



**CONDITION REPORT:
LOW INCOME EARNERS IN THE TASMANIAN
PRIVATE RENTAL MARKET**

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The research for this report was conducted by Prue Cameron, Kelly Madden and Jo Flanagan.

EXECUTIVE SUMMARY

This report is based on research investigating how the private rental market in Tasmania is meeting the housing needs of low income earners. Tasmania, like all other Australian states, is experiencing a critical shortage in affordable housing. A range of Federal and State Government housing policies over the past decade have combined with a recent boom in the housing market, to dramatically reduce the affordable housing options of low income earners in Tasmania. Most low income households no longer have access to the public housing sector. Consequently low income earners are forced into the private rental market in which they face significant barriers and disadvantages.

This report demonstrates that the private rental market is failing to meet the needs of low income earners in a number of ways. This is a major concern for Tasmania, which has the highest proportion of people on low incomes of any state, with 39.8% of households dependent on government pensions or benefits as their main source of income. Tasmanian households also have the lowest weekly income in Australia (ABS, 2001).

The private rental market in Tasmania is currently experiencing increased demand, resulting in a shortage of properties throughout the state and increased rental prices. This research shows that of all Tasmanian households in the private rental market, 47% are in the two lowest income quintiles. The percentage of households in this group experiencing 'housing stress' is 61%. This means that these households pay more than 25% of their income on housing costs, which leaves them with insufficient income to purchase the other essentials of life. This is especially worrying in Tasmania where the cost of essentials such as groceries, electricity and petrol are higher than the other Australian states.

The research found that low income earners in the Tasmanian private rental market have little security of tenure, for example participants in this research had moved on average 5.3 times in the past five years. This lack of security of tenure is often related to financial problems such as high rent prices, cost of transport, poor quality of dwellings or moving for educational or employment opportunities. Other reasons may include family breakdown or job loss.

Research participants identified other barriers which make it difficult for them to enter the private rental market including the financial costs associated with finding rental accommodation and discrimination on the basis of factors such as employment status, age, parental status and disability.

Private renters on low incomes tend not to exercise their rights as tenants, as delineated in the Residential Tenancy Act (1997). This may be because they are not aware of their rights, but is more likely due to their vulnerability and lack of security of

tenure in the private rental market. Research participants identified fear of adverse consequences in response to complaints or requests for repairs and maintenance or disputes over the return of bond monies as barriers to pursuing their concerns either with their landlord or real estate agent.

A number of research participants lived on the metropolitan fringe, reflecting the effects of rising rental prices and a lack of affordable housing in metropolitan areas. For many, this locational disadvantage means living further from services and employment and educational opportunities with higher transport cost or reliance on infrequent bus services. An additional concern is that some low income households in this situation are renting properties originally built as holiday shacks as permanent dwellings. Some of these premises may have structural problems which makes them unsuitable for permanent habitation, requiring major renovations or repairs.

The key finding of this research is that there is an urgent need to inject additional resources into the provision of affordable housing in both the public and private housing sectors. All indications from the negotiations around the new Commonwealth State Housing Agreement are that the Commonwealth will continue to withdraw from its responsibilities for the provision of affordable housing. Furthermore, repayment of the debt to the Commonwealth Government, accrued from loans through the Commonwealth State Housing Agreements between 1945 – 1986, is drastically reducing the funding available for the provision of affordable housing. It therefore falls on state governments to address the crisis in affordable housing.

This research shows that low income households in Tasmania are increasingly at risk of after housing poverty as a result of this shortage. Affordable, adequate and secure housing is essential to health and wellbeing, social participation and community building, and therefore, the provision of affordable housing for low income earners in this state is essential for the Tasmanian community as a whole. Anglicare calls on the State Government to make the increase of affordable housing a budget priority with additional resources in the form of recurrent funding and in the establishment of a Social Infrastructure Fund for Affordable Housing to resource initiatives in this area.

RECOMMENDATIONS

Affordable Housing is essential for social health and wellbeing

Prioritising the need to increase the amount of affordable housing

Recommendation 1:

That the Commonwealth Government waive the debt accrued by the State through CSHA loans between 1945 – 1986 so that all the funds from the CSHA are directed to the provision of affordable housing in the State.

Recommendation 2:

That the State Government prioritises the need to increase affordable housing in the State by:

- *Establishing a Social Infrastructure Fund for Affordable Housing of \$20million in the 2003 – 04 Budget as a one-off injection of funds to address the immediate crisis;*
- *Providing increased recurrent funding for affordable housing from the increases in GST revenue commencing in 2004- 05;*
- *Supporting the work already commenced by Housing Tasmania in developing an Affordable Housing Strategy which includes strategies to stimulate private investment in low cost housing.*

Recommendation 3:

That the Tasmanian Government allocate funds for the establishment of a Rental Bond Board for the purpose of consolidating and regulating the collection and disbursement of private bonds.

Increasing housing security

Recommendation 4:

That Housing Tasmania provide more information to the community generally, but particularly to low income households unable to access public housing, about:

- *the stock reconfiguration strategy;*
- *the options for home purchase as well as other tenure options including information about the risks associated with private hire-purchase schemes.*

Recommendation 5:

That the review of the SAAP Client Brokerage Model includes in its evaluation an assessment of client satisfaction of private accommodation options in terms of meeting their housing and support needs in the short, middle and long term.

Accessible Housing: Protecting low income tenants' rights and minimizing costs

Recommendation 6:

That information about the Anti-Discrimination Act 1998 in relation to accommodation be a component of the advertising and community awareness campaign to be undertaken by the Office of Consumer Affairs and Fair Trading following the enactment of the Residential Tenancy Amendment Bill 2001.

Recommendation 7:

That the Residential Tenancy Amendment Bill 2001 be:

- *amended to include a section addressing privacy issues of tenants in relation to application forms and the maintenance of tenancy databases by real estate agents and private landlords. This section would set out the information that can legally be required to validate identity and other details directly relevant to the tenancy application. In relation to data bases it should ensure that management should be transparent, accountable and protect the rights of tenants; and*
- *enforced to prevent the charging of fees for applications to rent or viewing of premises.*

Adequate housing: Legislation and quality control in the private rental market

Recommendation 8:

That information about rights and obligations under the Residential Tenancy Amendment Bill 2001 regarding repairs and maintenance of rental properties and the procedure for pursuing complaints are more widely publicized to both tenants and landlords. This could be implemented in the following ways:

- *Information about tenants' rights is distributed to all property owners with their land tax payment notices;*
- *The establishment of a Rental Bond Board would enable information about tenants' rights to be sent routinely to tenants as each new tenancy is registered;*
- *By locating a Tenants' Union case worker in the North and North West regions.*

Recommendation 9:

That legislation is developed to more effectively address the poor standard of rental dwellings. This could be incorporated into the Residential Tenancy Amendment Bill 2001 or as a new Act. The legislation would include:

- *A revised set of minimum requirements for standards of dwellings;*
- *Measures that link the standard of rental properties to local council rates with levies applied where dwellings do not meet these standards. Collected levies could go into the Health budget to offset the cost of poor health caused by poor standard dwellings;*
- *A requirement that all rental properties be assessed against building and health standards within the next five years;*
- *Any rental property coming on the rental market be inspected prior to advertising.*

INTRODUCTION

“The main thing is, I feel like I’ve got some self-esteem because I’ve got my own place. I feel better about myself. If it’s your own place you can come home to it. I’ve got my own facilities which is a huge advantage. And I think the main thing though is feeling like you’re a human being. You’re not just an animal that’s put somewhere and they don’t give a stuff about you. You just feel better about yourself. The 3 main things are self-esteem, cleanliness and having a place you can call your own” (Bill, Launceston, aged 37).

Access to appropriate, affordable housing with security of tenure is a critical determinant in ensuring health and social well-being. These are the factors, together with appropriate location, which enable people to create a home for themselves and their families (Mullins & Western, 2001; National Shelter, 2001; Waters, 2001). For most of us, a home is the most essential component of our emotional, psychological, physical and material well being. Appropriate and stable housing increases educational opportunities for children, creates greater potential for social participation and community building and reduces the health effects associated with homelessness or the threat of homelessness. There is a strong correlation between housing adequacy and subjective quality of life. As the Tasmanian Healthy Communities Survey 1999 found, across 11 housing adequacy measures, as the sense of housing adequacy declines so too does the subjective quality of life (DHHS, 1999:72).

Having a home in the sense described here is becoming a luxury beyond the reach of a growing number of Australians. There is a housing crisis for people living on low incomes Australia wide. Home ownership now is beyond the reach of most low income earners. People on low incomes are finding it increasingly difficult to access rental properties in both the public and private housing sectors. This is due in part to a reduction in affordable housing stock; an increase in rent and house prices and a drop in real terms in median household incomes for those at the bottom end of the income scale over the past decade. This report examines how low income earners in Tasmania are faring in the private rental market and the findings replicate the housing problems experienced by low income earners nationwide.

This report is based on research conducted by Anglicare with low income Tasmanians. The research investigated the broad question about whether the private housing rental market is meeting the housing needs of low income earners in Tasmania. The objectives were:

- to identify the barriers to low income earners accessing affordable, appropriate and secure housing in the private rental market;
- to examine the relationship between low income private renters and their landlord and/or real estate agents;

- to gain a greater understanding of issues surrounding housing mobility for low income earners, including the movement between public and private rental system and
- to examine the impact of current housing situation on non-housing outcomes, such as employment and educational opportunities and mutual obligation requirements

This research used the principles for good housing as benchmarks against which to measure the outcomes of low income earners in the Tasmanian private rental market. These fundamental principles are that housing should be:

- *Affordable* so that people are not left in poverty after they have met their housing costs;
- *Adequate* in that housing meets basic standards of quality to ensure health and wellbeing;
- *Secure* so that people are not living with the threat of enforced relocation or homelessness and are able to have a base from which to form relationships, families, engage in their communities and seek employment and educational opportunities;
- *Accessible* so that people are informed about all their housing options and are able to access these without discrimination;
- *In the right place*, located close the services, support networks, job opportunities and social activities; and
- *Appropriate* to people's life-cycle needs.

(National Shelter, 2002)

Limitations of the research

The housing system is complex, with the various sectors interconnecting in a variety of ways. In the course of this research, issues arose in relation to the public housing sector, crisis accommodation services and home purchasing options. Obviously all these factors have a significant impact on the private rental market and in that sense demand further research and analysis. However the objectives of this research specifically address the private rental market and for that reason any discussion of the other sectors will be necessarily limited.

Because the majority of the participants in this research were living in the private rental accommodation by necessity and not by choice, the report addresses issues in the social housing sector and in home purchasing for this group. The report also briefly refers to issues in crisis accommodation in the state. A number of the participants were currently staying or had recently stayed in crisis accommodation because they were unable to find housing in either the public or private sector. This report does not cover other components of the housing system such as hostels, boarding houses or caravan parks.

Section One of this report outlines the research process and the demographic profile of the research participants. In Section Two the context of national housing policy is described to provide a background to the research. Section Three provides an overview of housing issues for low income Tasmanians. To give a quantitative profile of low income renters in the private sector, it draws on data from the Tasmanian Healthy Communities Survey (1998-9), the Tasmanian section of the Australian Housing Survey 1999 (2000) and available 2001 Census data from the Australian Bureau of Statistics (ABS, 2002). The findings from the focus group discussions are detailed in Section Four and the conclusions and recommendations are set out in the final section.

SECTION ONE

1.1 PROJECT METHODOLOGY

Between April and June 2002 Anglicare conducted a series of eight focus groups around the State. To be eligible to take part in the research participants were low income earners with recent experience of the private rental market. This included those who are:

- pension or health care concession card holders
- earning an income up to 10% above the health care concession eligibility level
- currently living in private rental accommodation or
- had lived in private rental accommodation within the last two years.

Participants were recruited through neighbourhood houses and community centres, local publicity and word of mouth. Interviews were also conducted with service providers in the initial phase of the research.

The focus groups were held in the South, in Hobart and Tasman Peninsula, the North and North West and the East Coast. The focus group method was selected as the most effective means of gathering rich and detailed narratives about individual experiences. The interactive and contextualized nature of the facilitated group discussion generates and expands dialogue to highlight the attitudes, priorities, language and framework of understanding of individuals in the group (de Laine, 1997; Rice & Ezzy, 1999). This method is particularly useful when researching issues which are difficult or socially sensitive, as the shared discussion can encourage people to speak about experiences which they may have felt uncomfortable discussing in individual interviews (Rice & Ezzy, 1999: 91).

A framework of questions consistent with the research objectives were used to guide the discussions. The discussions were audio-taped and transcribed and the transcripts subjected to thematic analysis to draw out key issues and themes.

1.2 DEMOGRAPHIC PROFILE OF RESEARCH PARTICIPANTS

The focus groups contained 69 participants. The demographic profile of the participants represents an even spread across age range, gender, type of pension or benefit, and family composition, including single person, sole-parent and two-parent households. The gender composition of the participants was 39 female and 30 male.

- 1) Income type:
 - 23 were recipients of Newstart Allowance;
 - 16 received the Disability Support Pension;
 - 14 received the Parenting Payment Single;
 - 9 participants were on Youth Allowance;
 - 1 was on Austudy; and
 - 5 were waged.

- 2) The ages of participants ranged from 16 – 57:
 - 16 – 24 = 23
 - 25 – 40 = 29
 - 41 – 57 = 17

- 3) Household composition:
 - 16 couple with children
 - 14 sole parents:
A total of 73 children were living in these households
 - 10 couple with no children
 - 23 single person household
 - 6 share household

- 4) Housing tenure type:
 - 52 (74%) currently living in private rental accommodation:
30 were renting from private landlords
22 rented through real estate agents;
 - public housing = 7
 - purchasing = 2
 - living with family =
 - crisis accommodation = 5
 - housing co-operative = 1

- 5) Lease holders:
 - Of the 52 private rental tenants:
 - 20 did not have current written leases.
 - 32 had leases ranging from 12 weeks (5); 6 months (13) and 12 months (14).

SECTION TWO

BACKGROUND AND POLICY CONTEXT: THE NATIONAL PICTURE

Housing problems in Australia have worsened over the past decade with more people unable to find appropriate and affordable housing, increased homelessness and a growth in areas with concentrations of poverty and disadvantage (Burke, 2001). Many commentators have observed that despite this there is little policy debate around housing, resulting in a 'policy vacuum' (Burke, 2001; Dalton, 2002). Housing policy outcomes are a complex mix of market forces, social and cultural values and the effects of a range of social policies including wages, tax, education, urban planning and immigration. Current dilemmas in housing policy are also a result of social and demographic changes.

There are a number of key factors currently impacting on the housing system around Australia that directly affect low income earners and the availability of affordable housing. These are discussed briefly below.

2.1 A change in the approach to housing assistance

A significant policy shift at the Federal Government level from government subsidised social housing schemes through the Commonwealth State Housing Agreement (CSHA) to a greater emphasis on a scheme of individual subsidies in the form of Commonwealth Rent Assistance (RA) to those in receipt of government pensions or benefits.

Commonwealth State Housing Agreements

Until the recent increase in Commonwealth Rent Assistance expenditure, the CSHA has traditionally been the major national housing specific government program. Established in 1945, its purpose was to provide appropriate, affordable and secure housing for those on low incomes. However, as a result of socio-political, economic and demographic changes, particularly over the past decade, public housing has become increasingly targeted at people on low incomes who would have difficulties obtaining housing without assistance. For example, the 1999–2003 Agreement contains initiatives specifically designed to improve the housing outcomes for people whose housing needs cannot be met in the private rental market. This process is described by Berry (2001:6) as 'the welfarisation' of the social housing sector.

The total amount of CHSA funding in 1999-00 was \$1.33 billion, increasing to over \$1.4 billion in 2000-01. Commonwealth funding comes in the form of base funding for general housing needs which includes social housing, private rental assistance and home purchase assistance, with the states contributing \$1 for every \$2 from the Commonwealth. The funding is linked to performance indicators. The agreement includes tied funding from the Commonwealth for identified programs including community housing, crisis accommodation, and Aboriginal rental housing.

Berry (2001:6) provides a succinct summary of the current state of this funding arrangement: “The progressive reduction in Commonwealth real funding of social housing through the CSHA, the increasing ‘welfarisation’ of the social housing sector and the rising maintenance and up-grade liabilities on the existing public stock place severe constraints on the extent to which this sector can expand the supply of affordable housing to meet rising needs.”

Negotiations on the next Commonwealth State Housing Agreement are in progress and the outcomes will have a significant impact on the housing opportunities for low income Tasmanians. On 25 October 2002, following a meeting with State Housing Ministers in Hobart, Senator Vanstone outlined the Federal Government funding offer for the new Commonwealth State Housing Agreement (2003 – 08). At the time of writing, the States had not received a formal written offer, however, discussions from the Housing Ministers’ Conference indicate that the new CHSA would be for a period of five years and that the national base funds would be approximately \$725m in the first year, with \$194m available for tied programs. Base funding in the previous agreement was \$805m but this included compensation payments for the introduction of the GST. The amount of funding to each state is calculated on a modified per capita formula.

The Minister for Health and Human Services, David Llewellyn responded to this outcome for Tasmania with a statement that the amount offered in the new agreement represents a cut of \$2m, almost halving the funds allocated in the previous agreement (Llewellyn, 2002). In the 1999 CHSA Tasmania received \$22m in Commonwealth funding. However \$16.4m was repaid to the Commonwealth to service the debt of \$273m accrued by the State between 1945 – 1985, when federal funding was allocated in the form of loans rather than grants. This left \$5.6m per annum in real terms from the Commonwealth. The reduction in funds in the 2003 CHSA would mean that Tasmania would effectively receive only \$3.6m per annum for the provision of public housing.

The offer is subject to performance measures in service provision, which, according to the Minister for Health and Human Services, will be difficult for Tasmania to achieve. The conditions attached to Commonwealth funding include attracting private investment into provision of social housing and reducing workforce disincentives by creating greater mobility within the public housing sector to enhance employment opportunities. Failure to meet these performance indicators will result in a further 5% cut in base funding.

Commonwealth Rent Assistance

Commonwealth Rent Assistance is now the major form of government housing assistance for low income earners in Australia. In Australia 976,333 households were receiving rent assistance in June 2001 and the expenditure on rent assistance in 2000-2001 exceeded \$1.7 billion according to the Department of Family and Community Services (cited in Hulse 2002: 13). Hulse notes that this amount exceeded the combined gross expenditures by all governments under the Commonwealth State Housing Agreement, which was just over \$1.4 billion in the same period.

The Commonwealth Rent Assistance Programme (CRA) is a subsidy to assist private renters administered through Centrelink. It is a non-taxable income supplement paid to

individuals and families to offset the costs incurred in the private rental market. All pensioners, allowees and beneficiaries and people receiving more than the base rate of Family Tax Benefit are eligible for Rent Assistance, which is paid as part of their income support payment. It is notable, and something of an anomaly, that Austudy recipients are not eligible. It is paid at the rate of 75cents per \$1 rent paid above the rent threshold, subject to maximum rates (AIHW 2001a). The rates are set on a national basis, with no adjustment for state variances in housing costs and standards.

Table 1: Rent Assistance rates and calculations

	Without a dependent child	With a dependent child
Rent threshold:	\$81.60 (single)	Single 1or 2 children: \$107.52
Minimum rent paid per fortnight	\$81.60 (single, sharer)	Single 3 or > children: \$107.52
	\$133.00 (couple)	Couple 1 or 2 children: \$159.18
	\$81.60 (one of couple who are temporarily separated due to illness)	Couple 3 or >children: \$159.18
	\$86.60 (couple who are temporarily separated)	
Maximum rent assistance payable per fortnight	\$92.00 (single)	Single 1or 2 children: \$107.94
	\$61.33 (single, sharer)	Single 3 or > children: \$122.08
	\$86.80 (couple)	Couple 1 or 2 children: \$107.94
	\$92.00 (one of couple who are temporarily separated due to illness)	Couple 3 or >children: \$122.08
	\$86.80 (couple who are temporarily separated)	

(Source: Centrelink, 2002)

This funding shift to individual rental assistance subsidies is based on the premise of 'individual choice'. The fundamental assumption of this policy is that the problem in accessing housing for low income people is due to lack of income, not lack of houses. This assumption is partial at best. Lack of income is increasingly a problem as prices in the private rental market soar. But the corresponding loss of funding to the social housing sector combined with the increased pressure in the private rental market has resulted in a critical lack of available houses.

Rent assistance certainly does make a difference to the capacity of low income households to purchase housing in the private rental market. However, there is evidence

that the targeting of rent assistance to large numbers of low income households may have resulted in an increase in weekly rents at the lower end of the private rental market. Hulse (2002: 22) cites ABS statistics to show that between 1986 and 1996 weekly rents in the lowest quartile increased by 14.3% compared to an increase of only 1.6% in the highest quartile.

2.2 Changes to the social housing programme: targeting clients and stock reduction

The shift of funding away from social housing has resulted in a reduction of social housing stock (AIHW, 2001a). Nationally, there has been a significant decline in net additions and stock is also being sold as a strategy to increase home ownership and raise revenue. As social housing stock ages, the reduction in federal funding means there are insufficient resources to maintain current stock to required standards.

During the same period, there has been an increase in the numbers of people with high needs requiring housing, who have been unable to find housing in the private rental market. The net result of the reduction in social housing stock and the increase in the people with special needs is that social housing has become largely targeted for this group, effectively excluding other low income households from the public housing sector.

2.3 A booming housing market

The current boom in the housing market has resulted in rapidly rising house prices in capital cities throughout Australia creating a market that is tight and extremely competitive. Over the past five years, there has been a sustained rise in house prices in all the major cities in Australia at a rate of over 9% per annum nationally for the past five years and by 17% in the past year (RBA, 2002). This creates a market in which houses in the lower price bracket are being sold as private rental investors seek to capitalize on their investments. As a result there are less low cost rental properties available, and the corresponding increase in demand pushes rental prices up. In the past year in Tasmania, on average, house prices have risen by 15.6% in Launceston, 15.8% on the North West Coast and 11.2% in Hobart. House prices in some inner Hobart suburbs have increased by 54.5% (REIT, 2002).

2.4 The introduction of the Federal Government's First Home Owners Scheme

The increase in demand for low cost housing has been influenced by the introduction of the First Home Owners Scheme. In July 2000, the Federal Government introduced the scheme which grants \$7,000 to first home buyers. This scheme has effectively encouraged people previously excluded from purchasing to undertake home ownership. This has had a significant impact on the housing market, particularly in the lower cost end of the market. More than 10,000 grants have been made in Tasmania since the scheme was introduced (The Mercury, 2002a).

2.5 Increased number of long term renters

Historically, home ownership has been the great Australian dream. The traditional Australian life trajectory was a linear progression through the life course with young people moving from the family home into temporary rental accommodation. Home ownership would inevitably accompany the next phase of marriage and children (Wulff 2001a). However fundamental social and demographic changes have occurred in Australian society resulting in an increase in the number of long term renters (Yates 2001).

Recent national research indicates that renting is now becoming a permanent housing tenure for an increasing proportion of the population. In this research 40% of private tenants had been renting for ten years or longer (Yates & Wulff, 2000). There are a number of factors which explain this change:

- a drop in real terms in median household incomes for those at the bottom end of the income scale;
- an increase in the numbers of single parent families who can't afford to purchase;
- an increase in the number of Australians living on low incomes, particularly those people dependent on government pensions and benefits as their sole source of income;
- the growing numbers of Australians described as 'working poor' who may be in casual, part-time or low paid employment and whose income is not sufficient or reliable enough to consider home purchase; and
- lifestyle choices by younger people 25 – 35, who are remaining in the family home for a longer period and choosing to rent rather than purchase when they do leave.

2.6 The growth in one-person households

Over the previous decade there have been significant changes in size and composition of households in Australia with a phenomenal growth in one-person households. One-person households now account for approximately one quarter of all households and this is expected to increase to one third by 2021 (Wulff, 2001b). This change is explained by a number of demographic and social trends including the declining fertility rate with an increase in childlessness, trends towards later marriage and divorce and longer life expectancy.

Single people living alone are more likely to be renters and more likely to have a low income. Wulff found that 50% of all single person households have incomes of less than \$300 a week, compared to 10% of all other households. Between the ages of 30 – 59, single people are disproportionately found in private rental housing although this changes from the age of 45 onwards when they are more likely to rent in the public housing sector. This has important implications for the mix of housing available in the private and public housing sectors.

2.7 Housing tenure type as a predictor of financial hardship

One of the most significant measures of financial hardship is housing tenure. A profile of private renters Australia wide reveals that households in the private rental market are more likely to be experiencing financial hardship and housing stress. The ABS Australian Housing Survey 1999 identified some significant characteristics about households renting privately. They are:

- more likely to move frequently with almost half having moved at least three times in the previous five years;
- more likely to spend a higher proportion of their income on housing, spending an average of 19% or \$163; and
- significantly more likely to experience 'housing stress'.

In a national assessment of the housing needs of low income private renters, Purdon Associates & Twyford Consulting (2000) drew on a range of data sources from the ABS and the Commonwealth Department of Family and Community Services (FaCS). They found that of the 3.74 million income units receiving income support, 34% (1.27 million) were private renters. In addition to the characteristics set out in Table 2 below, the authors note that it is estimated that nearly 110,000 women in this group had experienced domestic violence from a partner in the last 12 months. Of these, they estimated that 51% rented privately.

Table 2: Housing characteristics of Low Income Private Renters – Australia (1999)

Population group	No: Private renters	Private Renters as % low income population	% receiving RA	% paying >30% income as rent	% with <\$20,000 in assets	% Living in Overcrowded conditions
Young people	272,968	46%	69%	60%	99%	5%
Older People	161,256	14%	80%	42%	68%	3%
Large Families	23,549	36%	85%	11%	87%	39%
Indigenous Australians	31,007	51%	47%	42%	98%	15%
People with a disability	223,873	36%	76%	48%	86%	na
Balance of Private renters	544,209	46%	79%	49%	85%	14%
Total DSS Population	1,256,862	34%	76%	49%	82%	9%

(Source: FaCS Housing dataset June 1999 cited in Purdon Associates & Twyford Consulting, 2000: viii)

An analysis of financial stress indicators in the 1998-1999 Australian Bureau of Statistics Household Expenditure Survey (HES) measured hardship experienced in Australian households. The analysis of financial stress and housing tenure found that rates of financial stress in the private rent sector are well above the community as a whole. Households in the lower two income quintiles make up 36.6% of households renting privately. Of all the Australian households experiencing multiple hardships, 60% are in the private rental sector (Bray 2001: 37). This means that these households report multiple incidences of being unable to afford heating or meals, as well as having to pawn items or needing assistance from community organisations. In a state based comparison, Bray found that Tasmania had the most negative outcomes, showing particularly high levels of multiple hardship, at over double the rate for Victoria and New South Wales (2001: 27-8).

2.8 Housing stress

Housing stress is a concept developed by the National Housing Strategy 1992 to determine the housing affordability benchmark. The definition refers to households in the lowest 40% of the income range who pay more than 25% of income in housing costs. Households in this category were deemed to have insufficient income left to purchase the other necessities of life like clothing, food, transport, domestic power and health services. Much subsequent research adopts the more conservative measure of 30% of income as the benchmark of housing affordability.

Housing stress has highly adverse effects on low-income families in addition to causing severe financial hardship and difficulties in meeting non-housing costs. Research indicates that it is a major predictor of homelessness, overcrowding, family instability and breakdown, health problems, low levels of educational attainment, lower effective access to the labour market due to the geographic concentration of lower cost housing in low employment areas and increased crime (AHURI & Allen Consulting Group 2001). The report describes the effects of widespread housing stress on the broader community as a loss of social capital and social cohesion and adverse economic consequences in metropolitan areas. It makes the point that cities need a mix of workers to function effectively. If lower paid workers are forced to live long distances from the centres of economic activity due to lack of affordable housing, the report states: “their lives are impoverished and the economy suffers from inefficient workers or labour shortages...once begun the process is cumulative; marginalised households become trapped in areas of high unemployment and lack of economic opportunity, pushing out the remaining higher income, skilled and more mobile workers and entrepreneurs and entrenching the areas as ones of disadvantage and despair” (2001:9 –10).

The research from The Affordable Housing National Research Consortium states that if the rate of growth in households spending more than 30% of their income on housing costs in the last 10 years continues, there will be nearly one million households in metropolitan Australia experiencing housing stress (2001).

SECTION THREE

HOUSING ISSUES IN TASMANIA

Tasmania replicates the national housing trend, in that there is a significant decline in low rent housing stock accompanied by an increasing number of low income households. In Tasmania, the capacity for low income earners to purchase a home, access social housing or rent in the private housing market is diminishing. In a state where 39.8% of the population is dependent on government pensions and benefits as their main source of income, the unemployment rate is currently 8.6% (compared with a national unemployment rate of 6.1%) and household weekly income is the lowest in Australia, this vulnerability in securing adequate long term housing is impacting on a significant proportion of the community. The increasing reliance on the private rental market means that low income Tasmanians are further disadvantaged when it comes to finding a home.

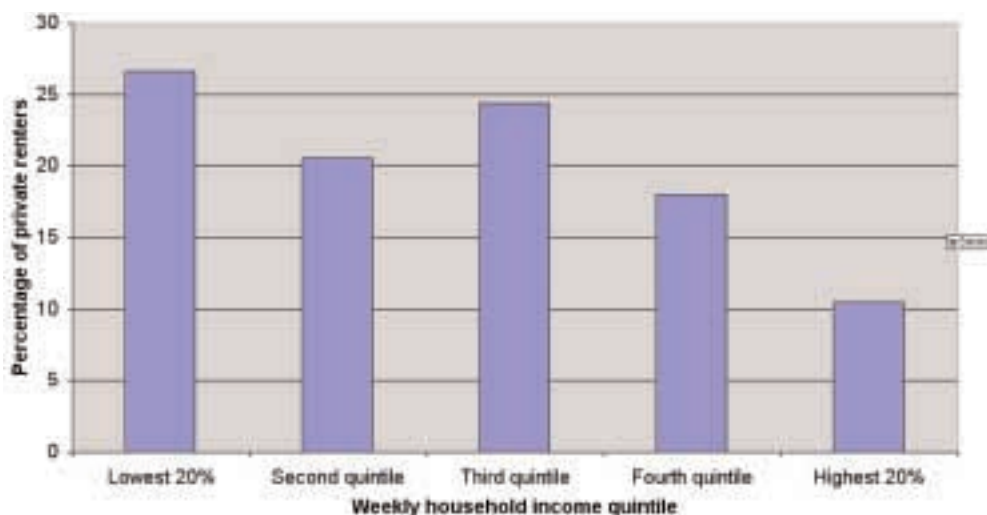
Historically, the housing market has been seen as one of Tasmania's greatest advantages, with significantly lower house and rental prices compared to other states. Tasmania does have a high rate of home ownership with almost 70% of households either fully owning or purchasing their home (ABS, 2002). However, as demonstrated by Madden (2002), in a state-based comparison of household essentials, Tasmania has the highest cost for electricity and groceries. Furthermore, drawing on Mudd's analysis (cited in Henman, 2001), Madden shows that when the data on housing cost are quality-adjusted, measuring for housing standards, age of stock and access to services, private rental prices in Hobart are comparable with all other cities except Sydney.

3.1 A profile of the rental market in Tasmania

Private housing renters

The ABS Census 2001 shows that 17.4% of Tasmanian households (31,528) live in private rental accommodation, compared to a national average of 26% (ABS, 2002). In October 2002, the total number of individuals in Tasmania receiving rent assistance was 20,274 (Centrelink, 2002). The Tasmanian Healthy Communities Survey data indicates that of all private renter households, approximately 47% (14,818) are in the two lowest income quintiles, with a further 25% (7,882) in the third income quintile (See Figure 1).

Figure 1: Percentage of private renter households by weekly income quintiles



(Source: DHHS, 1999 data)

Further analysis of this data shows that 61% of low income private renter households in Tasmania are experiencing 'housing stress', paying in excess of the 25% affordability benchmark in rent, even after rent assistance¹. This situation is particularly dire for households in the lowest income quintile, with a weekly income up to \$241.71. Of this group, 66% (5719 households) are paying more than 25% of their income in rent. In the second income quintile, households that have a weekly income between \$241.71 – \$457.87, 48% (8937 households) are in housing stress (DHHS, 1999).

The increase in rental prices since the Healthy Communities Survey was conducted suggests that the number of households in housing stress is increasing. Analysis of the percentage of private tenants experiencing housing stress between 1986 and 1996 saw an increase in the number of households in Hobart from 57.7% to 62.4% (Berry 2001). Given the combination of the tightening of the private rental market, the increase in the number of low income earners and the high rate of single person and sole parent households in the State, it can be expected that this trend will continue with the percentage of households experiencing 'housing stress' increasing markedly in the current housing climate.

The private rental market

The occupancy rate in the private rental market in Tasmania has increased steadily since October 1999, when it was approximately 91%. The occupancy rate in the private rental market in Hobart in August 2002 was 97.5%, which is the highest rate in Australia. The rate has continued to climb throughout the year, with a 0.5% increase

¹ Recent research has adopted the more conservative measure of 30% of income as a benchmark for housing affordability (Berry 2001:8). This report uses the National Housing Strategy measure of 25% of income used in the Tasmanian Government Budget Paper 2 (2002 –3:Vol 1:103) because it provides a more accurate picture of the experience of after housing stress in Tasmania, given that the costs of essential such groceries and electricity in this state are the highest in the nation (Madden, 2002)

recorded between July and August (REIT, August 2002). The Real Estate Institute of Tasmania argues that this extremely low vacancy rate currently could be closer to zero if the number of properties that are difficult to rent due to expense or the poor standard of the dwellings is taken in to account. According to the ABS (1999), Tasmania has the highest proportion (23%) of houses built fifty or more years ago of all Australian states and territories.

Data from the Real Estate Institute of Tasmania's assessment of the statewide property market in August 2002 indicates that approximately 90% of private rental accommodation in Hobart and Launceston is let within two weeks and on the North West Coast 73% of dwellings are let with in the same period. The average weekly rental of houses around the State has also shown an increase ranging from a 15% increase in a three bedroom house in Hobart (\$150 per week in January 2001 to \$180 per week in 2002) to a 27% for a three bedroom housing on the North West Coast (\$95 per week in January 2000 to \$130 in 2002).

Public housing renters

According to the ABS Census 2001, 11,611 (6.4%) Tasmanian households are renting public housing (2002). Housing Tasmania currently houses 30,000 individuals. In the past two years the waiting lists for social housing have increased by 74% with 2241 households waiting for social housing assistance in June 2002. In October 2002, 519 people are on Housing Tasmania's Category One waiting list (The Mercury, 2002b). Of all social housing allocations, 82% are classified as Category One, which are those in 'greatest need'. These are people who may be suffering from ill health, have experienced domestic violence, homelessness or be inappropriately housed. They may be aged over 70 years. At 16%, Tasmania has the highest proportion of social housing tenants aged over 70 years. Of all households in social housing, 42% have a particular special need such as mental illness or disability and 47% of social housing has a single occupant (DHHS, 2002).

The public housing sector

Tasmania has 6.4% of households in social housing compared to South Australia, which has 10.7% and the ACT with 10.1% (AIHW, 2001:70). While the increasing numbers of applicants with higher or complex housing needs largely determines this trend, the net result is increased numbers on the waiting lists for households in Category Two and higher.

In October 2002, Housing Tasmania owned 12,459 public housing dwellings and 330 in the Aboriginal Rental Housing (ARH) stock. Housing Tasmania is pursuing a strategy of reconfiguring housing stock to match the needs of a changing client base in terms of size, type and age. To this end, the sale of existing stock continues, with 350 houses targeted for sale in the agency's 'Streets Ahead' Program in the current financial year. The figures to October show that 215 public rental dwellings and 4 in the ARH have been sold in this financial year. \$7.5m Windsor Court development in Hobart, comprising up to 54 new units has not yet commenced (Budget Paper No 2, 2002-03, Vol 1: 103-4).

3.2 The relationship between health and housing in Tasmania

Tasmanian Healthy Communities Survey 1998 – 1999

The Tasmanian Healthy Communities Survey was conducted in 1998 – 99. It was the first comprehensive survey designed to measure the health and well being of the adult Tasmanian population. The analysis was based on 15,112 completed responses. The Healthy Communities Survey investigated a range of factors considered to be determinants of health and wellbeing, a significant one of which is housing adequacy.

At the time of this survey 53,790 adult Tasmanians lived in rental accommodation. Of all the different housing tenure types, 8.9% of renters found their housing to be inadequate, which was the highest percentage of all tenure categories.

Table 3: Measuring housing adequacy across rental type

	Inadequate or very inadequate	Neither inadequate or adequate	Adequate or very adequate	Not applicable	Total
Private landlord	5.35%	20.3%	73.3%	0.9%	100%
Real Estate Agent	8.0%	21.3%	70.4%	0.3%	100%
Public Housing	15.4%	27.7%	54.7%	2.3%	100%
Community or co-op housing	5.4%	33.7%	59.65	1.3%	100%
Employer provided (govt)	10.2%	14.2%	75.6%		100%
Employer provided (other)	1.0%	19.6%	77.9%	1.5%	100%
Other rental arrangement	14.8%	21.6%	62.0%	1.6%	100%
Total	8.9%	22.5%	67.4%	1.3%	100%

(Source: Tasmanian Healthy Communities Survey data, 1998-9)

Just as housing tenure is a critical indicator in measuring financial hardship, housing adequacy is the most important predictor of the level of self-reported quality of life and self-assessed health status. As mentioned previously, The Tasmanian Healthy Communities Survey found that there was a strong correlation between housing adequacy and subjective quality of life. The survey also demonstrated a clear connection between housing adequacy and health status. A total of 34.8% of Tasmanian adults with 'very inadequate' housing assessed their health as 'fair' or 'poor' compared with 16.4% of Tasmanian adults who have 'very adequate' housing (DHHS,1999: 29).

Further analysis of the Healthy Communities Survey 1998-99 data shows that while the majority of Tasmanians surveyed assessed their housing as adequate, particular groups in the Tasmanian community have higher rates of inadequate housing than the

community as a whole. These groups are the same groups who have lower economic capacity in general:

- Aboriginal and Torres Strait Islanders: 9.7% assessed housing as inadequate;
- Unemployed Tasmanians: 8.3%;
- Tasmanians that were permanently unable to work: 6.9%;
- Tasmanians who were separated or divorced: 6.6%;
- Tasmanians who have never had a paid job: 5.7%;
- Tasmanians in 'labourer' occupations: 5.3%; and
- Tasmanians living in single person households: 5.1%.

Similarly, Tasmanians who assessed their housing as inadequate had the highest rates of:

- Stress in the 12 months previous to the survey
- Dissatisfaction with leisure time
- Reporting that they have 'no close friends'
- Reporting that they 'rarely or never' spent time with family or friends

(DHHS, 2001a: 279)

SECTION FOUR

FINDINGS FROM THE RESEARCH

4.1 Available and accessible housing

4.1.1 Invisible Homelessness

The most recent published figures on homelessness in Tasmania show that the number of clients accessing the Supported Accommodation Assistance Program (SAAP) in 2000 – 01 is 3,450 (AIHW, 2001b). However, the SAAP data refers only to a small section of the population who are experiencing homelessness and using emergency accommodation services. The findings from Anglicare's research on low income earners in the private rental market indicates that many people who lose their tenancy and are unable to find suitable accommodation immediately, may draw on a range of other options to find shelter. A number of research participants described extended periods of living with family or friends while they waited for social housing or access to the private rental market. In many cases, although these people had a roof over their heads, the conditions in which they were compelled to live were far from suitable for them and their families. As indicated by the comments below, the accommodation was a long way from the secure and appropriate housing essential for health and wellbeing.

"I was living with my mother with my three children for 12 months. That was a private rental place that my mum was renting and she has my sister and my brother as well as me and my three kids so there were seven us living in a three-bedroom place. I couldn't get anything through the real estate agents because I'd come out of Housing and I have no references. I could have got personal references from plenty of people but I don't have any housing references. For 12 months the kids were top and tailing, on floors, wherever we could fit. I put my name down with the Housing Department as soon as I moved up here from Hobart and then I was 12 months waiting for house. Every day I went into the real estate agents." (Mara, St Helens, aged 23)

"I went to Housing and I had no where to live, and they wouldn't help me out at all. I was staying at a friend's place on their floor for four weeks with my son, the two of us were sleeping on a single mattress. Housing said I was Category 2." (Kelly, Launceston, aged 17)

"Now we are living with a friend of my mother and father's. He's a bachelor in his late sixties and he had a spare room so that's where we are. My son is at ... [church based accommodation] because he knows the pastor and everyone there. But he's still away from us. My aunty and I are in the one room in single beds. My aunty is incontinent sometimes and we've got to walk through this guy's bedroom to get to the bathroom. And you are just supposed to put up with all this and cope with it. And I've got my son who is suffering from depression

because he's got no home and he's a teenager. It just worries the hell out of me, thinking about what will he do? My furniture is in three different places and you just feel like you've got nothing." (Natalie, Swansea, aged 44)

" In the middle of my experience I actually had a homeless period. It took me about three months to find a place and I was without anywhere to live for that period. So I ended up staying at a family member's place and that's hard. My pride was out the window, my self-esteem was non-existent and coming from that base foundation to try to pick yourself up and put on a brave face to create a home for yourself, not just a house but a home for yourself, it's really a tough...Where you lay your head, that place where you cuddle up of a night time, where you clean yourself, for those basic things of human existence, it's so important and if you don't have that, you end up lost." (Simon, Burnie, aged 39)

4.1.2 The crisis in crisis accommodation

The affordable housing crisis across both the public and private rental sectors is placing increased pressure on SAAP services. While only a small percentage of individuals and families access these services, the experiences described in the previous section are indicative of the fact that responses to 'homelessness' are varied and often not captured in the data. While the issue of crisis accommodation is not the specific focus of this research, it is worth noting that national research shows private renters are more likely than other client groups to cite accommodation-related matters, such as financial difficulties, as the reason they seek assistance from the supported accommodation services (AIHW, 2001: 70). Furthermore, the extremely tight rental private rental market has adverse consequences for the new model of crisis accommodation service delivery. Concerns about current arrangements with crisis accommodation arose in a number of focus group discussions and in interviews with service providers.

The objective of SAAP is to enable people who are homeless or at risk of homelessness to access accommodation and live independently. This means this group is also competing to access social housing or find accommodation in the low cost private rental market. This research suggests that this group is experiencing significant problems in accessing both short-term crisis accommodation and longer term accommodation in either the public or private housing sector.

The client brokerage fund model for the delivery of Supported Accommodation Assistance Program was implemented in January 2002, to be reviewed in December 2002. The aim of the SAAP redevelopment is to allow for "the development of comprehensive responses to the diverse needs of homeless families and individuals at a local and regional level, and ensure that clients will have access to a similar range of services throughout Tasmania' (DHHS, 2001b). The client brokerage model provides flexible funds which are used by workers or agencies to purchase or 'broker' services or goods to best address individual needs. The point is specifically made, that in brokering 'individually tailored and innovative responses for clients with high needs' it may be necessary to purchase services only available through the private market (DHHS, 2001b).

Three fundamental concerns are emerging with this model that are exacerbated by the

current crisis in affordable housing:

- 1) Problems associated with the suitability of purchasing accommodation from the private market, as exemplified by the following quotes:

“This new system where they give you a night or two in a hotel, it’s just cruel. They give you a night or so in luxury and then you’re on your own again. You don’t need a night in a hotel; you need a place to live. I think to myself, give me the money and I’ll sleep on the street. That’s enough money to buy me food for a week.” (Lewis, Launceston, aged 37)

“There is just no crisis accommodation ... There’s nothing. And they are putting alcoholics and drug addicts and mentally affected people above pubs, casinos, gambling joints, and it is just horrendous.” (Belinda, Launceston, aged 40)

- 2) Problems with the availability of accommodation in the private sector. Unpublished research recently conducted into the brokered accommodation on the North West Coast shows that in the past year, 75% of local hoteliers and hostel managers have withdrawn from the program, citing dissatisfaction with client behaviour (Sansom-Gower & Sleigh, 2002). A focus group participant from Launceston perceives the situation in the following way:

“Not one premises in Launceston will accept any crisis care client and I know that for a fact. And the main reason for this is that nobody in the Government who made the decisions ... bothered to talk to the people who run these businesses. I know for a fact that if I was running a backpackers or a pub or something, I would not want a mentally-affected or a drug or alcohol affected client scaring my tourists. It’s disgusting. It’s just a shambles.” (Belinda, Launceston, aged 40)

Importantly, the problems associated with purchasing accommodation for SAAP clients in the private market are well summarized by Sansom-Gower & Sleigh: “Hotels and hostels have ‘guests’, Anglicare has ‘clients’ and [*in relation to clients with mental health issues*], health services have ‘patients’ – differing orientations and responsibilities which may easily clash” (2002:7). As well as a clash of priorities, hotel and hostel staff are not trained in working with people with high needs nor would staffing levels necessarily enable them to do so effectively in any event. The following narrative provides a powerful example of the current situation in Tasmania:

“I was living with a fellow for three years and the lease was in his name. It was a DV situation and every now and again, he would chuck me out. That went on for three years. I was in and out, in and out the whole time. In the end I thought ‘Well, stuff this, I’ll go out on the streets and find my own place so he couldn’t do that to me anymore’. When I was on the streets I went round to Anglicare and they paid \$20 for me to stay in the Backpackers up near Coates Patons for the night. I had a child with me and he said, ‘This is the only night you’re staying here. After tonight, I don’t want you here.’ I said ‘Why what have I done?’ He said ‘You’ve got a child with you. The child’s probably got worms, anyway’. The other

thing too, and Anglicare is telling me this, too, as soon as they ring up somewhere and as soon as like the Backpackers know that it's someone from Anglicare, they don't want to have them. But I couldn't even get a caravan, even at Lowhead. I rang up all the caravan parks and everything, just to get a caravan temporarily with the kids. I couldn't even get into a caravan park. So I had to sleep in a combi van for three months and it was horrible. It was terrible, I hated it. And I had my two youngest children [aged 6 and 2] with me." (Celia, Launceston, aged 34)

3) The lack of 'exit points' for SAAP clients is a major and ongoing concern. Agencies providing supported accommodation services throughout Tasmania are reporting that the lack of long term housing options for their clients is forcing them to stay in short-term accommodation for inappropriately long periods. This lack of 'exit points' is highlighted by the number of people in Category One on the waiting list for public housing. This crisis in crisis accommodation provides another example in which the reliance on the private market to provide essential services is failing to meet the needs of the most vulnerable in the community.

4.1.3 Private renters and access to social housing: Pushed into the private rental market

Research participants discussed the problems they perceived or had experienced in living on broad acre housing estates. However, the general view of those interviewed was that access to social housing was a desirable outcome. The relatively low rental costs and the repair and home maintenance programme were considered to be advantages of the system. However equally highly valued was the security of tenure and the stability that it provided for themselves and their families.

"It was more secure in the public system. It's just the area you are in, clumped together. It's heaps cheaper though, everything gets repaired when it needs it. You can treat it like your own, you don't feel like you're going to be kicked out or have it sold from under you, there is that security." (Beth, Devonport, aged 39)

The frustrations experienced by many of the participants in accessing social housing are reflected in the following comment:

"When I first came down here, the first thing I did was make an appointment with the Housing Department. Well I had three weeks accommodation and they gave me the first appointment they had which was for six weeks time and then they told me the waiting list was at least six months. I mean that was no good for me when I only had three weeks to find a place – that's why I starting looking for the private." (Robert, Launceston, aged 26)

Empty Houses

Housing Tasmania has a strategy of 'stock reconfiguration' which consists of selling social housing properties to develop a more flexible mix of housing options better suited to 'future portfolio requirements'. The immediate effect of this strategy is a source of great frustration to many low income earners waiting for social housing and those living in inappropriate or unsuitable housing arrangements. Because the social housing stock

in Tasmania is older, substantial funds are required for maintenance and improvement. In many cases, the older stock deemed too expensive to restore to adequate standards or inappropriate for public housing clients is being sold. The age and poor quality of this stock means that it tends to be slow to sell. People see empty houses while they are desperate for accommodation. These houses may be for sale, awaiting maintenance or even ex-public stock now privately owned. For desperate people they represent homes to which they are denied access. Participants repeatedly commented on the paradox that the waiting lists for social housing are growing as the housing stock is being reduced:

*“I’m trying my best to get onto Housing, but Lord, ain’t that hard? Sure, that’s not a nice place, but once you’re there, you can stay there. Me and her have put in for one, and we’re finding it very hard to get in the door, and we’ve got to be out by next Thursday. And they say they’ve got no houses, they’ve got no houses... they’ve got about twenty in ... [public housing area] I reckon, and every time you go in you say, ‘what about this one, what about this one?’ And they say, ‘for sale, for sale, for sale’. What was the whole idea about having public housing if they’re just going to sell them? This is a desperate thing now. Stuff the selling. People have got to have places to live. We’ve got kids, they’ve got empty houses, let us move into them. Let them say **this** is the priority – move in.”* (Trevor, Burnie, aged 43)

“I’ve been to ... [three public housing areas], all those places and I drove around and I counted 187 vacant homes. And you’ve got these people living in their cars with their babies. Where’s is the humanity in all of this? Where is the humanity?” (Kathleen, St Helens, aged 44)

“And they tell you they have nothing available but you can see them selling off houses everywhere. There are empty houses all over the place. In Burnie, you can walk around the place and there were about 40 or 50 houses for sale. I mean when you have people who need housing, why are they selling their houses off?” (Kevin, Launceston, aged 20)

4.1.4 Discrimination by landlords and real estate agents

In a tight and highly competitive private rental market, people on low incomes experience significant disadvantage in a number of ways. Many can be trapped in a vicious cycle in which the disadvantages compound. In addition to the barriers associated with limited finances such as the cost of application service fees and credit ratings, many participants in the Anglicare research experienced or perceived that they were discriminated against by landlords and real estate agents because they were unemployed or had a disability and were in receipt of government pension or benefits, because they were sole parents and because of their age.

Discrimination on the basis of employment status

Employment status was considered to be a major area of discrimination in the private rental market. Many of the participants, particularly the unemployed single men, described the sense of hopelessness and frustration they felt competing in a rental market with professional couples, or anyone with a job. Even having part-time or casual

work was deemed to be a deterrent to many landlords and real estate agents. Although the participants pointed out that at least their income was regular and reliable, the negative stereotyping of being unemployed was a huge barrier to overcome. As discussed previously, being single can also be a barrier to finding appropriate accommodation because the growth in one-person households has not been matched by an increase in suitable accommodation. Being single and unemployed is a double disadvantage in both the private and public housing sectors.

“It took me about half-a-dozen times to find someone who accepted a single man who is unemployed. It’s a stereotype that if you’re a low income earner you’re not going to be reliable with the rent, it’s in between the contract lines. I guess you’ve got to put yourself on the other side of the fence. If you’re a landlord you’ve obviously got to worry about if people are going to pay the rent and look after a place. The stereotyping is probably media-driven that a low-income is inferior... it’s all put on the person not the economic climate or the employment climate.” (Simon, Devonport, aged 39)

“They say have you got a job and if you say ‘no, I’m on unemployment’, they say ‘see ya’. They are not interested. You’d think with rent assistance that would give them an incentive too because it actually goes on how much you’re paying in rent. The last few we’ve looked at, they have asked us specifically what my boyfriend does and what I do for a job. Not just do we have a job but what do we do for a job.” (Susan, Dodges Ferry, aged 22)

“When I first looked at private, neither me nor my fiancé had a job and it was just that much harder. Even when I had a job, and it was only a part time job, but just being able to put down that I had a job, it changes, their attitude changes. Like the first time they looked at the application they sort of go ‘yeah well, I’ll put it through but you are only on the dole you know, you don’t really deserve to be in private housing’. That was the feeling I got. But when I got a job, even though it was only part time, the attitude really changed. It was like ‘this girl is really trying to do something with herself’. That was the attitude that I got. It’s amazing what people think of you just because you are on the dole.” (Stacey, Burnie, aged 19)

“I also think that if someone is able to write down that they are in full time work and what their position is and all that and they are a lot older as well, whereas if you are going to put down that you’re on part time work and if you have to mention the fact that you might get a benefit from Centrelink as well, then just forget about it. They are not going to take you on. There are a lot of lovely ones but the attitude is ‘you are young, you don’t earn much, you must be stupid or you must be a problem’. That’s a huge problem.” (Erin, Hobart, aged 23)

“I was brought up in a poor or poor to middle family and because so many people look down on you, you try harder, you make sure you are clean, you make sure you’re perfect. I’m 25 and unemployed and I try to look like I do work in the way I dress. I have that burning desire to prove people wrong, to show I can be poor and still try to look right. But people still judge you and that can stop you getting a place.” (Amanda, Burnie, aged 25)

While discrimination on the basis of employment status is inappropriate and a contravention of Anti-Discrimination legislation, in Tasmania this type of discrimination is particularly problematic. The current rate of unemployment in Tasmania is 8.6%. Most significantly, Tasmania has had an unemployment rate of over 8% for the more than 20 years with the highest rate of long term unemployment in the nation (Madden, 2002). The deeply entrenched and structural nature of unemployment in this state highlights the need for greater access to affordable housing. With no choice but to compete in the private rental market, unemployed Tasmanians require affirmative action strategies to overcome the discrimination described here.

Discrimination on the basis of disability

Findings from this study suggest that the stigma attached to unemployment is even more pervasive when it is a result of disability. This appears to be particularly true for men. Of the sixteen focus group participants on Disability Support Pension, ten were men. They all reported that this had been a barrier to finding private rental accommodation.

In 1999 there were 6,088 (18%) private renter households in Tasmania receiving a disability pension (Purdon Associates & Twyford Consulting, 2000). Of those households 4,323 (71%) receive Rent Assistance. Nationally the percentage of people with a disability who are living in unaffordable housing is 48%. The authors of the national review of the needs for low income renters observe that although it is difficult to quantify, anecdotally people with disabilities are often discriminated against in the private rental market. The experience of participants in this research illustrate this practice in Tasmania:

“People look at you and they don’t understand that the Disability Support Pension is not like the dole. You’re on it because you’re sick, you’re not well. A lot of people put you in the dole bludger category. There’s not much compassion for people.” (Bill, Launceston, aged 37)

“I’m on a pension personally. I’ve got heart disease but you try to find private rental, one of the biggest questions asked is ‘do you work?’ and I say ‘no, I’m on a pension’ and they think ‘you look pretty strong and fit for a young bloke’. They are just not interested at all. I think that most of time they think I’m just bludging, just using the pension to sit on my bum and do nothing, which isn’t right. It’s not right but some of us just don’t have any other options because of health.” (Ron, Glenorchy, aged 29)

“Some people might take you on face value in the private sector but the real estate, as soon as they realize you’re not working – that’s the first thing they ask you, are you working? You can hear the distaste in their tone of voice when you say, ‘no I’m not, I’m on the pension’. And you know it’s pointless.” (Peter, Launceston, aged 37)

“I was looking at for private rental places as well but I found that because I was not employed (well technically I am employed but I’m on sickness but I’m not able to work at the moment), they just didn’t want to know me, it even though I

have excellent references from everywhere I've lived, I treat the places like they're my own. I had fabulous references but they just didn't even want to look at me." (Philip, Devonport, aged 50)

Discrimination on the basis of parental status

Lone parent households are one of the most rapidly growing household types in Australia. The Australian Bureau of Statistics Social Atlas of Hobart (2002) found that, based on the 2001 census data, Hobart has the highest percentage of one-parent households of all Australian capital cities. In Tasmania, lone parents account for more than one-third (33.4%) of all new households in public housing (Burke, 2001). There have been numerous studies over the past decade into the housing issues for lone parent households, which are predominantly headed by women. The literature, both international and Australian, shows that women are often denied access to the private rental market on the basis of their income, employment status and because they have children (see Burke, 2001 for an overview of the literature).

Preliminary analysis from the research by Burke and Hulse (2001) into lone parent households in three Australian states including Tasmania, found that lone parents living in both the private and public housing sectors felt that they were discriminated against by landlords and real estate agents and this was a major problem in accessing private rental housing. Anecdotal evidence from workers in the crisis accommodation sector indicates that the problem of discrimination against lone parents is exacerbated in the case of women escaping domestic violence. Workers report that they advise women who are applying for private rental accommodation while living in a women's shelter to use a mobile phone number or alternative contact details if they are to have any chance of success in finding housing.

The following comments by focus group participants illustrate their sense of despair in seeking housing:

"Basically if you haven't got a reference, you've got Buckley's of getting anything. Really you haven't. I was on the streets from November of last year right up until the January. The worst time to be on the streets is over the Christmas period with two children. And I looked everyday and I could not find anything at all. I could not get anything at all. I had eleven hundred dollars in the bank saved up to try and get a place and I couldn't get anything and I looked everyday for three months. They either didn't like the look of me; I didn't have a reference or it was because I had children." (Celia, Launceston, aged 34)

"It was terribly difficult. The discrimination. You know the sort of thing: " Oh you're a single mum, with a one child. How old?" I was just pushed from pillar to post. All my references stacked up from most of my places. One real estate agent up the top of Devonport just gave me a dreadful time. I went in there every day. I rang. I was living in a caravan park paying nearly \$200 a week. I borrowed money from some friends to move here because I had to move away from my partner who is on the mainland. It was just dreadful." (Karen, Devonport, aged 38)

“I ended up giving up on the private rental market, every time I walked into the real estate agent and there was a three-bedroom house I would look at it and I’d put in an application and within an hour they would phone me to say ‘no, no’ because of my children, ‘no’ because I have no housing reference. Over the year I would have applied for 30 or 40 places.” (Mara, St Helens, aged 23)

“It took us about three months and we looked at about 30 houses and we applied for two, one was in Seven Mile Beach and they turned us down. I think it was the single mother thing, them not wanting someone like me, because it was a very nice house.” (Rosie, Dodges Ferry, aged 22)

Discrimination on the basis of age

There are also multiple disadvantages for young people in finding housing in the private rental market. In addition to the barriers of cost, they also experience discrimination on the basis of their age. For many young people share housing is the affordable option. For a variety of reasons, young people move house often and experience high degrees of housing insecurity.

Recent research (Burke & Ewing, 2001) found that young people aged 15 to 25 years and living independently experience quite severe affordability problems. Young people are likely to have the lowest income of any other social group. Of all households in the bottom quintile of income distribution in Australia, the majority are single young people. In an analysis of ABS data, Burke and Ewing (2001) found that nationally 35% of young people in group living arrangements pay more than 25% of their income on housing costs and those living alone paid 66% of their income.

According to Chapman (2001) the income for this group is insufficient to repay a mortgage or indeed to pay rent on adequate single accommodation. However, he also makes that point that despite the difficulties associated with accessing and paying for private rental housing, it is the most common form of housing tenure used by independent young people because it is the only housing choice available to most of them (Chapman, 2001:70).

The research into housing issues for young people shows conclusively that the reticence of landlords and real estate agents to rent to young people on low incomes is a major barrier to accessing the private rental market. Adverse perceptions about their ability to pay rent and to be responsible tenants as well as their lack of a rental history and supporting references are all factors which impact negatively on young people (Chapman, 2001; Roland, 2000). The participants in this research identified similar experiences of discrimination in their searches for private rental accommodation in Tasmania, as these comments illustrate:

“So it’s been on and off for the last 3 years and it’s been hard. The smart arse looks you get from some people, they’re thinking ‘I wouldn’t let you live here in a million years’. It doesn’t matter how nicely presented you are or how well you speak when they hear your age they say ‘no way’. And I think, you’ve got to be kidding me, you don’t even know me.” (Melanie, Glenorchy, aged 19)

“Just the stigma attached to young people. Before I even handed in my application, before they rang the guarantors, they ran debt checks on me everywhere. When I was in Queensland it wasn’t anywhere near as bad. It’s unbelievable down here, the way they think young people are just going to burn their house down or something.” (Tristan, Dodges Ferry, aged 25)

“Being young is a big thing. Because most real estates, you walk in there and they take one look at you and they rule you out straight away. And it just comes to a point where it gets really hard for young people.” (Jesse, Burnie, aged 23)

“They say there is a housing shortage here on the North West Coast but the amount of housing that there is available ... there is only a shortage of housing for the young people. I know more young people that are finding it hard. There are lots of places available.” (Stacey, Burnie, aged 19)

Aged-related discrimination is difficult to prove in this context. Because of the shortage of supply of low cost housing, landlords do not need to lease to young people when there are other ‘more suitable’ tenants. Interviews with real estate agents and landlords in Roland’s study in South Australia (2000) did not reveal any direct discrimination towards young people. However, it did provide further evidence of adverse perceptions about young people as tenants in terms of their capacity to look after a property, ability to communicate with their landlord and ability to reliably make rental payments. Chapman’s study found that landlords and real estate agents are making ‘reasoned risk management assessments’ when deciding whether to rent to students or unemployed young people (2001: 127). While this may well be market forces at work, it means that the housing market is not meeting the needs of the poorest members of our society.

Family based discrimination: No Kids, No Pets

A number of the research participants with children reported on the irony of regular advertisements for private rental properties that stated: no children and no pets. Once again, in a market context where landlords can make ‘risk management’ decisions in their selection of tenants, children and animals are deemed to be high risk in relation to damage to property. This is a powerful example of the failure of the private rental market and the Commonwealth Government’s individual subsidy model of housing assistance. These families are disadvantaged in accessing private rental housing by the very fact that they are ‘families’.

“The most ridiculous thing is, I don’t know how many times there are four bedroom houses with NO KIDS. NO PETS. I mean what on earth do you want a four bedroom house for if you haven’t got kids?” (Belinda, Launceston, aged 40)

“Yes, it’s all no kids, no dogs ... no families, no humans really. They just want a professional business couple.” (Melissa, Glenorchy, aged 42)

One outcome of this type of market place discrimination is to reduce the availability of family sized houses in the inner suburbs, forcing families to move further away to find affordable and appropriate accommodation. This can result in a considerable increase in the cost of transport involved in driving children to and from school and sporting

activities with the attendant increased anxiety and stress for parents. Alternatively families have no choice but to change their children's schools, disrupting their schooling and their level of social participation, with the potential to adversely affect family relations.

The issue of pets is another important one for many of the participants in this research. At the time of interview, Melissa, quoted above, was living in emergency accommodation with her two sons aged 14 and 16. With her name on a waiting list for public housing, she had been trying for months to find a house in the private rental market. In the meantime, she had been forced to give away all her family pets, the dog, cat and birds. She described feeling absolutely dislocated, bereft and deeply depressed. She felt that she and family had neither a house nor a home, a distinction she said was made by the presence of pets and security of tenure.

Like Melissa, a number of people talked about the importance of pets in their lives, exemplified by the comments below:

"There is no private rental at all around here. And what ones there are, most of them won't have children, most of them won't have pets. And if you take the animals away from your kids they have nothing. They've got nothing to hang on to as it is anyway. " (Kathleen, St Helens, aged 44)

"And when you live on your own, your dog or your cat is company, isn't it? Or protection – in these places it is." (Alison, Launceston, aged 40)

As dogs and cats are claimed to be a major contributor to damage in rental properties, the Residential Tenancy Amendment Bill 2001 includes an amendment which allows for a 'pet bond' in which the equivalent of an additional two weeks rent is paid as part of the residential tenancy agreement. This can only occur by mutual agreement between the landlord and tenant. While this will give the property owner some additional insurance if pets are kept in the residence, it will not necessarily increase the number of landlords who will allow their tenants to have pets. The additional money for the 'pet bond' is a further financial barrier for low income renters.

The experiences of discrimination described by participants in this research are similar to those reported in research into disadvantaged consumers in the private rental market in New South Wales (Johnston, 1999). Johnston points out that these practices tend to be based on a desire to minimize pecuniary risk. He argues that this discrimination is based on the assumption that people in receipt of Centrelink payments are more likely to be a 'financial risk' rather than discrimination on their social characteristics per se.

Although this type of discrimination is covered under the Anti-Discrimination Act 1998, there is little evidence that those experiencing discrimination are taking their concerns to the Commission, which is the only forum in which claims can be made. The proportion of claims about accommodation-related discrimination has increased marginally from 3% in 1999-00 to 5% in 2001-02 (Anti-Discrimination Commission Annual Report). This suggests that most people are not aware of this legal avenue of appeal, that the process is too complex, that this type of discrimination is difficult to prove and, as the

experiences described above illustrate, many people in this situation expect to encounter discrimination, not only in the area of accommodation.

4.1.5 Financial barriers to the private rental market

“It is just such a cycle and a rut. The only way to describe it is ‘mentally anguishing’ because you can’t get accommodation without a reference and money and that sort of thing; you can’t get a job unless you have got transport and proper addresses, you can’t get your benefit unless you’ve got an address to send it to – it’s just so twisting.” (Belinda, Launceston aged 40)

Costs: Up-front Fees and Charges

The pressure on the private rental market in the major cities in Tasmania is reflected in almost 100% occupancy rate reported by the Real Estate Institute figures for August 2002. Anecdotal reports abound of tenants ‘gazumping’ (illegally out-bidding) each other with offers of rent and bond payments over the advertised amount. More recently a newspaper article reported the practice of one real estate agent to allow potential tenants to formally outbid each other in an ‘auction’ of leases on rental properties. Properties are advertised within a price range, and the successful applicants are invited to bid within that range (Wood, 2002). These practices automatically advantage middle to high income earners.

Low income earners are further disadvantaged in the private rental market through the range of costs and charges associated with finding accommodation. Finding the money for the key deposits to view properties can be a major hurdle for low income earners. They have a limited capacity to save or access sufficient cash to enable them to view and apply for several properties at a time, further diminishing their chances of success.

The imposition of ‘service charges’ for the processing of application forms by real estate agents represents a considerable financial outlay of people on low incomes. The ‘service charge’ fees set by the real estate agents range from \$40 – \$80, and are charged for each application made. In many cases, these fees are not returned if the applicant is unsuccessful. For low income earners who have no financial reserves to draw on, these costs are prohibitive, particularly if they need to apply for several properties in the one day.

“Every one you go to you have to pay. You have to pay, I don’t know what you call it, it’s like a service fee or something and they range from \$40 through to about \$70 or \$80. And if you don’t get chosen, you don’t get it back. Everywhere you go, you have to pay and everyone says ‘oh that can’t be right, they can’t do that’ but they can. And I mean you do it because you really need somewhere. But with the attitudes of the landlords, like we said before, you might put in 6 or 7 and that’s all your money gone. You’ve got nothing for a fortnight and that’s it, let alone being able to get bond together and that, do you know what I mean? So, that’s a really big issue, I reckon.” (Erin, Hobart, aged 23)

“I think the thing is that when you are on a low income, how many \$50 and \$20 can you come up with, when you are trying to live as well in the process. Trying to

pay rent, food and Hydro and look for a job and pay for transport and you have to come up \$50 for this one and \$20 for this one and you still have to have a little bit of entertainment. You can't go home and stop eating and turn the power off and sit in the dark." (Tom, Glenorchy aged 36)

"It was hard to find the money for key deposits at times, I basically borrowed it, I had to lend the forty bucks. You can become extremely fat eating humble pie. For the key release, it was about \$35, you get the money back when you return the key. The initial finding of that money was awkward. It was hard at times and in one case the circumstances arose that I couldn't come up with the money ...and as a result of that I missed out on the opportunity to apply for that property. It was only after the contract was set up, it was only after that point that I was able to move into areas of assistance [Private Rental Assistance]. It was almost like a Catch 22 circumstance, places can't help you until you have actually found a house even if you need assistance before that." (Simon, Burnie, aged 39)

The issue of charging upfront fees to potential tenants was raised in submissions to the review of the Residential Tenancy Act 1997. The Residential Tenancy Amendment Bill 2001 will make it illegal for fees to be charged for making an application to rent premises or view premises. However our research clearly indicates that until the Amendment Bill is enacted, real estate agents are continuing to charge fees which create financial hardship for low income earners and effectively exclude them from the private rental market.

The cost of transport to view properties is another barrier to finding private rental accommodation. As discussed in a previous section, many people living on low incomes cannot afford to own or run a car and are reliant on public transport. This lack of mobility is another restriction on their capacity to compete in a highly competitive private rental market.

"I spent \$15 in taxi fares going to look at the 2 houses and came back and said 'I'd like to look at this house' and they said 'oh that one has already been leased – an application has been approved.' And I said 'I've just paid \$15 in taxi fares and I'm not amused'. Between my husband and I we probably spent around \$300 in newspapers, telephone calls, taxi fares, bus fares, application fees to find a place over a period of 2 months – that would be a fairly conservative estimate of what it costs to look for a place and how much rent is that?" (Rebecca, Blackmans Bay aged 36)

Personal information: Application forms, References and Credit Checks

Disquiet about the level of personal information citizens are required to provide in an increasing number of public and private arenas led to the promulgation of the Privacy Act 1998. The private rental market is a curious example of this, where the private sector, in this case in the business of offering goods for hire, demands exhaustive information of its potential clients. Applicants for private rental properties are routinely expected to fill out exhaustively detailed application forms, provide numerous references from previous landlords, and undergo credit checks to validate their identity and reliability as tenants. Obtaining personal housing references is not possible for many people including young

renters, people who have only rented in the public housing sector, newly arrived migrants and refugees and people who have previously owned their own homes.

Application forms

The amount and level of detail required on real estate agent application forms was a source of concern for many of the participants. As the following comments illustrate, many felt that this constituted an invasion of their privacy, but felt powerless to refuse.

“When I was looking through the real estates recently to get a place, they want your Medicare card number, they want your bank number. I just couldn't believe it, they want all this information.” (Alison, Launceston, aged 40)

“The detail! It's like you have to tell them everything right down to your shoe size, registration number, how many people are staying. It's like you feel discriminated again and it's never about your rights. It's always, you've got to do this and you've got to agree to that and you can't do that.” (Karen, Devonport, aged 38)

“Our landlord made us do a breakdown of our income before we got this place to be sure we were going to reliably have that \$280 a fortnight.” (Greg, Dodges Ferry, aged 25)

“It's disgusting. For information they have really no right to know and have nothing to do with you renting the house...and ‘what's your licence number, what's your Centrelink number?’ I actually had one that asked me to give my parents' names and numbers. I said (a) they're both dead and (b) I'm 40 years old. She just stared at me and I said ‘It wasn't my fault! It's not because I was a bad tenant.’ I'm a married woman with 3 children, why do I need my parents permission?” (Julie, Glenorchy, aged 40)

In other examples, workers report students being required to provide their student identity numbers to real estate agents. Disclaimers authorizing access to personal information are incorporated into the application form. Once the applicant has signed this section of the form, institutions are obliged to provide the information requested. The pressure on applicants to sign whatever is required to obtain accommodation means that they may not be fully aware of the significance of the statements they are signing or they may feel powerless to object.

Electronic tenancy database

“And the questions they ask! One real estate agent asked ‘are you on a Centrelink pension? What is your customer reference number?’ Your Centrelink reference number! I think that should be outlawed, that's a real breach of privacy. The agent we have now, we had to sign an agreement that all the information we gave him could go on a national database or we would risk not having our application considered so we had to do that. I don't know how they get away with it.” (Carol, Devonport, aged 39)

A new phenomenon in the Tasmanian private rental sector, although it has been used in other states for some time, is the establishment of electronic tenancy data bases. This database contains information which is primarily about tenants who have reportedly created a problem for a real estate agent. It effectively becomes an electronic 'blacklist' of tenants with a history of rent debts and as such is considered to be highly successful means for real estate agents to minimize their exposure to rent debt risk (Seelig, 2001; 4). However, at the same time, it is another means to further restrict low income earners access to private rental housing, effectively excluding this housing option for low income earners who have been unable to make all their rental payments on time or have payments outstanding, or those who have been added for other reasons.

Apart from the privacy issues associated with such a database, this form of information collection reinforces the power imbalance that exists between supplier and the tenant consumer in the private rental market. As Johnston (1999) observes about this system in New South Wales, there is no transparency or accountability about the information on the database. The measures which might determine a 'good tenant', are highly subjective and there are no means for redress for tenants who have been mistakenly included on the database. As the agent submits the data, there is a great capacity for discrimination and 'grudge listings' against individuals and families and the only way that tenants can be removed from the database is with the agreement of the person who submitted their details. Johnston cites examples in which tenants' listings have not been removed even after the breaches have been rectified, for example when rent arrears have been paid. This system creates major disadvantages for low income renters, who are currently powerless to assert their rights.

Credit checks

Another issue raised in relation to the barriers experienced by low income earners is the use of credit checks. These checks, which are almost mandatory for private rental tenancies, are problematic for low income earners in two ways. At the outset they are charged for each credit check, adding further costs to the process of applying for rent properties. The second problem, clearly described by Belinda in the statement below, is that many low income earners may have had to default on debts or delay paying outstanding accounts out of necessity.

"Even a credit check can be a barrier. We are just an average family who happen to be on a pension, because my husband is injured. So it's not like we are in this situation by choice, this is just how it has happened. But the thing is, I don't know anybody in a similar position or even working families, when they are both working on low incomes, who pay all their bills on time. I do not know anybody. Everybody I know whether they are working or not working, has trouble paying their bills on time. That's just the way it is now. People don't earn enough and things are costing too much. So guaranteed, at least eight out every ten families in Launceston would have had a bill go through Tasmanian Collection, right? Now, if you have had a bill go through Tasmanian Collection, that's it, that's it. Four years and you're still on their books."

The concerns raised by the participants in the focus groups related to the extent and

detail of the information required in the application forms and credit checks. As the Privacy Amendment (Private Sector) Act 2000 specifically requires that the only information sought should be directly relevant to the business to which it relates. In December 2002, the provisions of this Act will be extended to cover the affairs of small business. It remains to be seen whether this will strengthen the rights of tenants in the all of the areas discussed above.

4.2 Affordable Housing

“Damn this first home buyers grant. It seems like lots of people bought up the houses that used to be rental properties and so the ones that are left are the ones that nobody wants to buy, yet they are the ones that are coming up for \$120 rental.” (Dennis, Dodges Ferry, aged 28)

4.2.1 Housing stress

Most of the participants interviewed in the Anglicare research are experiencing housing stress, ie they are paying more than 25% of their income on housing costs. Having been in the position of being forced to move and unable to find suitable accommodation in a short time frame, they are acutely aware of the value of keeping accommodation once they have found it. This sense of vulnerability combined with a knowledge of the housing crisis facing low income earners in Tasmania means that the participants in this research were particularly vigilant about making rent payments, usually by direct debit. This often placed them in a situation where there was little income remaining to pay for other necessities. A significant number of the participants described being forced to pay substantially more rent than they had intended when they originally began looking for a house. Many were paying between \$15 – \$20 more per week than their initial estimation of what was affordable. In some situations where tenants were unable to make their rent payments on time, real estate agents are charging for fees between \$3 – \$20 for each late payment.

The following statements from research participants are illustrative of some of the financial hardship experienced on a daily basis for those trying to live on after-housing incomes:

“With me, poorness is the reason why I haven’t been able to get into anything [ie housing]. Lack of money. It’s a shocking life. You just can’t do anything. You’ve got to really plan – if you want to go out you’ve got to plan it a month ahead and put it away. A packet of tobacco is a luxury. Poorness, for me, is terrible. When I was working, before I got sick, I was alright but now it’s terrible.” (Ben, Launceston aged 30)

“Getting into a private place on one pay is terrible, you have to sacrifice everything you have – your food everything, petrol, everything.” (Tom, Glenorchy aged, 36)

“You get your cheque each fortnight, and you pay out big rent. After we pay the rent...I mean, we live on \$80 a fortnight for food, between three. It’s not real

good – junk food, saveloys for the kid, that sort of thing, and hot dogs. You know, buy a bag of potatoes and cut up chips and that.” (Trevor, Burnie, aged 43)

4.2.2 Heating costs

Specifically, participants talked about the cost of heating houses which were often lacking insulation, fitted only with electric heating or had old or faulty wood heaters.

“Rent is taking more than half of my pay cheque at the moment and that is a real kick in the pants. And the cost of electric heating – it’s just not worth it. It’s just going to turn round and kick you in the teeth when the bill comes around. I put two or three jumpers on and a doona and I sit on the couch and that’s how I watch telly. The only time the heater does go on is when my girlfriend comes around with the kids and it stays on until they go. But as soon as they leave I turn it off and all the time it is on I’m thinking ‘Oh my God what’s the bill going to like’.” (Ron, Glenorchy, aged 29)

“And when the kids turn the heater on, I have a heart attack. When they are at school it doesn’t matter, I don’t have any heating. But they are on school holidays now and so they are there with the heater on and I’m saying ‘look the sun’s out, it’s a lovely day outside’. Because it’s the worry of it.” (Melissa, Glenorchy, aged 42).

4.2.3 Locational disadvantage

As the cost of rental accommodation escalates in the inner city and urban area, households and individuals are increasingly forced out to find cheaper housing. This creates areas of locational disadvantage, forcing people into areas of high unemployment and greater distance to educational opportunities. Furthermore, this research indicates that rents in areas which are holiday towns or within driving distance from a city are not necessarily substantially lower. Thus, the relatively high housing costs combined with increased cost of transport can result in social isolation for low income families.

Participants in St Helens talked about the high cost of essential items such as food and petrol in that town. One woman explained that there were some months when she was late with paying the rent because she needed the money for petrol to get to Hobart where she could purchase food and clothes for her children more cheaply. Holding back the rent was the only way she could save enough money to pay for the trip.

“We eat properly. We don’t do anything else but we eat properly. I’ve been saving the past two months so I can go to Hobart to buy my kids clothes. But it costs you \$70 to get to Hobart and back. It’s just the same story again and again in this town. I mean I’ve thought of moving back to Hobart at times but I can’t afford it. It would cost me \$1,000 to move. You sort of settle and get set up and then you find you have to move again.” (Lesley, St Helens, aged 39)

The cost of transport was cited by a number of participants as source of concern in relation to their employment. Many of the participants could not afford to have a car, or if they had one, could not afford the petrol. The cost of public transport was an issue for

some participants. Melanie's routine of regular appointments with community service agencies who were assisting her to stabilize her accommodation and the requirement to meet her Activity Test obligations for Youth Allowance, meant that a large part of her income was spent on public transport.

"My budget completely goes out the window because I've got to catch buses. I have to rely on them to go everywhere. Sometimes I have to go to an appointment in town and then to one out at Glenorchy and then back into town so I've got \$322 coming in and by the time I've paid for fares for the fortnight I've got \$346 going out. It just can't go on. I buy the metro 10 but I do so much darting around that I use them up and then I've got to pay \$9.60 for another one." (Melanie, Glenorchy, aged 19)

Those who had shift work or were seeking work in industries that required shift workers pointed out that public transport was not an option for them. They were forced to use taxis, at great expense given the distance they had to travel from home to work.

"We had to move because I was working before (I'm not working now but I was then) and where I was living it was just too expensive to get to work. I had to use taxis and buses because it was all the night time that I was working. So it was early mornings, like three o'clock in the mornings, so it was left to taxis to get home. I think it was about fifteen bucks a fare to and from work and that was pretty much my night's pay just gone like that. It was just costing me too much and so in the end we had to move because we were just getting that broke and behind in the rent and the taxis were just costing us too much. It took us so long to get this place. It was unbelievable." (Stacey, Burnie aged 19)

This locational disadvantage was also cited as a problem for participants who had to travel some distance to the nearest Centrelink office. Failure to get to an interview or submit their forms could result in a 'breach' or fine, but in some cases, their budget could not be stretched to cover the travel costs after rent and other essentials.

"I've got a car. Even though I've got my car I find it hard to get my form in on the day before pay-day because I don't have enough petrol to get all the way up to Centrelink. It takes about \$10 petrol money and when you don't have anything at all, that's a lot." (Susan, Dodges Ferry, aged 22)

4.2.4 Security Deposits or Bonds

A further financial hardship for low income earners in securing housing in the private rental market is the issues of rental bonds. The equivalent of four weeks rent for a bond or security deposit is often beyond the means of low income earners, when it is associated with the costs of moving and establishment costs such as connecting power and telephone. In many cases, this financial hardship is greater if the full bond from the previous tenancy has not been returned.

Private Rental Assistance Scheme

There are opportunities for financial assistance to cover some of the costs of bond and moving available through the Private Rental Assistance Programs administered by

Anglicare in the North and North West and Colony 47 in the South. However, there are a number of issues which limit the effectiveness of these programs for low income earners:

- The shortage of affordable housing;
- Lack of awareness of these programs: a number of participants in this research did not know about the scheme or their eligibility to access it;
- Assistance is restricted to once in a twelve month period: indications from this research is consistent with national data showing that low income earners in the private rental market move more than once a year; and
- the nature of the local private rental market, for example discrimination from landlords because the tenant has Private Rental Assistance.

These issues create a situation which can expose low income earners to high financial risk, forcing them to borrow money from dubious private money lenders, as the case below illustrates:

“Ninety percent won’t take bonds from Anglicare. My next door neighbour, she had split with her husband and she didn’t have any money and she went to Anglicare for the bond but my landlord said ‘No, if you’ve got to do that, you’re not coming here.’ So when I got mine, I borrowed my bond and my rent which I’ve had to pay back. I realized about things like that because of previous attempts to get places, so I went to personal finance company and borrowed \$500 and I’m paying \$250 interest on \$500 but I couldn’t do anything else.”
(Bill, Launceston, aged 37)

The concerns relating to the Private Rental Assistance (PRA) scheme identified in this research are consistent with those outlined in a review of the scheme undertaken earlier this year (Jacobs, 2002). This evaluation, while positive about the advantages of the scheme for low income households, made a number of recommendations directed at addressing the issues outlined above. It recommended, for example, that a co-ordinated advertising campaign between Anglicare and Colony 47 be undertaken to increase awareness of the scheme. In regard to the high mobility of households, Jacobs recommends that additional resources into the scheme could effectively be used for increasing the threshold of bond assistance, thereby enhancing low income renters chances of competing in the private rental sector and to enhance the capacity of PRA staff to provide ongoing rather than ‘one-off’ support to assist clients to maintain their tenancies on a long term basis. Acknowledging the incidence of landlord discrimination against PRA recipients, Jacobs recommends that the service agencies prepare the evidence and report cases through the Residential Tenancy Commissioner. These recommendations would go some way to addressing the barriers currently confronting the provision of PRA services. However, they would require a considerable increase in the workload of the agency and would need to be adequately resourced.

Return of bond monies

Return of bonds is another problem experienced by low income earners who are private renters. Almost every participant in this research had experienced difficulties in getting their full bond returned when they left a residence. While undoubtedly there are cases in

which there is just cause to retain bond money, a strong theme in the narratives of those interviewed was their sense of vulnerability and powerlessness. Many faced difficulties in finding new accommodation, many were being forced to leave because the property was being sold and many faced real financial hardship as a result of leaving their current residence. The following comments from focus group participants highlight the barriers they faced in securing their bond money on departure:

“Basically getting bonds back is very difficult. I’ve never got a bond back. The only people down here who have actually got their bond back is when they have moved to another house, they have moved with that same real estate agent. Then they seem to get their bond back. I paid \$600 up front for bond. That’s four weeks rent. I paid all that straight upfront. I got the loan from the unemployment² so I was able to do it. Then you worry because it’s very difficult to get that back. And we’ve got to be out in three months time and you worry that you won’t get it back. You know, what if they say that you’re not going to get the bond back because of that roof collapsing?” (Warren, Dodges Ferry, aged 33)

“There is always this stigma about asking for your money back. And you shouldn’t have to. And bond is a big thing, you know, it’s a lump sum. It’s a lot of money that’s yours that you are asking for it back. It’s almost like you are not really sure that it is yours, but it is.” (Tessa, Dodges Ferry, aged 43)

“I’ve had a lot of trouble getting the bond back in the past. I’ve walked away from three or four bonds in the end because of the headaches I was getting in trying to get the money back. You know, with landlords complaining that this crack in the corner wasn’t there when you moved in when you know too well that it was. They are a law unto themselves. I did condition reports and everything.” (Ron, Glenorchy, aged 29)

A number of participants were unaware of the provisions under the Residential Tenancies Act 1997 in relation to return of bond monies. They expressed their frustration that there was nowhere they could go to and no mechanism to protect their rights. Participants who were aware of the complaints procedures did not take their grievances to the Residential Tenancy Commissioner. This is not necessarily because their claims were not justified, but rather due to a sense of frustration, powerlessness and fear of reprisals. The personal resources required to make a formal complaint through a complex system, in which they already felt disadvantaged, were often beyond the means of those interviewed. The existing system requires the tenant to carry the onus of proof and actively seek and justify the return of their bond money. Currently, the tenant must submit a written application to the Commissioner, with details of their claim at a cost of \$15. It may take up to four weeks from the time the claim is lodged to settlement. This delay creates further financial hardship for low income earners who have had to find the additional money for the bond on their new residence. Several of the research participants referred to their positive experiences with Rental Bond Boards when they had lived in other Australian states.

² All pensioners and allowees are able to get an advance payment (loan) of up to \$500 from Centrelink once in each 12 month period

4.3 Appropriate Housing

4.3.1 Quality and standard of dwellings in the private rental market

Nationally, the standard of accommodation in the private rental market is of significantly lower quality compared to other housing tenure types. Approximately one-quarter of private rental households experience a need for repairs on either in the inside or outside of the dwelling (ABS, 2000). For example, only 9% of owner purchasers lived in dwellings that required repairs compared to 19% of private rental tenants (AIHW 1999). Tasmania has the highest proportion of older housing in the nation, with 23% of housing built more than fifty years ago (ABS, 2000). These figures indicate that the quality and condition of dwellings will be an important factor in the lower cost private rental market.

As has been previously described, housing tenure type is a critical indicator in a standard measures of poverty, deprivation or financial stress. Studies to measure the extent of social deprivation in the United States have specifically included information on housing condition: “physical living conditions, emphasising the quality of the household’s dwelling and neighbourhood.” In the deprivation survey developed by Mayer and Jencks (1989), respondents are asked whether they are experiencing any of the following housing problems at that time:

- a leaky roof or ceiling;
- a toilet, hot water heater or plumbing that doesn’t work;
- rats, mice, roaches or other insects;
- broken windows;
- a heating system that doesn’t work properly;
- exposed wires or other electrical problems;
- a stove or refrigerator that doesn’t work properly.

(Mayer & Jencks, 1989 cited in Bray, 2001:80).

The private rental tenants in the focus group discussions described housing experiences in which one or more of these problems had occurred. There is an extensive body of literature on the association between housing and health status, which demonstrates that housing tenure is a strong predictor for health outcomes and that poor housing impacts negatively on health status. The international literature finds conclusively that people living in owner occupied homes have better health and a longer life expectancy than those who live in rental accommodation. It also shows that people living in dwellings that are damp, cold or mouldy are at greater risk of respiratory conditions, asthma and meningococcal infection, particularly in children. Inadequate home heating results in excess winter morbidity and poor housing can increase the risk of fire and accidents. This is most significant in cold climates. Poor housing and insecurity of tenure increased the incidence of mental stress and social isolation (see for example Waters, 2001; Mullins & Western, 2001).

Findings from Waters’ (2001) analysis of the causal links between housing conditions and health inequalities in Australia show that individuals living in rented dwellings were more likely than those in owner occupied dwellings to have consulted a doctor in the two weeks prior to interview. She also found that they are more likely to be underweight and

smokers. The combination of smoking, poor ventilation and inadequate heating increases the risk of internal air pollution from tobacco smoke, cooking smells and emissions from gas heaters which cause illhealth.

Participants in this research were asked about the quality of their current housing, to indicate their satisfaction levels in a number of areas such as security (ie ability to make their doors and window secure), heating and repairs and maintenance. Most participants had significant problems both in the standard of their housing and in getting necessary repairs done speedily and efficiently. The experiences of these private renters clearly demonstrate that the limited supply of low cost private rental stock and subsequent increased demand has produced a climate in which dwellings in very poor conditions are readily let on the market. Similarly, there is substantive evidence that in a market that disadvantages low income renters, landlords and real estate agents appear to be less responsive to their requests for property repairs.

The following comments from focus group participants illustrate the difficulties they face in a rental market where demand is so much greater than supply. This situation is highlighted most powerfully in Celia's description below. A clearly substandard house which she would not have considered acceptable despite her own quite dire need for housing, was rented to newly arrived refugees, arguably the most vulnerable members of the community.

"I looked at a place that was up in St – a three bedroom house. And when I went in there, there were holes in the wall and everything. And I said to the guy 'is this going to be fixed before I move in?' and he said 'No, you take it as it is.' A private landlord he was. And there were holes in the wall, one of the windows was smashed and he was going to rent it to me like that for \$140 a week, four weeks rent as bond, yeah. And I thought, well, it was absolutely disgusting, it was absolutely filthy. I actually got an update on the place. The only reason that he actually ended up renting it was that some people came over through the Immigration Department and they were working through the Migrant Resource Centre and they had to get them housing and that was the only housing they could get for them and they had to take it." (Celia, Launceston, aged 34)

There were numerous examples described by the research participants of landlords attempting to capitalise on the increased demand for rental properties by advertising substandard dwellings. Although in the two cases below, the properties were rejected, more often families and individuals desperate for a roof over their heads are forced to take whatever is available.

"There was one place they advertised as a 2 bedroom unit with a study off each bedroom. I said 'I bet it's a verandah chopped in half' and it was. You couldn't fit a desk in either of the 'studies' and the bedroom had been chopped in half to make 2 rooms – one had a window and one had no window. I looked at it and I thought 'I bet that's not council approved'. I enquired of the council and they said it's not even registered with us. Another house, they wanted \$165 for part of the house and I rang up the council and they didn't know about that either. I think that really needs to be looked at because these guys they are charging full market rent for something they're not even paying rates for. I reckon they should

be held accountable.” (Rebecca, Kingston, aged 36)

“ I saw a house the other day, and all it had was a sink in the kitchen, and there were no benches, no cupboards, nothing. You know, you just can't live with four people in a house, without things like that.” (Julie, Glenorchy, aged 40)

“I lived underneath a dodgy massage parlour once. It was a bit of a dungeon basically with no windows. Well, I had a window that was the size of a brick in my room, so it was really dark. I just sort of got by in the near darkness. It didn't help me at all – I had some very lonely 3ams.” (Patrick, Hobart, aged 22)

“We had a mouse and rat plague in the area. They were everywhere, in the car, in the tea towels, in the beds, everything. It's just not on. The rats were even in the bottom of the oven. We had problems with mould as well. It was growing on the roof inside. Nice little house, varnished doors but it stank with the mould and the rats. I had to use Domestos on the walls every couple of weeks. I had a lease for two years and I ended up staying for seven because the landlord was pretty happy with us. The worst thing about mould when it comes into a house is that it makes the kids' asthma worse. I ended up pretty sick in that place.” (Robert, Burnie, aged 38)

4.3.2 Plumbing and ventilation

Two areas of concern consistently raised by focus group participants were plumbing, dampness or leakage and poor ventilation. The lack of regulation of standards and conditions of rental properties means that those most disadvantaged in a competitive market will have little choice about the quality of the dwelling they rent. As discussed above, substandard plumbing, lack of ventilation and rising damp as well as inadequate heating can result in ill health. The following quotes illustrate the conditions of some of the houses offered in the current private rental market in Tasmania:

“We started looking in February and we got one at the end of April. There was one that was offered to us until I enquired what they were going to do about the shower. It had a crack right through the bottom of the base and it was leaking and going under the bedroom and the cupboards. You could smell the mould.” (Rebecca, Kingston, aged 36)

“In my last house, the bathroom you could not get dry, for, I don't know how long, at least 12 months. It had a broken bath, and there was running water on the floor when you lifted the lino. And you cannot dry that out, and especially, I mean this is Tasmania, it's not like the mainland where it gets really warm and dries things out really quickly. We moved in March, and by May, the entire house was mouldy. I lived with bleach, because you couldn't stop the mould. It was wet. It was damp. The landlord refused to fix the gutterings, and they had been like that for six years. Big holes that leaked, you know. I mean, everywhere's damp in Tasmania, but this was just ridiculous. So literally, my curtains, my children's bedding, everything was mouldy. And he did not care, and he still doesn't care.” (Julie, Glenorchy, aged 40)

“The floorboards were all wet underneath, and it just kept coming up underneath the carpet. And the carpets were never dry. It was always like you were walking on damp carpet all the time. It smelt dreadful. When I complained the landlord said, “Well can’t you open windows?” It is Tasmania! You have a window open for fresh air, but, but what can you do – what can we actually do to get something done? There’s nowhere we can go to enforce them and something.” (Marjorie, Burnie, aged 38).

“I’m really tired of lousy landlords and real estate agents, they are shocking. Last time I went through a real estate agent he was more interested in my cleavage than the fact that all grey water just ran outside onto the road and into the yard making it an absolute swamp at the front, the kids couldn’t play out there and it was a health hazard. Neither the real estate agents nor the people who own the place would do anything about it. In the end I had to find another place.” (Margaret, Dodges Ferry, aged 45)

4.3.3 Inefficient heating

The cost, the type of heating, the quality and efficiency of the heater as well as the insulation of the dwelling which creates problems for low income renters. For many participants in this research, heating their home was simply too expensive. The costs tended to be exaggerated by faulty or inefficient wood heaters or houses which were draughty and difficult to heat. Inadequate heating causes a range of health conditions including asthma and other respiratory illnesses. The high costs have been discussed in Section 4.2.2 in which participants describe the ways in which they try to restrict their electricity or heating bills by going to bed or putting on layers of clothing. The following examples from participants provide an illustration of other heating related issues:

“The fireplace doesn’t work very well. It’s got a rusty flue and the door fell off. I woke up one morning and the door had fallen off. That’s so dangerous. I have to buy wood in. It’s expensive, a load is like \$80, but you have to do it though, otherwise you freeze.” (Karen, Devonport, aged 38)

“Well it was a really old place and really draughty and hard to keep warm. And the living area was all open with a bar in the middle into the kitchen so you basically had to hang curtains to keep the place warm. It was all electric, all the heat was going straight out the doors so you were basically running the heater for nothing. So you might as well jump on the couch and wrap yourself in a blanket to keep yourself warm.” (Kevin, Launceston, aged 20)

“The place I’m living in now, it’s been built for about 14 years, this house and it’s not finished yet. And in our fire it’s got no top plate and it had no smoke alarms, so I had to go and buy those. It has no top plate so the fire just goes straight up the flue. The flue just goes bright red so you have to keep your fire really, really low.” (Susan, Dodges Ferry, aged 22)

4.3.4 Holiday shacks as permanent housing

While the poor condition of dwellings was a problem identified in each of the focus groups around the State, this problem was exacerbated in areas with a high proportion of 'shacks'. As the cost of rental properties increases in the city centres and larger towns, low income households are forced further and further out in search of affordable homes creating areas of locational disadvantage (Murphy, 2001). It should also be noted that many people choose to live in these areas for a variety of reasons. A number of the participants in this research stated that they enjoyed aspects of the more relaxed lifestyle and others chose to live there to be close to their family and friends. However the locational disadvantage can impact negatively on non-housing opportunities such as employment and education, access to services and increases the cost of transport.

It also can mean that many low income earners are living permanently in predominantly seaside holiday towns in which many of the dwellings were designed for short-term visits rather than permanent occupation. Participants in the Tasman Peninsula and St Helens focus groups described living in housing built over the previous decades without appropriate heating, with louvre windows which could not be closed, fibro sheet walls and roofs that were collapsing. As the cases described here demonstrate, the weekly rental prices charged for these dwellings are not commensurate with the poor condition of the houses.

"My last house was terrible. It was really bad. One room was a decent size room. The other room was a cupboard. And that was classed as two bedrooms. We paid \$110 for it. It had massive holes in the walls and rising damp because it is on a big rock shelf. There were actually tanks out the back that weren't connected and the water wasn't getting used and they just had holes and the water was going on to the ground under the house and there was rising damp going up all the walls. The septic tank stunk and it was inside. Because it was actually a house and a shed and they had enclosed it so we had an extra bit and that's where the septic tank was. Septic tanks aren't allowed to be inside and it was actually inside the front door. So, if we had to get it pumped, I had to shut all the doors and put clothes underneath all the gaps and that's illegal. But we moved out and they re-rented it straight away." (Susan, Dodges Ferry, aged 22)

"It didn't just leak in one spot of the roof, it leaked across the whole lot. There were big water stains everywhere and they never ever did anything about that except that twice the landlord came round with a tube of Silicon. We knew that the tube of Silicon wasn't going to fix anything because the whole roof was leaking. What really gets me is that they have rented it again." (Susan, Dodges Ferry, aged 22)

"My roof collapsed in the lounge and water started coming through everywhere. So I rang him [the landlord] and basically all he did was come and got a drill, drilled a hole and put a bucket underneath and said 'there you go'... He won't do nothing. He won't even supply the things for me to do it. And it's things like that that I find annoying. It's still got a hole in the roof where he drilled it in and there's a dirty great stain where it had collapsed in. And that was his finished product. It's been like that for about twelve months." (Warren, Dodges Ferry, aged 33)

“I haven’t even got proper doors that close. No catches on mine, nothing. It’s just like a milk carton that’s just been tacked together. I’ve got three bedrooms but one is outside the house. It’s just been joined on and I am paying \$115 a week – I mean that’s a lot. The only good thing about the place is the shed, that’s about the only thing that’s fit to use.” (Warren, Dodges Ferry aged 33)

“I was paying \$120 a week for my three bedroom place in Scamander. Its a hovel, it should be bulldozed. You should go into my laundry today, you could have a swim. My little boy’s bedroom leaked. I had to pull the carpet up in one room because the carpet stank so much because it was always wet. I couldn’t use the room so you might as well say it was a two bedroom place.” (Katherine, St Helens aged 34)

“My house is not finished off properly. There are powerpoints sticking out of the walls and the wood heater doesn’t work, there is no carpet upstairs and there is just plaster sheet in my bedroom. It’s not painted, it’s not finished. It’s been like that for over a year and he [the landlord] said he would finish it off but he hasn’t been back to do any of it. If it was my house I would do something and finish it. That’s the thing you can’t do anything when you rent.” (Margaret, Dodges Ferry, aged 45, weekly rent \$115)

Currently, no state residential tenancy legislation prescribes basic standards of accommodation as this is generally deemed to be covered by the building and health codes (Watling, 2001: 9). In Tasmania the legislation governing housing standards for rental property is the Substandard Housing Control Act 1973. The Act is administered by Housing Tasmania but covers all housing in the rental market. It is rarely, if ever invoked to address the problems of substandard rental dwellings currently occupied. Nonetheless, the standards prescribed in the Act cover all the problems raised in this research. These standards, outlined in Section 3.1 include:

- a) condition and state of repair;
- b) maintenance of drainage, sanitation, ventilation (including sub-floor ventilation) lighting and cleanliness;
- c) maintenance of water supply, bathing facilities and sanitary conveniences;
- d) provision of cooking and washing facilities;
- e) freedom from infestation of vermin and rats;
- f) any other matter affecting the comfort and health of the inhabitants.

4.4 Secure Housing

4.4.1 Lack of security and housing vulnerability

Participants in this research had moved an average of 5.3 times in the previous five years, with a range between 1 and more than 12. This is consistent with the national data, which shows that 20% of private rental households have moved five times or more in the previous five years (ABS, 2000).

There are numerous factors which cause low income households and individuals to be more susceptible to housing instability. These include relationship and family breakdown, financial difficulties and loss of employment. Many low income earners move in search of more affordable housing and better job opportunities. Other reasons commonly cited in this research were the sale of the house they were currently renting, an increase in the rent, poor relationship with their landlord or real estate agent or the quality of the dwelling.

Vulnerability in private rental housing

The private rental market creates a different set of risks and uncertainties for low income renters. The following comments from focus group participants powerfully illustrate the emotional and psychological effects on low income earners in the private rental market. They describe an overwhelming sense of vulnerability, a loss of motivation and self esteem and a pattern of constant family disruption:

“It’s also the vulnerability. You are totally vulnerable to the system. You are totally dependent on the system. It’s the number of times you have to divulge your income, your lifestyle, what you do with your money, what you don’t do with your money and you have to expose yourself time and time again to more and more people. The more you apply the more you’ve got to do it. Even if you are lucky enough to be in part time work, you’re vulnerable. You have no security, no permanency in that. Then you have your rental market and you have no security in that. You are vulnerable in that. And then they wonder why everybody is going off the rails and not coping with everything.” (Belinda, Launceston, aged 40)

“You move every twelve months. You move into something, you sign a twelve month lease and then you start looking around for something better and cheaper. And with kids that is really difficult.” (Celia, Launceston, aged 34)

“Yeah, you start to like an area and you start to go for a bit of a wander with the kids down the beach and stuff like that. You get to know the neighbours. It’s just horrible having to move. And you feel that if you complain too much that you can just be turfed out just like that. And they can too. It’s on the contract most of the time.” (Warren, Dodges Ferry, aged 33)

“It would be great to be somewhere that you can’t be kicked out, so you’ve got solid ground, something to leave your kids if anything ever happened. When you shift into a house you’re not allowed to hang anything up, you can’t put things in the walls. If you own your own home at least you can renovate it or do it up.” (Renata, Launceston, aged 24)

“... Like the place I am in now. The landlord says I can stay there for as long as I like. He doesn’t want to sell it. It’s been a rental for years. But I’ve still got this feeling in the back of my mind, you know – it won’t be long now and then he’ll sell it. So I really fixed up the last place I was in, cleaned up the yard and everything, made a garden. I’m not doing a thing to this place. I can’t be bothered. What’s the point?” (Lesley, St Helens, aged 37)

“What happens is eventually you just lose it all. All your self esteem, all your sparkle, all your desire to make home just goes. And you just move and move and move.” (Kathleen, St Helens, aged 44)

Tenants on the East Coast who were renting holiday shacks as permanent homes also faced increased insecurity. Not only are their homes more likely to be put up for sale in this boom market, but there is an increased likelihood of lease termination during the summer months. The participants who had been placed in this situation did not have written lease agreements with their landlords.

“My dream home is where I don’t have this feeling that no-one is going to say ‘well you live in such a wonderful area that we’re going to double the rent over Christmas because we can get more for it’. So just that, the security is the future thing, the dreamy thing.” (Janet, St Helens, aged 48)

“My landlord in the last house wanted me out because she wanted to spend the summer up here. I had only been there 6 months. When I signed the lease I said ‘So I can stay here as long as I like, for years if I want to?’ And they said ‘Yes, that’s no problem. It’s been a rental for years.’ Then she decided she wanted the house back for the summer and I had to go. My lease ran out two weeks before Christmas so it wasn’t a good time.” (Lesley, St Helens aged 39)

“This happens again and again and again. I nearly had a nervous breakdown when I was trying to find a place here a couple of years ago. It was Christmas time too and I took a two bedroom unit. The real estate agent said I could only have one adult and a child in there and so I said ‘well, that’s what there is: one adult and one child’. There wasn’t. There were two adults and two children in this tiny little two bedroom unit in ... Street. You do the best you can.” (Denise, St Helens, aged 37)

Moving out of public housing

Participants in this research who indicated that they had previously lived in public housing were asked their reasons for leaving public housing. This was in order to track the push factors that move people from one housing system to another. The most common cause indicated was problems with neighbours. Interestingly, problems with neighbours is also a common reason for housing transience for people in private rental properties.

“I applied for a transfer 3 to 4 months after I moved in. For a person, 37 years of age, who has never had public housing before and they couldn’t have shoved me

in a worse area. Ravenswood is like Toorak in comparison to ... [public housing area]. I'm not trying to put people in classes and I don't think I'm any better than anyone else but you had to watch your back the whole time and every time you opened your front door, you'd think 'what have I lost today?' It got to the stage where you might as well have left your front door open because it didn't stop them. Unless you put bars on the windows, it wouldn't stop them – they just jump on the roof, undo the tech screws and get through a piece of roofing iron. And they think putting a deadlock on the front door is enough? It got to the stage where I electrified my window frames, I got so sick of break ins."

(Lewis, Launceston, aged 37)

"I was living in housing, at ... [public housing area]. It was fine. We always paid our rent on time. I had no problems with it at all. The reason that we moved out was a combination of factors: there was a lot of stuff happening in the neighbourhood. At the time there was a drug war going on basically, the Rocherlea teenagers were fighting with the Mayfield teenagers all the time and all hell broke out. You couldn't even walk down the street at night. Two old drunks got beaten up in the middle of the night. Our kids couldn't even play in the backyard without getting screamed at and sworn at. We couldn't even let them walk to school on their own." (Belinda, Launceston, aged 40)

"The Government really now only offer you areas like ... [public housing area] or somewhere where maybe you don't want to bring up your children. It's gone very bad. It's just gone so bad. Like there are burnt-out cars on everybody's lawn and everything smashed everywhere. The morale of people living there must be very low. Their employment options plummet too because people just say, if you are living there, 'Well, I don't want you'." (Warren, Dodges Ferry, aged 33)

"We were living in a housing place and they are not exactly the most secure places. We were broken into three times in a row in six months. Once that happens you just lose your safe feeling that you have in your house. You just feel that anyone can break into anything. You can lock it to a certain limit and that's it. The public housing was better than the private but only money wise. You couldn't lock up anywhere. The private [rental] is a lot safer than [public] housing." (Stacey, Burnie, aged 19)

"I spent a fortune on mine too, I put carpet in it and everything and just left it because of the area, the type of people the kids were hanging round with. As soon as we moved that was sorted out. I tried to get them to move me but that was like pulling teeth." (Beth, Devonport aged 39)

Clearly it would be incorrect to suggest that these quotes represent the behaviour of the majority of public housing renters. However, the experiences described in this research clearly demonstrate one of the consequences of a housing policy in which public housing is increasingly targeted at a client group with special and high needs. In the broad acre housing estates, the population is fast becoming one predominantly made up of people facing the greatest barriers to economic and social participation due to multiple factors of disadvantage. It is not surprising that this 'welfarisation' of public housing is producing areas of concentrated disadvantage and social dislocation.

4.4.2 Relationship with landlords and real estate agents

“Even with a good landlord, they’ll make it known that it’s their house. Even though you are living in it and you are paying the bills, it’s not yours, it’s their house. And you always owe them something. It’s a subtle thing, it might not be obvious but it can be intimidating.” (Belinda, Launceston, aged 40)

Of the 52 participants who were currently living in private rental accommodation, 30 had private landlords and 22 had leases managed through real estate agents. The number of participants without a current lease was 20. Some of these had a verbal agreement and others had agreed to rent the property until it was sold. There were mixed responses from participants about the relative advantages of both. The unwillingness of some real estate agents to fulfill their responsibilities to tenants was a major concern. The most problematic aspects of renting through real estate agents were identified as the application procedures and charges associated with finding a house and their reticence to respond to tenants’ concerns in relation to repairs and bond repayments.

The following comments illustrate the contradictory nature of tenant-landlord relationships:

“I think you can get a relationship going with a private landlord whereas you can’t with the real estate. You’ll end up dealing with a couple of different people and they don’t care about how you are going. They only care if they think you have done something wrong. They don’t care to help you out at all.” (Dennis, Dodges Ferry, aged 28)

“... we’ll have to get out of the private housing because our landlord, every time he paints or anything, he is putting the rent up. And in private he shouldn’t be putting the rent up all the time.” (Ella, Bridgewater, aged 22)

‘Petty Landlordism’

The problems for many low income private renters can be partially explained by the characteristics of landlords of private rental properties in Australia. There are virtually no large professional or institutional investors, rather there is a tradition of ‘petty landlordism’. Typically these are small investor landlords who often own only one rental property and tend to approach it as a flexible and secure low risk investment requiring minimal management. Rather than a business, it may be viewed more as one component of an investment portfolio. Throughout Australia, small investors own most of the private rental housing stock. More than 60% of the stock is owned by individuals and couples, with small companies and partnerships owning the remainder (Berry, 2002: 59). Most of these individual landlord investors (76%) own just one rental dwelling and a further 16% own two rental properties. Property income is not their main source of income (Berry, 2002: 59). Landlords are a highly heterogeneous group and cite diverse reasons for investing in the private rental property market. These reasons include primarily for long term investment benefits, negative gearing, capital gain, possible future home, family reasons, rental income and being unable to sell the property.

Significantly, the tax system encourages high income landlords to invest in higher value properties, with lower income landlords investing in the low value properties (Woods, 2001). Woods (2001: 436) makes the point that the majority of landlords belong to the lower income tax bracket, making tax savings a relatively unimportant aspect of their investment. He argues that this pushes up both the costs and rents on the rental properties they own. All these factors contribute to a situation where, in a completely unregulated market, the owners of lower cost rental properties are less likely to invest large amounts in maintenance and repairs to their properties, which are more likely to be older dwellings. They also have greater incentive to maximise their financial gains in a range of ways such as rental increases, return of bonds and other areas of residential tenancies in which there is little legislative control.

Research participants who were renting from private landlords raised the most persistent concerns. These landlords appeared less familiar with the requirements of the Residential Tenancy Act and in particular, issues of tenants' rights and privacy. Younger participants and women living on their own or as sole parents raised concerns most consistently about privacy and access to property.

“Some of my experiences suggest that there are some advantages in dealing with a real estate agent because renting direct off a landlord, they just do things like a spontaneous check of the house without any warning. They’ll just rock up outside and...They have keys. They just let themselves in when I am not there. “ (Patrick, Hobart, aged 22)

“You also have landlords who are supposed to give you 24 hours notice before an inspection and they just turn up. The reason I moved out of my last place was because I would go out for the day and they would just come into my place when I wasn’t even home. One day I just came home and she was out the back doing some gardening and she turned round and said “Your house is in a mess, there are dishes on the sink’. That sort of thing’. And I said ‘Well I’ve been at work all day and what were you doing in my house anyway?’.” (Kevin, Launceston, aged 20)

“We had a landlord and after we’d signed the lease he informed us that he let himself into our flat every Friday morning to collect the rent. He opens the door himself and would collect the rent from a little cabinet ... He used to just let himself in and helped himself. We were only 16 and we thought it was illegal but we couldn’t do anything.” (Emily, Glenorchy, aged 18)

Women living on their own or as sole parents may have an increased sense of personal vulnerability. This is especially true for women who have left situations of domestic violence. The following quotes are both made by women who have escaped domestic violence, making these breaches of privacy by their landlords all the more inappropriate and frightening.

“I didn’t ask the landlord for repairs because I didn’t like him. He was real creepy. The next lady who moved in just after me didn’t like him either and she moved out straight away. He used to come round. He’s in jail at the moment

because he bashed someone up. I found him really physically threatening. He had keys to get into our unit.” (Alison, Launceston, aged 40)

“When I reported all repair these problems about the house with the real estate, they gave my name and my private number to the landlord, which is a silent number, without my permission. Then that Saturday the landlord rang and gave me twenty minutes notice that he was coming on to the property to fix it, which is a breach I believe.” (Diane, Burnie, aged 30)

A number of participants were living in houses which were for sale. Some had moved into the houses knowing that they were already on the market, and for others, the decision to sell the house had been made during their tenancy. Once again, as these quotes illustrate, the issue of privacy and the tenants' rights were often ignored:

“The last place I lived in was actually for sale. So, we didn't have a lease, because they were showing people through. You're paying that money for it to be your place not for them just to use you while they are selling it and then for them to just go 'OK you have to be out in one month because someone wants to buy it.' You don't get any kind of lowered rent or anything.” (Dennis, Dodges Ferry, aged 28)

“Yeah, the only problem we've got with my place now is it's up on the market, and so I've always got all these real estate people not ringing or anything, just knocking. I woke up one morning and some lady from a different real estate just walked into my unit, and she's just walking round with all these people. I'd had no notice at all, and that's happened quite a few times now. I'm starting to get pretty annoyed.” (Rick, Glenorchy, aged 18)

Maintenance and Repairs

As described in the preceding section, many of private rental properties have major structural problems, which make them both unhealthy and unsafe for the tenants. However, even in cases where the tenants' requested repairs or maintenance for more regular and incidental problems, the evidence from this research indicates that low income earners had difficulties getting their concerns addressed by both real estate agents and private landlords. The experiences of the research participants are reflective of many private rental tenants. For example, in the months of July, August and September 2002, The Tenants' Union of Tasmania has provided advice to a total of 128 tenants about problems relating to repairs, 69 calls in the South, 35 from the North and 24 from the North West. The calls covered a range of problems including faulty wood or electric heating, faulty power points, broken windows or doors, repairs or replacement of carpet and leaking roof or ceiling.

“The floorboards are black with mould, and wet. He didn't fix the tiles that were cracked. He didn't fix the hole. He said, “if you want somewhere to live that's reasonable, you fix it. I don't have the money for it.” You don't have the money to be doing their maintenance. That's what our rent is supposed to be going towards, at least partially, is having the repairs done, and he didn't do anything.” (Julie, Glenorchy, aged 40)

“The last place I was living in there was a broken window there when I moved in and we asked them to fix it because it was cold. In the end we had to go and get a glass and get the dude to put it in and then get the name of the landlord and try and get him to pay it. It shouldn’t have been like that. We should have just been able to make a call and get it fixed.” (Dennis, Dodges Ferry, aged 28)

4.4.3 Home ownership

Making home ownership affordable

The majority of participants interviewed in Anglicare’s research expressed a strong preference for home ownership. They identified a range of reasons for this including, most significantly, security of tenure, stability for themselves and their families and a frustration that the money they were paying in rent could have equally and more usefully been paying off a mortgage.

“I think the Aussie dream of home ownership is the go. It gives you a sense of establishment, roots, an accomplishment of what you’ve actually achieved, pride. There’s no worry about eviction. Eventually, as well, it’s a form of savings, it’s a material form of savings. No more of that experience of home inspections and that type of invasion of privacy.” (Ted, Burnie, aged 27)

The desire to ‘have something to give the kids’ was also commonly expressed. However, many of those people also felt that the dream of owning their own home would always be beyond their means. One participant who was purchasing her own home summarised some of the advantages and the difficulties facing low income earners trying to get out of the rental market:

“Yes, for us personally it was just through the generosity of friends and family that enabled us to get out of that market and the difference in health and well being in us and our family is incredible. You have security, you have identity, you know it’s your home, you know where you are going. You don’t have to worry about someone knocking on the door and we are better off financially since we have been in our own home ... [the problem is that] to qualify for a bank or a building society loan you have to have savings. Well I mean who, who has been renting for 15 – 20 years, is going to have any savings? For goodness sake, nobody, I mean you can’t save.” (Belinda, Launceston aged 40)

Availability of low cost housing

Home ownership has long been recognised as one of the most effective means to reduce the likelihood of poverty. But as Burke (1998) notes the effectiveness of this strategy is dependent upon outright ownership when combined with a strong social housing system. It is private rental cost and home purchasing which actually push more people into poverty (Burke, 1998:168).

The opportunities for home ownership for low income Tasmanians are diminishing in the current private housing market context. As has been noted previously, the First Home Owners Scheme has resulted in an upsurge in home purchasing. Investors who

experienced low returns in the rental markets in the mid-nineties are now realising their investments by selling to first home buyers. An average of 386 grants per month have been made in Tasmania since July 2000 when the scheme was introduced. This competitive market has resulted in a housing market in which prices are escalating. On average in Hobart the sale prices for houses has risen by 11.2% in the last year, with flats and units and townhouses increasing by 13%. In Launceston the average house sale price rose by 15.6% and in the North West the increase was 15.8% (REIT, 2002).

This situation has multiple consequences for low income earners. It reduces the amount of low cost housing in the private rental market and it pushes rental prices up further reducing the capacity of low income earners to raise sufficient funds to make them eligible for home buyers schemes. For example, The Tassie Home Buyers Scheme requires a minimum of \$1,000 savings if they are eligible for the First Home Owners Grant of \$7,000 or if they are not eligible, \$3,000 and additional monies for insurance, rates and legal fees. Successful applicants have to demonstrate a savings history evidenced in a capacity to save \$1,000 in a personal account and maintain it untouched for three consecutive months. The ongoing underlying consequence for low income earners is their increasing vulnerability in a tight and competitive rental market.

Purchasing public housing stock

Housing Tasmania has two schemes to assist low income Tasmanians to purchase their own home: The Streets Ahead Program and the Home Ownership Assistance Program (HOAP). The Streets Ahead Program offers incentives and assistance for sitting tenants to purchase their social housing residence and for others who are eligible for social housing to purchase other Housing Tasmania stock. Both schemes enable potential buyers to access the First Home Buyers Scheme if they are eligible. As most of those interviewed for this research were not living in social housing, they would fall into the latter category. It is important to note however, that many of the houses currently for sale, which do not have sitting tenants, are being sold because it would be too costly for Housing Tasmania to do the required repairs to make them habitable. Presumably the costs of repairs to potential purchasers would be similarly exorbitant.

Notwithstanding these concerns, the Streets Ahead program is one achievable option for home ownership for low income earners in Tasmania. The positive comments of one of the research participants highlight the value of this opportunity:

“I am extremely happy about the place I’m about to be living in. I went from the private sector because it was too difficult to deal with, to Housing and I managed to get a place and now I am eligible for the Streets Ahead Program. I’ve actually purchased a house and I’m going through the settlement at the moment. The experience with the private rental drove me to inquire and then finally discover that the Government housing scheme was really, really supportive by comparison.” (Simon, Burnie, aged 39)

The HOAP scheme provides opportunities for low income earners who are unable to access loans from mainstream financial institutions. HOAP loans repayments start at 25% of income and are indexed to the CPI. The interest rate is variable. Applicants for this scheme must have sufficient savings to make the required deposit to secure the

loan, which is \$3,000 or 5% of the purchase price. Additional monies for associated costs such as legal fees, rates and insurance are also required. Eligible applicants can utilise the First Home Owners Grant for the deposit, however the requirement that applicants demonstrate a successful savings history, ie that they are able to sustain savings of \$1,000 in their own account consistently for three consecutive months. This condition is useful in ensuring the applicants have the capacity to make their repayments without becoming over-committed. However, the requirement is beyond the reach of many low income earners who are dependent on government pensions and benefits, have been living in long term rental accommodation and may have had to pay the high costs of frequent moves in a relatively short period of time

*“I would like to own my home too but I’ve rung the Tassie Home Loans but you know a single person on a pension – it’s just too hard. They only lend you like \$39,000 or \$40,000 and unless you want to live in Rosebery or somewhere like that you are not going to be able to get a very nice house with that anyway.”
(Mary, Devonport aged 34)*

“I rang the Tassie Home Loan Scheme but they said you have to have \$3000 up front to be part of it. I’ve got no hope of saving up that amount of money. Not a hope in Hell.” (Kathleen, St Helens aged 44)

The findings from this research highlight the vulnerability of low income earners in the housing market and the corresponding urgency in their desire to own their own home. Both these factors make them highly susceptible to high risk financial ventures. There is growing evidence that low income earners in Tasmania are being targeted by dubious and exploitative home-purchase schemes, marketed in ways which capitalize on people’s anxiety about long term housing security. These schemes promote the advantages of home repayment over rental payments, offering high risk, installment-based deals to purchasers. The sale of public housing stock is their primary focus. In a housing climate in which the chance of accessing public housing is low and the private rental market is tight, expensive and discriminatory, low income earners are being pressured into signing contracts that may at best financially disadvantage them for years and at worst make them even more insecure in their current tenancy.

SECTION FIVE

CONCLUSION AND RECOMMENDATIONS

The overall conclusion to be drawn from this research is that the current housing market is failing low income earners in Tasmania in a variety of ways. Most critically, there is a significant shortage of affordable, appropriately located and secure housing for people on low incomes in the State. This is of great concern in a state which has highest proportion of the population in this income bracket in Australia. The reduction in Commonwealth funding for social housing, the corresponding decline in public housing rental stock, the remainder of which is targeted for people with high needs, combined with a booming housing market and an increase in the number of low incomes households has created a situation in which low income earners are forced into the private rental market. The private market will always favour the supplier over the consumer, but especially in the current climate, low income earners are particularly disadvantaged.

One corollary of these conditions is the need for legislative protection of tenants' rights in the private rental market. Many of the issues identified in the review of the Residential Tenancy Act 1997 conducted in 2000 remain serious concerns for low income earners, particularly the practice of charging fees for applying for and viewing properties by real estate agents, the return of bond monies and property owners' failure to meet their obligations in relation to repairs and maintenance of properties. As many of these issues are addressed in the Residential Tenancy Amendment Bill 2001, it is a matter of urgency that this Bill is enacted at the earliest opportunity and provisions made to ensure its effective enforcement.

This research used the fundamental principles of housing as benchmarks against which to measure the outcomes of low income earners in the Tasmanian private rental market. It found that, against every measure, this group were experiencing significant disadvantage. Participants interviewed in this research reported a number of barriers confronting them in the process of accessing and maintaining affordable, appropriate housing with security of tenure.

5.1 Affordable Housing is essential for social health and wellbeing

Affordability was an issue raised in all the focus groups. The high cost of rents for low income earners in Tasmanian private rental market, in addition to the cost of bonds and the costs associated with regular moves created real financial hardship for many of the people interviewed in this research. As many of them were forced to live greater distances from services, including Centrelink offices, employment and educational opportunities in their search for cheaper housing, the cost of transport was another impost on their limited budgets. Over 60% of low income Tasmanian households in the private rental market are experiencing after housing financial stress, compounding the

disadvantages they experience in all other aspects of their lives, including their capacity to pay for essential items, access to employment, health and educational opportunities and social participation and community building.

This research demonstrates that the disadvantages experienced by the low income earners in the Tasmanian private rental market are the result of national housing policy directions which have resulted in a critical reduction in affordable housing in both the private and public rental sectors. Anglicare would therefore argue in the first instance, that the Commonwealth Government should increase, rather than decrease, its funding contribution in the new Commonwealth State Housing Agreement. As described in Section Two, the State has accrued a substantial debt to the Commonwealth of \$273 million during the period 1945 – 1986. The current repayment regime of the debt means that of the \$22m given in base funding, \$16.4m is returned. This situation is unreasonable in view of the current housing crisis and that this creates severe limitations in the State's capacity to provide for the housing needs of low income Tasmanians.

Recommendation 1:

That the Commonwealth Government waive the debt accrued by the State through CSHA loans between 1945 – 1986 so that all the funds from the CSHA are directed to the provision of affordable housing in the State.

Prioritising the need to increase the amount of affordable housing

Given that present indications show an increase in the Commonwealth funding to the CSHA to be highly unlikely, the responsibility for additional funding to address the crisis in affordable housing in Tasmania must fall to the State Government. Anglicare argues that increasing the amount of affordable housing in this state should be made a priority area by the Government.

The State has not made additional expenditure in housing for some time. A review of State budget expenditure on Housing Services over the period from 1997-98 to the present shows that it has remained static or even decreased slightly since last year. Anglicare argues that given the current housing climate in Tasmania, in which the basic housing needs of a significant number of low income Tasmanians are not being met, an increase in expenditure in this area is essential. As more funding from the Commonwealth cannot be relied upon, the State Government must inject substantially more funds to begin to address the issue.

The current boom in the housing market in Tasmania has reaped significant rewards for many and this research, along with other national studies, shows that the housing boom has had a significant adverse effects on people in the lowest income brackets, increasing the disadvantages they already experience. Anglicare therefore contends that, along with an increase in recurrent funding to housing, the benefits of this increased housing market activity should be extended to low income Tasmanians through a one-off initiative in the form of a Social Infrastructure Fund for Affordable Housing. The objective of such funding is to ensure that the most vulnerable in our community are assured of secure, affordable and adequate housing.

The Social Infrastructure Fund for Affordable Housing would inject much needed funds into a range of strategies aimed at increasing the amount of affordable housing in the State. The funds could be used to:

- Build new dwellings in the social housing sector;
- Carry out necessary repairs to make empty houses habitable;
- Provide incentives for private investors to provide low cost housing; or
- Provide seed funding for community organisations and business partnerships to provide and manage low cost housing.

Options for the provision of additional funding for housing are:

- 1) committing the new monies from the increased activity in the housing market to the Social Infrastructure Fund for Affordable Housing. The Budget papers indicate a steady increase in revenue from Conveyances over the period from 1998 – 2002. In the 2000 – 2001 financial year, the State Government raised \$56 million in revenue from Conveyances. This is an increase of \$8.7 million on the amount raised in the financial year 1999 – 2000. The Expected Revenue in 2002 based on trends in receipts to May 2002, is \$68 million (Budget Paper 2002-03 No 1: 141) reflecting the upsurge in the housing market. The Titles Office has recorded the highest ever lodgment of titles in the past two years, with an increase of 20% from the previous year in the 2001 – 02 financial year. The continued activity in the housing market suggests that the revenue raised during the current financial year will continue to increase. In the period July to October 2002, there has been a 30% increase in the number of lodgments on the previous year. Although the 2002 – 03 Budget indicates a decline in revenue in Conveyances as a result of tax relief initiatives to remove duties from a range of legal documents, this exceptional increase in activity suggests that there will be considerably more revenue raised than predicted in the Budget Papers.
- 2) In the longer term, the State Government can expect increased receipts from the GST revenue to the states. The latest figures indicate that Tasmania will begin to receive relatively modest increases in GST revenue from 2004 –05. While these increases are modest, they could provide much needed additional funding for the provision of affordable housing. From 2006 – 07, when the full benefits of the GST are realized, such funding could be expected to increase according to need before stabilizing at a sustainable level.

Recommendation 2:

That the State Government prioritises the need to increase affordable housing in the State by:

- *Establishing a Social Infrastructure Fund for Affordable Housing of \$20million in the 2003 – 04 Budget as a one-off injection of funds to address the immediate crisis;*
- *Providing increased recurrent funding for affordable housing from the increases in GST revenue commencing in 2004- 05;*

- *Supporting the work already commenced by Housing Tasmania in developing an Affordable Housing Strategy which includes strategies to stimulate private investment in low cost housing.*

The establishment of a Rental Bond Board

Evidence from this research indicates that many tenants experience difficulties seeking the return of their bond money, with most commenting that it was rare to be repaid the full amount. An effective mechanism to regulate the transfer of bond monies is a Rental Bond Board model. All other Australian states apart from Tasmania and the Northern Territory have established Bond Boards, government controlled repositories for all security deposits. The Bond Board transfers security deposits from one tenancy to the next and acts as an arbiter in dispute resolution around issues emerging under the jurisdiction of the Residential Tenancy Act. This system provides security for both the landlords and the tenants.

Organisations such as Shelter (Tasmania) and The Tenants Union of Tasmania have argued for the establishment of a Rental Bond Board, similar to the New South Wales model. The Office of Consumer Affairs and Fair Trading would administer the Rental Bond Board. All bonds would be invested by the Board, with the interest raised used to fund operations. Additional funds could be invested in other affordable housing ventures. It has been argued that the smaller population size of Tasmania means that a Bond Board in this State would not have access to the substantial resources available to the larger States such as New South Wales and Queensland (Report on the Impact of the Residential Tenancy Act 1997, 2000). However the same report states that in 2000, it was estimated that a pool of \$9 million could be collected in Tasmania, from which administrative costs would have to be deducted. Given the increased activity in the housing market, which includes more people moving into private rental, it is reasonable to assume that this amount has increased in the past two years.

The advantages of a Rental Bond Board have been identified as:

- Recognition that the bond monies belong to the tenant and not the landlord;
- The consistent application of rules for depositing and returning bonds;
- Experienced staff to assist all stakeholders: tenants, property owners, real estate agents with the process;
- Improvement in the efficiency and transparency of processes in dealing with bond monies;
- Contribute to housing policy development by providing data to track the movement of individuals and households within the private rental market; and
- The accumulated bond monies would generate significant interest for use in administering the requirement of the Residential Tenancy Act and potentially, for the development of other affordable housing options.

(Shelter Tasmania, 2002; Tasmanian Poverty Coalition, 2002)

Recommendation 3:

That the Tasmanian Government allocate funds for the establishment of a Rental Bond Board for the purpose of consolidating and regulating the collection and disbursement of private bonds.

5.2 Increasing housing security

Almost all of the participants in this research identified lack of security and vulnerability in the private rental market as one of their most persistent concerns. This was reflected in the number of times they had to move and their experience of powerlessness in dealing with their landlord or real estate agent. Security of tenure was an important goal for almost all of those interviewed. Almost every participant aspired to owning their own home, however at the time of interviewing most felt that this aspiration would never become a reality for them. A number of the participants were registered on the waiting list for social housing, but all recognised their limited chances of acquiring social housing in the current climate. Many participants commented on the high numbers of public housing dwellings apparently for sale or empty. The financial and emotional costs of high mobility are a key issue for many low income private renters. Clearly this increases the desire for permanency and security, making this group highly susceptible to exploitative financial loan schemes and hire-purchase schemes for home ownership.

Recommendation 4:

That Housing Tasmania provide more information to the community generally, but particularly to low income households unable to access public housing, about:

- *the stock reconfiguration strategy;*
- *the options for home purchase as well as other tenure options including information about the risks associated with private hire-purchase schemes.*

The Supported Accommodation Assistance Programme

Although not the primary focus of this research, focus group participants accessing crisis accommodation services did raise a number of issues about the current client brokerage model which has been recently adopted by the Supported Accommodation Assistance Programme (SAAP). Many of the experiences described here suggested that the immediate and long term needs of some clients are not being met most effectively within this model. As a review of the model will commence in December 2002, Anglicare feels that it is important to evaluate these aspects of client satisfaction.

Recommendation 5:

That the review of the SAAP Client Brokerage Model includes in its evaluation an assessment of client satisfaction of private accommodation options in terms of meeting their housing and support needs in the short, middle and long term.

5.3 Accessible Housing: Protecting low income tenants' rights and minimizing costs

The lack of regulation in the private rental market means that low income earners are especially vulnerable to unscrupulous or merely disinterested landlords. A powerfully recurring theme emerging from the interviews was the experience of being discriminated against in the private rental market on the basis of employment status, disability, age,

family size and sole parenthood status. The only legal recourse to contest experiences of accommodation related-discrimination is through the Anti-Discrimination Commission. The Commission may seem remote from the lives of many low income earners and the procedures required to make a claim could be a disincentive to people desperately focused on finding a place to live. The difficulty in actually proving discrimination occurred in these cases would be difficult. The most effective measure on this issue is education to tenants, real estate agents and private landlords about the provisions of the Anti-Discrimination Act 1998 as it relates to accommodation.

It is fair and reasonable that tenants are selected on the basis of their capacity to pay rent and maintain their tenancy, but not on the basis of other characteristics. As many of the participants in this research observed, they were in receipt of a regular income if they were pensioners or allowees.

Recommendation 6:

That information about the Anti-Discrimination Act 1998 in relation to accommodation be a component of the advertising and community awareness campaign 2001 to be undertaken by the Office of Consumer Affairs and Fair Trading following the enactment of the Residential Tenancy Amendment Bill.

The costs and charges associated with applying for rental properties, as well as the level of personal information required were raised consistently as a major barrier to successfully competing in the rental market. For many low income earners, the 'service fees' charged by many real estate agents created a real impediment to competing successfully for rental accommodation. Many low income earners have to delay payment on some bills from time to time to ensure that there is food on the table. Because housing is a priority, many low income earners make their rental payments before anything else but may be left in after-housing stress, with insufficient financial capacity to pay their other costs. Being referred on to a collection agency is not an uncommon experience for many on low incomes, however in the private rental market, this becomes a further impediment to accessing housing. A credit check as a criterion for rental tenancy can readily exclude many low income earners, particularly if it is not contextualized in the financial limitations of their everyday existence. The level of personal detail required by the application forms used by real estate agents and the electronic database of tenants are both cause for concern.

Until the legislative safeguards established through the Privacy Amendment (Private Sector) Act 2000 is extended to include small businesses (which will occur in December 2002), there is no means of protecting this particularly vulnerable group from breaches of privacy. Nonetheless, if the client gives written authorization for access to this information, there is no legislative protection under the Act.

Recommendation 7:

That the Residential Tenancy Amendment Bill 2001 be:

- *amended to include a section addressing privacy issues of tenants in relation to application forms and the maintenance of tenancy databases by real estate agents*

and private landlords. This section would set out the information that can legally be required to validate identity and other details directly relevant to the tenancy application. In relation to data bases it should ensure that management should be transparent, accountable and protect the rights of tenants; and

- enforced to prevent the charging of fees for applications to rent or viewing of premises.

5.4 Adequate housing: Legislation and quality control in the private rental market

Once in their homes, this research found that many tenants found the quality and conditions of their home were of a very poor standard. Private rental properties at the low cost end of the market tend to be older, and as this research has illustrated, repairs and maintenance are more often required. When they report these problems to real estate agents and landlords, these tenants experienced difficulties in having their concerns addressed. Provisions for tenants to get landlords to undertake the repairs maintenance of the dwelling within a specified period of time are covered in the Residential Tenancy Act 1997. The forthcoming Residential Tenancy Amendment Bill 2001 includes stronger provisions in relation to urgent and emergency repairs. Under the current system, the tenant must notify the owner or real estate agent and wait for a period of 28 days for the repair to be undertaken. If the owner or agent does not respond, the tenant can lodge a claim with the Magistrates Court, Small Claims Division. They may then have to wait a number of weeks for their case to be heard.

Strengthening the legislation around tenants' rights in this area will be a great improvement in this system. However there are fundamental concerns about the level of awareness of tenants' rights for both property owners and tenants. The majority of participants in this research indicated that while they knew it 'wasn't right', they did not necessarily know their legal rights and were even less aware of the mechanisms to pursue them. Under the existing legislation, the requirement to provide tenants with information relating to rights and obligations under residential tenancy agreements applies only in cases where the residential agreement is wholly or partially oral. In cases of a written agreement no obligation to provide this information exists. Irrespective of the inconsistencies in the provision of residential tenancy rights and obligations, the underlying concern for low income tenants is that this highly vulnerable group is especially fearful of reprisals from landlords which could result in a loss of shelter. This group is less likely to pursue their requests for repairs and less likely to take their cases to the courts.

Recommendation 8:

That information about rights and obligations under the Residential Tenancy Amendment Bill 2001 regarding repairs and maintenance of rental properties and the procedure for pursuing complaints are more widely publicized to both tenants and landlords. This could be implemented in the following ways:

- Information about tenants' rights is distributed to all property owners with their land tax payment notices;
- The establishment of a Rental Bond Board would enable information about tenants'

- rights to be sent routinely to tenants as each new tenancy is registered;*
- *By locating a Tenants' Union case worker in the North and North West regions.*

Substandard Dwellings

In some of the cases described in this research, the standard of the dwellings was so poor that their health and safety were at risk. In other cases, poor plumbing, heating and ventilation increased the costs of heating and adversely affected their quality of life. These dwellings are being rented out, with a high change over of tenants, without any repairs or regulation of either standard or rental price. The regulation and monitoring of quality and standard of rental properties is currently covered by a complex and somewhat adhoc combination of different legislation administered by different levels of government and agencies. The standard of dwellings in the private rental market is covered by the Substandard Housing Control Act 1973 administered by Housing Tasmania. This Act gives the Director of Housing responsibility for declaring a dwelling substandard, and acting to protect the tenants in this situation by setting the maximum rent for substandard housing or declaring premises unsuitable for renting. There is little evidence that this Act is being utilised or indeed that Housing Tasmania technical officers are aware of their responsibility in this jurisdiction. Housing issues affecting health are covered by the Public Health Act 1997, which is enacted at local government level and monitored by Environmental Health Officers. Additionally, The Building Code and Building Standards administered by the Department of Infrastructure, Energy and Resources also has implications for the standards and quality of rental dwellings. One result of this mix of legislation and administrative responsibility is that many low income earners are living in substandard dwellings, paying relatively high rents and often unaware of their tenancy rights in these matters.

Bureaucrats and stakeholders in this area are well aware of the problems of utilizing these various pieces of legislation and enforcing them in the private rental market. The Unhealthy Premises Group, convened by the Public Health and Environmental Health Service in the Department of Health and Human Services and comprising representatives from the relevant departments and key stakeholder groups has formed to develop a co-ordinated approach to the problem.

Recommendation 9:

That legislation is developed to more effectively address the poor standard of rental dwellings. This could be incorporated into the Residential Tenancy Amendment Bill 2001 or as a new Act. The legislation would include:

- *A revised set of minimum requirements for standards of dwellings;*
- *Measures that link the standard of rental properties to local council rates with levies applied where dwellings do not meet these standards. Collected levies could go into the Health budget to offset the cost of poor health caused by poor standard dwellings;*
- *A requirement that all rental properties be assessed against building and health standards within the next five years; and*
- *Any rental property coming on the rental market be inspected prior to advertising.*

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