

Council of Single Mothers and their Children

Department of Human Services
Housing Framework Consultation
GPO Box 4057
Melbourne VIC 3001

31 July 2012

To whom it may concern,

Re: Pathways to a fair and sustainable social housing system

Please find enclosed a submission to the consultation on **Pathways to a fair and sustainable social housing system** from the Council of Single Mothers and their Children, Inc, Victoria.

The Council of Single Mothers and their Children (CSMC) is a community-based organisation that has provided support, information and emergency relief to single mothers and their families in Victoria for over 40 years. Our telephone information and support service handles an average of 20 calls a day, and we have a membership of approximately 2,300 single mothers.

CSMC is well recognised as a source of expert advice on issues of relevance to single mothers. Our expertise is grounded in the concerns expressed to us by single mothers calling our telephone contact line, putting us in an ideal position to respond to this consultation on behalf of these callers. Individuals, academic institutions, community support/welfare organisations, government departments and members of parliament are some of the bodies seeking our expertise.

This submission is informed by the experiences of the single mothers who contact CSMC in seeking and maintaining secure, affordable housing for themselves and their children. Thank you for the opportunity to contribute to the discussions on this important issue.

If you would like further information relating to this submission or the work of CSMC, please contact us on **(03) 9654 0327**.

Yours sincerely



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PATHWAYS TO A FAIR AND SUSTAINABLE SOCIAL HOUSING SYSTEM

CSMC recognises that Victoria's public housing system is under considerable strain. We hear on a daily basis from women who, with their families, are forced to live in unsuitable or unaffordable accommodation due to the lengthy waiting lists for social housing. Many factors have contributed to this situation, not least an unaffordable private housing system (for both home ownership and rental) and the lack of investment over many years in public housing.

CSMC agrees with the propositions put in the Discussion Paper that the system is not fair. It is not fair that families and individuals are forced to wait for years for public housing, often spending those years in substandard accommodation or spending an inordinate proportion of income on rent. Nor is it fair that public housing property repairs are not undertaken in a timely manner.

We are however, concerned that some of the suggestions to address this situation will only disadvantage existing tenants, while doing little to increase the sustainability of the overall system.

Existing tenants must not be made to pay for the years of lack of investment in social housing.

* * *

"This is the fifth time I've had to move in six years. None of these have been my choice – this time the rent's gone up so much I can't afford it; in the past I've had to leave because the landlord's selling the house or wanting to renovate it. This will be the third time my children have to change school. Rents have gone up so much around here that I can't afford to live in this area any more. Each move costs so much so I'm really struggling at the moment. I can't pay my car loan, we don't have enough food and my children will be starting their new school without full uniform or books. I've been on the public housing waiting list for 4 years and am desperate for secure housing. My children's education is constantly being disrupted, as are their social contacts, and I'm falling into greater and greater financial hardship because of all these relocation costs."

Caller to CSMC Support Line

Public housing is a particularly important form of housing tenure for single mothers by providing more affordable rents and greater security of tenure. The 2006 Census revealed that 49% of single parent families with children under the age of 17 in Victoria were renting their accommodation (in comparison, 16.2% of couple families were renting)¹. Similarly, 11% of single parent families live in public housing, compared to 1.2% of similar couple families².

For women raising children alone the long term tenure provided by public housing and the stability this provides for themselves and their children is particularly valuable. Single parents do not have the benefit of another income to support the family if there are changes to their situation, which can

¹ ABS 2006 Census of Population and Housing, cited by Department of Education and Early Childhood Development, Victorian Child and Adolescent Monitoring System, at

<http://www.education.vic.gov.au/researchinnovation/vcams/parents/23-3publichousingtenants.htm>

² ibid

provide a buffer for couple families. The security of tenure offered by social housing can assist single parents to weather the employment changes brought by the increasingly precarious employment market or the needs of their children or ageing parents.

Single mothers in Victoria

Single mother families make up a significant proportion of Victorian families. The most recent Census revealed that 15.5% of Victorian families, or nearly 219,000 families, are headed by single parents. 83% of these families are headed by single mothers³.

The importance of public housing to single mothers is underscored by their vulnerability to poverty. Single mother headed families are the most disadvantaged family type in Australia⁴, many surviving on incomes below the poverty line. In 2006, the median weekly income for one-parent families in Victoria was \$587, compared with \$1434 for two-parent families⁵. Federal government changes to the income support system introduced since 2006 (which reduced eligibility to Parenting Payment Single, with single parents with school age children soon to be eligible only for the significantly lower Newstart Allowance) will exacerbate the low incomes and level of poverty experienced by single parents and their children.

The telephone support line at CSMC receives approximately 20 calls from single mothers each day, on a wide range of issues. Over 13% of calls are in relation to accommodation, and a further 40% are concerned with issues relating to lack of income to meet daily needs. A clear trend has emerged from our callers in recent years of increasing difficulties for women in finding, securing and maintaining accommodation for themselves and their children. Much of this experience has resulted from the increasingly tight private rental market, where single mothers have found themselves forced to pay ever increasing rents to remain in properties; having to move frequently to find affordable properties, with all the cost and upheaval that entails; and tolerating poor housing conditions in order to retain their property.

Single mothers, along with many others on low incomes, find it very difficult to have their housing needs met through the private market. This is of particular concern for many single mothers, who due to the needs of their children, require housing that has long term security. The private rental market often fails to be able to provide this long term security.

Many single mothers are also having to deal with the consequences of relationship breakdown, the ongoing effects of past and continuing family violence, the upheaval of relocation, including securing accommodation and, not infrequently, new school/s for their children. Insecure accommodation can serve to exacerbate these already highly stressful situations.

³ http://www.censusdata.abs.gov.au/census_services/getproduct/census/2011/quickstat/2?opendocument&navpos=220

⁴ ABS 2007 Australian Social Trends. *Article: One-parent families*

⁵ ABS 2006 Census of Population and Housing, cited by Department of Education and Early Childhood Development, Victorian Child and Adolescent Monitoring System, at <http://www.education.vic.gov.au/researchinnovation/vcams/parents/22-2householdincome.htm>

Responses to selected questions from the Discussion Paper:

4a. Should those who are able to transition into other forms of housing be offered more limited social housing tenure arrangements?

The Discussion Paper states that demand for public housing far exceeds supply, and suggests that a way to reduce waiting lists would be to limit tenure through alternative lease arrangements, such as fixed or short term leases. The Discussion Paper argues that “reforms of tenure arrangements could provide some scope to reduce waiting lists durations. This would make tenure policy fairer for those most in need”.

While recognising the need to reduce waiting lists, CSMC opposes any reduction to tenure for social housing tenants. Security of tenure is a very important factor for single mothers. It allows their children the stability they need for their development – remaining in the one school and developing and maintaining social networks and community engagement. Likewise for the mothers housing stability provides the basis from which they can concentrate on other areas of their life – parenting, work, study, community involvement; as well as ensuring they are able to develop and maintain support networks.

Research has identified the importance of housing stability on both children’s growth and development⁶, and on a range of ‘non-housing outcomes’ for public tenants, including reduced stress, more money to buy better food and improved self esteem⁷. Single mothers already experience worse mental health than other women, with precarious finances being a key factor in this⁸. Adding additional housing stress would only exacerbate this. Social isolation is also experienced by many single mothers and would likewise be worsened if security of tenure is removed.

While limiting tenure may appear to allow greater numbers to access public housing, in the absence of other options that provide affordable accommodation with the security provided by long term tenure, limiting the tenure would simply result in families being cast out onto the private rental market, with all its deficiencies. The high costs of private rental coupled with lack of security of tenure and the resultant instability would place single mothers, and other low income households, back in a tenuous housing situation.

Rents in the private rental market have been increasing dramatically in metropolitan Melbourne in recent years. The Victorian Government’s Rental Report for March quarter 2012 identifies that median rents for properties with 2 or more bedrooms in Melbourne are now at \$360 per week⁹. When compared with the low incomes of single parents (a single parent with one child dependent on income support would receive less than \$460 pw if on Parenting Payment Single or \$400 pw on

⁶ Royal Children’s Hospital (2009) *Policy Brief No 14 2009: The Impact of Poverty on Early Childhood Development*

⁷ AHURI, Australian Housing and Urban Research Institute (2005) *The Health, Employment and Education Benefits of Public Housing*. AHURI Research & Policy Bulletin

⁸ <http://www.smh.com.au/news/national/black-dog-bites-single-mothers-hardest/2006/03/19/1142703217983.html>

⁹ Department of Human Services (2012) *Rental Report, March quarter 2012*

Newstart Allowance¹⁰; the median income of single parent families is not much higher at \$587 per week¹¹), and maximum rent assistance of approximately \$70 pw¹², it is clear that single mothers renting in the private rental market will be paying a large proportion of their limited income on rent, leaving little for the other necessities of life.

The same Rental Report estimates that the average duration of tenancy to be just over two years, with mean duration for metropolitan Melbourne of only 16 months¹³, suggesting that those on the public housing waiting list would have to move more than once while waiting for a property. Calls to our Support Line reflect this, with a number of women reporting having to move frequently, sometimes more than once per year, as a result of:

- Increasing rents
- Landlord selling the property
- Landlord renovating or developing the property

Frequent moves place an additional strain on the resources of single mother (and other low income) households. However, not only are single mother families surviving on very low incomes, many have no financial reserves to draw on in times of crisis, such as having to move house. Research by ACOSS (Australian Council of Social Services) has revealed that 56% of recipients of Parenting Payment Single report not being able to raise \$500 in an emergency¹⁴. Each house move will cost at least several hundred dollars, in addition to the need for rent in advance and bond for the new property. It is therefore not surprising then that CSMC receives numerous calls from women who are struggling to meet the costs associated with moving.

Moving house is also widely considered to be one of the most stressful life events, particularly when the move is not necessarily a positive one, or not undertaken by choice. Many of the women CSMC has contact with have to move numerous times while they are on the waiting list for a public housing property. This instability is not only stressful and expensive, but can hinder them developing support networks.

For their children, housing instability can have an impact on their schooling, as many are forced to change school when they move, and their involvement in recreational and social activities.

Limiting tenure will not only force families into the precarious private market; but may indeed act as a disincentive for tenants to increase level of paid work they undertake if it is likely that by improving their circumstances they would be at risk of losing their social housing tenure.

Problems with access to public housing need to be addressed by increasing the *supply* of public housing, not by reducing the length of tenure, and hence security, of those currently in public

¹⁰ Figures from www.humanservices.gov.au (July 2012), and assume maximum rate of income support payment and Family Tax Benefit A & B.

¹¹ ABS 2006 Census of Population and Housing, cited by Department of Education and Early Childhood Development, Victorian Child and Adolescent Monitoring System, at <http://www.education.vic.gov.au/researchinnovation/vcams/parents/22-2householdincome.htm>

¹² www.humanservices.gov.au (July 2012)

¹³ Department of Human Services (2012) *Rental Report, March quarter 2012*

¹⁴ ACOSS (2008) *Who is missing out? Hardship among low income Australians*. ACOSS Information Paper

housing. Australia has traditionally had a very low rate of social housing – in 2006 only 5% of Australians rented from a state or territory housing authority¹⁵, compared, for example, with the 35% of Netherlands housing stock that is social housing (as noted in the Discussion Paper). This lack of investment needs to be raised, along with the various policies that contribute to the high prices in the private housing market (purchasing and rental). Federal government policies such as negative gearing work to inflate the costs in the private markets for home ownership and rental, and cut off these as options for many¹⁶. While these are federal policies, we urge the Victorian government to advocate for the removal of these benefits which distort the private housing market.

Recommendations:

- The stock of public (including community) housing be increased as a matter of urgency
- Long term tenure to continue to be a feature of public housing

6a. What obligations is it reasonable to expect tenants to meet in return for public housing?

Care of property

The Discussion Paper notes that “the vast majority of Victoria’s public housing tenants act as ‘good neighbours’ and are good tenants who do the right thing by their property and their community”. Despite this statement, the Paper goes on to ask about establishing the principle of ‘mutual obligation in tenancies’. It is clear that the vast majority of tenants already operate under this principle – they maintain their houses, pay their rent and act as good neighbours.

The provisions of the Residential Tenancies Act already provide the basis for addressing shortcomings in the upkeep of houses, or in behaviour. Rather than subjecting all tenants to further or harsher requirements, the Office of Housing should take a more proactive stance on dealing with those who fail to comply with these provisions.

Employment

The Discussion Paper also suggests that “Central to any reforms to the public housing system will be a notion of mutual responsibility and obligation. This principle would recognise that those who are provided financial and other support from the government and the community through housing should seek to improve their own circumstances...and undertaking training or seeking to find a job”.

Income support recipients of working age already have extensive mutual obligation requirements imposed by Centrelink in order to receive their payment. These include the requirement to undertake work or seek work; and to undertake study, training or volunteer activities while they are seeking work. It would be unfair and punitive for the state housing authority to impose additional, parallel requirements to maintain their housing tenure.

¹⁵ ABS Social Trends 2008 <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Chapter9002008>

¹⁶ Eslake, Saul ‘Time to change the unfair rules for negative gearing’ The Age April 25 2011