

Chapter 1

Introduction

1. Introduction

The Australian public housing sector is torn between its social responsibility to provide all Australians with “access to secure, adequate and appropriate housing at a price within his or her capacity to pay” (1945 Commonwealth State Housing Agreement, in Steering Committee for the Review of Commonwealth State Service Provision, 1999, Chapter 14.2, p 8), and the significant and increasing restrictions (mainly economic) placed upon it by the Commonwealth government. In a context of decreasing funding, public housing authorities are attempting to continue their welfare role by increasingly focusing their resources on an ever-decreasing proportion of the target population. The financial pressure to manage existing housing stocks with greatly decreased funding, and the pressing need to address the declining physical condition of current stocks has motivated housing authorities throughout Australia to participate in urban regeneration projects. For the public housing sector, participation in urban regeneration usually means trading-off reduced stock numbers for the improved quality of fewer housing units. In addition, especially important in the South Australian case, urban regeneration provides the opportunity for government to reduce debt, which, for The South Australian Housing Trust, peaked at \$1.37bn (SAHT, 2001a) in 1991. Much of this debt was ‘non-concessional’¹, attracting very high rates of interest. There are two side effects of the urban regeneration approach to the dilemma facing the South Australian Housing Trust. Firstly, the net loss of total housing stock means that fewer ‘housing poor’ households can be accommodated, and secondly, large numbers of tenants, many of them old, disabled, or chronically disadvantaged must be relocated in order to make dwellings available for re-development. This is the starting point of this thesis, accepting the existence of these very real problems for housing authorities and individual tenants, and focussing on solutions to the problem of tenant relocation.

The thesis is an examination of residential mobility and its outcomes, focussed upon the forced relocation of public housing tenants. This type of residential mobility

¹ Concessional Loans are loans provided to State Housing Authorities at reduced interest rates

is increasingly used as a means of facilitating urban regeneration. As a result, growing numbers of tenants are affected by relocation. As this occurs, the importance of better understanding the mobility process, and minimising the negative effects of forced relocation, increases. Tenant residential mobility is comparatively under-researched in Australia (Wulff and Newton, 1996), while an understanding of it is regarded as central to “achieving a successful public housing program” (Wulff and Newton, 1996, p. 227), and better outcomes for individual tenants.

This study is set within a residential mobility framework, which provides the basis for understanding the outcomes and effects of relocation, who is most affected, and how to target solutions to improve the relocation process in order to increase residential satisfaction among relocating tenants. While households are influenced, and make mobility decisions in largely predictable ways (Rossi, 1955, 1980; Pickvance, 1973), the effects of relocation are highly individualised (Golledge and Stimson, 1997; Bogue, 1969). Some individuals with high and complex needs, such as the elderly or poor, are likely to experience additional hardship in the relocation process (Sayegh, 1987; Ekström, 1994). At the same time, positive outcomes of relocation are well accepted to be highly dependent on the degree of resident involvement in their own relocation decision (Bruin and Cook, 1997; Kampfe, 1991, 1998). This thesis investigates means of combining these findings to improve relocation outcomes at the individual level. A prototype Spatial Decision Support System (SDSS) is constructed to allow relocating tenants to participate in their own relocation decision process. This is tested by a group of relocating tenants and other key stakeholders from The Parks area of Adelaide to evaluate its usefulness in improving the relocation process.

1.1. Objectives

Public housing tenants are an increasingly distinct tenure group within Australian society. Their residential mobility is comparatively under-researched because there has been a history in Australia of very low levels of public tenant

mobility²; this is largely due to Australian public housing being founded on the principle of ‘security of tenure’. The relocation of public housing tenants is a relatively new phenomenon in Australia, a side effect of major structural changes in Australian society and economy. The principle of security of tenure has been much weakened, and current tenants are assured housing only for the “duration of their need” (Newman, 1999, p. 7). Australia’s historical promise of a ‘house for life’ has meant that research surrounding public housing tenants has rarely examined the process of residential mobility. We have a few valuable sociological and demographic descriptions of Australian public tenants (Wulff and Newton, 1995, 1996; ABS, 1999, cat 4182.0) and there is an emerging literature of tenant experiences before and after relocation (for example, Fuller, 1995; Ruediger, 1998), but in order to make actual improvements to the outcomes of relocation it needs to be more thoroughly investigated and understood as a process. In addition to exploring the residential mobility of public tenants, the thesis is also an attempt to apply the understanding of the process of tenant relocation to the actual relocation of public tenants in The Parks area of South Australia and investigate a means to improve outcomes for individual tenants. Therefore, the primary objective of this research is **to investigate the process of public housing relocation with the aim of applying this information to improve outcomes for individual tenants**. The following specific aims will facilitate this:

- To develop an understanding of tenant relocation within a context of intra-urban mobility theory.
- To explore the concept of residential satisfaction and investigate it’s usefulness as a measure of positive housing outcomes from relocation.
- To analyse recent residential mobility patterns among tenants and non-tenants in the Metropolitan Adelaide area. This includes the mobility patterns of households constrained and unconstrained by forced relocation.
- To investigate the relocation choices of a group of relocating tenants from The Parks.
- To apply the understanding gained from residential mobility and residential satisfaction research and analysis, to a real-world residential mobility problem – that of the relocation of public housing tenants from The Parks.

² There was a brief period in Australia where public housing was used by government as a ‘springboard’ to home ownership in the 1950s and 1960s (Wulff and Newton, 1995; Badcock, 1986)

- To evaluate the usefulness of a Spatial Decision Support System approach to public tenant relocation.

1.2. The Australian Public Housing Sector – A Background

Australian public housing policy effectively began in the late 1930s and early 1940s. At this time, the country was still suffering from the effects of the Great Depression, high unemployment, a lack of sufficient housing, and a “private market ... unable to provide adequate housing for people on low incomes” (Hayward, 1996, p. 11). The Federal government response to this situation was to establish a centralised Commonwealth Housing Commission, which led to the creation of individual State Housing Authorities. South Australia led the way with the formation of the South Australian Housing Trust (SAHT), the first State public housing organisation, in 1937 (Hayward, 1996; SAHT, 2001b).

The Commonwealth Housing Commission initiated a series of agreements, the Commonwealth State Housing Agreements (CSHAs), which made loans available to the States from the Commonwealth for housing provision. The first CSHA, in 1945, made States responsible for ‘service delivery’, while the Commonwealth was responsible for funding (Hayward, 1996). Since the first CSHA, they have been renegotiated, on average, each four to five years. This regular renegotiation has allowed these agreements to reflect changing Commonwealth policy priorities. The first CSHA sought to provide housing “for those who were in need of proper housing accommodation and who, for various reasons, did not desire or were unable to purchase their own homes” (CSHA 1945, in Victorian Auditor General’s Office, 1996). The following two decades were a time of rapid population growth and resultant housing shortage. The CSHAs from the 1950s through to the 1960s reflect this, with a concentration upon housing generation and home-ownership. The CSHAs that followed in the 1970s reflected the poverty alleviation focus of the Whitlam era³. The next major change of emphasis occurred in 1996, where there was a significant change in the focus of public housing funding and provision – a move to target public housing

³ 1972-1975 period of Australian social reform under the Australian Prime Minister Gough Whitlam

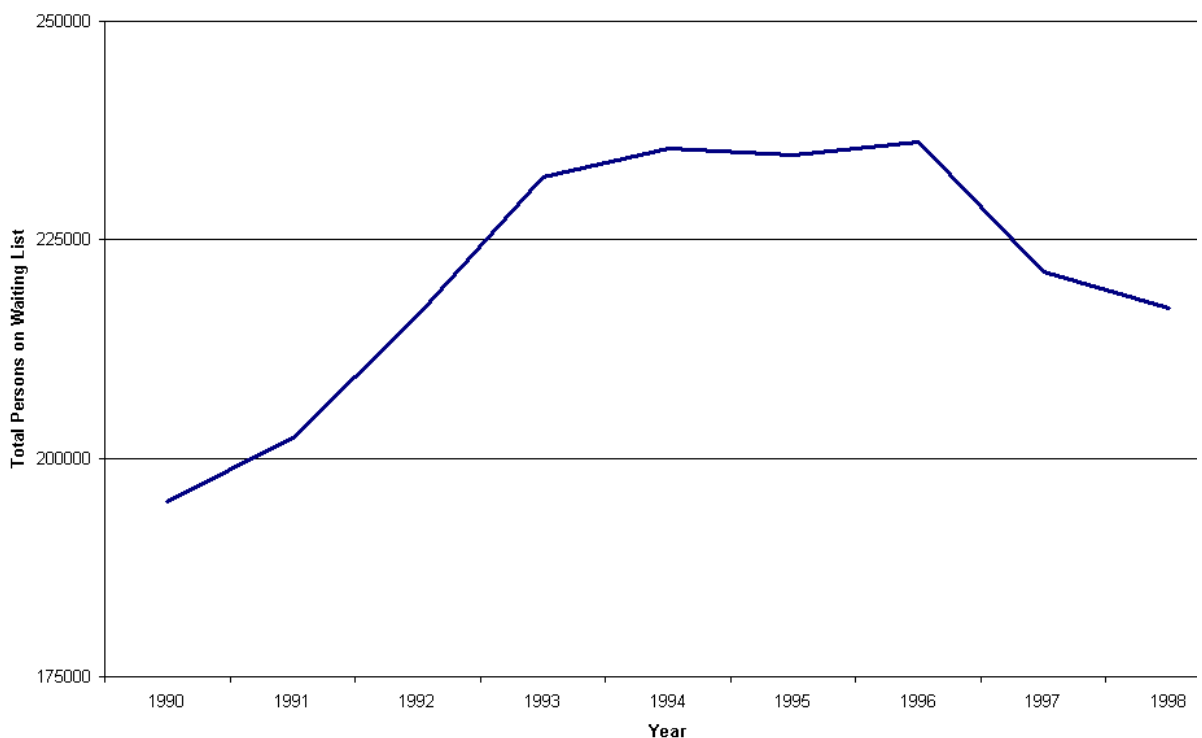
“for those who those most need it” (Government of Australia, 1999a, p. 3). This change meant the tightening of eligibility requirements, the culling of waiting lists, and the end of the expectation of lifetime tenure. The most recent agreement, signed off in July 1999, follows this precedent. Analysis of the agreement shows a clear recent direction concentrated on cost effective asset management, and a reliance on the private market and rental assistance. The federal government has now separated the roles of provision and management of housing infrastructure from income support and welfare, making the states responsible for provision and management, and allowing the federal government to attempt a subsidy rather than a housing provision role. This subsidy now occurs across tenure, in the public and private rental sectors. It is clear that the focus of Australian public housing provision has changed significantly since the 1940s from a policy of equal provision to all in need, to the current situation where public housing policy “has very little to do with housing need” (Burke, 1998, p.14), and access is only available to those “in greatest need” (Stevens, 1995, p. 82).

Waiting lists are a direct reflection of this change in public housing policy. In the early part of the 1990s waiting lists steadily increased, as is shown in Figure 1.1. Also notable in the figure is the sharp decline in the number on waiting lists from 1996 onwards, this is acknowledged in the Housing Assistance Act Annual Reports of 1996-1997 and 1997-1998 as being mainly due to “improved waiting list administration procedures...[and] the tightening of eligibility criteria and the introduction of new administrative systems” (Government of Australia, 1999b, p. 26; 2000, p. 19). This can be read more as a reflection of the narrowing of the criteria for access to public housing, rather than as a tackling of the problem of long waiting times for access into public housing. This is evidenced by a matching fall in the number of tenants accommodated in public housing during the same period (Government of Australia, 1999b, p. 32; 2000, p. 56). Though waiting lists appear smaller, an average of 12 per cent of individuals on waiting lists have been there for more than five years (Parliament of Australia, 1997, Chapter 2, Section 2.26).

In line with the increase in waiting times, public housing stock numbers have decreased from a peak of 18 per cent of the total Australian housing stock in 1966

(Hayward, 1996) to 5.9 per cent at the most recent Australian Housing Survey (ABS, 2000, cat no. 4182.0). Funding levels are also falling, due to a government retreat from funding, as well as a change in Commonwealth government allocation policy aimed at only subsidising housing, rather than providing housing infrastructure. Total federal government funding is expected to continue to fall (Burke, 1998, p. 4), and is currently locked in at \$743.9 million in the 2001-2002 financial year (Government of Australia, CSHA, 1999a) from, for example, \$1068 million in 1996/7 (Auditor General, 1999) at the last change of federal government.

Figure 1.1: Total Public Housing Waiting List, 1990-1998 Australia



Data Source: Government of Australia, Housing Assistance Act Annual Report 1997-1998

Changes to Australian society and population have also affected public housing provision. Large, concentrated estates of public housing, aimed at working families, are a remnant of the post-war era, when the manufacturing sector was growing rapidly and public housing was built to house a large population of working families of “deserving poor” (Badcock, 1986), near to industrial work sites. Employment in Australia has moved away from a focus on manufacturing, and is becoming

increasingly spatially dispersed. As a result, large industrial-centred public housing estates, such as The Parks in North-Western Adelaide, have become concentrated areas of unemployment and disadvantage.

The demographic structure of the Australian population is also changing. The population is aging (Borowski and Hugo, 1997); families are getting smaller, are more likely to include a single parent (ABS, 1998), and more likely to be unemployed (ABS, 2000, cat no. 4102.0). Table 1.1 summarises recent Australian Institute of Health and Welfare (AIHW) and ABS findings on these characteristics for the whole of the population and public housing renters. As a cohort, public renters conform to general population trends, though because they are selected increasingly by their level of need, they are more likely to be older, welfare dependent, have a disability, be in a single parent household, or live singly. Analysis of the two most recent ABS surveys of Housing Characteristics and Costs confirms that public housing tenants are a cohort increasingly likely to exhibit many of these characteristics. Table 1.2 compares a selection of these characteristics.

Table 1.1: Selected Population Characteristics, Public Tenants and Australian Population, 1996, 1998.

	% 65 years and over (*)	% In the Labour Force (*)	% With Disability	% Single Parent Household	% Lone Person Household
Public Housing	27.7	22.0	38.7	28.7	40.5
Total Population	20.6	65.3	16.5	8.6	23.8

Source: ABS, 1999, cat no. 4182.0; AIHW, 1999 (Note: * Household reference person)

Public housing stocks that, by nature, constitute fixed asset infrastructure, are only able to change at a much slower rate than the population and social structure. This has resulted in the current imbalance between housing provision and housing need as well as a mismatch between the type of housing and the type of needs that public tenants have.

Table 1.2: Selected Household Characteristics of Public Renters, Australia, 1994 and 1999.

	Survey Year	
	1994	1999
Household Type		
Couple only	11.5	10.1
Couple with Children	20.8	9.8
One Parent Family	28.7	23.6
Lone Person	32.2	41.2
Labour Force Status		
Employed	28.7	22.0
Unemployed	12.1	7.9
Not in the Labour Force	59.2	70.2
Principle Source of Income		
Wage	21.0	17.8
Government Pension	69.8	80.0

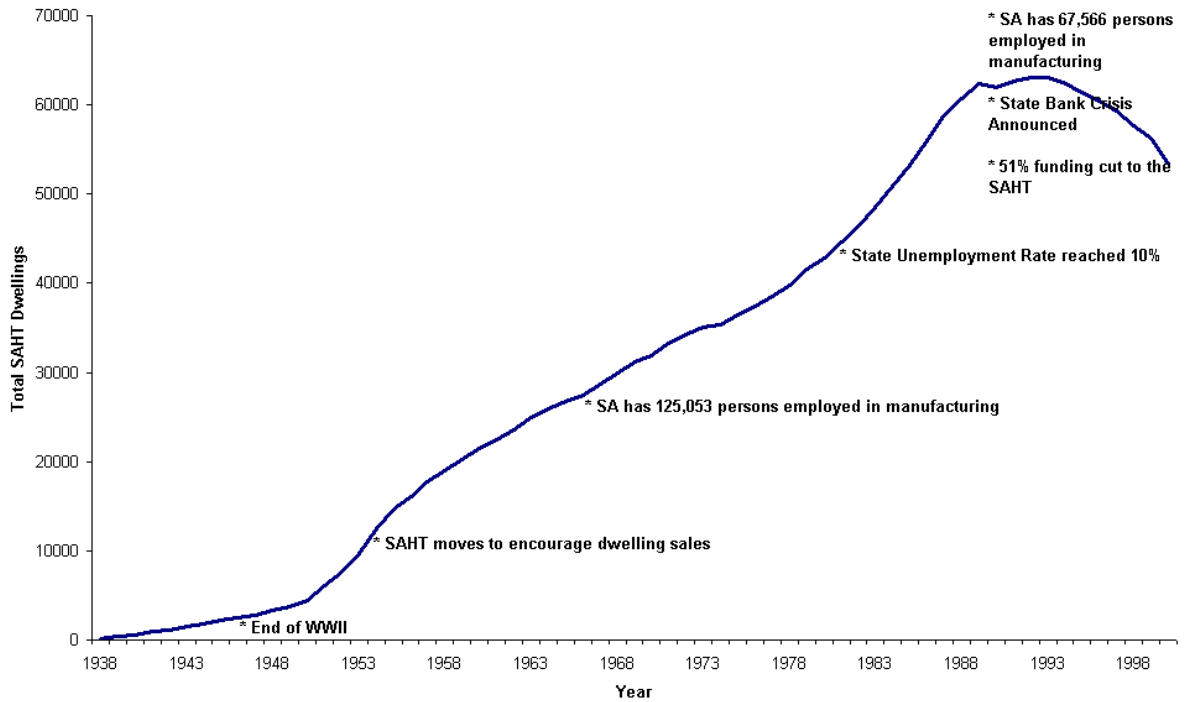
Source: ABS cat no. 4182.0, 1999 and 1994,

1.1.1 Public Housing in South Australia

South Australia has historically had a large social and economic investment in public housing and this has influenced the size, spatial distribution, and tenant profile within public housing in the state. From being the first state to set up a housing authority in 1937, South Australia has consistently had the nation's highest proportion of public housing stock. Figure 1.2 shows the evolution of public housing stock in South Australia in terms of dwelling numbers.

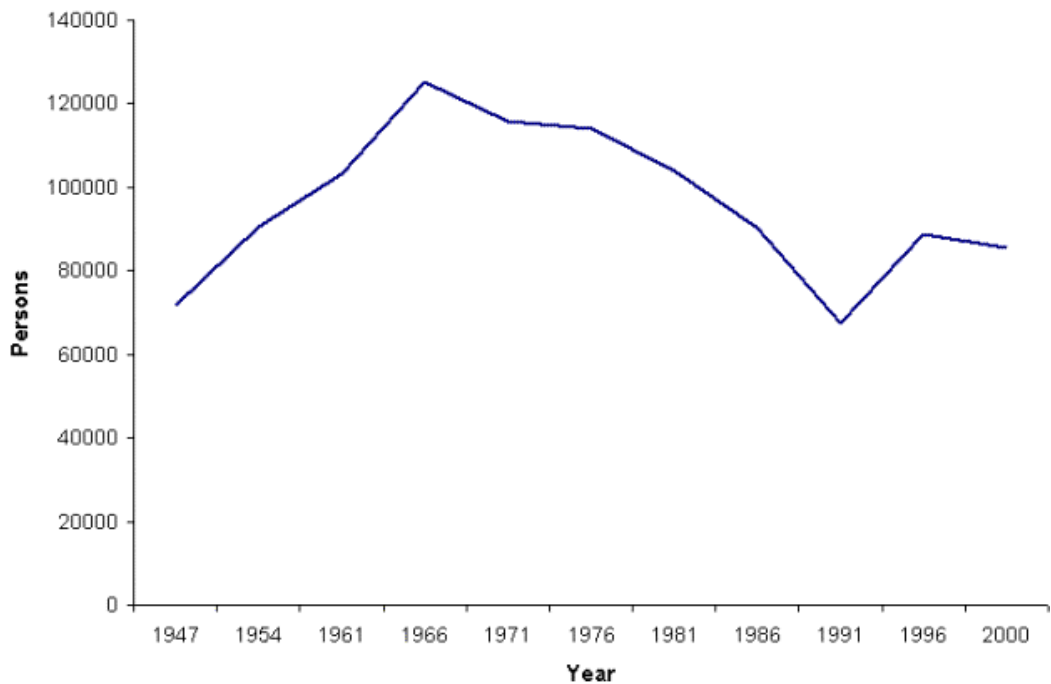
Currently this stock represents 10.7 per cent of the total dwellings in the state (ABS, 2001, cat 4102.0). The reason for South Australia's large investment in public housing is related to an economic reliance on manufacturing during the post-war years. This dependence on manufacturing, and the subsequent boom and bust that has occurred in that industry, has shaped public housing in South Australia more than any other influence. South Australia is geographically isolated from the East Coast, which is the administrative and business centre of Australia. This remoteness influenced South Australia's economic reliance on primary industry, and later manufacturing. The manufacturing boom and bust is clear in Figure 1.3, which shows the number of South Australians employed in the manufacturing industry throughout the period.

Figure 1.2: South Australian Housing Trust Dwelling Stock, 1938 - 2000



Source: Data Sources: SAHT, 2001c, SAHT 2001b; ABS, Census of Population and Housing, 1966 and 1991.

Figure 1.3: South Australia, Number of Persons Employed in Manufacturing Industry, Census Years 1947 – 1996.



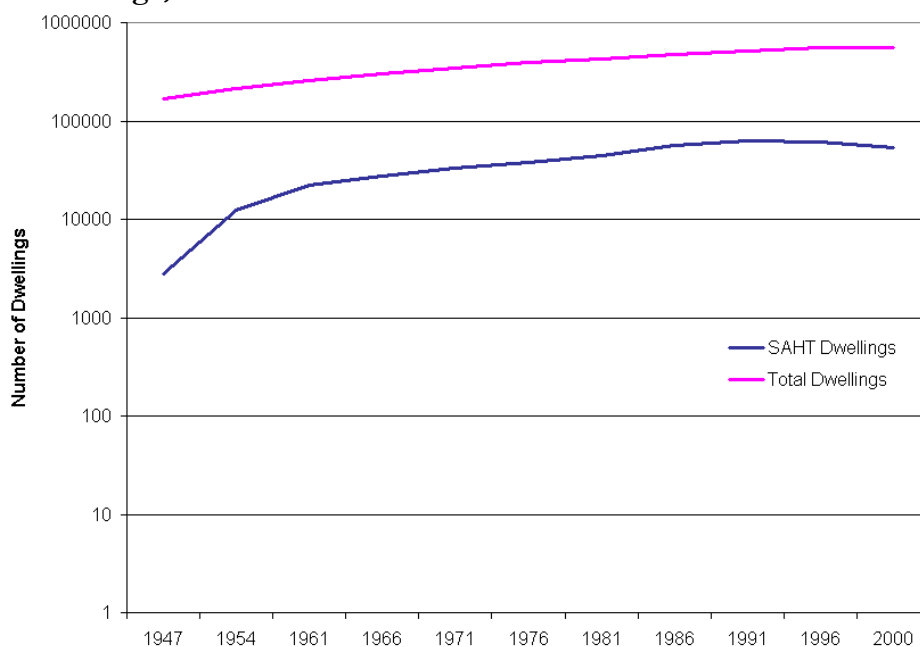
Source: ABS, Censuses of Population and Housing, 1947-1996.

Public housing was developed by the South Australian government largely to house a working population in an expanding manufacturing industry in the early post-war years. A boom in that industry during the immediate post-war years, and the South Australian government's focus upon attracting it to the state, meant that a workforce had to be assembled quickly. Public housing was used to subsidise the costs to the manufacturing sector and encourage businesses to locate within the state (Badcock, 1986; Marsden, 1986). Housing is a major, relatively constant component (for example 14 per cent in 1998, ABS, 2000, cat no. 6530.0) of a household's expenditure, therefore by subsidising housing, the wages required for an adequate life were able to be considerably reduced. This meant that a workforce in affordable housing could be paid less, and profits to industry would be maximised, and industry encouraged to locate in the state. To capitalise on the emerging boom in the manufacturing sector, South Australia required a large population of workers to be quickly assembled, and this also influenced the spatial distribution of public housing infrastructure. It was cheaper and more efficient for the government to construct large estates of public housing near to the sites of industry. This concentration also meant reduced costs for other infrastructure, such as public transport and schools. The instant and substantial workforce required to meet the needs of a booming manufacturing industry also meant that large numbers of immigrants, to be employed by the manufacturing sector, were recruited. These immigrants, initially largely from the United Kingdom, were housed in concentrated communities surrounding the industrial sites. In later years, public housing was used as a welfare tool to house recent immigrants and refugees. This produced concentrations of immigrants according to their arrival period, and resulted in large concentrations of nationality groups in specific estates. For example, many Vietnamese were housed in The Parks area during the 1970s where 16.3 per cent of the population were born in Vietnam, compared with 0.7 per cent of the South Australian population (ABS, 1996 Census of Population and Housing).

The significant decline of manufacturing in Australia over the last three decades has had a considerable effect on the state (Badcock, 1986). The dominance of South

Australia’s investment in the manufacturing industry has compounded this. For the public housing sector, the decline has been especially important because, as described above, the sector has largely been shaped by the needs of the manufacturing industry and its workforce. Public housing tenants in South Australia are now decreasingly likely to be workers, and increasingly likely to be not in the labour force (see table 1.2). Another significant impact on the economic and social wellbeing of South Australia was a \$1bn debt carried by the South Australian Government, the result of a state bank collapse in 1991. This has severely limited the amount of money available in South Australia for public housing programs over the last decade. The Commonwealth government has simultaneously reduced its financial support to the public housing sector, and changed its vision of the sector as an alternative to home ownership, to that of a welfare provider. A new, and very different public housing sector is required to meet the needs of welfare instead of industry, but the existing housing authority and its infrastructure cannot accommodate this.

Figure 1.4: South Australia, Total SAHT Dwellings Compared with Total Private Occupied Dwellings, 1947 - 2000



Sources: SAHT, 2000a; ABS, Censuses of Population and Housing, 1947-1996; ABS, 2001, cat no. 1306.4.

As a result of the governments funding withdrawal from public housing, the stock of public housing is reducing, meaning that fewer tenants can be housed. This is

compounded by the demographic fact that households are getting smaller, which means that more dwellings are needed just to house the same number of individuals. This is illustrated in Figure 1.4, where the total public housing stock is compared with the total number of dwellings in South Australia. It clearly shows the absolute, as well as relative loss of public housing stock in relation to the total number of dwellings in South Australia.

1.3. Urban Regeneration

The result of these social, demographic, economic, and historical factors for many Australian public housing estates is the creation of spatial concentrations of disadvantage. Such areas of concentrated deprivation as public housing estates within cities are of major concern. They “impede economic development, weaken social cohesion, and engender high environmental costs” (OECD, 1998, p. 9). These factors have the potential to create a downward spiral of decreasing education and training rates, decreasing employment levels, stigmatisation, environmental degradation, and poverty. Distressed urban areas require regeneration that addresses the physical, social, and economic decline present in these areas (Baum *et al.*, 1999a; Vinson, 1999; Smith, 1998). Urban regeneration projects often centre on public housing estates, because they are substantial, consolidated blocks of valuable government owned housing that is often run-down. These estates also tend to have social and economic problems often associated with the concentration of poverty. Renovation of the physical and economic environment in depressed areas, through public housing regeneration, is an important means used by Australian and other OECD governments to address concentrated urban distress (for example Government of South Australia, 1999; OECD, 1998; Conway and Konvitz, 2000; Smith, 1998).

Public housing redevelopment projects, under the banner of urban regeneration, are the direct result of a pressing need to address the structural and financial problems within the Australian public housing system and the changing needs of tenants. They represent the means for public housing authorities to address the

conflict between the economic realities of reduced funding and a changing government policy direction, and their social responsibilities to provide for the basic housing requirements of those in the community who are most in need. It is no surprise that South Australia, with the highest proportion of public housing, high levels of state debt and welfare dependency, is a state with a high experimental investment in urban regeneration.

The regeneration of major housing estates often requires the large-scale relocation of tenants, either permanently or temporarily as housing is rebuilt or replaced. The removal of people from their homes and neighbourhoods presents a complex dilemma for housing authorities. These relocations are often involuntary, and run the risk of increasing the marginalisation of an already disadvantaged population (Rohe and Mouw, 1991; Rubenstein, 1988). Successful relocation involves consideration of infra-structural variables such as housing size and availability, resident characteristics, and household composition, as well as individual tenant preferences and existing social networks. In Australia, public housing is seen as part of the welfare role of government, it is aimed centrally at a population with high levels of need, such as the disabled and unemployed. Public tenant requirements of housing and residence are therefore more demanding than for the population as a whole.

1.4. The Structure of the Thesis

The thesis explores the problem of public housing tenant relocation with the goal of improving outcomes for individual tenants. This chapter has introduced the problem of tenant relocations in South Australia, and provided an historical background to public housing and pressures for urban regeneration. The aims of the thesis have also been elaborated. Chapter Two presents the theoretical context of the study, introducing the structure of argument of the thesis and proposing the use of a Spatial Decision Support System (SDSS) to address the problem of tenant relocations. Chapter Three begins with an investigation of the literature on relocation and intra-urban mobility, with a special focus on the movement of public housing tenants. This

chapter aims to develop an understanding of relocation, which could be used to improve the process undertaken by the South Australian Housing Trust. Chapter Four introduces the concept of residential satisfaction. This concept is used in the thesis as an individual measure and goal of housing outcomes. Chapter Five presents an analysis of residential mobility patterns in metropolitan Adelaide, again with a focus on the public housing tenant population. This understanding of mobility patterns in metropolitan Adelaide of the public tenant, and general population, is crucial to comprehension of the dynamics of forced relocation. Chapter Six presents a description of the study area, its landscape, population, and future. The following chapter presents an analysis of the relocation preferences and characteristics of public housing tenants currently residing within The Parks. The aim of this chapter is to test and ground the findings from the literature in the actual relocation choices of the study population; the results of this analysis will be incorporated into the SDSS. Chapter Eight documents the development of the Spatial Decision Support System, its content, form, and the principles, which guided its construction. This chapter also documents the evaluation of a prototype system, and the results of that evaluation on a group of key stakeholders from The Parks. The thesis concludes in the following chapter, Chapter Nine, with a discussion of the findings from the study, and implications for policy and further research.