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Tenants Union of Victoria
Social Change Agenda

February 2002

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INTRODUCTION

The social change agenda will form the foundation for the work of the Tenants Union of Victoria for at least the next 10 years. In seeking to effect positive change for tenants in Victoria we need to define what kind of social change we would like to see occur, who we think the change should benefit and how we intend to achieve it.

The first step in this process is to recognise that the private rental market does not operate in isolation. The purpose of this paper is to identify the broad structural issues that directly and indirectly influence the private rental market and to highlight its links with the broader environment.

The first half of this paper identifies what we believe to be the key issues and major social trends, which directly and indirectly impact on the private rental market. While the recent increase in policy and research concerned with the private rental market has contributed to our understanding of its workings, the Tenants Union could play a much greater role in setting the direction of private rental market research in the future.

The second half of the paper identifies the issues that the Tenants Union will be working on in the interests of all tenants. An internal version of this document contains more detailed and specific goals in relation to social change. While some detail is provided as to why these issues have been identified and how we intend to pursue those goals for more specific information tenants or others are encouraged to contact the Policy Worker in the first instance.

The Tenants Union is a relatively small organisation and our ability to achieve structural change is limited. Strategic alliances and partnerships play a key role in pursuing the social change goals. We recognise that other groups often identify similar issues or goals and by combining and utilising the resources of other organisations and groups we enhance our capacity to bring about change.

KEY TRENDS

Changes to the Labour Market and Incomes

Economic restructuring in response to local and global forces and a shift in public policy towards a greater reliance on the market has resulted in substantial changes to the labour market and the distribution of incomes.

One aspect of these changes has been the decline of goods producing industries such as manufacturing and the growth of service industries. Gregory and Sheehan (1998) estimate that about 25% of employment in Australia has shifted from manufacturing to service industries over the past 30 years. Service industries tend to produce employment patterns of highly paid jobs for the few and low paid jobs for the many. As a consequence, while the last decade has seen a sustained period of economic growth, its benefits have been unevenly distributed. For example, almost all of the growth in employment during the last 10 years has been accounted for by the growth in casual and part-time employment (Borland, Gregory and Sheehan 2001).

The effect of this uneven distribution of job opportunities is an increasing polarisation of incomes. The last 15 years or so have seen an increase in the proportion of households where there is no wage earner and at the same time, an increase in the proportion of households with two wage earners. Because of these types of changes poorer households in Melbourne (ie those in the bottom 40% of household incomes) have actually seen their real incomes decline by nearly 12% in the period 1986-1996 (Berry and Hall 2001:36-37).

Due to increasing levels of unemployment and underemployment, the nature of poverty has also changed significantly in the last 25 years. While poverty was once largely confined to people outside the labour market such as the elderly and the disabled, it is now increasing among people of working age. Those who are unemployed are now more likely to be out of work for longer periods—some 20% of all unemployed are now long-term unemployed (ABS 2000).

Another important aspect to the changed labour market and the growth of poverty has been the geographic shifts that have occurred, especially in relation to housing markets. While some areas of Victoria have experienced real increases in employment, others have experienced catastrophic declines. For example, northern and western Melbourne experienced large job losses during the early to mid-1990s with the collapse of the manufacturing sector (DOI 2000). Manufacturing jobs were not replaced during the latter half of the 1990s with the new style of service sector jobs as these new jobs tended to be concentrated in inner urban and inner eastern Melbourne.

Some regional centres have experienced massive job losses, population decline and a loss of services. In Latrobe Valley in particular, the closure or rationalisation of major industries has led to entrenched unemployment and other social disadvantage (Cheers 1998). While housing in the Latrobe Valley may be relatively affordable—the median rent for a two-bedroom house is \$95 per week compared with \$175 per week in the western suburbs of Melbourne—there are few local job opportunities (Office of Housing 2001a). On the other hand, regional areas which have experienced jobs growth are now experiencing rising housing costs and a severe shortage in supply of private rental accommodation (Beer 1998).

This division between areas that are experiencing increases in wealth, both in terms of household incomes and property values, is also apparent in metropolitan Melbourne (Department of Infrastructure 2000a). An analysis on behalf of the Department of Infrastructure of the tax and property price data indicates that income and wealth inequities are rapidly polarising Melbourne into areas of increasing wealth and poverty. While areas such as Dandenong, Frankston and Broadmeadows have seen real incomes decline by 5%

in the last decade, most inner and middle ring suburbs have seen incomes rise by at least 20%.

Changing Demographics

Changing demographic patterns—and the economic and political context in which they occur—are important because they determine the pattern of demand for housing. The rate and type of family formation has changed substantially since the 1970s. An ageing population and the delay in family formation has resulted in an increase in single person and single parent households. ‘Traditional’ nuclear family households made up of two parents and dependent children are becoming less and less common. While these households still made up 38% of all households in Melbourne in 1996, this had fallen from 44% in 1986 (DOIb). One consequence is that the number of households is increasing at a faster rate than the population. While the population of metropolitan Melbourne increased by about 12% between 1981 and 1996, the number of households increased by nearly 19% (DOIb).

While the trend is clearly towards smaller households, it should be noted that anecdotal evidence from various housing and welfare agencies indicates that there has been a slight increase in extremely large households, particularly in the case of some Aboriginal, migrant and refugee families attempting to access public housing. This is reflected in the unmet demand for large dwellings. Just over 4% of all applicants for public housing during 1999-2000 were households consisting of a parent or parents and four or more dependants. However large housing (four or more bedrooms) made up less than 3.5% of all stock (Office of Housing 2001b, 2001c) and the shortage is further exacerbated by the very low turnover of this stock (Office of Housing Property Allocation Information). While this is not a major trend, it does indicate a significant shift at the other extreme of household formation, particularly amongst groups that tend to be socially and economically marginalised. This is significant for the Tenants Union of Victoria in particular, as our resources are targeted towards marginalised groups and households and ensuring that their housing needs are met.

The rate of household formation and the changing nature of households can result in a mismatch between household needs and stock type. Problems of affordability and access to tenure choice due to discrimination or shortages in appropriate stock are also a consequence. The increasing number of single person and couple only households suggests there is an increasing need for smaller one and two bedroom housing, however this is not reflected in the latest data on building approvals. New housing is on average becoming larger suggesting that people who can access new housing are consuming more and more space (DOI 2000b). While ABS census data for metropolitan Melbourne shows no obvious increase in group households (made up of unrelated individuals who are unable to afford housing of their own), some recent research on the recipients of Commonwealth Rent Assistance payments suggests that a substantial number of individuals are living in shared, boarding and lodging situations (Wulff 2001).

Increasing Demand for Private Rental Housing & Shortage of Low Cost Rental Properties

The nature and role of private rental housing is changing. For much of the post-war period, private rental has been treated as either a transitional tenure—a temporary tenure on the way to home ownership or public housing—or the housing of last resort for a small minority. This is no longer the case. For an increasing number of Victorians, renting is now a long-term tenure, either out of choice or more often than not because there is no other option. Only for the relatively wealthy is private rental a choice, either because they want to live in an area where they cannot afford to buy or because renting provides the flexibility to respond to a labour market that demands frequent changes in location.

The private rental market is growing rapidly. Since the mid-1980s the number of households in the private rental market has grown at a faster rate than the total number of

households. In their analysis of ABS data from 1986 to 1996 Wulff, Yates and Burke (2001) have calculated that the number of households in the private rental market in Australia grew by 34% at a time when the total number of households grew by only 24%.

However it also appears that while the total stock of private rental dwellings grew at a faster rate than overall growth in households, the stock of low rent dwellings actually fell. This shortage of low rent dwellings has been greatly exacerbated by a real and proportional increase in the number of younger low income tenants (under the age of 45) which appears to be the result of the profound social, demographic and economic changes touched on above.

The shortage of low rent dwellings has been compounded by the fact that not all low rent dwellings have been available to low income tenants. Moderate income households who would in earlier times have moved into the home purchase market now occupy many of the low rent dwellings. Once these factors are taken into account Wulff, Yates and Burke (2001) estimate that there is a shortage of about 150,000 low rent dwellings nationally and about 29,000 in Victoria.

Again, locational factors are important to note. The overall decline in the numbers of low cost dwellings has not happened consistently across the state. Some areas of Melbourne, such as the City of Melbourne and the City of Boorondara, saw a 42% decline in the numbers of low cost rental properties between 1986 and 1996. Over the same period however, the number of low cost rental dwellings in Greater Dandenong increased by 168% and by 94% in the City of Frankston (DOI 2000b: 43).

Influence of Economic Liberalism and the “Third Way”

At the foundation of economic liberalism is the belief that the forces of supply and demand will ensure that needs are met and diversity is accommodated, and that minimal government intervention allows the market to find the right balance. Privatisation, deregulation and a shrinking government are all hallmarks of economic liberalism.

Economic liberalism emerged in Australia during the 1970s—a time in which the country was undergoing significant social, demographic and economic change. Falling rates of employment, an increased breakdown of the traditional family unit, an ageing population and periodic economic recessions resulted in a much greater demand on the welfare system (Cass and Whiteford 1989). In response, the government increased the targeting of social services in conjunction with economic policies aimed at controlling inflation, reducing the size of government and reducing the role of government in the provision of services, especially social services (Cass and Whitehead 1989). More recently however, we have seen the return of universalism through the introduction of health care rebate, the soon-to-be-introduced tax rebate for new mothers, the first home owners scheme and tax benefits for superannuation, to name but a few.

While economic liberalism remains the dominant ideology in Australian politics, some commentators argue that a shift in the provision of social services needs to occur, away from the centralised provision of services by government and towards a locally based, locally run partnership approach to welfare provision that relies on the energy and creativity of citizens and communities (Latham 2001). There is little evidence to suggest that this model has had any real influence on Australian politics to date, except perhaps in the area of housing. The Victorian government is currently undertaking a massive neighbourhood renewal program on many of the public housing estates, based on a partnership approach reminiscent of the Third Way programs in the UK. The recent Segmented Waiting List and Eligibility Criteria reviews conducted by the Office of Housing reveal a favouring of the devolvement of responsibility from a centralised service to local area offices. A recent report commissioned by the Office of Housing on social housing innovations proposes that the provision of low cost housing be transferred to locally based, locally run housing associations. Whether this represents a real shift in political thinking or an opportunity to further remove government from the provision of social services is still unclear.

The second half of this paper begins with a consideration of the role of the private rental market, and the major issues associated with this, followed by a discussion on marginalised households.

MAJOR ISSUES AND GOALS

The Role of the Private Rental Market

The role of the private rental market within the broader housing market has taken on greater significance throughout the 1990s (Seelig 2001) due largely to the structural factors already outlined in this paper. However there is a range of issues within the private rental market adversely impacting on marginalised households such as affordability and supply, appropriateness, access and security of tenure.

While private rental has traditionally been considered a temporary tenure on the way to home ownership, this is no longer the case for many households. Home ownership is increasingly out of reach for low income earners (Berry 1999). The public housing system in Victoria currently provides approximately 70,000 units of public and community housing to those on low incomes but growing waiting lists and declining Commonwealth funding have placed increasing pressure on a system that is already overloaded (Yates and Wulff 2000). Increasingly, low income and marginalised households are spending long periods of time in private rental (Wulff 1997, Beer 1999), often in housing stress (Yates and Wulff 2000), or sliding into even more marginalised forms of accommodation such as rooming houses. Anecdotal evidence suggests that demand for rooming house accommodation remains high and this is compounded by an acute loss of stock. While much of the data around stock loss is sketchy, some statistics are available. For example in 1954 there were 9,500 rooming house beds available in St Kilda. By 1981 this figure had shrunk to 3,438 and by 1992 to 1,386 (Burke 1998). Anecdotal evidence also points to an increase in the use of caravan parks as permanent accommodation, particularly amongst the elderly and single men.

Many low income households also trade off standard of amenity for cheaper rent or share in overcrowded situations (Burke 1998). Data on the standard of private rental accommodation in Australia is scarce (Paris 1993), partly due to the nature of the private rental market and the exchange of properties between private rental and home ownership markets (Seelig 2001). Further research needs to be conducted in this area. Another increasing problem for tenants is the lack of diversity in the available stock, particularly in relation to the changing demographics noted earlier.

Private rental offers choice and flexibility for some households but usually only those for whom affordability is not an issue. In Melbourne, the recent boom in inner city apartment construction has resulted in a glut of rental properties at the higher end of the rental market. The print media has run numerous articles on high vacancy rates in the rental market noting that tenants are in a good position to renegotiate rents (Rose 2001, Petty 2001, McArthur 2002, Hattam 2002). On the other hand, discrimination is a barrier to many households attempting to access private rental (San Pedro 2000, Adkins et al 2001). While recourse is available through Equal Opportunity legislation, the complainant must fit within a specific category and the process is often slow and does not ultimately help to secure accommodation.

While tenants are required to move involuntarily through the use of Notices to Vacate and short term lease agreements there is no empirical data showing how many tenants experience this or how often this occurs. Short term lease arrangements and periodic tenancies only suit those who are voluntarily mobile or choose to move between home ownership properties. A research project into issues of security of tenure is currently being undertaken in Queensland, although it is not yet complete (Adkins et al 2001).

The private rental market does not currently meet many of the needs of low income and marginalised households and improvements need to be made across a range of areas in order to address this situation.

Marginalised Households

It is important for the Tenants Union of Victoria to define its focus more clearly, as tenants as a whole are a fairly diverse population in terms of income and social status. On the one hand it is clear that private rental tenants suffer from the most affordability problems, with 55% paying 30% or more of their household income in rent. This is twice the rate of home purchasers (Berry and Hall 2001: 57). On the other hand it is clear that some tenants are fairly wealthy, as nearly a third of all private rental tenants in Victoria are in the top 40% of household incomes (ABS 2000). Wealthier tenant households will probably not experience any problems of affordability even if they are paying substantial proportions of their income as rent.

While income on its own is an important factor it is worth defining who we mean when we refer to marginalised tenants and communities. This is important because it is sometimes assumed that poverty and marginalisation are the same thing. As a starting point we could say that marginalised communities are those people who are excluded from full economic and social participation because they suffer from a combination of linked problems such as unemployment, poor skills, low incomes, insecure or inadequate housing, high crime environments, poor health and family breakdown. A similar concept used particularly in the UK is ‘social exclusion’ and this is specifically linked to the notion of ‘deprived neighbourhoods’ where the socially excluded are concentrated. It is necessary that our understanding of marginalisation is kept to a practical and simple concept however, so as to ensure a minimum of intrusion into the lives of tenants while providing some flexibility for workers providing assistance. Defining our target group as those with limited housing options, who pay a large proportion of their income in rent and occupy inadequate or inappropriate housing satisfies this need.

In targeting marginalised households it is important to understand the distinction between poverty and marginalisation and the link with housing tenure.

Poverty and marginalisation

Traditionally, the people living in poverty were those who could not find work or were out of the job market such as the elderly or disabled. This changed during the 1990s when we saw the emergence of the working poor in Australia and a rise in inequality among incomes in general. New research indicates that three interrelated features of economic development over the last 25 years—and the 1990s in particular—are having a significant impact on the nature and distribution of poverty (Borland et. al. 2001). The first of these is the growing inequality in wages: while some occupations have seen substantial rises in real income over the last decade others have stagnated. The second feature is the continuing change in the types of jobs available, most notably the rise of part time and casual jobs and the decline of full time employment. The third feature is the polarisation of work-rich and work-poor households. In the late 1970s about half of all households had one member in employment, more than a third had two and about one in ten households had no member in paid employment at all. By the mid-1990s this had changed dramatically so that nearly half had two members employed and almost one in five households had no one in paid employment (Gregory and Sheehan 1998).

One characteristic of marginalised tenants can then be thought of as either being out of the workforce altogether—such as those on aged and disability pensions or lone parents who are unable to access childcare—and those who are in the workforce but are either underemployed or have to rely on low paid and/or insecure employment. According to ABS 2000 statistics more than 25% of Victorian tenants rely on a Government pension or allowance as their principal source of income compared to 6.9% of purchasers and 32% of outright owners. (The high figure for outright owners needs to be viewed in light of the fact that nearly two thirds are over 55 and that nearly 90% pay less than 25% of their incomes on housing costs, which characterises them as ‘income poor, asset rich’ elderly home owners).

What this shows is that while a typically elderly outright owner who relies on a pension or benefit might have a low income we would probably not consider them in this context to be marginalised solely by virtue of their income. Rather, other factors such as housing costs and tenure security need to be considered. Housing costs in particular need close examination because statistics such as ABS housing costs data can be misleading eg while poorer purchasers generally pay a similar proportion of housing costs as poorer private rental market tenants, these costs are short term and reduce over time whereas private rental tenants can only expect their costs to increase over time.

Tenure and marginalisation

Given the above it is clear that the relationship between tenure and the nature of marginalisation is important. As Hulse and Burke (2000) point out, in market liberal societies such as Australia, the private rental market not only accentuates the marginalisation caused by processes such as the labour market, it creates marginalisation in itself. The framework outlined by Hulse and Burke provides a useful way of understanding how the private rental market does this. It also gives us a way to understand who the marginalised tenants are in a way that includes, but goes beyond, the question of affordability.

Hulse and Burke (2000) outline a number of broad processes that are relevant here:

1. The private rental market reinforces poverty and financial insecurity: The poverty created by labour market processes and a stingy social security system is exacerbated by the private rental market. While poverty can be mitigated by the provision of affordable social housing (public and community housing), the private rental market—in the absence of effective income support—serves to accentuate the problem because it is based on returns on investment rather than capacity to pay. The shift from direct provision of housing through the CSHA to Rent Assistance has reinforced this.
2. Lack of security of tenure and forced mobility: The existence of no cause evictions, relatively short leases and the lack of effective rent control tend to force tenants into moving often. Frequent forced moves can cause marginalisation by disrupting the education of children and continuity of health care and by jeopardising employment. Given the relatively high costs of moving, an eviction can also result in housing crisis and homelessness.
3. The location of low rent housing: The geography of Australian cities contributes to the problem of marginalisation. In low density cities such as Melbourne, the areas of disadvantage are less visible to the affluent and politically powerful residents, compared with high density European cities where the disadvantaged are more visible. The current debate about the extent of poverty in Australia between the Smith Family and the Centre for Independent Studies shows how even the existence of poverty and disadvantage can be questioned, and when poverty and homelessness are hidden they are less likely to be a priority. Low cost housing and disadvantage have been spread across Melbourne fairly evenly in the past but are now more highly concentrated in certain areas (DOI 2000). Also, low cost private rental is increasingly found in the outer suburbs and some regional centres where amenities and facilities such as public transport, schools, health care and job opportunities are absent or difficult to access. Poorer households then have to make difficult trade-offs between housing affordability and access to amenities. In this way locational constraints both accentuate and cause marginalisation.
4. Lack of access to support services: There is an inherent difficulty in linking tenants in the private rental market to support services. Compared to social housing tenants—whose location is known and whose tenure is much more secure—private rental tenants can be difficult to find and appropriate services difficult to locate. There is also a problem with the role of housing managers. In social housing there is a reasonable expectation that the social housing authority or organisation will have

an interest in and an ability to refer a tenant to an appropriate service. Estate agents and individual landlords who manage their own properties do not have the same interest or ability. The private rental market works to exacerbate any pre-existing problems.

5. **Discrimination:** As private rental landlords and agents are not subject to the same level of scrutiny and accountability as social housing, discrimination by landlords is much more common. The private rental market then serves to accentuate the marginalisation caused by broader processes.

The broad processes outlined above give an indication as to how tenure can both cause marginalisation and how it can intensify the marginalisation that already results from factors such as underemployment, low income, physical isolation from services, low educational levels and linguistic and cultural background. While there are obviously other sources of marginalisation, such as disability and addiction, that are not specifically referred to above, the important point is that any factor which inhibits full economic and social participation can be thought of as a source of marginalisation. As we saw above in relation to low income home owners, it is also important to note that it is probably possible for a person or household to have some characteristics of marginalisation—such as a low income or coming from an NESB—without being considered to be marginalised. It is the effect of these factors on the ability of someone to participate in economic and social life that is important.

Social Change Goals

From the key trends in the private rental market and social marginalisation we have distilled six key long-term, social change goals. These goals highlight the structural changes that are required to ensure improved outcomes for tenants, particularly those tenants who experience marginalisation from the broader community.

1. Increased legitimisation of tenancy issues

Increased legitimisation of tenancy issues is a key step in achieving long-term structural change for the benefit of tenants. Without an improvement in the broader public perception of tenants and an understanding of the issues that impact on them, it will be very difficult to achieve any of the other social change goals. In this sense, increased legitimisation of tenancy issues underpins each of the following goals as a necessary and complementary target. In improving the legitimisation of tenancy issues, a range of audiences and sub-sections of the market need to be appealed to but at the same time a critical mass needs to be developed for broad support. The building of critical mass facilitates and enhances the ability of the Tenants Union to coopt genuine political will. Political will is essential in achieving long-term structural change, as the changes required need government commitment, influence, funding or legislative change.

Political will

The ability of the Tenants Union to achieve genuine political will relies on our ability to identify and articulate the important role that tenancy and private rental issues play within the broader housing market and the role they play in homelessness. Strategic alliances with other community organisations, industry peaks and local government will therefore be imperative to achieving this goal.

There is a range of lobby groups, community organisations and housing industry peaks that need to be engaged in ongoing relationships in order to work cooperatively towards genuine political will. It is important that the goals of the alliances be clearly articulated, mutually shared and continually reassessed. The ability to manage those relationships over time will also need to be considered, ensuring that other issues do not adversely impact on the agreed goals of the relationship. Relationships with individual politicians and their advisers will also be pursued with a view to increasing dialogue and improving the

understanding of tenancy issues across government, rather than just relying on those politicians who have a specialised interest.

Local government cannot be overlooked as an important forum in which to pursue greater understanding of tenancy and private rental issues. The Victorian Local Government Association (VLGA) and the Municipal Association of Victoria (MAV) are the two peak bodies representing local government. Building strategic alliances with these two groups around housing issues ensures access to another level of state government. Council issues such as planning controls and affordable housing strategies are both relevant and important to our goals.

2. Increased affordable housing for marginalised households

The growing lack of affordable housing options for many Australians across all tenure types has been well documented in recent years by academics, community groups and governments. The loss of affordable rental properties in Victoria, and the failure of the public housing system to meet current demand are compounding to the detriment of many tenants, but especially those who are marginalised or vulnerable. Problems in the home ownership market are intrinsically linked with this situation. Despite the general consensus on the problems of affordability there has been little response from successive governments to address this issue. Burke suggests there are a number of reasons for this; the unwillingness in Australia to address the complexity of the problem, the constraints of interventionist government approaches in a market liberal economy, the difficulties associated with the responsibility for affordable housing being shared across a range of government departments, the instability of the housing market, and the lack of clarity and/or agreement on what constitutes affordability (Burke 2001).

For the purposes of this paper, affordability issues will be split roughly into two categories: individual incomes and housing costs.

Rent assistance

As stated earlier in this paper, the Tenants Union's resources can be best utilised by directing them to those most in need ie marginalised and vulnerable households. Within this context, the adequacy of statutory incomes in assisting tenants to secure affordable housing needs to be examined, in particular rent assistance. The role and adequacy of rent assistance has been much discussed and researched within Australia over the last 10 years, with the general consensus being that rent assistance in its current form is failing most tenants in meeting affordability.

According to Hulse (2001) some of the key problems associated with rent assistance include

- a lack of regional variation in assistance payments
- the eligibility criteria to receive rent assistance
- a lack of flexibility in the use of rent assistance
- the location of rent assistance within income security programs
- confining rent assistance to private rentals only
- the failure to link rent assistance with an affordability benchmark
- the failure to link rent assistance to the standard of accommodation

The possibility of expanding the social housing sector in Australia to include Housing Associations further calls into question the role of rent assistance and the part that we think it should play in the provision of affordable housing.

Any proposal to reform rent assistance needs to carefully consider all of these issues. Reform of the rent assistance program is necessary if affordability is to improve for those at the lowest end of the private rental market. This is a long-term goal that cannot be undertaken in isolation.

Housing supply

The supply of affordable rental housing is not meeting demand with the result that many households are living in housing stress, with a large proportion of their income going towards housing costs. While improving incomes may be effective in addressing issues of affordability, it will not deal with the long-term issue of supply. Without improvements in the supply of low cost accommodation, increasing demand will continue to drive the cost of renting regardless of income levels.

Market forces also tend to dictate the location of affordable housing, with gentrification playing a huge role in redefining the inner city areas of Melbourne and effectively relocating low income households further out in the urban sprawl, away from services, public transport, employment and entertainment. Planning can play a key role in mitigating the impact of this process by ensuring that an appropriate mix of high and low cost housing is spread across Victoria. Without appropriate planning regulation we are likely to see an increasing physical divide between areas of affluence and areas of poverty. Issues of housing density need to be balanced with the cultural expectation of the traditional quarter acre block.

Social housing

The public housing system is a key source of affordable housing for many households. However the steady decline of funds through the CSHA over the last ten years (Reference?) has created a public housing system in Victoria that has not been able to achieve an increase in stock numbers for some time (Reference?). The narrowing of eligibility criteria and the introduction of the Segmented Waiting List have altered the nature and purpose of public housing so it is much more of a welfare housing system. The recent proposals to expand the social housing system to incorporate Housing Associations and private organisations in the provision of low cost housing could also radically alter the public housing system.

3. Increased level of appropriate housing for marginalised households

Anecdotal evidence suggests that many properties at the low end of the private rental market are of poor quality or poorly maintained. It is generally assumed that many tenants trade off quality for cost. There is little research however to confirm these assumptions. One of the major difficulties for researchers is to do with the nature of the rental market itself. One of the structural features of the rental market is the movement of properties from the rental market into home ownership and back again. This makes it extremely difficult to track and quantify physical standards. Further, many properties are rented out directly by the landlord to save on costs or because they are renting to family or friends, making these properties difficult to track.

The issue of standards itself has created a vexed and long-standing debate. While a minimum standard of accommodation in the private rental market is imperative, there is real potential to drive rents up in a free market. Tax incentives and some subsidising of improvements to rented premises may be desirable although somewhat unlikely in the current political climate. If the requirements for minimum standards were limited to some basic items such as heating, fly screens and deadlocks it is arguable that the outlay would be relatively low (and tax deductible) and the impact on rents could be minimal. Increasing the management of rental properties through the promotion of best practice standards is one way in which standards issues could be improved. The risk would be the exacerbation of a

two tier housing system with only better standard properties likely to meet such standards and the exposure of more tenants to ill informed landlords.

To some extent health and building regulations control the standard of accommodation available in the rental market but there are numerous problems. Lack of awareness of the regulations and of local councils' responsibility for their enforcement mean that they are often not utilised. There is also an acute sense of awareness around the risk of properties closing down where regulations are enforced. This is particularly so in areas where gentrification and the rapid loss of low cost stock are forcing many low income households into sub-standard accommodation. The difficulty in enforcing regulations is inhibiting their use but the introduction of clear penalties for non-compliance may encourage operators to meet their responsibilities.

4. Increased access to appropriate housing for marginalised households

Discrimination is major barrier for many marginalised households trying to access the private rental market. However it is often difficult to prove, and many households are reluctant to exercise their rights for a range of reasons including fear of being labelled a trouble-maker, lack of faith in the system or a concern that it may be costly and time consuming. Currently the only avenue for pursuing discrimination complaints is through the Equal Opportunity Commission, but the complaint must fit within a specific category such as gender, sexuality disability or race. This does not assist households who feel they have been treated unfairly or discriminated against for other reasons such as their income or social status.

The only way to reduce discrimination is by improving legislative coverage. Expanding the categories covered by Equal Opportunity legislation would provide greater scope for addressing complaints related to accessing the private rental market. Despite the fact that Australia is a signatory to the International Covenant on Economic, Social and Cultural Rights (1966) Equal Opportunity, legislation in Victoria does not include discrimination on this basis (COHRE). Inclusion of an economic category within Equal Opportunity legislation would greatly expand the grounds on which tenants and prospective tenants can pursue legislation and may also act as a deterrent to those type of practices occurring, especially if best practice standards are adopted within the housing management sector.

Benchmarking best practice amongst real estate agents, property managers and the community housing sector would improve the reputation of the industry and ensure greater professionalism of staff. An educative co-regulation approach would entail working with industry peaks towards commonly identified goals and targets. This approach shares responsibility for ensuring best practice while establishing relationships that encourage understanding and respect.

Head leasing of rental properties by State government provides an opportunity to circumvent market processes that often lead to discrimination in the private rental sector. This enables the government to intervene in the market in a manner which does not interfere with market processes, but ensures a buffer zone for those who otherwise cannot access private rental. This type of program can act as a stepping stone for households to move independently into private rental in the future by establishing a rental history apart from one in the public housing system. As the properties are dispersed throughout the community, the discrimination of living in public housing is also avoided. However the implementation of a head leasing program must be on a locational basis, with careful consideration as to the capacity of the regional rental market to support such a program without excluding others from the rental market. Caution and local knowledge in selecting areas is imperative.

Tenant databases are a further means by which tenants are discriminated against especially as there is little regulation of their operations, with particular regard to the type of data that is stored, how long that data remains in the system and how that data can be removed from

the system. The introduction of the new Federal privacy guidelines may have some impact on the operation of databases although that is yet to be legally tested. The operation and regulation of tenant databases should also be a consumer issue, and the involvement of Consumer and Business Affairs in the monitoring of databases would be appropriate.

5. Increased choice about security of tenure

Compared to other tenure types, the mobility rate among tenants is high. However little empirical evidence exists to show how frequent those moves are and what percentage of those moves are voluntary. Without an understanding of the real reasons as to why tenants move it is difficult to pursue alternative ways of improving security of tenure—apart from legislative reform through residential tenancy legislation. What is needed is a comprehensive research project on tenant mobility with a view to better understanding the security of tenure needs of tenants. Once this is completed, a strategy can be developed for improving tenure certainty for the marginalised households that require it.

6. Increased effectiveness of state and federal housing policy

The current Federal Government does not have a coordinated housing policy for the housing system as a whole. Individual housing policies do exist but these are dispersed across government departments and portfolios and for the most part, operate in isolation. The Victorian Labour government is in the process of developing a coordinated housing policy, however the details are not yet known.

The development of a strategic and forward thinking housing policy will ensure a coordinated approach to current and future housing issues. It is imperative that a coordinated and comprehensive housing policy be developed and that it incorporates all aspects of the housing system—including the CSHA and rent assistance—and that it involves making links with other levels of government, including non-housing outcomes.

The development of national tenancy legislation has been discussed for many years with mixed responses. While national tenancy legislation would ensure some degree of protection for tenants across Australia, there is a possibility that some states such as Victoria may be disadvantaged relative to their current position. While it is important to strive for the greatest good for the most number, any diminishing of current protections in Victoria would clearly be unacceptable. The development of national tenancy legislation must be on the basis that there will be no reduction in the current legal protection for Victorian tenants.

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