over \$400. The rent payable is then derived from a table. For example adjusted weekly income of \$50, rent is \$14, income of \$200, rent is \$51.5, income of \$400, rent is \$101.5 and for weekly income of \$800 rent is \$201.5.</p> <p><i>Residents:</i> 10% of income if over 25, 19-25 pay 10% to a maximum of \$24, under 19 pay 10% to a maximum of \$12.</p>

Audit Comment

A major variation between the jurisdictions is in residents' income. The ACT and Queensland have the lowest where residents only contribute 10% of income compared to the highest, Victoria, where residents are not distinguished from tenants and pay the standard 25%.

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The following table shows the rent payable in each jurisdiction based on weekly household incomes of \$600 and \$700 which include 1 resident receiving an aged pension of \$177 weekly.

Jurisdiction	Household Weekly Income	
	\$600 ¹	\$700 ¹
	Rent Payable \$	Rent Payable \$
ACT	113	138
NSW	120	140
Victoria	150	175
Queensland	124	149

¹ All income comprises social security payments and includes 1 resident's income of \$177.30 weekly with the balance split evenly between remaining tenants

The examples in the Table illustrate that ACT public housing tenancies, with residents, pay less rent when compared to other jurisdictions.

3.12 EFFICIENCY OF ACT RENTAL PRACTICES

Audit Comment

The current rental formula is complex and in many cases is not understood by either staff or tenants. The complexity arises from the stepped rate used to determine rents payable and the range of household receipts required to be assessed for inclusion or exclusion from

tenant's weekly incomes for the purpose of calculating rents.

The complexity of the rental charging formula and other factors have contributed to widespread inefficiencies in the rental calculation process. The inefficiencies are described in *Chapter 6* of this Report.

3.13 DEPARTMENTAL RESPONSE

In response to the negative findings from this Chapter the Department of Urban Services has advised:

“The method of calculating the rental charge and the rental rebate has been amended as from 1 July 1998 for new tenancies and for existing tenancies, the revised rental arrangements will be phased in. The new rental arrangements have significantly simplified the rent calculations, removing the need for back-dated adjustments and re-establishing six monthly reviews of rental assessments. All of which aim to make the process simpler, fairer and more equitable.

At the time the Audit Report was being prepared, ‘residents’ (people who reside with tenants of ACT Housing but are not party to a tenancy agreement) were charged rent at 10 per cent of income over \$100 gross per week. From 1 July 1998, ‘residents’ ceased to exist as a separate category for rent calculation purposes in new tenancies, with their income being assessed as part of household income.”

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ACT RENTAL FORMULA

as gazetted 31/5/1996

'17. (1) A tenant may apply to the Commissioner for a rebate in respect of one dwelling only provided to the tenant as assistance under this program.

(2) Subject to the provisions of this Clause the Commissioner must grant a rebate of rent of the amount by which the weekly rent payable by the tenant under clause 16 is more than the basic rent.

(2A) The Commissioner may not grant a rebate of rent so that the amount of weekly rent payable by the tenant after deduction of the rebate is less than \$20.

(3) In this clause the 'basic rent' means the sum of:

(a) 22% of that part of the weekly income of the tenant, other than dependant child payments, which does not exceed 25% of the ACT Average Weekly Earnings.

(aa) 25% of that part of the weekly income of the tenant, other than dependant child payments, which exceeds 25% of the ACT Average Weekly Earnings but does not exceed 50% of the ACT Average Weekly Earnings.

(ab) 30% of that part of the weekly income of the tenant, other than dependant child payments, which exceeds 50% of the ACT Average Weekly Earnings but does not exceed ACT Average Weekly Earnings.

(ac) 35% of that part of the weekly income of the tenant, other than dependant child payments, which exceeds ACT Average Weekly Earnings.

(b) 10% of the dependant child payments paid to the tenant.

(c) 10% of the weekly income of any independent person in the household who is earning greater than \$100 per week other than the tenant.

(d) charges for hot water, space heating or special garage facilities supplied by the Commissioner and specified by him or her to form part of the basic rent.

(3A) In this clause, 'dependant child payments' means:

(a) additional family payment paid under the Commonwealth Social Security Act 1991;

(b) that part of a service pension payable under the Commonwealth Veterans' Entitlements Act 1986 in respect of a child'

(3B) Notwithstanding the provisions of paragraphs (a), (aa), (ab) and (ac) of sub clause.

(3) Above the sum total of the calculations under those paragraphs shall not exceed 25% of the weekly income of the tenant, excluding any dependant child payments.

(4) The Commissioner may at any time review the eligibility of a tenant for a rent rebate. A tenant who has obtained the consent of the Commissioner to sublet the dwelling provided as assistance under this program shall not be eligible for a rebate of rent for the duration the dwelling is being sublet.

(5) In this clause:

(a) 'tenant' means a person who is a tenant of a dwelling provided as assistance under this program and includes a tenant's cohabiting spouse who is not party to the tenancy agreement; and

(b) a reference to 'tenant' includes a reference to joint tenants.

4. SECURITY OF TENURE

4.1 INTRODUCTION

This Chapter outlines the security of tenure position of ACT public housing tenants and some effects. A comparison with the private sector and some other Australian jurisdictions is also provided.

4.2 SIGNIFICANT FINDINGS FROM THIS CHAPTER

Effectiveness and Equity

- *ACT public housing tenants have greater security of tenure than tenants in the private sector;*
- *ACT public housing tenants have greater security than public housing tenants in Victoria and Queensland;*
- *‘Security of tenure’ practices have enabled a significant number of tenants to have accommodation in excess of their needs; and*
- *Security of tenure practices do not allow for regular review that all public housing stock is being used to meet the needs of those with the greatest needs for public housing.*

4.3 ACT PRACTICE

Security of tenure is a major feature of ACT public housing.

Clause 3(5) of the Commonwealth State Housing Agreement states, inter alia, that:

“Security of Housing Tenure” means that the provision of rental housing under this Agreement is ongoing, subject to compliance with relevant legislation, notwithstanding that the rental housing provided to meet the needs of the tenant may change.

Clause 18(2) of the Public Rental Housing Assistance Program states that:

The Commissioner for Housing must not transfer a person under sub-clause (1) unless:

(a) the person is eligible for assistance under this program and had applied to the Commissioner for a transfer, but not if the person is transferred to accommodation of a smaller size than he or she currently occupies.

Tenancies can only be terminated in accordance with the standard ‘Residential Tenancy Act’ which provides that tenants can only be evicted for breach of tenancy agreements.

All ACT Housing tenants, whether paying full market rent or accepting reduced rent have the same tenancy agreement. The agreements would have been signed when the applicants were originally allocated a property at a time when they met the relevant criteria. Consistent with *security of tenure* these agreements do not specify a fixed rental period.

4.4 COMPARISON WITH THE PRIVATE SECTOR

Security for public housing tenancies is referred to in the Commonwealth State Housing Agreement where it is defined as *'the provision of rental housing under this Agreement is ongoing, subject to compliance with relevant legislation, notwithstanding that the rental housing provided to meet the needs of tenants may change'*. The Commonwealth State Housing Agreement also provides for the security of tenure to be *'subject to the compliance by the tenant of the tenancy conditions that are consistent with Residential Tenancies legislation and other applicable legislation, but where a consumer is required to move from one dwelling to another, a choice of dwellings and location appropriate to the consumers needs will be provided.'*

As from the introduction of the ACT's Residential Tenancy Act the rights of tenants have been equalised for tenants in the public and private market. ACT Housing now has the same rights as a private landlord to terminate tenancies where the tenant has breached the tenancy agreement. ACT Housing tenancy agreements however do not have any termination dates. This produces a significant difference between the private sector and public sector in regard to security of tenure. Private sector tenancy agreements invariably are for set periods.

4.5 COMPARISON WITH OTHER JURISDICTIONS

In Victoria if the tenant receives an aged pension eligibility for housing is reviewed each five years. For other tenants, eligibility is

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reviewed each three years. If at the time of the review the household, through changed circumstances, is no longer eligible for public housing the tenants are required to vacate the property.

In Queensland the policy is that after a qualifying period tenants are given three year leases. Providing they continue to remain eligible for public housing at each renewal date these leases will be renewed. Tenants who become ineligible during the three year lease period are required to vacate at the conclusion of the lease.

In NSW the tenant enters into a tenancy agreement which is continuous. Unless the Agreement is broken, the person remains a tenant for as long as the person wishes.

The ACT is in a similar position to NSW which is that the tenancy agreement is continuous and has no review period to allow for changes in the tenant's circumstances to be taken to account other than for adjusting the amount of rent payable.

Audit Comment

Currently security for ACT public housing tenants is greater than for private sector tenants and also for public housing tenants in Victoria and Queensland. In Victoria and Queensland ongoing reviews of eligibility occur and where tenants are assessed as no longer eligible for public housing they are required to vacate from public housing.

4.6 EFFECTS OF ACT SECURITY OF TENURE POLICIES

Audit Comment

The effect of the ACT's security of tenure policy is that once a person becomes a tenant and is allocated a residence the person can continue to occupy that residence as long as they wish, notwithstanding changes in financial or other circumstances.

There is a continuing right to a specific property. The current situation clearly is inconsistent with Housing being able to provide prompt assistance to those who have the highest needs. Other undesirable results generated included underutilisation of stock, and inflexibility in stock management.

The Commonwealth State Housing Agreement in the past has largely provided for ongoing tenure once assistance commenced. This provides a historical context to the widely held belief that public housing has open ended tenure.

The introduction of set periods (say 3 years) in all tenancy agreements would provide for a regular review to ensure each residence is being effectively and equitably used.

4.7 DEPARTMENTAL RESPONSE

In response to the negative findings from this Chapter the Department of Urban Services has advised:

“Historically, the Commonwealth-State Housing Agreement provided open-ended tenure arrangements for public housing

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tenants. Further, public housing tenancy arrangements (leases) did not specify a period (end) of the tenancy. As a result public housing tenants have come to expect that once granted tenancy in public housing, then such tenancy will continue for as long as desired by the tenant. This expectation also pervades the community.

Public housing is seen as the accommodation provider of last resort for many people. Public housing has shifted towards a more welfare focus and therefore now provides housing or housing assistance to people on low incomes, those in need, with disabilities and those who are unable to house themselves in the private market for whatever reason. Many tenants have a long term need for assistance and will be long term residents of public housing. Public housing is also involved in crisis, emergency and refuge accommodation.

The secure tenure arrangements in the ACT have led to a situation where many tenants occupy houses which now exceed their requirements and may inhibit the optimum use of some properties. However there are social and economic costs to tenants associated with moving house, that also need to be considered. There may also be legal impediments to changing current arrangements for existing tenants, depending on the wording of rental leases.

Security of tenure for public housing tenants is therefore a complex issue.”

5. APPLICATION PROCESSES

5.1 INTRODUCTION

The purpose of this phase of the audit was to evaluate the effectiveness, equity and efficiency of initial applicant assessments.

This Chapter reviews the:

- initial procedures for assessing applicants and identifying solutions to applicants' particular needs; and
- the processing of applications for priority housing.

5.2 SIGNIFICANT FINDINGS FROM THIS CHAPTER

Effectiveness and Equity

- *On the evidence available to the audit the procedures for processing applications are considered to be fair and equitable;*
- *Generally initial eligibility assessments are being carried out in accordance with laid down procedures; consequently those being placed on the applicant list meet the eligibility criteria;*
- *The process for assessing priority housing necessarily has judgemental elements and accordingly may not always lead to the correct decisions being made in the first instance;*

Efficiency

- *The complexity of the initial assessment processes used to assess applicants against the eligibility criteria generates inefficiencies.*

5.3 AUDIT APPROACH

The audit approach involved reviewing the processes involved in assessing applications for public housing, including priority applications.

The audit included assessing whether the procedures for determining priority applications should result in a fair outcome for those who are in greatest need.

The costs associated with the activities were identified and evaluated as to whether the costs represented an efficient use of resources.

5.4 DESCRIPTION OF PROCESSES

Applications Generally

The following briefly outlines the steps involved in processing applications for public housing:

- Applicants obtain and complete application kits; applicants must choose a minimum of one preferred housing type and location, and a maximum of three;
- Completed application kits are submitted to Housing's Applicant Services Centre where

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the contents are reviewed to ensure that the forms have been correctly completed and necessary proofs of meeting eligibility criteria, such as proofs of income, have been provided;

- A formal interview with the applicants is undertaken to assist with assessing applications;
- Based on the content of applications and the result of interviews, assessments are made and decisions reached; applicants are subsequently notified of whether they are eligible and, if so, advised of the property type, size and location which will be allocated to them when available.

Applicants who have been assessed and meet all of the eligibility criteria are placed on an applicant list. The eligible applicants are placed on the applicant list which matches the property type, size and location to which they have been allocated.

Audit Comments

The laid down procedures for processing applications are considered to be effective and equitable. The combination of application kits and formal interviews should provide for each applicant's particular circumstances to be fully understood by Housing interviewing staff facilitating the performance of an accurate evaluation against the eligibility criteria.

It was noted that applicants have ready access to language interpreters if needed and, at their discretion, may have advocates, relatives or support people present at interviews, etc.

Further comments are made later in this Chapter on the efficiency of the processes.

In discussion with the 'Welfare Rights and Legal Centre' (WRLC) the issue was raised that while ACT Housing is generally known, some people did not understand the full range of services which were offered. WRLC felt a register of ACT services should be established to ensure that all available services can be readily identified and accessed.

5.5 PRIORITY HOUSING APPLICATIONS

Background

Applicants who have been assessed as eligible may make a 'Priority Housing Request' which, if approved, will affect their places on the application list. Priority housing is available to persons who have an urgent or special housing need.

Applications for priority housing can also be made by existing Housing tenants.

Typical reasons for making an application for priority housing include:

- a person with a disability living in unsuitable accommodation;
- suffering an illness which is aggravated by current accommodation;
- homelessness or imminent homelessness;
- a need to escape from domestic violence;
- the existence of severe financial difficulties;
- or
- currently living in accommodation which does not meet acceptable health and safety standards.

Processing Priority Applications

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Applicants are requested to attend an interview and supply documentation validating their reasons for requiring priority housing status. The validation documentation may include letters from refuge workers, doctors, teachers, social workers and/or welfare workers.

The general approach used to determine if applications for priority housing are to be approved is to assess whether the applicants' housing needs are more urgent than the housing needs of other people currently on the applicant list.

As approved priority housing applicants will be placed ahead of all those on the applicant list who have not been assessed as having a priority need, a residence will be made available to the priority approved applicants more quickly than would occur through the normal course of allocation. The priority status applicants remain at the head of the applicant list until suitable accommodation is made available.

Applicants with priority are only made one offer for accommodation. If this one offer is refused the priority approval is rescinded. The applicant however remains on the normal applicant list.

Approved priority applications are ranked as either "*next available*" or "*next in turn*". The "*next available*" category comprises those with highest assessed need.

Applications for priority housing are initially recommended or declined by Housing interviewing staff. The recommended applications are subsequently reviewed by a staff member at Manager level and approved or rejected. Applications which have been declined by interviewing staff are not referred to the Manager.

Audit Comment

The allocation of emergency and priority housing requires the exercise of judgement. There is no completely objective framework by which competing needs can be assessed when dealing with the complexities and intricacies of human emotion and needs as they relate to shelter and security. Applicants can proffer any number of reasons supporting their application for priority housing, ranging from homelessness or imminent homelessness, financial hardship, medical or health reasons to avoiding harassment and violence in the existing home.

It is recognised that a prime consideration in the allocation of housing to priority applicants is fairness and equity and that is why a number of controls are included in the system and the various rights of appeal exist.

As explained the processing of priority applications is judgemental and there is no completely objective framework which allows an assessment being made of needs which will provide a basis for ranking the applicants. Accordingly it was difficult for the audit to reach an opinion that the priority housing application process is fully equitable amongst applicants.

It was noted that to assist with providing consistency in final decisions:

- The final decision to approve priority housing is always made by a manager; and
- A readily accessible appeals process exists for any person not satisfied with a decision.

Dealing effectively and equitably with applications for priority housing is a fundamental activity for Housing. This function needs to be handled as objectively as possible

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to ensure that the decisions made are based on a framework which results in fair and equitable outcomes.

5.6 EFFICIENCY OF APPLICATION PROCESSES

The costs of processing the applicants list was \$938,000 for the 11 months to 31 May. Of this amount \$722,000 related to employee costs. The annual cost would be over \$1m.

Based on an estimated 4,700 applications received annually, the unit cost is \$200.

Audit Comment

No benchmark exists for assessing the reasonableness of the unit cost of \$200. From a review of the processes it was noted that much of the processing uses paper based files and this does not lend itself to efficient operations. The costs are higher than expected but without undertaking a full and detailed activity based costing, the impact of these processes cannot be fully assessed.

5.7 DEPARTMENTAL RESPONSE

In relation to the negative findings from this Chapter the Department of Urban Services has responded on 15 September 1998:

“A review of the Applicant Service Centre and the processing of applications for housing assistance is currently being undertaken by ACT Housing with the aim of simplifying and

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streamlining processes such as by undertaking the detailed assessment of applicants at the time of the provision of housing rather than at the time of application. A major concern will be to ensure that all applicants continue to be treated fairly and equitably.”

6. APPEALS AGAINST PUBLIC HOUSING DECISIONS

6.1 INTRODUCTION

This Chapter reviews the procedures available for appeals against decisions taken in relation to public housing applications.

6.2 SIGNIFICANT FINDINGS FROM THIS CHAPTER

Effectiveness and Equity

- *An appeal process exists which enables applicants to have public housing decisions reconsidered including decisions relating to priority housing;*
- *The appeals process has a number of different levels with one being the Administrative Appeals Tribunal; Administrative Appeals Tribunal decisions can be appealed to the Federal Court; and*
- *The vast majority of appeals are rejected indicating that Housing's decisions are generally sound.*

Efficiency

- *High numbers of appeals against Housing decisions are initiated;*
- *The appeals system is a costly three stage system with no cost or other disincentive to appellants who may initiate frivolous or vexatious appeals.*

6.3 APPEALS PROCEDURES

Decisions related to assessments for eligibility or for priority housing can be appealed if the applicant or tenant is not satisfied with the outcome. Appeals typically relate to:

- rejection of applications;
- size of residences allocated;
- location of residences allocated;
- time frames for providing residences; and
- existence of pre existing debts to Housing.

In the first instance those intending to appeal are asked to discuss the issue with the Housing staff member responsible for the decision being objected to. On occasions changed or new circumstances disclosed in these discussions can result in initial decisions being altered.

The next stage of the appeal process is for the Commissioner for Housing or his nominated delegate to review the decision. In reaching a decision the Commissioner may seek the advice of the Housing Review Committee.

The Housing Review Committee is made up of community representatives appointed by the ACT Government. Any tenant or applicant can ask for their appeal to be heard by the Housing Review Committee. Appellants are able to attend the Committee hearing and can be accompanied by a non-legal adviser to assist. The Committee's role is to consider the appeal and make recommendations. Committee recommendations are submitted to the Commissioner for Housing who makes the final decision.

If still not satisfied appellants can have the matter referred to the Administrative Appeals Tribunal and ultimately appeals can be made to the Federal Court.

Audit Comment

The involvement in the appeal process of three levels and the processes undertaken support the view that the appeal process should produce fair and equitable results.

6.4 APPEALS DETERMINED WITHIN HOUSING

In the three months to 31 March 1998 41 appeals against decisions made by Housing staff were decided. Outcomes are as follows:

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Table 2.2: Result of Appeals

Cause of Appeal	Customer Liaison Unit Recommendation	Housing Review Committee Recommendation	Commissioner's Decision	Quantity
Cancellation of Application	Appeal Upheld	Appeal Upheld	Appeal Upheld	1
Entitlement	Appeal Denied	Appeal Denied	Appeal Denied	1
Priority Cancelled	Appeal Denied	Appeal Denied	Appeal Denied	2
Refusal of Allocation	Appeal Conditionally Denied	Appeal Conditionally Denied	Appeal Conditionally Denied	1
Refusal of Priority Entitlement	Appeal Denied	Appeal Denied	Appeal Denied	1
Refusal of Priority Offer	Appeal Conditionally Denied	Appeal Conditionally Denied	Appeal Conditionally Denied	1
Refused Housing Application	Appeal Denied	Appeal Denied	Appeal Denied	1
Refused Priority Application	Appeal Conditionally Upheld	Appeal Conditionally Upheld	Appeal Partially Upheld	1
Refused Priority Application	Appeal Denied	Appeal Conditionally Denied	Appeal Conditionally Denied	2
Refused Priority Application	Appeal Denied	Appeal Denied	Appeal Denied	4
Refused Priority Application	Appeal Partially Upheld	Appeal Upheld	Appeal Upheld	1
Refused Priority Transfer	Appeal Denied	Appeal Denied	Appeal Denied	16
Refused Priority Transfer	Appeal Denied	Appeal Upheld	Appeal Denied	2
Refused Priority Transfer	Appeal Denied	Appeal Upheld	Appeal Upheld	3
Refused Priority Transfer	Appeal Upheld	Appeal Denied	Appeal Upheld	1
Refused Priority Transfer	Appeal Withdrawn			2
Removed from Wait List	Appeal Upheld	Appeal Upheld	Appeal Upheld	1
Total				41

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The most prevalent reason for lodging appeals is against being refused priority transfer.

Audit Comment

As depicted in the table more than 80% of appeals are unsuccessful. This would indicate that Housing staff generally make sound decisions in the first instance.

6.5 APPEALS DETERMINED EXTERNAL TO HOUSING

In the event that applicants or tenants are not satisfied with the outcomes of appeals heard within the ACT Housing structure they may lodge further appeals with the Administrative Appeals Tribunal and ultimately to the Federal Court.

For the three month period 1 January 1998 to 31 March 1998 182 appeals were lodged. The major category of appeals with 108 was related to *terminations of tenancies*.

Audit Comment

It is difficult to analyse the results from the Administrative Appeals Tribunal and Federal Court hearings. Many are settled prior to hearings and often the results from the hearings have multiple outcomes. Anecdotally however it appears that the majority of appeals are unsuccessful.

6.6 EFFICIENCY OF APPEAL PROCESSES

With over 700 appeals being made in a 12 month period Housing has needed to develop well established procedures for processing appeals. Tracking appeal details is done by a Personal Computer based database which records key details for each appeal.

The high numbers of appeals appear to be, at least partially, a result of appellants being well informed about their rights to initiate appeals and there being no cost or other disincentive to appellants for initiating appeals (apart from the persons own time).

The system is designed to encourage questioning of decision makers in that tenants are offered the right to appeal at every stage.

The appeals process is a time consuming process incurring significant costs. For the 1997-98 financial year the cost is expected to be approximately \$745,000. These costs include internal direct and indirect costs, the costs of the Administrative Appeals Tribunal and also costs from the ACT Ombudsman Office.

At \$745,000 annually the appeal processes are generating excessive costs. It is considered that the process could be streamlined without reducing protection to Housing clients.

6.7 GENERAL

The right of appeal exists under administrative law to review decisions made under legislation (and processes) and particularly in circumstances where the decision-maker is

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required to exercise judgement or discretion. The right of appeal is part of most systems where public servants make decisions and exercise judgement which affects the rights of others.

Housing is an essential need and therefore should be subject to independent review of decisions due to the potential magnitude of the effect of decisions on the lives of those involved.

An unintended consequence however can be that vexatious or frivolous appeals are lodged. The difficulty with limiting freedom to lodge vexatious or frivolous appeals is that a potential to harm legitimate appellants could be created. One form of disincentive would be to charge a fee for lodging an appeal or requiring a deposit to be made. Many public housing applicants and tenants however are financially disadvantaged and therefore the matter of levying fees or requiring deposits would need careful consideration.

6.8 DEPARTMENTAL RESPONSE

In response to the negative findings from the Chapter the Department of Urban Services has responded on 15 September 1998:

“The high number and cost of the current appeal mechanisms is acknowledged. The possibility of vexatious or frivolous appeals being launched is also noted, though large scale occurrence is not supported by available evidence.”

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When assessing the appeals system which should apply to public housing, the following factors need to be considered:

- *the limited financial and other resources of tenants; and*
- *the requirement to provide an accessible avenue of appeal under administrative law.*

Any charging regime which attempts to retain or limit the availability and/or accessibility of an avenue of appeal may be seen as harsh and unjust given the financial situation of most public housing tenants. Further work is being done to investigate other appeal mechanisms which may be applied to public housing.

7. APPLICANT LIST FOR PUBLIC HOUSING

7.1 INTRODUCTION

This Chapter reviews the effectiveness, equity and efficiency of processes related to the Applicant List. This list details all applicants who have been assessed as qualifying for public housing but have not yet had their needs met.

7.2 SIGNIFICANT FINDINGS FROM THIS CHAPTER

Effectiveness and Equity

- *Maintenance of the Applicant List has in the past been poor; however it is now reasonably satisfactory;*
- *The information sought from people on the Applicant List and Housing's procedures to verify this information ensure that listed applicants who have become ineligible through changed circumstances are removed from the list;*
- *The applicant list is regularly reviewed;*
- *Fewer applicants are removed from the applicant list as a result of being allocated public housing than are removed for other reasons; and*
- *Waiting times for public housing in the ACT are considerably less than in the other jurisdictions compared.*

Efficiency

- *The computer system (ISIP) which contains applicant records and the applicant list is inefficient and uneconomic; the process is predominantly paper based;*
- *The annual cost for processing applications and maintaining the applicant list is excessive at \$1m annually.*

7.3 NUMBERS ON APPLICANT LIST

At the end of March 1998 there were 3,078 applicants on the application list. This list was made up of:

- 2,247 on the normal applicant list;
- 741 on the transfer applicant list being tenants currently in public housing with eligibility to move to another public housing property;
- 26 on the priority applicant list who are not currently in public housing;
- 64 on the priority applicant list who are currently in public housing but have need to be relocated to more suitable housing.

7.4 MOVEMENTS IN THE APPLICANT LIST

For the nine months ended 31 March 1998 additions and deletions from the applicant list were as follows:

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Movement in Applicants List	
Number on list at 1 July 1997	3834
New applicants added	<u>3489</u>
	7323
Less	
Applicants housed	1851
Applicants removed through no longer requiring public housing	<u>2394</u>
	4245
Applicant list at 31 March 1998	<u>3078</u>

The majority of those removed from the list were the result of the ongoing culling process in which applicants are contacted and either do not respond by the third request or respond that public housing is no longer required. A small number of removals from the list are due to people who were eligible at the time they were placed on the applicant list becoming ineligible due to changed financial or other circumstances.

Audit Comment

The applicant list was reported by Housing as being over 7000 in 1995. Housing have not provided any verifiable reasons why the numbers on the list have been progressively reducing over the last few years other than the list has been better maintained. One thing is clear however and that is the numbers on the applicant list have not decreased as a result of increased capacity to provide housing.

Centralising maintenance of the applicant list has been a key reason for decreasing the list over time. Under the current structure the

Housing's Applications Service Centre is responsible for maintaining the applicant list. This contrasts to the previous practice where each Regional Office had some responsibility for maintaining the list but no one had overall responsibility.

7.5 AGEING OF THE APPLICANT LIST

Audit Comment

The audit review of the applicant list indicates that the list is now being regularly reviewed. Those who have been on the list for over 12 months tend to be applicants wanting to move into specific properties such as aged persons units. The review covered both those that are currently housed and seeking a transfer and those not currently in public housing.

Ageing Of Priority Applicant List

Next Available Wait List

At the 3rd April 1998 16 applications involving 30 people were in the *next available* category. Most were current :

- 10 applications lodged since January 1998,
- 3 applications lodged in the period July 1997 to December 1997,
- 1 application lodged January 1997 to July 1997, and

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- 2 applications for aged persons units lodged prior to December 1996.

Of the 16 applications, 6 are requesting transfers from existing public housing and the balance are not currently in public housing. The three oldest on the above list were currently in public housing.

Next in Turn Wait List

Audit Comment

At the end of March 1998 a review of the ageing of the second category *next in turn* priority applicant list by the dates the priority applications were approved disclosed that several *next in turn* applications for priority housing were more than 6 months old. This delay in housing is a function of the availability of accommodation suited to the applicants' needs identified through the priority applications process.

By making offers of suitable, but not specifically requested property Housing should be able to make significant reductions to this list.

7.6 COMPARISON OF WAIT TIMES ACROSS JURISDICTIONS

The following table compares applicant wait times in the NSW, Queensland, Victoria and ACT jurisdictions in percentage of application terms.

Wait Period	ACT %	NSW %	Qld %	Victoria %
-------------	----------	----------	----------	---------------

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Less than 6 months	42	10	34	9
Less than 1 year	69	21	55	19
Less than 2 years	91	43	80	37
Less than 3 years	98	61	93	53
Less than 4 years	99	75	99	66
Less than 5 years	100	86	100	79
More than 5 years	0	14	0	21

Note: Data based on information provided by the Tenancy Management Group from 30 June data capture as reported in the 'Report on Government Services'

Audit Comment

The data indicates that the ACT wait times are considerably less than the other jurisdictions compared. In the ACT 91% of applicants are housed in less than two years. The comparative percentages in the other jurisdictions for applicants being housed in less than two years are Victoria 37%, NSW 43% and Queensland 80%.

7.7 AUDIT REVIEW OF APPLICANT FILES

Process of Review

A sample of current applications were reviewed to gain assurance that only eligible applicants have been placed on the applicant list and remain on the list.

Thirty applicants' files were reviewed to confirm that the eligibility requirements of

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income, assets, residency and identification were met by the applicants.

Result of File Reviews

The files of several applicants showed that the applicants did not meet ACT residency requirements. In reviewing the files however sufficient evidence was found to indicate that waiving of this requirement was appropriate in the circumstances. The particular instances noted related to domestic violence where the victims were seeking refuge in the ACT.

As part of the file review priority applications on files were reviewed to ensure policy had been followed.

Of the 30 files reviewed, 15 involved the applicant making an application for priority housing. Of the 15 applications, 9 were denied, 5 approved and 1 was withdrawn as the person moved into the private market.

No inconsistency was found between those which were approved and those that were rejected. It should be recognised that assessing priority applications is difficult and subjective and requires experience to recognise those that have a genuine need for priority.

Audit Comment

The results from the file reviews support a finding that the Applicant List contains only applicants who are currently eligible for public housing.

7.8 OPERATING EXPENSES

The costs of processing the applicants list was \$938,000 for the 11 months to 31 May. Of this

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amount \$722,000 related to employee costs. In a full year the total costs would be more than \$1m.

On the basis that more applicants are removed from the applicant list than are actually ever provided with housing, it can be concluded a degree of unproductive work takes place (i.e. assessment of eligibility of applicants, maintenance of wait list, etc), for people who eventually never move into public housing. As shown in the table earlier in this Chapter, approximately 2400 applicants were removed from the list for various reasons while only 1850 were allocated public housing.

It is pointed out that immediately prior to an applicant on the waiting list being allocated public housing a full reassessment takes place.

The allocation of properties to applicants requires consideration of many factors at the time the residence is allocated, including the existence of family and other support service in the area, whether the property is suitable for the needs of the applicant, as well as any other factors specific to each applicant. Failure to address these issues at the time of allocation of the property can lead to difficulties later, including appeals, requests for transfer or priority housing or other social problems. A complete assessment at the time of allocation is therefore essential.

Audit Comment

A review of the processes disclosed that much of the processing uses paper based files. This type of processing does not lend itself to efficient operations. Without undertaking a full and detailed activity based costing, the impact of the inefficient processes cannot be fully assessed in dollar terms.

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No benchmark exists for assessing the reasonableness of the unit cost. However the unit cost at around \$200 per applicant is higher than was expected.

As discussed the detailed assessment of applicants at the time of allocation is more crucial in many ways than the initial assessment. Whether the initial assessments need to be as thorough as they currently are should be examined.

The Department of Urban Services has recently advised that the operation of the Application Service Centre and the Applicant list is being reviewed with the aim of streamlining applications and improving the management of the Applicant List.

8. CALCULATION OF RENTS PAYABLE

8.1 INTRODUCTION

In a previous Chapter the ACT's rent setting formula was described. The audit included evaluating whether actual rents charged are in accordance with the formula. This Chapter presents the results of this evaluation.

8.2 SIGNIFICANT FINDINGS FROM THIS CHAPTER

Effectiveness and Equity

- *A review of rent calculations disclosed that for many tenants there was some form of error in the calculation of their rent; the existence of errors creates inequities in that many tenants are paying more than they should while others are paying less; the errors identified were both human and system errors.*

Efficiency

- *Many errors were detected in rent calculations and although these were individually not large in dollar amounts, the quantity of the errors indicates very poor management practices;*
- *The computer system (ISIP) which contains applicant records and the applicant list is inefficient and uneconomic;*
- *Management procedures for introducing changes to the computer system (ISIP) have not worked properly; one*

consequence is that a recent change to the ISIP system has led to extensive corruption of the tenant incomes data from which rental charges are calculated.

8.3 AUDIT APPROACH

The audit approach to evaluating effectiveness, equity and efficiency of rent calculations involved:

- reviewing processes for calculating rents;
- randomly selecting tenant files and confirming the correctness of the calculations and verifying that the relevant supporting evidence, such as proof of income has been obtained; and
- extracting and downloading certain key fields for all current tenants from the complete *Integrated System for Information Processing* (ISIP) computer database to a personal computer where all rental charge calculations were independently verified.

8.4 DESCRIPTION OF PROCESSES

Any tenant may apply for a reduced rental by completing an 'Application for Rental Rebate' and lodging it with a Housing Regional Office. Tenants applying for rental rebates are in effect applying to pay rents calculated according to the rental formula (*see Chapter 3*) rather than paying market rents for the residences they are, or will be, occupying.

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To apply for a reduced rental the tenant must provide information regarding all people living at the residence and the incomes received by these people.

Once relevant income details have been obtained the information is entered onto the tenants ISIP record which then automatically calculates the rental charge.

All changes to rents take effect from the beginning of the next week after the new rent is calculated except where backdating adjustments are necessary (see later in this Chapter).

8.5 FILE REVIEW OF RENT CALCULATIONS

The following table summarises the results of reviewing 142 tenant files selected at random:

Office	Woden	Civic	Tuggeranong	Belconnen	Totals
Errors Detected	9	9	16	9	43
Error types					
- Human	5	6	5	5	21
- System	2	1	10	4	17
- Centrelink	0	2	1	0	3
- Unknown	2	0	0	0	2
Total files reviewed	37	45	30	30	142
Files incorrect	8	8	11	7	34
File error rate	21.6%	17.8%	36.7%	23.3%	23.9%

Audit Comment

General

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The incidence of errors detected was very high. The errors resulted from both human errors and system errors.

The range of human errors was diverse but generally involved adequate proof of income not being obtained or incorrectly assessing income advised.

It should be noted that the individual errors were not significant in amount. Most had the effect of under or overstating rents payable by a few dollars per week. The total net dollar value of the errors would not be great and therefore the overall effect on Housing's finances would only be minor. There is however a serious equity issue as some tenants are paying more than they should be while others are paying less.

Human Errors

Typical of the type of human errors occurring are:

- incorrectly including '*Basic Parenting Allowance*' in tenants' weekly income;
- incorrectly including '*Pharmaceutical Allowance*' in tenants' weekly income;
- incorrectly including *Veteran Affairs Disability Pensions* in tenants' weekly income;
- incorrectly excluding *child maintenance* received from tenants weekly income; and
- incorrectly treating *superannuation income* received by one tenant as joint income;

Inconsistent Practices

During the review an inconsistent practice was noted in the treatment of Commonwealth '*Rent*

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Assistance’ paid to tenants by Centrelink. In some Regional offices *Rent Assistance* included in Centrelink proof of income forms is being treated as tenants’ income for purposes of calculating rents payable. In other Offices the *Rent Assistance* is being excluded.

The effect is that tenants who have *Rent Assistance* included in incomes for calculating rents payable will be paying higher rents than tenants who have this assistance excluded. Of course no tenant in public housing should be receiving *Rent Assistance*.

Under Commonwealth rules *Rent Assistance* is not legally available to people who are in public housing. Nevertheless proof of income forms submitted by some Housing tenants showed Commonwealth *Rent Assistance* as being received.

System Errors

The system errors were of two types:

- ISIP had not been modified to handle the calculations arising from tenants’ receipt of *Family Payment* benefits from Centrelink; and
- incorrect validation data being recorded in ISIP for a particular pension type.

Family Payments

Many households receive the *Family Payment* from Centrelink which for each child aged under 12 years is a maximum of \$96.40 per fortnight. As this benefit is income and asset tested by Centrelink actual payments per child vary ranging from \$23.50 to \$96.50. For purposes of calculating tenants’ rents payable the minimum payment is non assessable. 10%

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of any amount above the minimum is included in the tenants' income.

The *Family Payment* component of the basic rent charged to a tenant with one child receiving the full benefit is \$3.65 a week. Where a half benefit is received the charge is \$1.24.

The ISIP system however is unable to automatically calculate the correct rental for any tenant where the *Family Allowance* is other than the maximum \$96.40 per fortnight — the system always assumes that the *Family Payment* is \$96.40 per fortnight.

The outcome is that tenants who receive a *Family Payment* less than the full amount are advantaged by being required to pay less rent than they should.

Using an example from the actual data of a household with one parent receiving sole pension of \$347.80 a fortnight, fortnightly child maintenance of \$284, and \$113.40 a fortnight for a *Family Payment*. This household should pay basic rent of \$77.12 per week using the correct calculation however the basic rent calculated by ISIP was \$72.46. The amount per household may not be significant but the error would affect many households. The actual numbers have not been determined by the audit.

It is likely that the total rents undercharged through this poor practice could be several hundred thousand dollars annually.

Validation Checks

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To reduce keyboard operator input errors many computer applications have a routine to validate the amounts entered by operators which confirms that the entries are accurate. In ISIP a validation table holds the rates for all pensions, allowances and other benefits paid by Centrelink. When a keyboard operator enters a tenant's income details into ISIP for any item paid by Centrelink, the system compares the amount entered with the validation table and confirms or queries the entry. If the system does not confirm the entry, operators should check the correctness of their entries and make any necessary alterations.

During the conduct of the audit it was found that the validation table in ISIP held an incorrect weekly amount of \$173.90 for the *special pension*. The correct amount was \$160.75. The result is that entering the correct amount from tenants Proof of Income forms for *special pensions* would have resulted in ISIP querying the entry. The staff member entering the data then should have checked the amount entered back to the Proof of Income and proceeded with the entry. The correct result in the case of the *special pension* would be achieved by overriding the computer query message.

The audit identified that there were at least 25 instances across the database where the incorrect income of \$173.90 recorded in the validation table was recorded as income received by tenants although the amount actually being received was less. The operators had accepted the ISIP validation table as correct and not the Proof of Income forms. The result is that these 25 tenants have been paying \$3.30 per week more in rent than they should be.

Audit Comments

The implication of validation procedures not working is that incorrect data can be accepted onto the system used to calculate rents resulting in wrong rents being charged. Validation procedures are designed to minimise data entry errors through keying error or through incorrect rules being applied by ACT Housing staff. The audit procedures have shown that in at least some respects the validation procedures are ineffective.

8.6 MASTER FILE AUDIT REVIEW OF RENT CALCULATIONS

Background

Selected fields for all tenant records were extracted from the ISIP database master file in order to recalculate the rent charge calculations.

Corrupted Data File

During the audit's recalculation of rents payable many instances were identified where tenant income details held in the ISIP computer system were inconsistent with the details used for calculating rents.

The major cause of the problem was identified as being a faulty client merge activity which was being undertaken during the period when the relevant data was extracted for the audit.

As part of preparing data for a replacement system for ISIP, Housing staff had started clearing apparently unnecessary information in the data file. Over the years tenants as they have moved in and out of public housing have been assigned different client numbers. As a result many tenants occur multiple times on the system with different reference numbers. A

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data matching was commenced by Housing and where matching names were located the old client data was merged with the current client data.

The outcome is that for some 15-20% of the client database, the records for current clients now not only have current income details recorded but also old income details. It is now not possible to identify which are current details and which are out of date details. Consequently the income data held on ISIP is corrupted and unreliable. This can only be remedied the next time clients' rentals are reviewed when new and correct details can be entered.

The audit has been advised by Housing officials that the merge project has been suspended pending a better solution being identified.

Audit Check of Rent Calculations

Although the corrupted data file significantly impacted on the audit's capacity to recheck the calculations using computer based methods, some checks remained possible. The performance of these checks identified a range of errors which would normally have been expected to have been identified by Housing management through basic exception reporting. For example the following were identified:

- ten households had no incomes recorded, yet were paying rent; in one case identified a household with nil income recorded was paying rent of \$64.20 per week; the rental had not been reviewed or updated since February 1992; it is possible that this tenant may have been undercharged rent for many years however as no income details were available the audit could not establish whether this is so;

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- computer checking of rent calculations identified several discrepancies; on comparing some of these to the tenants' paper based files it was found that in all cases the rent being charged was correct and that the fault was with the income detail recorded in ISIP; it is believed that this problem occurs when staff members calculate rent through ISIP but do not save the new income details to the ISIP database; and
- the audit identified 22 tenants receiving income recorded in the data file as *dependents* and a further 31 also receiving income as *dependents of residents*; under the rental policies household members, if they receive any income, cannot be classified as *dependants*. When dependants start to earn they should be reclassified as *residents*. As ISIP does not take into account any dependents' income when calculating the rents, prima facie, these 53 tenants are being under charged rent.

Audit Comments

The errors noted, are indicative of poor management in Housing. Normally for a computer operation of the nature of Housing's, it would be routine for management to put in place an exception reporting system in order to promptly identify anomalies in recorded data. Exception reporting of this nature has not been implemented in Housing.

8.7 NON-COMPLIANCE WITH POLICY ON RENTAL REVIEW PERIODS

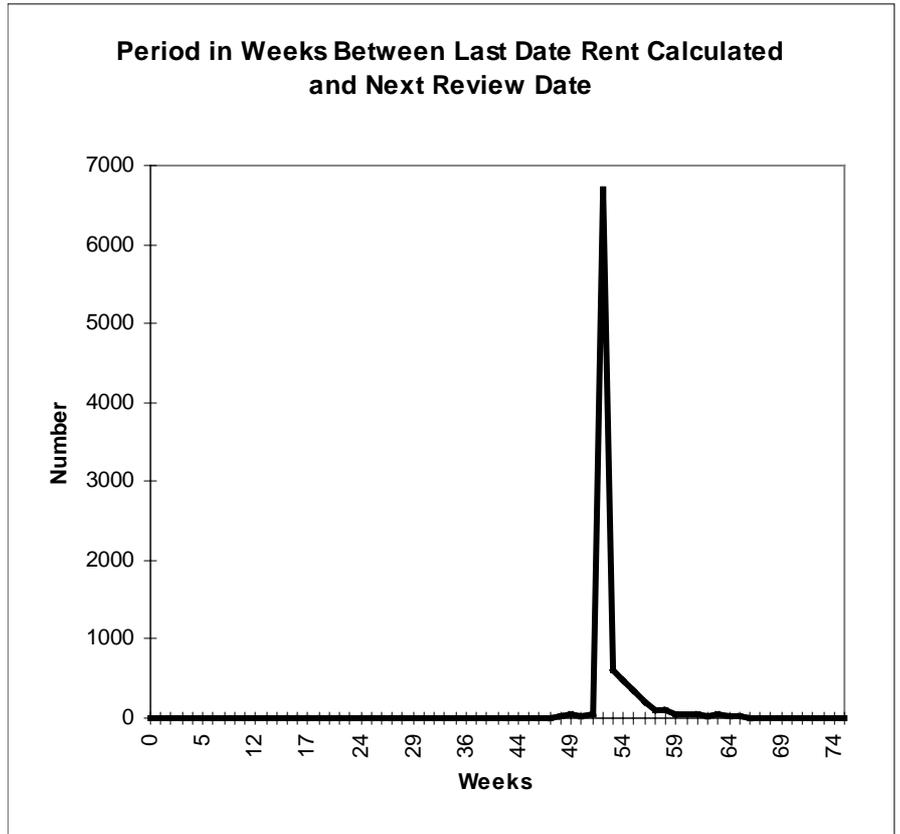
Housing's policy states that Housing allows rental charges to be current for a maximum of

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12 months for certain income types such as *Old Age, Disability* and *Veterans* pensions. Rentals being paid by tenants receiving any other income types are to be reviewed each six months.

In reviewing the tenant files the audit found that in most cases rental reviews were being done at twelve month intervals. The following chart shows the elapsed time recorded in ISIP between when the last rental was calculated and the date of the next review as being 12 months.

Figure 3.7: Period In Weeks Between Last Date Rent Calculated and Next Review Date



Audit Comments

It is clear that the system generated review dates which trigger rental reviews are not consistent with Housing policy. The reviews are being done at approximate 1 yearly intervals when Housing policy requires 6 months.

8.8 BACKDATING RENT ADJUSTMENTS

Tenants are required to advise Housing of any changes in income or other personal circumstances which may affect rentals payable.

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If tenants fail to promptly advise changes in circumstances or income which increases their rents payable, the tenants will eventually be required to pay catch up payments through backdated adjustments.

During the audit it was noted that backdating adjustments were frequent. This has the effect of both increasing administrative workload and impacting on tenants' arrears.

In the nine months to 31 March 1998 some 2,075 accounts were adjusted for increased charges totalling \$361,200 and reductions of \$224,000, an overall net of \$137,200. Annualised the net adjustments would be approximately \$183,000.

It is understood that in some other Australian jurisdiction, (e.g. Queensland), reviews are done on a fixed regular six monthly cycle with normally no backdating occurring for rental charges which are increased. However if a tenant's income reduces between reviews resulting in reduced rent being payable the tenant is able to request that their rent be recalculated without waiting for the review date to arrive. The new charge then runs for 6 months.

Audit Comments

Clearly the backdating adjustment process is inefficient. This is another activity which could be altered to achieve greater efficiency without affecting equity considerations.

Recent Developments

During the audit the Department of Urban Services advised that the current practice of retrospective adjustments to rent rebates will change from 1 July 1998. Where a tenant's household income has *decreased* and they

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become eligible for a reduction in rent, the reduction will be retrospectively adjusted for a maximum period of two weeks. Where a tenant's household income has *increased*, their rent will no longer be adjusted retrospectively for the resultant increase in rent payable.

8.9 EFFICIENCY OF RENTAL CALCULATIONS

Based on the latest time survey the costs associated with calculating rents is approximately \$1.2 million annually. With some 10,100 households paying rents the average cost is \$118. This cost is considered high in relation to the actual time which should be taken to carry out a rent calculation.

The inefficiencies reflect the complexity of the rent formula and the system supporting the rental calculations which is largely paper based. All rental calculations performed by ISIP are printed out and filed on the tenant's file. Audit observations were that in the event of any issues being raised, staff refer to the tenants' paper files rather than the ISIP system.

8.10 DEPARTMENTAL RESPONSE

In response to the negative findings from the Chapter the Department of Urban Services has advised:

“The calculation of the rent payable and the rent rebate was cumbersome, tedious and prone to error. The implementation as from 1 July 1998 of the revised rent setting policy is aimed

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at simplifying the rent/rebate calculations, reducing the frequency of errors and making the policy more equitable and fair to tenants. The implementation of a new tenancy management system to replace the aged and inefficient ISIP system is expected to assist with the streamlining of the rent calculation processes.

9. KICKSTART GRANTS

9.1 INTRODUCTION

This Chapter outlines the operation of the KickStart grants scheme and the audit results in relation to the grants.

The objectives of the scheme are to:

- assist low income earners into the housing market;
- create employment opportunities in the residential building sector and to take up part of the stocks of vacant new houses and land; and
- target tenants in public housing paying full rent to take up loans and thereby reduce the public housing waiting list.

For 1996-97 and 1997-98 the scheme allowed for a maximum of 500 grants of \$5,000 to be made each financial year.

The program is conducted through approved lenders. At the time this audit commenced the approved lenders were Aussie Home Loans Ltd, St George Bank Ltd and Advance Bank Ltd. The latter two are now merged.

9.2 SIGNIFICANT FINDINGS FROM THIS CHAPTER

Effectiveness and Equity

- *The taking up of KickStart grants has fallen well short of the available 500 annually; the annualised take up rate since*

the inception of the scheme is approximately 300;

- *KickStart grants are effective in targeting young buyers with lower incomes (i.e. under \$45,000);*
- *KickStart grants are providing assistance to a new market of households who would previously have had difficulty obtaining home loans; and*
- *KickStart grants have been ineffective in moving people from public to private housing although this is an objective of the KickStart Program.*

Efficiency

- *Administering KickStart grants is very low cost as most of the work is carried out by the approved lenders; and*
- *A significant amount of relevant data is missing from the database used to record KickStart grants details.*

9.3 AUDIT APPROACH

The audit approach was to review the processes, identify costs associated with the program, confirm effectiveness with the approved lender and ascertain the profile of the typical applicant.

9.4 DESCRIPTION OF PROCESS

Administering KickStart grants is the responsibility of Housing however little work by Housing is required. Most of the task involved with assessing eligibility, etc. is carried out by the approved lender.

Applications for home loans (and also for KickStart grants) are made to the approved lenders. The lenders' processes include assessing the applicants' eligibility for KickStart grants. The beneficiaries of the grants do not receive any direct payments from Housing. At settlements, cheques for the \$5000 grants are paid by Housing to the sellers of the properties.

The lenders are required to provide the following documents to Housing within 3 working days of the date of settlements:

- original KickStart application forms;
- copies of income statements;
- copies of income assessment work sheets;
- copies of grant approval advices;
- property valuation details; and
- copies of settlement sheets.

Housing staff review the documents to confirm that the approved lenders have correctly assessed that the eligibility criteria for grants have been met.

9.5 ELIGIBILITY CRITERIA

Applicants must meet the following criteria to be eligible for a KickStart grant:

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- Applicant must be a permanent resident of Australia;
- Applicant must be 18 years or over;
- Applicant must not have received prior assistance under the KickStart scheme;
- Applicant must have no interest in any real property in Australia, other than the property the applicant is seeking to purchase as his or her principal place of residence; this criteria may be waived in special circumstances where it can be demonstrated that the applicant is unable to reside in or sell or dispose of his/her interest in the property;
- Applicant's gross assessable income must not exceed \$45,000 per annum;
- the price of the house being purchased must not be more than \$140,000; no limit applies if a public housing property is being purchased; and
- Property must be a new dwelling or house/land package located in the ACT or an ACT Housing rental property currently occupied by the applicant.

The term applicant includes joint applicants; "Applicant" includes spouse/partner intending to reside in the dwelling which is the subject of an assistance grant.

9.6 NUMBER OF GRANTS MADE

Since the program commenced in October 1996 until March 1998, 418 grants had been applied for.

Of the 418 grants applied for, 13 were cancelled or withdrawn, 393 have been settled and 12 are pending.

Audit Comments

As mentioned previously the number of KickStart grants available annually was 500. As can be seen the actual grants made have fallen well short of the grants available. Annualising the grants made produces a figure of 295 per year or 59% of the grants available.

9.7 APPLICANT AGES

Audit Comments

The audit's review of applicants' ages disclosed that the vast majority of grants are made to applicants aged under 30 years.

The audit analysis of the ages of recipients shows that the scheme has been successful in targeting younger buyers.

9.8 APPLICANT INCOMES

Audit Comments

The audit review disclosed that the majority of recipients of the grants are in the \$30,000 to \$40,000 income range with none above \$45,000. This result is consistent with the eligibility criteria which requires that applicants' incomes must be less than \$45,000.

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9.9 PROPERTIES PURCHASED

The details of the properties being purchased using KickStart is set out in the following table.

Property Type	Number
ACT Housing - Currently Renting	12
ACT Housing - Other	20
House/Land Package	22
New - Not Previously Occupied	250
Not identified	114
Total	418

Audit Comments

The preceding table was extracted from Housing's database of KickStart details. For the 144 grants shown as *Not Identified* the database details were incomplete. The audit reviewed the paper based files for a random sample of these grants. The sample revealed no cases where grants had been made for properties which did not meet the criteria. It appears that there is a problem of incomplete recording in the database rather than grants being made for ineligible properties.

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9.10 PROPERTIES VALUES

The purchase price ranges of the properties was as follows:

Range	Quantity
Under \$90,000	29
\$90,000 - \$100,000	46
\$100,000 - \$110,000	59
\$110,000 - \$120,000	99
\$120,000 - \$130,000	59
\$130,000 - \$140,000	44
Details not recorded	82
Total	418

Audit Comments

Similarly to the comment on property types the 82 grants shown in the table as *details not recorded* represent incomplete information in Housing's database. Audit testing of a sample of paper based files for these grants did not reveal any grants made for persons with incomes above the income eligibility limit.

9.11 LOANS AS A PROPORTION OF PROPERTY VALUES

The ratio, average loan to property value, was around 85% for the St George and Advance Banks and 88% for Aussie Home Loans.

Audit Comment

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The fact that the ratio of loans made by the lenders to the value of properties is relatively high confirms that most grant recipients are marginal borrowers.

9.12 GRANTS TO PUBLIC HOUSING TENANTS

Of the 393 grants settled to March 1998 only 43 (11%) were made to existing public housing tenants. Of these grants 17 were to assist tenants to purchase the houses they were occupying.

Audit Comment

The small number of grants made to public housing tenants shows that the scheme is having little success in assisting people out of public housing. The scheme has had little success in the objective of inducing tenants in public housing to take up loans to acquire their own homes.

9.13 LENDING INSTITUTIONS INVOLVED

The approved lenders were required to offer a competitive interest rate fixed for 5 years at least 0.5% less than the prevailing 5 year fixed rate. The initial approved providers, Advance Bank and St George Bank, were announced at the commencement of the KickStart program. In January 1997, the program was varied to allow other lending institutions to apply to become Providers. Up to the time the audit was conducted only Aussie Home Loans has applied and been approved to be an additional provider.

9.14 LENDING INSTITUTIONS' OPINION ON EFFECTIVENESS

As part of the audit comments were sought from the approved lenders regarding the effectiveness of the program.

Aussie Home Loans confirmed that of the last 25 loans approved by them where the borrower received a KickStart grant, *'half the loans ... required the KickStart Assistance to enable the client to complete the purchase'*. Aussie Home Loans also stated that *'the program has been successful and provided assistance and affordability to a new market of households that were previously not eligible for a home loan'*.

Although no written response was received from St George/Advance Bank it was confirmed through discussion that the program is important in helping first home buyers in completing their purchases.

Audit Comment

The views provided by the approved lenders supports the view that the KickStart scheme has been useful in assisting some low income earners into the housing market.

9.15 OPERATING COSTS

The annualised direct operating costs of the KickStart grants program are estimated to be \$23,000. This is a low cost to administer program. With 400 grants expected to be

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applied for in 1997-98, the average cost is under \$60 per grant.

9.16 RECENT DEVELOPMENTS

The government announced in the context of the 1998-99 budget that the KickStart Program would be extended for a further six months to 31 December 1998. There is no commitment for further funding beyond this.

9.17 CONCLUSION

The KickStart grants scheme has proven to be an effective way of assisting some ACT residents who have previously not owned a residence to purchase their own home earlier than would otherwise have been possible.

It is recognised that only an estimated 350 new homes have been purchased with the assistance of the grants. The scheme's impact therefore on creating employment in the residential building sector or to take up part of the stock of vacant new houses and land has not been great. The scheme however has made a contribution.

One objective of the scheme is to assist tenants in public housing to take up loans to acquire their own homes. As only 43 loans have been made to public housing tenants (equivalent to 1.4% of Housing's applicant list at the end of March 98) success in achieving this objective is quite minor.

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The audit was hampered because a significant amount of relevant data is missing from the database used to record KickStart grant details. It is recommended that the missing data should be obtained and recorded in the database and the database fully maintained in the future.

10. RENTAL BOND LOANS

10.1 INTRODUCTION

Rental bond loans of up to \$600 can be advanced for eligible applicants to meet rental bond requirements in the private rental market. The amount is treated as an interest free loan recoverable when the tenant vacates the private rental property. Approximately 40 rental bond loans are issued each month.

The objective of the Rental Bond Loans scheme is to assist people into accommodation who are eligible for public housing but want access to the private rental market, because either they do not wish to go into public housing, or because no suitable public housing is currently available.

The scheme is intended to be a “relief valve” which allows qualifying applicants to get immediate access to housing (i.e. not to have to wait for public housing to become available).

The maximum amount of each loan is \$600.

This Chapter outlines the processes for the grant and recovery of loans.

10.2 SIGNIFICANT FINDINGS FROM THIS CHAPTER

Effectiveness and Equity

- *Theoretically the rental bond loan scheme is an effective mechanism to provide prompt assistance to eligible people to access the private rental market.*

Efficiency

- *The system for managing the rental bond loans has been mismanaged in recent years resulting in many loans being in default with no action taken to recover the outstanding amounts; and*
- *the program is very expensive to deliver and manage.*

10.3 AUDIT APPROACH

The audit approach was to review the processes and the costs and to review action taken upon tenants vacating rented properties.

10.4 DESCRIPTION OF PROCESSES

The eligibility criteria for rental bond loans is the same as the eligibility criteria for public housing. (*See Chapter 2*)

The process for applicants seeking access to loans or to public housing is similar in that applicants complete the same documentation and interview requirements (*see Chapter 3*).

Once a rental bond loan is approved Housing pays the rental bond directly to the Office of Rental Bonds. When the tenant vacates the rented property the balance of the bond, after allowable expenses payable to the property owner are deducted, is refunded to Housing by the Office of Rental Bonds or the relevant real estate agent. Under the loans scheme the

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borrower is required to meet the difference between the amount advanced by Housing to the Office of Rental Bonds and the amount eventually refunded by that Office to Housing.

10.5 CURRENT POSITION

Approximately 500 bond loans are advanced each year involving approximately \$250,000.

At the end of March 1998 outstanding loans aggregated almost \$1m. The following table shows the amount held by the Office of Rental Bonds as \$255,000. This means that of the \$1m outstanding only \$255,000 related to current tenancies.

The amounts shown in the table against Debt Management Unit (DMU) and Collection Agency represent loans which have not been recovered by Housing following tenants vacating their rented properties. In these cases the Office of Rental Bonds has paid the bond, or part of the bond, to the property owner to meet unpaid rent, repairs needed to the property etc.

Location	Number	Value
Office of Rental Bonds	559	\$255,014
Debt Management Unit	475	\$202,812
Collection Agency	1,360	\$531,757
Total	2,394	\$989,583

The Debt Management Unit is a group within Housing with responsibility for managing rental

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arrears. The 475 loans with the Debt Management Unit are expected to be transferred to the Collection Agency which is a private sector organisation.

Details on the unrecovered amounts are incomplete. For example of the 3,061 bonds loans outstanding the signing date of the original agreement for only 513 is recorded. Some outstanding bonds go back as far as 1993. Only 1191 outstanding loans have the date on which the bond was lodged recorded.

It is only in recent months that some clarity on the true position with outstanding rental bond loans has been determined and a process initiated for outstanding amounts to be placed in the hands of a private Collection Agency for recovery.

Audit Comment

While the objectives of the program are consistent with the objectives of assisting low income earners into suitable housing, the management of the program has been very poor.

Originally the program was part of a larger rental assistance program which has since been discontinued.

The record keeping and follow up work has been extremely poor. Although a significant amount of work has been done in recent months to rebuild the records significant information gaps still exist.

10.6 OPERATING COSTS

The annualised operating expenses for managing the rental bond loans based on current expenses is \$190,000 per year of which \$75,000 has related to recent efforts in identifying the true position. It is expected that once the current clearing of the problems is sorted out, the ongoing cost of managing the loans and collection of arrears would be around \$37,500 per year. The remaining \$115,000 of expenses relate to assessing applications giving a total annual cost of around \$153,000 in a normal year.

Several factors indicate that the program will always be costly to manage:

- the loans are for minor amounts, up to a maximum of \$600;
- landlords are entitled to payment for damages, unpaid rent and other costs as a higher priority than the repayment of the loans to Housing. Any remaining balance is payable to Housing by the tenant, who more often than not, will not be locatable, many moving interstate. If there are substantial debts or damages to the property the tenant is likely to endeavour to remain untraceable. This means that Housing has to attempt to recover money from absconded tenants, who may be dispersed across Australia; and
- debt recovery processes and procedures for small amounts are very time consuming and expensive relative to the amount of money potentially recoverable.

Audit Comment

The rental bond loans scheme is a high cost program in relative terms which has been managed ineffectively. The result is that the

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true position is not known with any certainty. It is clear that large numbers of outstanding loans will never be recovered.

On the basis of advancing some 480 rental bonds a year, the per unit cost is \$316. This amount is excessive in light of the amount being advanced, which is a maximum of \$600. If allowance is made for bad debt losses, which are probably as high as 50% or more, then the cost per unit is close to the amount of the original loan. This scheme clearly needs to be reviewed.

Annexure

Reports Published in 1992

- 1 Information Technology Management Policies in the ACT Government Service**
- 2 Financial Audits with Years Ending to 30 June 1991**
- 3 GAO Annual Management Report for Year Ended 30 June 1992**
- 4 ACT Board of Health - Management of Information Technology**
- 5 Budget Outcome Presentation and the Aggregate Financial Statement for the Year Ended 30 June 1992**
- 6 Financial Audits with Years Ending to 30 June 1992**

Reports Published in 1993

- 1 Management of Capital Works Projects**
- 2 Asbestos Removal Program**
- 3 Various Performance Audits Conducted to 30 June 1993**
 - Debt Recovery Operations by the ACT Revenue Office
 - Publicity Unaccountable Government Activities
 - Motor Vehicle Driver Testing Procedures
- 4 Various Performance Audits**
 - Government Home Loans Program
 - Capital Equipment Purchases
 - Human Resources Management System (HRMS)
 - Selection of the ACT Government Banker
- 5 Visiting Medical Officers**
- 6 Government Schooling Program**
- 7 Annual Management Report for the Year Ended 30 June 1993**
- 8 Redundancies**
- 9 Overtime and Allowances**
- 10 Family Services Sub-Program**
- 11 Financial Audits with Years Endings to 30 June 1993**

Annexure (continued)

Reports Published in 1994

- 1 Overtime and Allowances - Part 2
- 2 Department of Health - Health Grants
- Management of Information Technology
- 3 Public Housing Maintenance
- 4 ACT Treasury - Gaming Machine Administration
- Banking Arrangements
- 5 Annual Management Report for Year Ended 30 June 1994
- 6 Various Agencies - Inter-Agency Charging
- Management of Private Trust Monies
- 7 Various Agencies - Overseas Travel - Executives and Others
- Implementation of Major IT Projects
- 8 Financial Audits with Years Ending to 30 June 1994
- 9 Performance Indicators Reporting

Reports Published in 1995

- 1 Government Passenger Cars
- 2 Whistleblower Investigations Completed to 30 June 1995
- 3 Canberra Institute of Technology - Comparative Teaching Costs and Effectiveness
- 4 Government Secondary Colleges
- 5 Annual Management Report for Year Ended 30 June 1995
- 6 Contract for Collection of Domestic Garbage/Non-Salary Entitlements for Senior Government Officers
- 7 ACTEW Benchmarked
- 8 Financial Audits With Years Ending to 30 June 1995

Reports Published in 1996

- 1 Legislative Assembly Members - Superannuation Payments/Members' Staff - Allowances and Severance Payments
- 2 1995 Taxi Plates Auction

Annexure (continued)

- 3 VMO Contracts
- 4 Land Joint Ventures
- 5 Management of Former Sheep Dip Sites
- 6 Collection of Court Fines
- 7 Annual Management Report For Year Ended 30 June 1996
- 8 Australian International Hotel School
- 9 ACT Cultural Development Funding Program
- 10 Implementation of 1994 Housing Review
- 11 Financial Audits with Years Ending to 30 June 1996

Reports Published in 1997

- 1 Contracting Pool and Leisure Centres
- 2 Road and Streetlight Maintenance
- 3 1995-96 Territory Operating Loss
- 4 ACT Public Hospitals - Same Day Admissions
Non Government Organisation - Audit of Potential Conflict of Interest
- 5 Management of Leave Liabilities
- 6 The Canberra Hospital Management's Salaried Specialists Private Practice
- 7 ACT Community Care - Disability Program and Community Nursing
- 8 Salaried Specialists' Use of Private Practice Privileges
- 9 Fleet Leasing Arrangements
- 10 Public Interest Disclosures - Lease Variation Charges
- Corrective Services
- 11 Annual Management Report for Year Ended 30 June 1997
- 12 Financial Audits with Years Ending to 30 June 1997
- 13 Management of Nursing Services

Annexure (continued)

Reports Published in 1998

- 1 Management of Preschool Education**
- 2 Lease Variation Charges - Follow-up Review**
- 3 Major IT Projects - Follow-up Review**
- 4 Annual Management Report for Year Ended 30 June 1998**
- 5 Management of Housing Assistance**

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