

Final Report

Sole parents, social wellbeing and housing assistance

authored by

**Terry Burke
Kath Hulse**

**Australian Housing
and Urban Research Institute**

Swinburne-Monash AHURI Research Centre

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EXECUTIVE SUMMARY

Sole parents are arguably the most disadvantaged group in Australian society. Various studies have found that they are more likely than other types of households to be living in poverty, particularly after paying for their housing, and to be dependent on Commonwealth income support. Sole parent families are predominantly headed by women, raising significant issues of gender in terms of government policy responses. There are currently two main forms of government housing assistance for sole parents on low incomes: Commonwealth Rent Assistance (RA) paid to sole parents in receipt of income support and renting privately, and public housing funded by the Commonwealth and states/territories through the Commonwealth-State Housing Agreement.

This is the final report of research that compared the circumstances and attitudes of sole parents in receipt of RA with those living in public housing – the first time that this has been attempted. It explored why sole parents were in receipt of one form of housing assistance rather than the other, and compared the shelter and non-shelter outcomes of both forms. The research also examined the effect of location on sole parents' social wellbeing and participation in the local community.

The research methodology involved two components: analysis of confidentialised unit record files from the 1991 and 1996 Censuses of Population and Housing, and surveys of sole parents in receipt of RA and sole parents living in public housing. The former provided a useful overview of the circumstances of all sole parents and those on low incomes, particularly those with dependent children. The purpose of the sample surveys was to elicit more up-to-date and detailed data than is possible with a five year Census cycle. The surveys covered both RA recipients and public housing tenants living in seven urban and non-urban areas in three states (Queensland, Victoria and Tasmania).

The specific aims of the research were to:

- Understand sole parents' housing assistance choices;
- Identify sole parents' perceptions as to the attributes of the different forms of assistance;
- Identify the degree to which there are differences in shelter outcomes – and, where possible, non-shelter outcomes – for sole parents receiving different forms of assistance; and
- Identify for the two forms of assistance what factors explain differences in wellbeing or circumstances (if any).

The research found that, in 1996, about one-third of sole parents with dependent children on low incomes were home owners or purchasers, one-third were private renters, and one-third were public tenants or in other arrangements – a significantly different profile to the community as a whole. The survey data showed that those who were renting privately and in receipt of RA were often better resourced to sustain private tenancies than those who were public tenants. They tended to be younger, had fewer children to support, were better educated, less likely to speak a language other than English at home, and more likely to be in paid part-time work. Sole parents renting privately with the assistance of RA also had higher incomes, in part reflecting the different types of assistance but, more importantly, that they were more likely to receive child support payments from an ex-partner, and at a higher level. These differences explain in large degree the different housing choices of the two groups.

There were other reasons for choosing public or private rental housing. Whilst most public tenants had moved into their current housing because of a strong desire to do so and because they found private rents unaffordable, they were also more likely to have lived previously in public housing and to have friends and family in that sector. They chose an area of public housing primarily for reasons of children's education, family and social support. In contrast, sole parents who received RA and lived in private rental had moved for a variety of reasons, including relationship breakdowns and problems with the standard and cost of previous housing. They had previously lived mainly in other private rental housing and had little direct experience of public housing. A small but significant group of sole parents in receipt of RA had previously been home owners or purchasers, raising questions of whether RA could be extended to some home buyers to avoid the dislocation experienced by sole parents moving into private rental.

Not surprisingly, perceptions of the two types of housing assistance differed between public tenants and RA recipients based on their experiences. Whilst almost all public tenants were aware of RA, only half had actively looked at renting privately, due to perceptions about the high cost of private rental and concern about lack of suitable housing. Conversely, although most RA recipients were aware that they could be eligible for public housing, they had not attempted to access it due largely to a perception of a lack of available public housing. Most public housing tenants were strongly resolved to stay in public housing in the future. Half of RA recipients would prefer public housing and half private rental housing. These findings point to a strong attachment to public housing from current tenants and substantial unmet demand from RA recipients.

The survey data showed that RA recipients had worse housing affordability outcomes than public tenants, despite their higher incomes. Whilst public housing rental subsidies are a form of specific in-kind housing assistance, sole parents use RA both to make rents more affordable and to cover other essentials such as food. Both groups expressed generally high levels of satisfaction with their accommodation and its location, although there were some specific concerns in both sectors. RA recipients had experienced much higher rates of housing mobility and, in general, these high rates were associated with lower rates of personal wellbeing and connection with the local community.

Many in both groups experienced substantial financial stress, manifested in lack of money for food, heating, rent and other necessities. Those who fell behind with their rent in either public or private housing nominated utility costs and general living expenses as the main reasons. Sole parents living in higher cost housing areas were more likely to experience financial stress. Participation in paid part-time work made only a minor improvement in sole parents' financial positions, largely because of the limited hours worked (often under ten hours a week). Most sole parents were not currently in the paid workforce, seeing this as incompatible with their childcare and support responsibilities, although participation rates were higher among RA recipients than public tenants. Being out of the workforce was seen as a temporary phase, with many sole parents expressing confidence that they would find paid work when the children were older, an expectation confirmed by analysis of the 1996 Census data. Whilst financial stress stood out as the main negative factor affecting personal and family wellbeing, sole parents were positive about other aspects of wellbeing including their own and their children's health, school attendance and dealing with a variety of organisations and agencies.

The quality of the social support available to sole parents and their connectedness to local communities did not appear to be influenced by the type of housing assistance. Both groups appeared to receive little practical support in terms of basic domestic tasks, although a majority of both groups said that they had close friends or family living locally. There was also very little difference in terms of attitudes to the local community, although public tenants expressed greater concerns about people feeling insecure or unsafe. Attitudes to, and connectedness with, the local community appeared instead to be primarily influenced by location across the seven areas in the study, with sole parents in Inner Urban Melbourne (particularly private tenants) having the least positive perceptions and those in the Sunshine Coast having the most positive perceptions.

The policy issues raised by this research are, for the most part, difficult ones and are outlined in detail in the full report. Many sole parents face considerable financial stress, despite receipt of either form of housing assistance, throwing the spotlight on both incomes and the availability of affordable rental housing. In terms of income, policy responses could include a reassessment of income support levels for sole parents, strategies to increase the number receiving child support payments from ex-partners, and employment participation strategies. In view of the strong commitment reported by many sole parents to remaining out of the workforce at this stage in their lives to care for their children, employment participation strategies would need to be sensitive to a reasonable balance of family and work commitments. In terms of housing, the relative advantages and disadvantages of both sectors should be acknowledged.

There are areas where private rental outperforms public housing, particularly in respect of perceptions of choice, safety and security. Similarly, many sole parents value the relative security of tenure and affordable rents offered by public housing. There appears to be a strong case for blending some of these advantages (and minimising the disadvantages of each sector) by developing an 'affordable housing' sub-sector. There is potential to tie RA to specific housing units as part of a financing package to make this viable.

Terry Burke

Kath Hulse

Institute for Social Research
Swinburne University of Technology
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Email addresses:

tburke@swin.edu.au

khulse@swin.edu.au

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1. INTRODUCTION: AIMS AND OBJECTIVES

This paper reports on a research study that compares sole parents living in public housing *and* sole parents in receipt of Commonwealth rent assistance (RA) living in the private rental sector. The research has a number of layers and includes consideration of several core conceptual and policy issues. Firstly, as the focus is on sole parents, the research addresses issues of gender, feminisation of poverty and welfare dependency. Secondly, the study concerns different models of housing assistance and effects on personal wellbeing. Thirdly, given its focus on seven different housing markets, the study is about locality and issues of community, locality-based social exclusion and social capital.

The objective of the study is to compare the effects which public housing and private RA have on the wellbeing of one of the most significant groups in housing need: sole parents. More specifically, the project aims to:

- Understand sole parents' housing assistance choices;
- Identify sole parents' perceptions as to the attributes of the different forms of assistance;
- Identify the degree to which there are differences in shelter outcomes – and, where possible, non-shelter outcomes – for sole parents receiving different forms of assistance; and
- Identify for the two forms of assistance what factors explain differences in wellbeing or circumstances (if any).

This report was preceded by a positioning paper which reviewed literature used to guide thinking about the conceptual and policy issues around sole parents and housing, housing assistance models, and wellbeing and social capital (this can be accessed on http://www.ahuri.edu.au/pubs/positioning/pp_loneparents.pdf).

2. WHAT IS THE RELEVANCE OF SUCH A STUDY?

There are a number of compelling reasons for this study. Firstly, recent research suggests that sole parent families are more likely to live in poverty than any other type of household, with more than one in five Australians living in sole parent families being in poverty in 2000 (Harding, Lloyd and Greenwell 2001: 7). When housing costs are taken into account, the situation worsens. One-third of sole parents were estimated to live in after-housing poverty in 1999, much higher than for any other household type (Harding and Szukalska 2000: 15). Sole parents are also disproportionately dependent on government pensions and allowances relative to other groups (Newman 2000: 6).

Secondly, sole parent households are one of the most important groups in receipt of housing assistance. In 1998-99, depending on the state or territory, between 23% (South Australia) and 43% (Northern Territory) of new households occupying public housing were sole parents (see Table 1). In the three states chosen for this study, Tasmania, Victoria and Queensland, sole parents account for 31%, 37% and 40% respectively of all new households entering public housing. Similarly, sole parents accounted for 22% of all income units in receipt of Commonwealth RA in March 2000¹ (SCRCSSP 2001: Table 16A.21). Almost half of sole parents in receipt of parenting payment (single) rent in the private sector and receive RA, the highest rate for any group of income support recipients (SCRCSSP 2001: Table 16A.22). About nine in ten sole parents in public housing or in receipt of RA are female. Given these statistics, it is imperative that we know more about the housing needs of sole parents and the degree to which existing forms of assistance are effective in assisting this group.

Table 1: Sole Parents as a Percentage of All New Households Occupying Public Housing, 1998-99

Sole parents	NSW	Vic	Qld	SA	Tas	ACT	NT
Male headed	328	380	335	139	100	47	69
Female headed	2,605	2,904	3,183	1,003	677	297	424
Total sole parents	2,933	3,284	3,518	1,142	777	344	493
Total all new households	8,522	8,827	8,803	4,995	2,498	1,128	1,148
Percentage of sole parents	34.4	37.2	39.9	22.9	31.2	30.4	42.9

Source: Department of Family and Community Services 2000 Housing Assistance Act 1996 Annual Report 1998-1999: 65, Table B7.

No data is available for Western Australia, as sole parents are included with 'group and other household types'.

Thirdly, while there is considerable anecdotal experience which enables us to understand broadly why sole parents require housing assistance, such as low incomes relative to rents, we know little about why some choose public housing and others choose to rent privately aided by RA, or about their longer-term housing and lifecycle aspirations. More importantly, we know next to nothing about the shelter and non-shelter impacts of the two different forms of assistance and their effects on wellbeing and behaviour. Do they attract sole parents in quite different circumstances? For example, are there differences in employment status and work opportunities, in income, in family circumstances, in educational participation, or in the health of the parent and children? Does one form of assistance help more than the other in reconstructing often shattered lives and in facilitating social and economic participation?

¹ The definition of sole parent 'income unit' in receipt of RA is restricted to sole parents with dependent children aged 16 and under or aged 18 and under if in full-time schooling (SCRCSSP 2001: 810). This means that the percentages in public housing and in receipt of RA are not directly comparable.

Fourthly, there is growing recognition internationally that the benefits or costs of economic development, industry restructuring and public sector reform are mediated by space (Sassen 1991; Short 1996; Hall 1998). Households in the same socioeconomic or needs group may experience different lifestyle opportunities and constraints by virtue of where they live. Moreover, the sense of community and the degree of social capital may vary spatially as the result of differences in urban form and location, socio-demographic profiles or access to facilities and services. In conceptualising this study, it was therefore important to ensure that location was included in the analysis as a variable which might affect the housing experiences of our study group and which therefore should be controlled for. In recognition of this, seven different regions representing different housing markets (including degree of mix of public housing) and different resource and economic and employment structures were chosen:

- Inner Urban Melbourne (Prahran, St Kilda, Port Melbourne and South Melbourne). An affluent gentrified area of relatively high density private housing mixed with largely high rise and walk-up public housing;
- Outer Urban Melbourne (Dandenong and Doveton). An industrial and commercial area in slow decline as a result of industry restructuring. Public housing is almost all detached and is concentrated in certain estates;
- Northern Geelong (suburbs of Corio and Norlane). A residential area built in the 1950s and 1960s, adjacent to a then booming industrial area. Badly hit by industry restructuring, with predominantly low income private and public stock of a detached form;
- Outer Urban Brisbane (Inala). An area of low density detached housing with a relatively weak labour market and a concentration of public housing;
- Sunshine Coast (Maroochydore, Mooloolaba and Buderim). Very mixed housing markets with holiday housing, flats, townhouses and detached housing, catering for all income groups.
- Urban Tasmania (Hobart and Launceston). Areas with mixed housing markets and a public housing stock that is largish and sometimes in remote estates; and
- Non-Metropolitan Tasmania (north coast). Both private and public rental stock is largely detached housing and scattered throughout towns.

3. THE POLICY CONTEXT: SOLE PARENTS, TENURE AND HOUSING ASSISTANCE

The study enables comparison of attributes, expectations and satisfaction levels of low income, sole parent households receiving two different forms of housing assistance: public housing and financial assistance to rent in the private sector. One objective of the research is to assess whether housing and wellbeing outcomes differ for recipients of the two forms of assistance. Such differences could derive from different attributes of the assistance and of the characteristics of public and private rental housing.

3.1 Eligibility, Access and Choice

RA is part of Australia's income support system and is an entitlement, subject to eligibility. It is paid to sole parents (and other groups) in receipt of income support payments and renting privately. RA may also be paid to working sole parents with dependent children who are in receipt of more than the base rate of family tax benefit.

Unlike public housing, RA is thus demand driven and consequently coverage is greater than public housing, with an estimated 205,200 sole parent 'income units' in receipt of RA in March 2000 (calculated from SCRCSSP 2001: Tables 16A.21, 16A.22) compared to an estimated 73,800 (note change of number) sole parent households in public housing in June 1999 (calculated from SCRCSSP 2000: Tables 15A.2, 15A.46), a ratio of approximately 3:1.

In public housing, sole parents have to meet certain eligibility criteria which are essentially the same as for RA. Once accepted, they go onto a wait list and are allocated via an allocations system that varies from jurisdiction to jurisdiction. In Victoria, at the time of research, there is a priority system with four segments: recurring homelessness, supported housing, special needs and wait list. Sole parents generally gain access under the third segment: special needs. Allocation to a specific property is within a large broadbanded area which the tenant nominates at the time of application. These large areas mean that a tenant can be allocated a property relatively remote from friends and family support and not necessarily close to children's schools. Whether this creates any problem or dissatisfaction will be ascertained from the survey component of the study.

In Queensland allocations are still largely via a wait list system, and sole parents generally access public housing through time on the list rather than by being allocated a priority status. The Queensland system is less broadbanded than in Victoria, with applicants potentially having greater ability to be allocated a property where they prefer. Tasmania has a priority points scheme, with many of the 'points' benefiting sole parents. There is also a much shorter wait list than in Queensland and Victoria. This means that access is likely to be quicker for sole parents. The area of choice is quite focused by Victorian standards, although discussions with housing workers suggest that Tasmanian tenants may have different perceptions of time and distance than those on the mainland.

3.2 Financial Subsidy

Sole parents must pay more than a specified amount of rent in the private sector in order to receive RA. In June 2001, no RA was payable if sole parents paid less than \$102.62 per fortnight in rent. RA is paid at a rate of 75 cents for each dollar of rent paid above this threshold up to a maximum amount. In June 2001, the maximum payment was \$103.04 per fortnight for a sole parent with one or two children and \$116.48 per fortnight for three or more children. The maximum rate of RA was payable if the fortnightly rent was at least \$240.01 per fortnight for a sole parent with one or two children and \$257.93 per fortnight for three or more children. Sole parents have to pay 100% of any rent above this maximum. RA is a cash transfer that may be spent on rent or other items.

The RA formula applies across Australia, with a variation of only \$4.84 in average fortnightly payments to sole parents between the areas of highest average (Sydney) and lowest average (non-metropolitan Western Australia) (SCRCSSP 2001: Table 16A.31). Market rents payable in different local housing markets vary substantially. Table 2 shows rents in the seven locations of the study in December 2000 and the effect of RA on sole parents with two children on the same pension of \$228 per week. After receipt of RA, assuming no income other than basic income support, and expenditure of all RA on rent payment, the percentage of income which sole parents paid on rent ranged from 25% in north-west Tasmania to 78% in inner Melbourne.

Table 2: Net Rent and Affordability for Seven Locations, December 2000

Location	Median rent 3 bedroom house (discounted by 25% to reflect lower end of the market)	RA per week	Net rent: rent (column 2) minus RA (column 3)	Rent as percentage of income of \$228 per week
Hobart Middle/Outer	\$110	\$44	\$66	29
North-west (ex Launceston)	71	15	56	25
Melbourne Inner	232	52	180	78
Melbourne Outer (Dandenong)	131	52	79	35
Geelong	105	40	65	29
Brisbane Outer (Inala)	180	52	128	56
Sunshine Coast	N/a	N/a	N/a	N/a

Source: Figures for Hobart, North-west Tasmania, Melbourne Inner and Brisbane Outer from REIA *Market Facts*, Dec. 2000; figures for Dandenong and Geelong from Victorian Office of Housing *Rental Report*, Dec. 2000. The calculation of affordability assumes that 100% of RA is spent on rent.

In contrast, most sole parent public tenants pay rent calculated as a percentage of household income. Thus net rents paid are not affected by variations in market rents across Australia. The difference between market rent and rent payable varies significantly (SCRCSSP 2001: Table 16A.7) according to local market conditions but this is not transparent to the sole parent. Most sole parent public tenants pay less than 25% of income in rent unless they have substantial additional income from paid work, child support payments from the non-custodial parent or if they have older children earning an income. This is due to the lower rate of rent paid on their Family Tax Benefit payments. The States charge between 10 and 15 per cent of these payments in rent. Sole parents' responses to questions on affordability in the surveys are likely to differ, therefore, according to type of assistance and, for RA recipients, depending on conditions in the seven housing markets surveyed.

3.3 Comparison of Types of Housing Assistance

There are other significant differences in the two types of housing assistance that relate specifically to tenure: the specific characteristics of public and private rental sectors. These include issues of security of tenure, quality and appropriateness of stock, location of stock, tenancy and stock management practices, and the attributes of neighbours and neighbourhoods. Many of the questions in the surveys attempt to elicit sole parents' attitudes to, and experiences of, these issues.

There is a substantial international literature on financial assistance to private renters, but very little that is Australian or which explicitly compares the two systems. The literature tends to be *evaluation research*, particularly that of the United States where the flexibility and local nature of programs leads to experiments or pilots that can be evaluated (HUD 1980; Struyk and Bedick 1981; Bradbury and Downs 1981), *cost benefit analysis* of the two systems where the results vary depending on the assumptions that underpin the models and the data that is plugged into them (Pugh and Catt 1984; Econsult 1989; Barton 1996, Ektos Research Associates 1997), *critical descriptive analysis* of the systems (McNelis 1997; Kemp 1997, 2000; Ditch, Lewis and Wilcox 2001), or *institutional analysis* where attention is given less to evaluating outcomes than to describing the changing institutional environment, including the political one, that created the systems (Harloe 1995; Hulse 2001, 2002 forthcoming). The general conclusion that emerges is that neither form of assistance is intrinsically better than the other. It all depends on what the objectives are, the time period to which they relate, the characteristics of the broad institutional context, and the structure and performance of the housing system.

Tables 3a and 3b synthesise arguments and counter-arguments, derived from a review of this international literature, about the two types of assistance and indicate how institutional environments and housing markets affect housing assistance outcomes. Many of the issues covered in the two tables such as choice, affordability, appropriateness, security, discrimination and non-shelter outcomes are explored in the survey of sole parents

Table 3a: Public Housing: Arguments for, Counter-Arguments and the Institutional Context

Arguments for	Arguments against	Institutional context
<p>Affordability</p> <p>Public housing is more affordable than private rental, even with RA, because of its non-profit status.</p> <p>If cost rents are charged, they can keep down overall level of rents in the market.</p>	<p>Deep subsidies are required to meet affordability benchmarks, limiting the number of households who get assistance.</p> <p>The real rent is the market rent that is set by levels of supply and demand.</p>	<p>Decisions on affordability benchmarks and nature of entitlement are political decisions.</p> <p>Ability to check private rent increases depends on size of public stock and form of rents.</p>
<p>Appropriateness</p> <p>Public housing can be provided where there is need.</p>	<p>Location of need may change over time. Excessive stock may build up in areas of disadvantage.</p>	<p>May depend on asset management strategies.</p>
<p>Security</p> <p>Greater security of tenure – cannot be evicted at the landlord’s discretion.</p>	<p>Excessive security can create dependency and poverty traps and stifle moves towards independence.</p>	<p>The degree of security in both sectors depends on residential tenancy legislation and other government policies.</p>
<p>Non-discriminatory</p> <p>There are better controls for discrimination by indigenous status, gender, household type, ethnicity or disability.</p>	<p>Discrimination is substituted by tight targeting; given limited stock; the effect is a form of bureaucratic discrimination.</p>	<p>Targeting is a political decision and related to size of stock.</p>
<p>Can address wider range of issues</p> <p>Social housing has been used to address issues of urban form, urban renewal, spatial segregation, decentralisation and employment generation.</p> <p>Can build a ‘whole of government’ strategy around public stock (more difficult for private rental).</p>	<p>Historical record of public housing interventions for wider objectives is mixed in terms of outcomes, e.g. inner city high rise, new towns.</p> <p>‘Silo effect’ of many government funding programs stops a more holistic approach.</p>	<p>Achieving wider objectives may depend on what other mechanisms and policy coexist with housing assistance (of any form).</p>

Table 3b: RA: Arguments for, Counter-Arguments and the Institutional Context

Arguments for	Arguments against	Institutional context
<p>Choice</p> <p>Provides clients with choice of dwelling (size, quality, location).</p> <p>Frees tenants from controls of public landlordism.</p> <p>Housing is not a public good, and people have the right to define their own standards.</p>	<p>Choice only exists if the market provides adequate stock of low cost housing and in the right locations.</p> <p>Control issues make certain assumptions about public versus private landlordism that may not be valid.</p> <p>Housing is a public good, and a minimum standard must be imposed to ensure the wellbeing of the community.</p>	<p>Supply can be affected by tax incentives or direct supply subsidies to provide the supply that creates choice.</p> <p>Landlord controls affected by residential tenancies legislation and other regulatory controls.</p> <p>Whether housing is or is not a public good is largely determined by what sort of society people want to live in and how that manifests itself politically.</p>
<p>Responsiveness</p> <p>Unlike public housing, RA is not affected by budget allocations but depends on demand for assistance.</p>	<p>Can create cost blow-outs for governments if numbers of households eligible for RA increase.</p>	<p>Depends on form of RA. In Australia it is part of income support, i.e. an entitlement. In the United States housing vouchers (Section 8) are budget-limited and rationed.</p>
<p>Addresses lack of income</p> <p>The housing problem now is largely one of low income, not shortage or quality of stock.</p> <p>RA directly confronts the main problem facing low income households, i.e. lack of income.</p>	<p>The supply of low cost rental housing is problematic and has been unresponsive to increased demand.</p> <p>RA does not address issues such as discrimination, security and spatial polarisation, nor wider issues such as housing linkages and urban form.</p>	<p>Depends on interaction between labour markets, income support, local housing markets and government policies. RA schemes can be designed to achieve broader objectives by attaching conditions to receipt, as in the United States voucher program, or through linking with supply initiatives.</p>
<p>Coverage</p> <p>For a given amount of money, more individuals can be assisted. It therefore makes more effective use of limited public funds.</p>	<p>Only in the short term. Beyond fifteen to twenty years, accumulation of social stock from successive years of construction will help more households.</p> <p>No public asset held for all the accumulated outlays.</p>	<p>Depends on the actual levels of RA and public housing assistance.</p> <p>Also sensitive to interest rate regimes and how well the public stock is managed.</p>
<p>Flexibility</p> <p>Assistance not tied to housing and therefore flexible to changing circumstances, e.g. tenants are not trapped in declining areas.</p>	<p>Low cost rental housing may be clustered in the same disadvantaged areas, denying ability to adapt to changing circumstances.</p>	<p>Depends on a raft of government policy areas including supply side policies, urban renewal and regional development policies.</p>

<p>Targeting and selectivity</p> <p>RA can be targeted more effectively to those who need it most and only for as long as that need exists, unlike social housing.</p>	<p>May lead to churning as recipients lose benefits and RA due to temporary part-time work or Centrelink compliance measures such as breaching.</p>	<p>Targeting is possible with both types of assistance. Degree of targeting is affected by many factors including political ones.</p>
<p>Private provision</p> <p>Private rental market is more efficient and effective than public housing. Private providers are efficient due to competition.</p>	<p>Not based on actual data. Does not take into account other non-profit ownership and management options. RA has not stimulated an increase in supply of lower rent accommodation and may have contributed to increased rents in this segment of the market.</p>	<p>RA need not be confined to private rental, as in current policy settings in Australia. It can be part of 'tenure neutral' assistance.</p> <p>Ability of social housing system to be efficient depends on scale (there could be many providers).</p>
<p>Political feasibility</p> <p>RA means that sole parents are dispersed, not concentrated as in public housing. Less stigma and negative community attitudes, including Not In My Backyard (NIMBYism).</p>	<p>RA recipients may also be concentrated in areas of low cost housing. Unlike public housing, governments see no accountability for the impact of their policies on specific areas of low cost rental.</p>	<p>Depends on the level of perceived housing crisis, and the degree of governmental support for one form of assistance versus the other.</p>

4. METHODOLOGY

Sole parents were chosen to test the outcomes as they are a large and disadvantaged group of households in receipt of both types of housing assistance. Their housing needs have been addressed by a number of research papers and reports, although often under the heading of women and housing, in recognition that many sole parents are women. The National Housing Strategy paper on women and housing (Cass 1991), Econsult (1991), Barclay et al. (1991), Homewood (1994), Wagner and Morgan-Thomas (1995) and others have identified the housing condition of sole parents, the causes of housing stress, the barriers they face, and their experiences and observations. All used secondary data analysis (largely census data) or focus group discussions. There has been no identifiable research enabling effective comparisons of how tenure and related housing assistance affects the housing and non-shelter (such as education, health and wellbeing) outcomes for sole parents. This is a gap that this research addresses.

The study uses two major data sources: 1996 census data for some broad contextual information about sole parents and housing, and mail-out surveys of sole parents in public housing and sole parents in receipt of RA.

4.1 Census Data

The first stage of the research used the confidentialised unit record files (CURFs) of the 1991 and 1996 Censuses of Population and Housing. The housing sample file (HSF) – a 1% sample of occupied private dwellings – contains confidentialised details of associated family and personal records. It is, in effect, the data of an individual household as provided on census night. Its availability enables manipulation of the data set in ways not possible with the full census data. The HSF is provided in a single form on CD-rom and, as a sample, will be subject to sampling error. Given the size of the sole parent population (around 662,800 or 10.3% of total households), this is likely to be around 2.5% at most. To ensure confidentiality, the smallest level of population for which the data can be analysed geographically is 300,000. This means that Tasmania is treated as one geographical area. For all persons or households in the HSF, multiplying the number of records on the sample file by 100 derives family and dwelling data estimates for the entire population.

Analysis of HSF data was designed to identify differences and similarities between low income, sole parents in public rental and those in private rental, in terms of key areas such as housing costs, educational levels and participation, employment experience, household structure, ethnicity and rates of mobility.

To achieve a relevant database, the data had to be filtered. 'Visitor', 'overseas visitor', 'other related individual', 'non-family member' and 'not applicable' categories from the 'Relationship in household' variable were identified and deleted. Sole parent families were then selected via the 'Family type' variable.

Comparing all sole parent private renters with public renters would have produced non-comparable data, given the higher incomes of many sole parents renting privately, nor would it have been useful in terms of information about potential RA recipients. Thus a 'low income' category was created for sole parent private renters, at which they would have been eligible for social security benefits and RA at the then (1996) prevailing rates. The census does not record actual income, but which range one's income falls into. This means income is only available as ordinal data and thus the nearest income category to fit the 1996 DSS eligibility requirements was \$300 per week. Not all private renter households below this low income measure are in receipt of RA, but it is a good approximation for sole parents who were potentially eligible for RA as well as for public housing.

It is also important to appreciate that the term 'sole parent', as with any category, is not a single population with homogeneous characteristics but a diverse group of families, with the diversity potentially meaning different behaviours, beliefs and practices. The survey component of this research will draw out the diversity more than is possible using ABS unit record data. CURF data does enable analysis by the following characteristics: Male and female headed;

- Never married and ever married (separated, divorced, married or widowed); and
- By age of children and degree of dependency, e.g. dependent children under 15, dependent children 15-24, non-dependent children.

4.2 The Surveys

The second and more important data source for this study were two mail-out surveys. One was of sole parents in public housing. State housing authorities in three states randomly chose 500 names and addresses of sole parent households in public housing in each of the seven selected regions. This provided a sample frame of 3,500 households from which there were 1,018 usable responses, a response rate of just on 30%.

The second survey was of sole parents in receipt of RA. The Commonwealth Department of Family and Community Services provided addresses of sole parent income units receiving RA for the same postcodes as the first survey. A mail-out from a survey frame of 3,000 addresses yielded 670 responses at a response rate of 22%. Overall, from the two surveys, there were 1,688 completed surveys and a 26% response rate.

The questionnaire was designed in consultation with a reference group made up of representatives of the participating agencies, and with feedback provided by the Victorian Sole Parents Association (for the RA survey) and the Richmond Public Housing Tenant Association (for the public housing survey). Two pilot workshops were held with tenants around a draft questionnaire, which was suitably altered after their input. The two questionnaires had identical or 'paired' questions to enable direct comparison of the two sets of responses.

The Privacy Acts in three states and the Commonwealth required slightly different treatment of the survey process. In Victoria and Tasmania, the surnames and addresses were provided to Swinburne with the client data stripped of any personal information and checked for special addresses, e.g. witness protection or situations of domestic violence. In the case of the Commonwealth Department of Family and Community Services and the Queensland Housing Department, names and addresses could not be provided to Swinburne. These two agencies arranged for the dispatch of surveys through a contracted-out mail centre. In all cases, the survey was accompanied by a letter expanding on the nature of informed consent, requesting participation and providing a 008 number to contact if more information was required. As Swinburne only had control names and addresses in the case of half of the participating organisations, there was limited ability to track the return of surveys and to send out follow-up reminders to non-returnees.

The questionnaire is in English only (which is a limitation of the study) as costs precluded multiple languages and translation services. Where public housing databases identified tenants who did not speak English, these households were removed from the sample frames. There was a diversity of ethnic backgrounds among respondents, with 23% of public housing tenants and 17% of RA recipients stating that their country of birth was other than Australia.² Indigenous Australians represented 5% of the sample and a similar percentage of respondents.

The questionnaire was designed to draw out sole parents' views around four areas:

- Housing decision making;
- Housing satisfaction;
- Other wellbeing outcomes such as health, employment and education; and
- Social capital.

The questions on housing decision making questions were informed by Brown and Moore's (1970) behavioural model of residential location. This conceptualises the decision making process as an outcome of internal and external pressures, where the former are the household's needs and expectations (e.g. marital breakdown and need for new home) and the latter are environmental forces (e.g. cost and availability of accommodation). The first stage of the process occurs when these forces create the need to find a new dwelling, the second when the internal and external processes narrow the location in which a dwelling is sought, and the third concerns the processes that structure the decision to choose a particular dwelling. In principle, RA should allow a decision making process consistent with

² For purposes of comparison, 23.6% of the Australian population was born overseas in 2000 and 2.2% of the population were indigenous Australians (ABS 2001, *Australian Social Trends 2001*, Cat. no. 4102.0: 2).

needs to a greater degree than the allocation processes of public housing. The surveys attempted to elicit information from sole parents about these housing search processes and the information used in the decision making process.

A set of questions on housing satisfaction attempted to draw out the overall levels of satisfaction with the two tenure sectors and the specific factors that create or diminish satisfaction, whether these are the attributes of the dwelling, the location, or the management of the stock. These include factors important in evaluating differences in outcomes for the two forms of assistance, such as safety, affordability, security, housing quality and dwelling appropriateness.

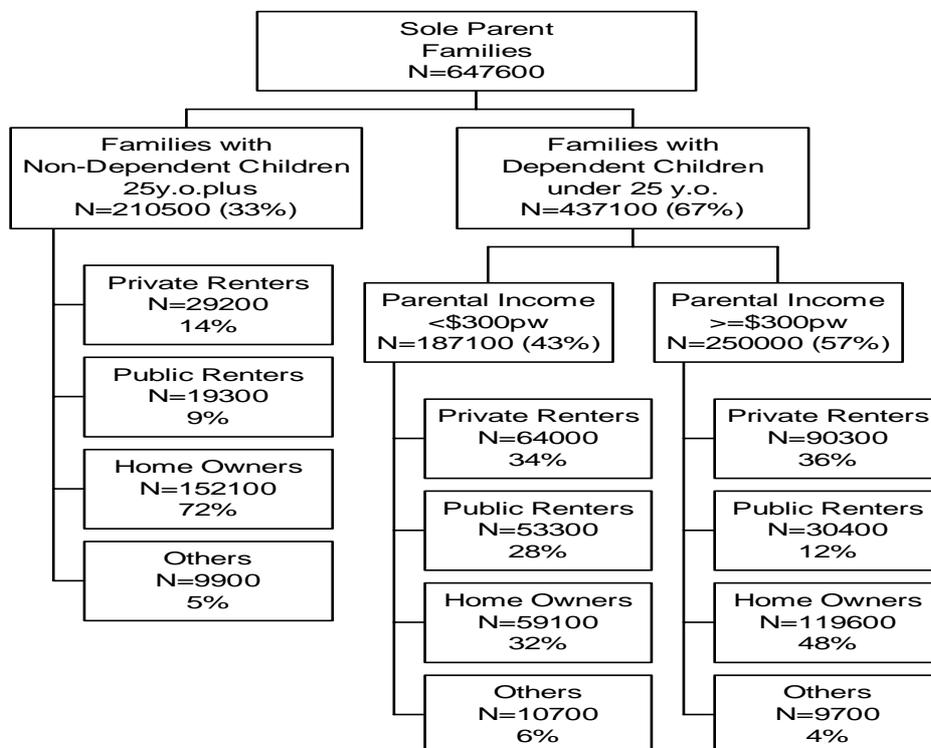
Another set of questions were concerned with personal wellbeing outcomes not directly related to housing, such as financial position, quality of life, health and education, and employment opportunities. Some of these were designed to provide answers to questions that emerged out of the CURF secondary data analysis, such as the factors which sole parents perceive to be impediments to greater educational and workforce participation.

The questions on social capital drew on the perceived quality of sole parents' social relationships, their perceptions of the communities in which they live, and their degree of connectedness to local community. The questions are concerned with what Putnam (1995) has defined as 'proximal', rather than 'distal', indicators of social capital. Proximal indicators are concerned with the quality of local and friendship networks, of trust and confidence, and of reciprocity i.e. participation in local support groups or agencies. Distal indicators are really an outcome of social capital (Stone 2001) and include health status, crime rates and teenage pregnancy. It was thought unnecessary and intrusive to ask questions about the latter measures.

5. CENSUS DATA ANALYSIS: PROFILE OF SOLE PARENTS

There were 662,800 sole parent families in Australia in 1996, based on analysis of unit record files of the census, or just over 14% of all families living in occupied private dwellings. They comprised a diverse range of families (see Figure 1).

Figure 1: Profile of Sole Parents in Australia, 1996



Source: ABS 1996 CURFs.

Data excludes families whose incomes were shown as 'not stated' or 'not applicable'.

About four in five of all sole parents had previously been married, with one in five having never been married. Sole parents can be broadly grouped into those with only non-dependent children (aged 25 years or more) and those with dependent children (aged under 25). About one-third have only non-dependent children whilst two-thirds have dependent children. Of those with dependent children, 93% had children who were either under 15 or a student aged less than 25 years.³

Most sole parent families with children under 25 (87%) were female headed, with 13% being male headed. A substantial number with dependent children aged under 25 (42%) were on low incomes (defined as less than \$300 per week in 1996 dollars). Whilst recognising that there is diversity amongst sole parent families, this study is predominantly concerned with those on low incomes who would be eligible for either RA or public housing.

Figure 1 also shows the distribution of sole parent family types by tenure. Overall, 52% were home owners or purchasers, lower than the rate across all types of households in Australia. Those with non-dependent children aged 25 and over, however, had a home ownership rate of 72%, slightly higher than the national average. For those with dependent children under 25, the rate of ownership falls dramatically and particularly so for those on very low incomes (under \$300 a week in 1996), who had a home ownership rate of 32%. Despite one-third of very low income sole parents being in home ownership, they are not eligible for any specific housing assistance, since RA is limited to private rental. It is difficult to see how these households manage, particularly if they are still purchasing. Public rental accounts for 17% of the tenure arrangements for all sole parents, but for 28% of very low income sole parents with dependent children. Private rental is the largest tenure sector (34%) for low income sole parents on very low incomes with dependent children.

³ 'Sole parent' in this context refers to a family with one adult parent and child(ren) under 25 only, either dependent children (under 15), dependent students (15-24) or non-dependent children aged under 25 and living at home.

Sole parents in Australia have a strong preference for detached housing. Three-quarters of very low income sole parents (77%) lived in a single detached house in 1996, little changed from 1991 (76%) and not dissimilar to the rate for all Australian households. Only 17% lived in semi-detached dwellings or flats of up to two storeys, with 5% in flats of three storeys or more, largely public housing. Despite the higher rental that attaches to a detached house compared to a flat in many areas, most still opted for this type of housing. This choice may relate to the 'meaning of home' and the association of home with a building form considered by many Australians to offer the best environment for child rearing.

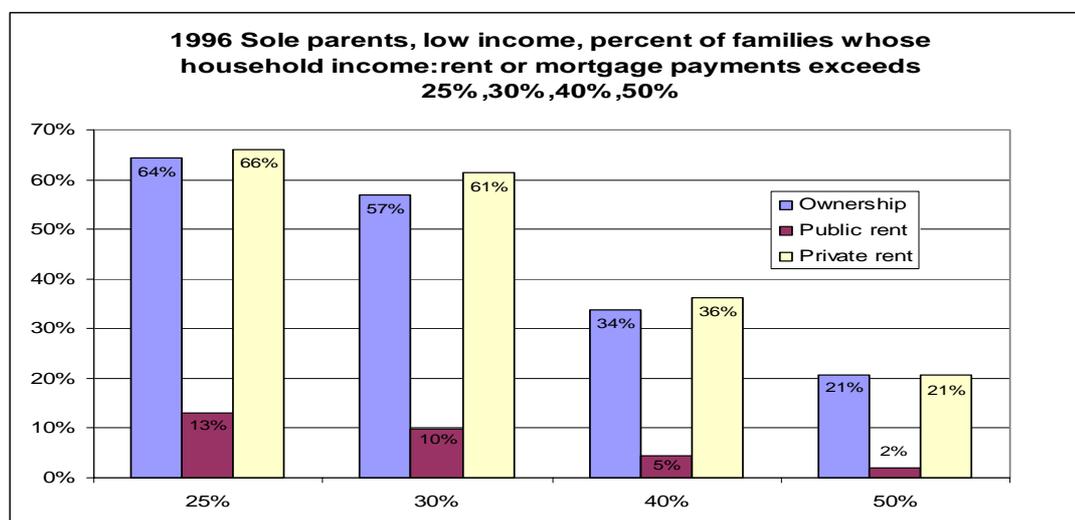
Sole parents' choice of single detached housing raises issues as to what locational, amenity or quality trade-offs may have been necessary. Moreover, for poorer families, this may represent greater problems of upkeep in terms of garden and general repairs than a flat.

5.1 Affordability of Housing

As indicated above, sole parents have the highest rate of poverty of any household type in Australia; this is a reflection of the interaction between low workforce participation, high rates of social security dependency and the costs associated with childcare. Access to housing and the cost of housing are potentially an important factor impacting on wellbeing.

Figure 2 shows the affordability outcomes for sole parents in each tenure sector in 1996, where affordability is taken as the proportion of income committed to housing costs. There are different outcomes according to tenure. The bulk of low income sole parents were paying *less* than 25% of income if renting public housing, but *more* than 25% if they were private renters or home owners. One in five low income private renters and home purchasers (21%) paid more than half their income on rent or mortgage, and 61% and 57% respectively paid more than 30% of their income on rent or mortgage. In contrast, only 10% of low income renters in public housing paid more than 30% of income in rent.

Figure 2: Percentage of Low Income Sole Parent Households Whose Income Exceeds Various Affordability Benchmarks, 1996



Source: Source ABS Census of Population and Housing, 1996, unit record files
 'Low income' refers to sole parents earning less than \$300 per week.

The obvious points to make here are:

- Given that rent rebates in public housing are typically structured to be not more than 25% of income, it is not surprising that most sole parents who are public tenants achieve this level of affordability. Whether this means that public housing is affordable in terms of leaving sole parents with enough to live on after paying for housing is considered in the next section on the survey findings;
- 61% of low income sole parents renting privately were paying more than 30% of income in rent and over one-third were paying more than 40%, even though many would be eligible for, and in receipt of, RA; and

- Sole parents who are home owners or purchasers on low incomes have affordability outcomes very similar to private renters but do not receive any specific housing assistance. The survey investigated to what extent private renters in receipt of RA had previously been in home ownership but had dropped out of this sector, with the results being reported in the next section.

5.2 Mobility

Residential mobility is one of the major ways that households adapt their housing needs to market realities. It is far from a perfect mechanism as costs, availability and perhaps discrimination prevent all households from making the adaptation they prefer. But the adjustment process is not just a household/market relationship. Government interventions also affect the process, including the role of public housing, its availability and the way in which allocations policies are implemented, as well as the administration of RA.

There is extensive literature on residential mobility (e.g. Hugo and Bell 1999), with one of the major observations being that mobility varies according to age, socioeconomic status, tenure and space. This section briefly explores mobility for sole parent households in relation to such variables. This is a particularly important issue as stability and security of a home is a foremost consideration, particularly for those who have experienced disrupted lives and the associated emotional stress. High rates of mobility may thus be seen as a particular problem for this household type.

Australia has a very high rate of mobility by international standards (Hugo and Bell 1999). Sole parents have an even higher rate. There are a number of reasons for this. For many, the 'event' that triggered their status as a sole parent – divorce, separation or death – also precipitated mobility. Many may then find themselves in the private rental sector, which is always associated with high rates of mobility. Public housing appears to bring greater stability to a household and rates of mobility are lower. Table 4 shows the rate of mobility for sole parents across the three tenure sectors and highlights the much higher rates of mobility in the private rental sector, particularly one year mobility, compared to owner purchase and public rental.

Table 4: Mobility Rates of Low Income Sole Parents by Tenure, 1996

Tenure type	Moved within last twelve months (%)	Moved within last five years (%)
Owner/purchaser	6.9	25.7
Private rental	45.9	82.7
Public rental	19.0	50.3

Source: ABS 1996 CURFs.

Table 5 shows that there is considerable variation within sole parent families by illustrating the percentage who moved within the previous year. Such analysis highlights the dangers of seeing sole parents as a homogeneous group. Those with younger children have much higher rates of mobility than those with older children, whether the latter are dependent or not. By the time the children are older, sole parents have become more settled, although mobility rates are still high in the private rental sector. By contrast, those with older children in the public sector have remarkably low rates of mobility at around 4% a year. The data confirms that public housing demonstrates a capacity, for whatever reasons, to create greater security of tenure than private rental. Irrespective of type of sole parent and stage in lifecycle, sole parents in the private rental sector have disproportionately high rates of mobility. This finding raises questions about the ability of sole parents renting privately to stabilise their lives, to build community and social capital, and the degree to whether such movements reflect choice or constraint. The survey data in the next section addresses some of these questions. This research does not attempt to analyse where the sole parents are moving to and how far, as another AHURI study (Birrell and Rapson 2001 forthcoming) is analysing this question.

Table 5: Sole Parents Who Moved Within the Previous Twelve Months (One Year Mobility Rate) by Tenure and Family Composition

Tenure type	Sole parent with dependent children under 15 (%)	Sole parent with dependent students 15-24 (%)	Sole parent with non-dependent children (%)
Public	25.4	4.5	4.4
Private	51.7	37.2	31.7

Source: ABS 1996 CURFs.

5.3 Workforce Participation and Housing Arrangements

One of the major social policy concerns of advanced industrial countries is welfare dependency, particularly of sole parents. Reducing such dependency is thought to minimise welfare expenditures, empower sole parents, improve their socioeconomic position and improve the living conditions of children. The degree to which these objectives are achieved, and the balance between them, will depend on the type of policies that directly and indirectly impinge on sole parents' perceptions of work versus welfare, of child rearing versus work, and of the constraints and opportunities to balance the two.

Sole parents in Australia have low rates of workforce participation, compared to most OECD countries (Bradshaw et al. 1996; DSS 1986, 1989). Studies of workforce participation amongst sole parents, however, have not disaggregated for household type and living arrangements, including tenure. This section provides some disaggregated information based on CURF data for 1996.

Table 6 shows workforce participation rates (column C) for high, low and very low income sole parent earners by tenure. Across all income groups, high participation is most highly associated with home ownership (71%) then private rental (57%) and public housing (38%). While these figures disguise variations across income ranges, it is significant that, at all levels of income, home ownership is associated with higher levels of workforce participation. Ownership is also associated with higher levels of employment across all income ranges. By contrast, public housing is associated with lower workforce participation and employment across all income ranges. Issues affecting sole parents who are home owners are beyond the scope of this study of sole parent renters, but the relationship between high rates of workforce participation and home ownership appears worthy of further research. For example, do sole parents who are owners have a different socioeconomic profile in terms of education, workforce experience and language skills that might provide greater opportunities for workforce participation? Is there something about ownership (perhaps personal identity or self-motivation and achievement) that elicits different attitudes to workforce participation? Does the absence of specific housing assistance to sole parents who own or are purchasing mean greater workforce participation for financial reasons?

Table 6: Workforce Participation by Income and Tenure for Sole Parents of Workforce Age 17-59, 1996

Income \$1996	Tenure											
	Private renters				Public renters				Home owners			
	%A	%B	%C	%D	%A	%B	%C	%D	%A	%B	%C	%D
<\$300	19	18	37	63	17	11	28	72	14	27	41	59
\$300-\$599	8	57	66	34	5	48	52	48	3	79	82	18
\$600 plus	0.5	92	93	7	8	81	88	12	0.3	97	97	3
Total %	12	45	57	43	13	25	38	62	6	65	71	29
Total number	204	774	978	774	119	227	346	572	157	1,579	1,736	700

Source: ABS 1996 CURFs.

A = unemployed, B = employed, C = labour force (A+B), D = not in the labour force.

Table 7 provides a richer understanding of the relationship by showing the workforce patterns for sole parents in public and private rental, disaggregated into household types. Private renters have a higher rate of workforce participation (58%) than public renters (40%). For sole parents with dependent children (the largest group, almost 200,000 families), private renters had a marginally higher rate of unemployment (12%) but a much higher rate of employment (37%) with 20% in full-time employment. The equivalent full-time employment rate for public tenants was 8%.

The most significant difference in workforce participation rates is, however, between sole parents with children under 15 compared to these with dependent students (15-24) or non-dependent children. The data suggests that low rates are a function of child caring responsibilities since, as soon as sole parents are freed of the responsibilities of caring for young children, participation rates soar – to 75% for private renters with non-dependent children, and to 58% for public renters, who have a much higher rate of unemployment (19%) than private renters (7%).

Table 7: Percentage of Low Income Sole Parents Participating in the Workforce by Family Type, 1996

	With children under 15 (under \$300 week)		With children under 15 (all incomes)		With non-dependent children (under \$300 week)		With non-dependent children (all incomes)	
	Private	Public	Private	Public	Private	Public	Private	Public
Unemployed	17.4	14.7	11.6	11.1	15.6	24.2	6.7	19.0
Part-time 1-24 hrs	12.7	6.9	16.2	11.8	17.8	6.6	10.3	6.6
Full-time 25+ hrs	2.5	1.7	20.4	8.4	8.9	6.6	53.6	24.8
Not in labour force	65.8	74.9	49.0	66.4	53.3	54.9	25.0	42.1
Other	1.6	1.9	2.9	2.4	4.4	7.7	4.5	7.4
Total (%)	100	100	100	100	100	100	100	100
Number	55200	42200	129700	67800	9000	9100	22400	12100

Source: ABS 1996 CURFs.

Low income = <\$300 per week parental income (\$1,996) for those aged 15-59 years.

The lower workforce participation and employment rates for public tenants raises the question as to whether they have the same capacity for workforce participation as private renters. The targeting of public housing means that incoming households are more likely to have attributes that limit work potential: psychiatric illness, disability, ethnic background, trauma, dependency, larger families, low education, lower car ownership, lesser mobility or just poor social skills. As part of the study, a factor analysis of relevant socioeconomic census variables for the sole parents renting in the two sectors was undertaken. This revealed that lower education levels, non-English speaking background and lower rates of car ownership tested positive with the lower workforce participation of public tenants. In brief, the key explanation for the difference between private and public renters' workforce participation rates appears to be their different socioeconomic profile.

Another possible explanation of the lower workforce participation rates of public tenants is that they are under less financial pressure because of income related rents, and feel that they do not have to work and can spend more time with their children. As the survey data in the next section indicates, this is unlikely as many, despite income geared rents, experience major financial hardship.

A further explanation of the relatively low workforce participation rates of sole parents generally, and public tenants specifically, is the welfare payment poverty trap. This suggests that a combination of social security tapers and taxation policy creates poverty traps that make it economically irrational to take up work, particularly if it is casual or low paid. In the statistical appendices to the McClure report on welfare reform, there is some statistical modelling of the Effective Marginal Tax Rates (EMTRs) of sole parents who receive certain levels of additional income (Reference Group on Welfare Reform 2000: 47). These show that for private renters in some situations the EMTR is negative, i.e. they lose more than they earn. The situation of public renters is not modelled but, given the large increase in rent required as additional income is earned (in most cases, 25 cents in the dollar), the EMTR is likely to be higher again than for private renters. Does the difference affect workforce participation between the two tenures? As the survey data in the next section shows, EMTRs are not just an abstract modelling concept; tenants are very much aware of their loss of income as earnings increase and may be making appropriate behavioural responses.

Another reason for low workforce participation is that the location of assisted housing, whether public or private, may not be in areas of strong labour markets. Many public housing estates, as well as a number of areas of increasing low cost private rental, are located where there has been a collapse or contraction in labour markets over the last decade. Estates such as Corio and Norlane (Geelong), Dandenong (Melbourne) and Inala (Brisbane) were established to serve a manufacturing industry that is in decline and now have high relative unemployment rates. Others such as Broadwater (Hobart) were established in areas where there was little employment then or now. Certainly the survey results revealed different practices and values to workforce participation in areas of high versus lower unemployment.

Other possible explanations for low workforce participation relate to childcare. Sole parents may live in areas where there is little available and affordable childcare, whether in areas of public or low cost private rental. Similarly, the local community may be characterised by low levels of social capital (mutual support and trust), which limits ability to arrange informal childcare. Another possibility is that the area may create a culture of welfare dependency where there are few expectations of, or role models for, workforce participation.

At this point there is little available data to support or reject any of these explanations. We now turn to the survey data to provide greater insight into those sole parents who are RA recipients and those who are public housing tenants, and to throw more light on some of the patterns revealed in the census data.

6. PRIMARY DATA ANALYSIS: THE SURVEY FINDINGS

This section analyses the survey data to explore the similarities and differences between sole parents in public housing and sole parents in receipt of RA in terms of the shelter and non-shelter outcomes of housing assistance, personal wellbeing and social capital.

6.1 Profile of RA Recipients and Public Housing Tenants in the Survey

6.1.1 Demographic Characteristics

There are some key differences between the two groups, as summarised in Table 8. RA recipients are younger than the public housing tenants and have fewer children. Four in ten sole parents in receipt of RA (42%) have only one child to support, compared to just over a quarter (28%) in public housing. RA recipients tend to be better educated. More than one-third (35%) had either started or completed a TAFE or university course, compared to just over one in five of the public housing tenants (22%). Conversely, the majority (55%) of public tenants had not studied further than Year 10, compared to 42% of RA recipients. Sole parents in public housing were more likely to have been born overseas (23%) than RA recipients (17%), and were more likely to speak a language other than English at home.

There were no significant differences in terms of gender or marital status, with more than nine in ten being female sole parents and about four in ten in both groups having never been married. There were also no significant differences in terms of indigenous status, with about 5% of both groups identifying as indigenous Australians.

Table 8: Profile of Sole Parent Public Renters and RA Recipients

Selected characteristics	Public renters	RA recipients
Age (years)		
15-24	6.4	11.6
25-29	10.9	19.5
30-39	42.5	43.9
40-49	31.6	21.1
50 +	8.6	3.9
Total %	100.0	100.0
Marital status		
Never married	37.6	40.4
Separated/divorced	57.5	57.2
Widowed	4.8	2.5
Total %	100.0	100.0
Number of children		
1	28.1	41.9
2	36.6	30.8
3	20.5	14.8
4+	14.8	12.5
Total %	100	100
Highest level of education		
Completed Year 10 or less	55.3	43.4
Completed Year 11, 12 or 13	23.1	21.9
Started TAFE or university – not completed	9.9	12.4
Completed TAFE or university	11.7	22.3
Total %	100.0	100.0
Country of birth		
Overseas	23.3	17.1
Australia	76.7	82.9
Total %	100.0	100.0
Speak a language other than English at home		
Yes	19.5	12.3
No	80.3	87.7
Total %	100.0	100.0
Number	1,046	644

Source: ISR survey of sole parents 2001 (may not add up to 100% due to rounding).

6.1.2 Income and Workforce Status

Most sole parents had not undertaken any paid work in the week prior to the survey (see Table 9) and relied heavily on Centrelink payments. Fewer than one in ten were working full time, with slightly more RA recipients in this situation (9.5%) than public tenants (7%). More RA recipients (37%) had also undertaken part-time paid work than public tenants (22%) in the week prior to the survey, with more RA recipients (25%) than public tenants (14%) working for ten hours or more. The survey did not explore whether this part-time paid work was regular or reliable. Approximately a quarter of both groups said that they had looked for part-time or full-time work in the previous four weeks.

Table 9: Labour Force Status of Sole Parents in Public Housing and Sole Parents in Receipt of RA, 2001

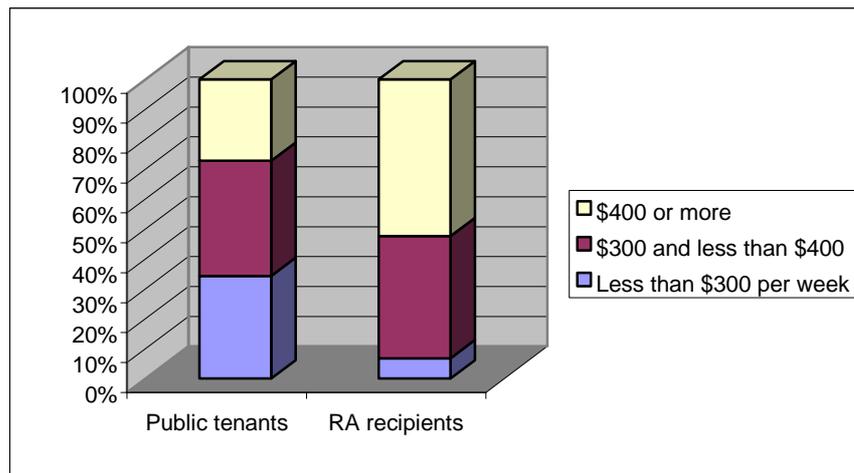
Hours paid work in the week prior to the survey	Public tenants (%)	RA recipients (%)
None	78.0	63.0
Less than 5	2.8	5.1
5 and less than 10	5.2	6.7
10 or more	14.0	25.2
	100.0 (n=1046)	100.0 (n=644)

Source: ISR survey of sole parents 2001.

There were clear differences in the incomes of the two groups (see Figure 3). More than half (52%) of RA recipients reported that they received \$400 or more a week from all sources, compared to just over a quarter (27%) of public tenants. This reflects in part the difference between the two types of assistance: RA recipients on the maximum levels had \$50 per week more income than public tenants who were solely dependent on Centrelink payments. The very low incomes reported by many public tenants were below the level of full Centrelink payments. It is unclear why this is the case. Does it reflect Centrelink administrative practices such as breaching, recovery of past overpayments or inaccurate assessment of payment levels? Are Centrelink payments reduced to account for other payments, such as child support from the non-custodial parent, which may not be received? Alternatively, do public tenants not count as income the part of their payment that is deducted at source by Centrelink and paid directly to the state housing authority for rent? ⁴ Or did public tenants simply underestimate their incomes? If there is underestimation for any of these reasons, the problem is likely to affect other data collections as well, such as the ABS census.

⁴ The question asked of both groups was: 'Can you please estimate your weekly income (from all sources)?'. In response, many sole parent public tenants reported that they had lower incomes than anticipated based on levels of Centrelink payments applicable to their family size. To test whether public tenants had not reported rent directly credited to their accounts by Centrelink as income, rent payments were added onto estimated income. Whilst this reduced the number with incomes below the level of full Centrelink payments, a substantial minority of sole parents still had incomes below the expected level. The more children a sole parent had, the more likely they were to fall below this level.

Figure 3: Weekly Estimated Gross Income from All Sources for Sole Parents in Public Housing and in Receipt of RA



Source: ISR survey of sole parents 2001.

A multiple regression analysis indicated that, whilst there was an association between the higher incomes of RA recipients and participation in part-time work, the strongest association was between income and receipt of child support payments from the non-custodial parent. RA recipients (54%) were significantly more likely than public housing tenants (35%) to receive such payments. Sole parents in receipt of RA who did receive child support typically received higher payments than those in public housing. Half of RA recipients (51%) received payments of \$50 a week or more compared to four in ten (39%) public housing tenants, despite the larger family size of sole parents in public housing. More than one third (36%) of sole parents in public housing who did get child support received less than \$10 a week, compared to just under a quarter of RA recipients (24.5%).

6.2 The Housing Search Process

Prior to moving to their current accommodation, RA recipients (62%) were more likely than public tenants (51%) to have lived in private rental. Public tenants (36%) were more likely than RA recipients (16%) to have lived previously in public or community housing. The number of public tenants who had owned or were purchasing their previous dwelling was negligible but about one in ten RA recipients had either owned or been purchasing their previous dwelling. This raises the policy issue of whether, for a small percentage of sole parents on RA, the payment could be used to maintain them in their previous dwelling, without the dislocation of a move to private rental. Given the relatively small numbers involved, it would appear that extension of RA to this group would not be a costly option. Both groups of sole parents had lived predominantly in single detached housing on individual blocks (69% of RA recipients and 58% of public tenants), reflecting a strong preference for this type of accommodation. Roughly one in five of both groups had lived in apartments of less than three storeys (19% and 20% respectively).

Why did sole parents move from their previous address? Table 10 indicates that for both groups there was a mixture of social reasons, not surprisingly including relationship breakdown, and factors relating to the type and quality of accommodation. For public housing tenants, the two most frequent reasons were their active desire to move into public housing and their perception that current housing was too expensive. In contrast, RA recipients, almost two-thirds of whom lived in private rental, appeared more concerned about various types of relationship breakdown and the standard of accommodation, rather than housing costs.

Table 10: Main Reasons Given by Public Tenants and RA Recipients for Moving from Their Last Address

Reasons given for move from last addresses – ranking by frequency of response	Public renters	RA recipients
1	Wanted to move to public housing	Relationship breakdown
2	Housing too expensive	Inadequate standard of accommodation
3	Relationship breakdown	Move away from incompatible people
4	Inadequate standard of accommodation	Housing too expensive
5	Move away from incompatible people	Eviction or lease not renewed

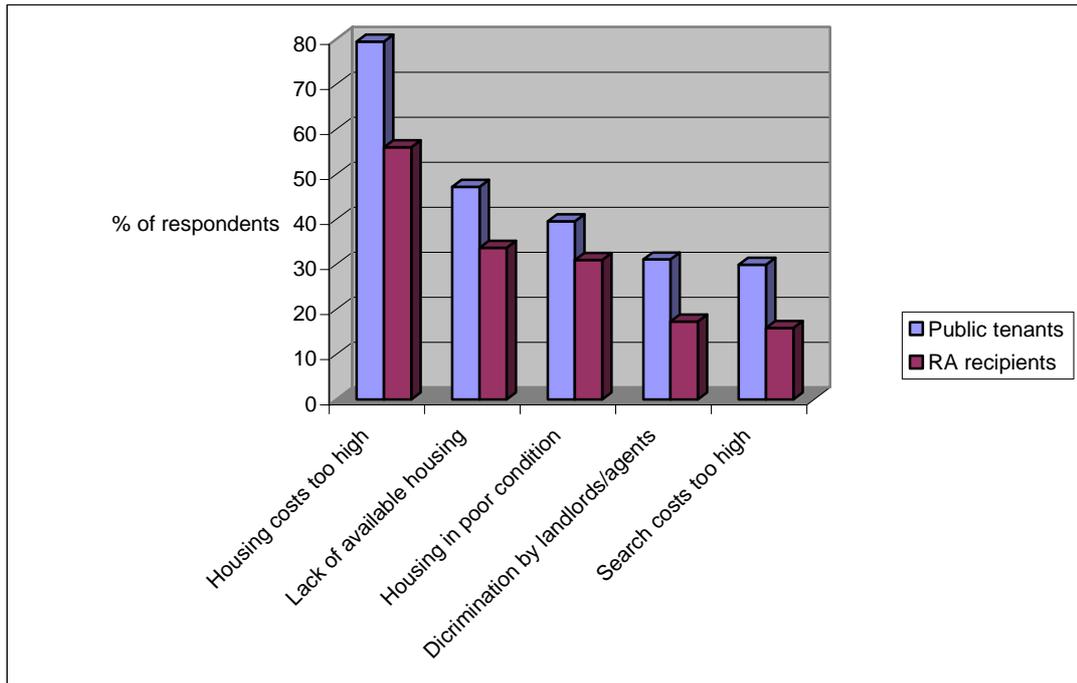
Source: ISR survey of sole parents 2001.

In order to understand more about the strong desire of public tenants to move to public housing, we asked why they nominated for a particular region and found that the reasons were varied, although closeness to schools (51%), knowledge of area (42%) and friends and relatives in area (42%) were all important. Over one-third were already living there. Only a small minority (18%) nominated a region because they thought it was a way of getting housing more quickly. Closeness to work (15%) was the least important factor, suggesting that factors concerned with children’s education and care and family support are of predominant importance to sole parents in their decision making about housing. About two-thirds had either lived in public housing with their parents (23%) or had other friends and family in public housing (42%). Of those RA recipients who did look at public housing, more than half were also in this situation, with 12% having lived in public housing with their parents and 44% having family or friends in public housing. The findings suggest that personal knowledge of public housing is very important in determining whether sole parents search for accommodation in this sector.

Once having decided to move, many sole parents tended to look in either the public rental or private rental sectors but not both. Almost half (49%) of public tenants did not look at renting privately, although there was a high level of awareness (92% of public tenants) about the availability of RA to assist with the costs of private rental. Two-thirds of RA recipients (67%) did not attempt to rent publicly, although most (75%) were aware that they could be eligible. This would suggest that a sizeable number of both groups have preconceptions about the other tenure sector, which are so strong as to preclude consideration of it in their housing search.

Both public tenants and RA recipients were asked about their perceptions of problems encountered when searching for accommodation in the public and private rental sectors (see Figure 4). Firstly, in terms of searching for private rental housing, the main difficulty identified was the cost of housing, with 80% of public tenants and 56% of RA recipients seeing private rent levels as a major problem. The next most significant problems identified by both groups were the lack of available private rental housing and housing in poor condition. Whilst the ordering of major problems was the same for both, a higher percentage of public tenants nominated these areas as major problems in each case. These differences in perception may relate to the different profiles of the two groups. As indicated above, RA recipients may be better able to access private rental housing due to factors such as higher incomes, fewer children and higher educational levels. Perhaps as a reflection of this, public tenants were more likely to see discrimination by private landlords and agents as a major (31%) or minor (32.5%) problem than did RA recipients, 17% of whom saw discrimination as a major problem and 23% as a minor one.

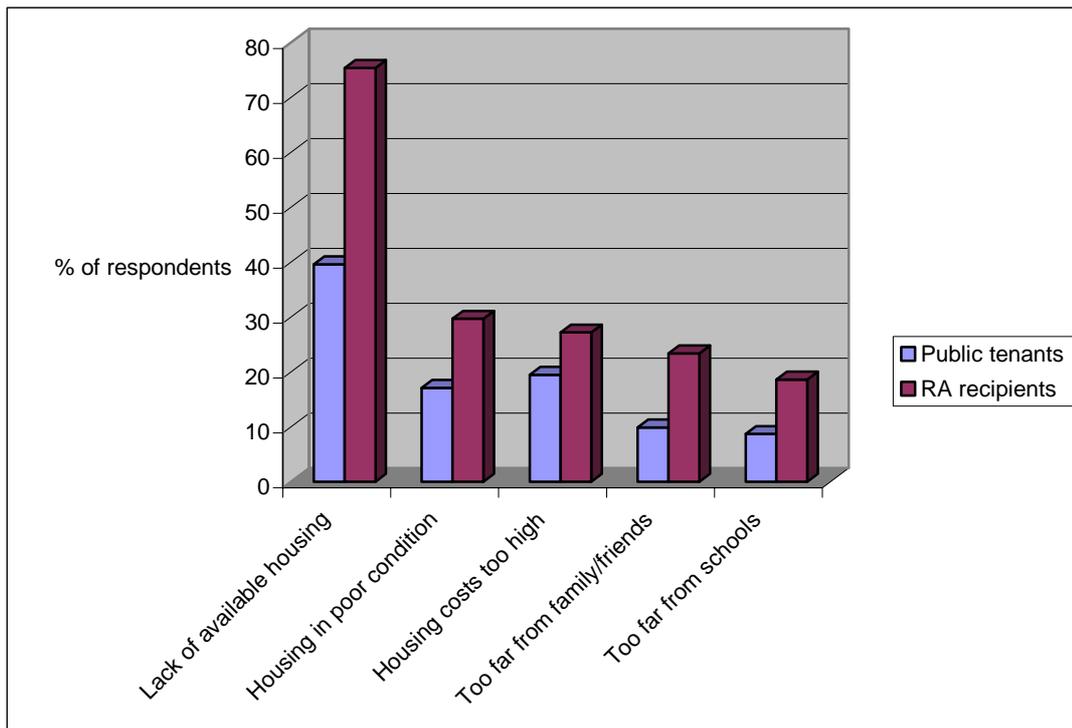
Figure 4: Major Problems Identified by Sole Parents in Looking for Private Rental Housing



Source: ISR survey of sole parents 2001.

Secondly, in terms of searching for public rental housing, the major problem identified by most sole parents was lack of available public housing, although RA recipients were much more likely to see this as a major problem (75%) compared to public tenants (40%) (see Figure 5). Overall, almost 90% of RA recipients saw the lack of public housing as a minor or major problem, suggesting that many rent privately because they see little chance of getting into public housing. RA recipients (30%) were more likely than public tenants (17%) to see the condition of public housing as a major problem, and were also more likely to see the cost of public housing as being too high. This could either reflect lack of knowledge about public housing rent setting or an assessment by RA recipients of the public housing rents they would be required to pay based on their incomes. A minority of RA recipients saw the location of public housing as a major problem, as too far from family and friends (23%) and too far from schools (19%). Public housing tenants did not see the location of public housing as a major problem to any great extent.

Figure 5: Major Problems Identified by Sole Parents in Looking for Public Housing



Source: ISR survey of sole parents 2001.

About the same percentage (16-17%) of RA recipients saw discrimination by public housing officials as a major problem as perceived discrimination by private landlords and agents. Public tenants, however, saw a big difference in discrimination in the two sectors, with 7% perceiving discrimination by public housing officials as a major problem, compared to 31% who saw discrimination by private landlords and agents as a major problem. It is not clear from the survey responses what type of discrimination RA recipients perceived in public housing and whether this related to eligibility, allocations or to the exercise of discretion by officials.

Overall, respondents were more likely to nominate aspects of the search process for private rental as being major problems compared to searching for public housing. Public tenants see high costs, lack of housing, housing in poor condition and discrimination by landlords or agents as the main problems in accessing private rental housing. RA recipients perceive these as problems in accessing private rental but, but not to the same extent. They also see the lack of available housing as by far the biggest hurdle to obtaining public housing, and then its poor condition and cost. Public tenants are concerned about these three factors as well, but not to the same extent.

Finally, if given the choice of a similar condition home at the same rent in either the private or public sector, just over a quarter of public tenants (26%) who answered this question said that they would rather rent privately and almost three-quarters (74%) said that they would not. When faced with the same choice, just over one half of RA recipients (51%) said that they would rather rent public housing and a similar percentage (49%) said that they would not. This would suggest that more sole parents would prefer public housing, if this were available, than private rental, although this preference is particularly strong amongst public tenants.

6.3 Shelter Outcomes

6.3.1 Affordability

Affordability of housing is based on the interrelationship between income levels and rent levels. In Australia it is usually calculated as the percentage of household income devoted to rent. There is an explicit affordability benchmark of 25% of income for public tenants, as rents are based on a percentage of income, but no affordability benchmark for the RA program, although the Commonwealth government uses 30% of income as a measure of the impact of RA on affordability (SCRCSSP 2001).

Those sole parents who were RA recipients had higher incomes than public tenants, as indicated above. However, this was counter-balanced by the higher rents which they paid, compared to the income related rents paid by public tenants. There are two possible ways of deriving an affordability ration for RA recipients. The approach taken by the Commonwealth government is to treat RA as a housing allowance, thereby calculating market rent (minus RA) as a percentage of income (not including RA). This assumes that all RA expenditure is devoted to rent payment, similar to the rent rebate system in public housing. An alternative approach is to regard RA as a general income supplement, thus calculating actual market rent as a percentage of gross income (including RA). The latter approach assumes that RA is a general supplement to income, which may be spent on items other than rent.

Data from the survey has been used to calculate affordability for sole parents who are RA recipients in both ways (see Table 11). Depending on the method used, 42% (RA as a housing allowance) or 74% (RA as an income supplement) pay more than 30% of income in rent. In contrast, whilst public housing tenants have lower incomes, they pay rent based on income; two-thirds pay less than 25% of income in rent, whilst 19% pay 30% or more.⁵ These figures refer to the personal income of sole parents, which included payments for their dependent children. Total income does not include the incomes of any non-dependent children in the household who are in paid work.

The survey data shows that sole parents have better affordability outcomes in public housing than if receiving RA and renting in the private sector, whichever measure of affordability is used for RA recipients. Payment of rents based on incomes by public tenants more than compensates for their lower incomes.

⁵ This figure appears high compared to publicly released data by state housing authorities, e.g. SCRCSSP 2001, Housing Assistance Act Annual Reports. There are two possible explanations. One is that some sole parents have older children who are working and whose incomes are taken into account by state housing authorities when calculating rents, but the survey asked for the sole parent's and not the household income. The second is that some public tenants may have underestimated their incomes by not including the part of their Centrelink payment paid directly to the state housing authority, thus artificially inflating the percentage of income spent on rent.

Table 11: Rent Paid by Sole Parents in Public Housing and in Receipt of RA as a Percentage of Total Estimated Income from All Sources

Percentage of reported income from all sources spend on rent	Public tenants (percentage of respondents)	RA recipients – RA treated as a housing allowance (percentage of respondents)	RA recipients – RA treated as an income supplement (percentage of respondents)
Less than 20% of income	38.9	19.5	3.8
20 and less than 25% of income	27.5	22.5	8.2
25 and less than 30% of income	15.1	16.4	13.7
30% and less than 35% of income	7.2	16.8	21.9
35% of income and above	11.3	24.7	52.5
Total	100.0	100.0	100.0
Number	1,046	644	644

Source: ISR survey of sole parents 2001.

RA recipients were asked how RA helped them; in order to gauge to what extent the payment was used to offset housing costs or to assist with other expenses (see Table 12). The most frequent response cited was that RA helped make rent more affordable (85%), but a high proportion (75%) also suggested that RA helped them to afford other essentials such as food. It would appear that RA is effectively a hybrid which is used by recipients to improve both affordability and non-housing outcomes. This confirms the result of a recent study of young people in receipt of RA (Burke, Pinkney and Ewing 2001).

Table 12: RA Recipients' Perception of the Way in Which RA Has Assisted Them

Way in which RA helps or has helped:	Percentage of RA recipients who strongly agree or agree (n=644)	Ranking
<i>Specific housing factors</i>		
Make rent more affordable	84.8	1
Improve housing quality	56.9	4
To live near family/friends	39.7	5
<i>General wellbeing</i>		
Afford other essentials eg food	75.2	2
Improve standard of living	60.4	3
Reduce family/household conflict	34.3	6
Search for a job	23.4	7
To study	18.1	8

Source: ISR survey of sole parents 2001.

There is an argument that percentage of income spent on rent is not an adequate measure of affordability, particularly for those on very low incomes. The argument runs that what is important is, after paying rent, whether there is sufficient money left for the other essentials of living for a family of a particular size. This leads us into a consideration of whether the sole parents in the survey were living in poverty after paying rent. This important issue is considered further in the section on wellbeing.

6.3.2 Adequacy and Appropriateness

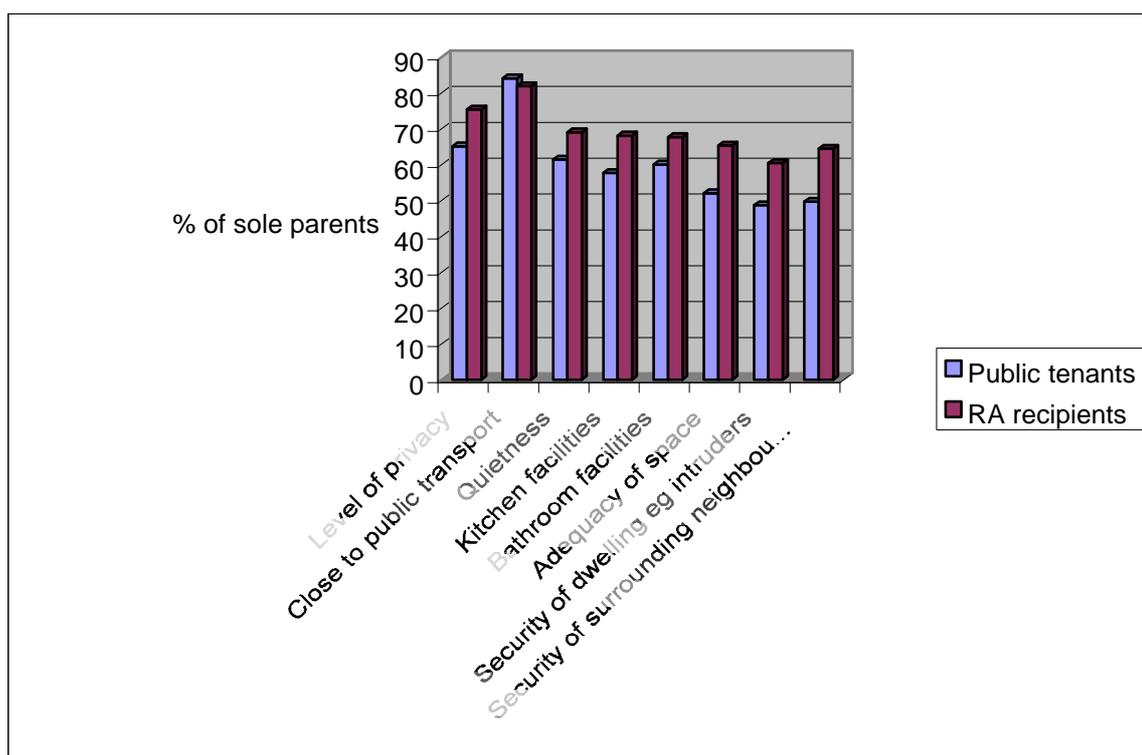
Both public tenants (74%) and RA recipients (71%) expressed high levels of overall satisfaction with the adequacy and appropriateness of their current accommodation. Rates were higher for those living in detached and semi-detached dwellings than for those living in flats.

When we examined aspects of satisfaction with features of their accommodation in more detail, public tenants indicated lower rates of satisfaction on all features with the exception of closeness to public transport (see Figure 6). The greatest differences between the two groups were the security of the neighbourhood and space standards. For public tenants, the lowest levels of satisfaction (just under half) were with security of both the dwelling and the neighbourhood, space standards (52%) and kitchen and bathroom facilities (58% and 60% respectively).

We explored the lower rate of satisfaction with space standards in more detail. Although most sole parents were satisfied overall, there were lower rates of satisfaction expressed by public tenants when questioned about the adequacy of space for specific purposes than by RA recipients. In particular, half of public tenants (49%) thought that they had insufficient room to escape from the children, compared to over one-third of RA recipients (36%), perhaps not surprising since public tenants were more likely to have larger families. Approximately a quarter of public tenants also said that they had insufficient space to entertain visitors, for cooking/meals and for children to study and play, with slightly lower rates of dissatisfaction expressed by RA recipients.

When sole parents were asked to identify what aspects of their housing they currently saw as a problem, there were major differences in response (see Table 13). The main problem nominated by RA recipients was high rents (41%), followed by smallness of dwelling (27%) and unwillingness of landlord to undertake repairs (25%). Public tenants saw the major problem as security of dwelling in terms of factors such as risk from intruders (34%), security of the surrounding area (25%) and unwillingness of the landlord to undertake repairs (25%). About a quarter of both groups said that they had no concerns with their current housing. These findings indicate that for both groups, choice of tenure implies trade-offs. For public tenants, accessing lower rents and greater security of tenure comes at the cost of greater concerns about security. For RA recipients, greater choice comes at the expense of higher rents and smaller accommodation.

Figure 6: Sole Parents Stating That They Were Satisfied or Very Satisfied with Key Features of Their Accommodation



Source: ISR survey of sole parents 2001.

Table 13: Aspects of Current Housing Situation of Concern to Sole Parents

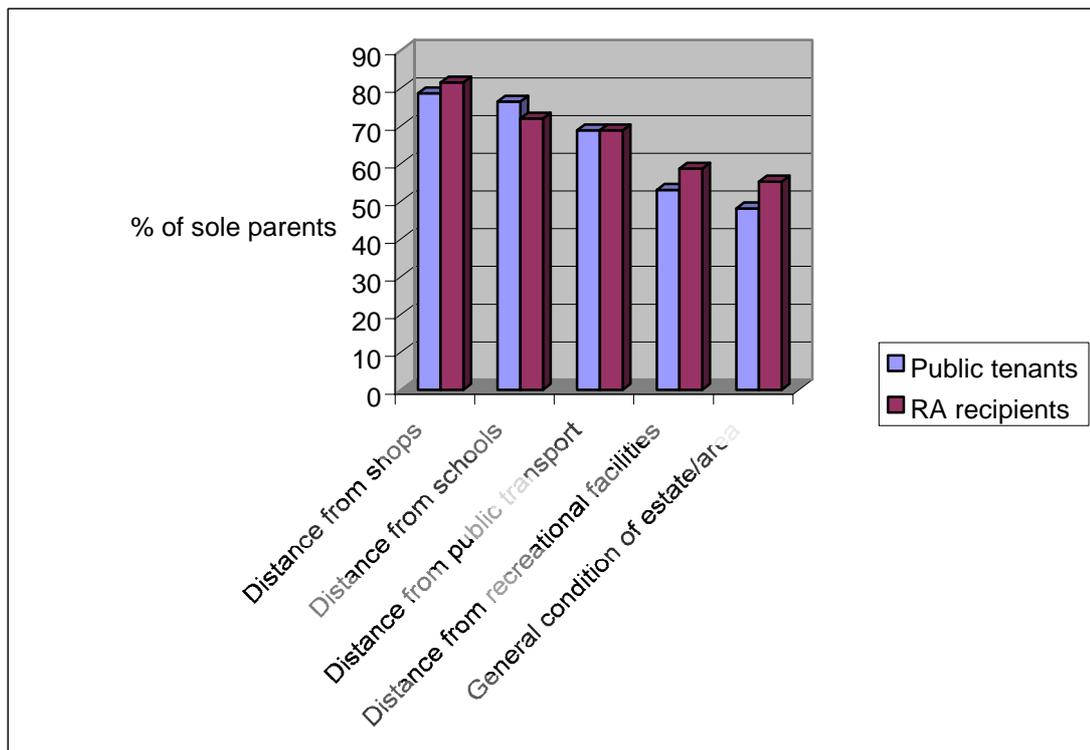
Ranking of frequency of sole parents nominating problems	Public tenants	RA recipients
1	Security of dwelling (34%)	High rents (41%)
2	Security of surrounding area (25%)	Home too small (27%)
3	Unwillingness of landlord to make repairs (21%)	Unwillingness of landlord to make repairs (25%)
4	Home too small (20%)	Security of dwelling (25%)
5	No outdoor area or too small (17%)	Poor household facilities (20%)

Source: ISR survey of sole parents 2001.

The survey findings confirm the concerns about security amongst some public tenants, as well as highlighting issues concerned with space standards and the adequacy of wet areas in some public housing. They suggest that these may be priorities for stock upgrading and estate renewal. It is important to put these concerns in context. Despite these specific concerns, fewer than one in five public tenants agreed or strongly agreed (18%) that, if given the choice of equivalent accommodation at the same rent in the private sector, they would take up that option, indicating that other factors such as security of tenure are important in sole parents' decision making. In contrast, more than one-third of RA recipients (35%) agreed or strongly agreed that they would prefer public housing if they could get a similar home at a similar rental.

Four in five sole parents in both groups (79% in each) were also either satisfied or very satisfied with the location of their housing. In theory, RA should provide greater choice of location. We could therefore hypothesise that RA recipients would be more satisfied with locational attributes than public tenants. The survey findings indicate, however, very similar rates of satisfaction. The highest rates of satisfaction with location for both groups were access to shops, schools, public transport, recreational facilities and the general area (see Figure 7). These findings suggest some of the priority areas for sole parents and why there were high overall rates of satisfaction with the location of housing.

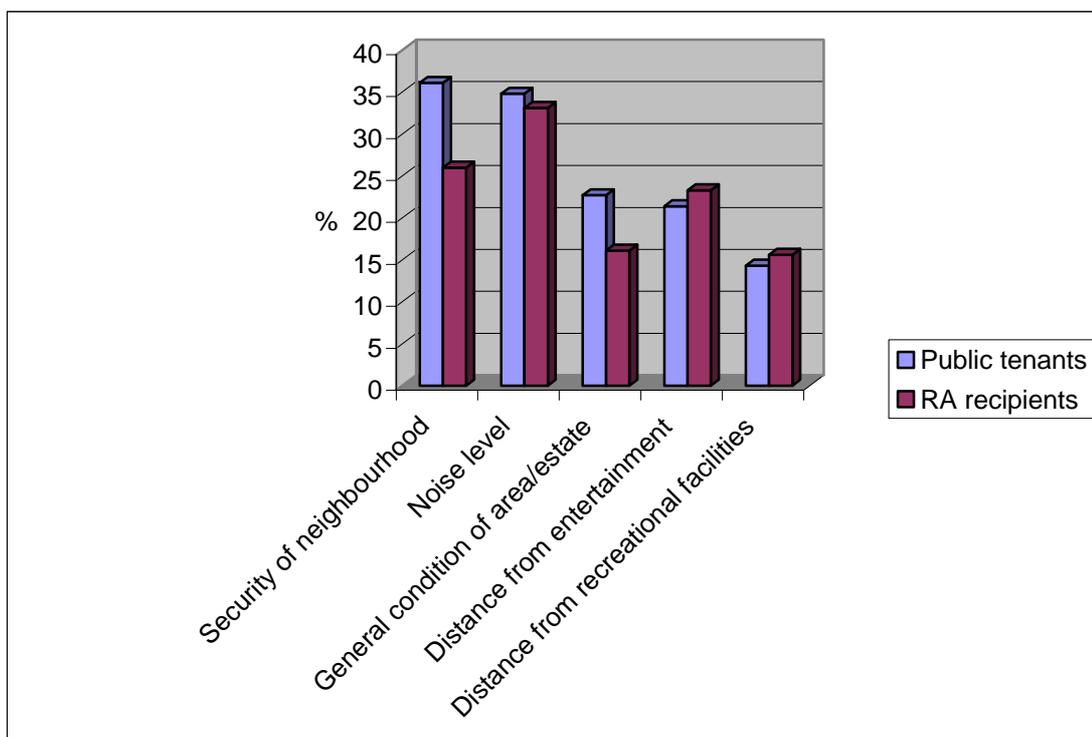
Figure 7: Sole Parents Satisfied with Aspects of Location



Source: ISR survey of sole parents 2001.

Whilst most were satisfied overall, public tenants and RA recipients identified highest rates of dissatisfaction with the same five factors (see Figure 8). These were security of the neighbourhood, noise levels and general condition of the estate/area and proximity to entertainment and recreational facilities. Only 13% of public tenants and 11% of RA recipients expressed dissatisfaction with distance from work or employment opportunities. For the majority of sole parents who were at home caring for their children, access to employment did not appear to be a priority issue.

Figure 8: Sole Parents Dissatisfied with Aspects of Location



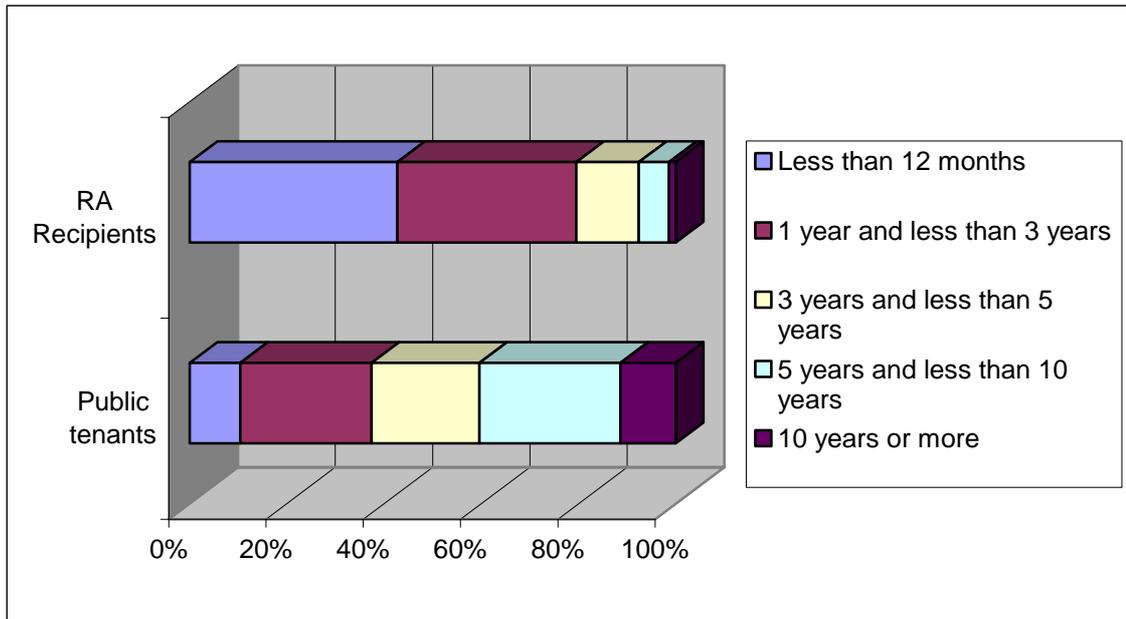
Source: ISR survey of sole parents 2001.

Looking at the data at the regional level there was some variation, not in the overall pattern, but in degree. In inner Melbourne, public tenants expressed a much greater level of concern with the lack of locational proximity and access, compared to RA recipients. While inner Melbourne is rich in resources compared to the other regions, it does not mean that the specific public housing properties allocated are near family or friends or even schools.

6.3.3 Security

One of the main differences between the two forms of housing assistance is the relative security of tenure available to public tenants. It was hypothesised that public tenants would have much lower housing mobility rates. The survey findings showed that the two groups did differ markedly on this dimension: 43% of RA recipients had lived in their accommodation for less than twelve months, compared to only 10% of public tenants (see Figure 9). Conversely, 40% of public tenants had lived in their current accommodation for more than five years, compared to 8% of RA recipients.

Figure 9: Length of Time Lived by Sole Parents in Current Accommodation

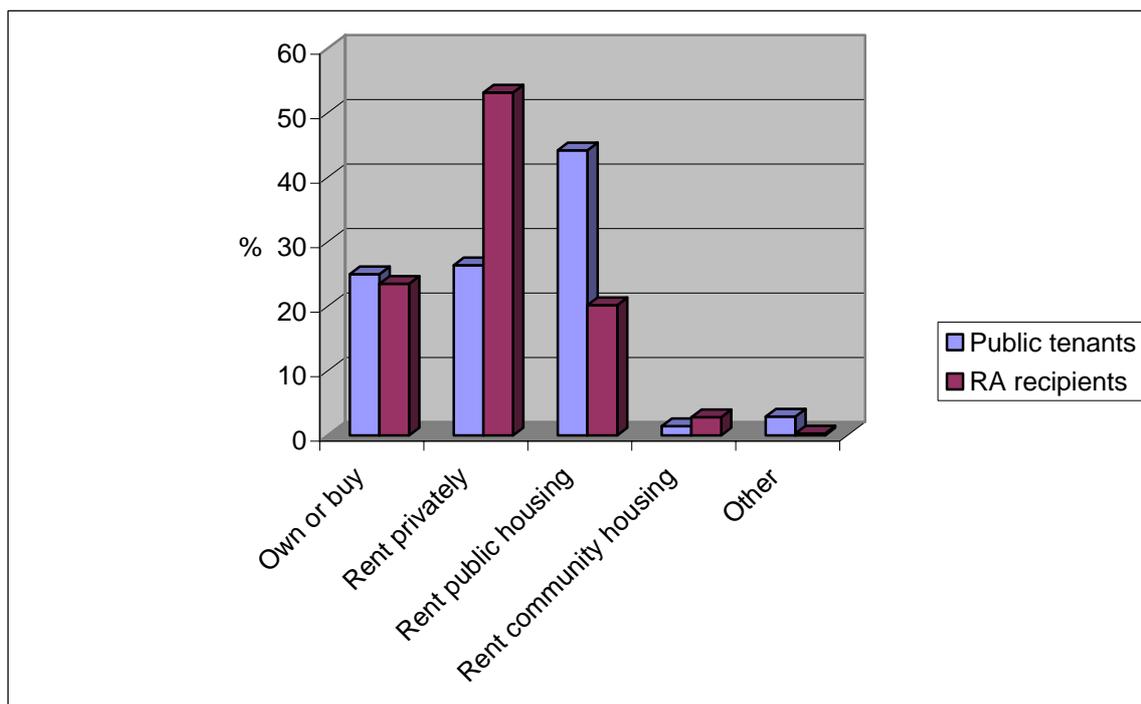


Source: ISR survey of sole parents 2001.

The survey results confirm other data on churning in the private rental sector (e.g. Maher and Saunders 1996). Two-thirds (67%) of RA recipients had moved two or more times in the previous three years, compared to 39% of public tenants. More than one-third (35%) of RA recipients thought they would continue living in their current dwelling for less than a year, compared to only 9% of public tenants. Conversely, almost half of public tenants (48%) said that they thought that they would live in their current dwelling for ten years or more, compared to 8% of RA recipients. Sole parents who were planning a move were asked what type of accommodation they would most likely move to (see Figure 10). About a quarter of both groups planned to purchase a home. More than half of RA recipients (53%) planned to continue to rent privately, with 20% indicating that they planned to move to public housing. 44% of public tenants planned to move within the public housing sector, indicating a considerable demand for transfers. About a quarter of public tenants (26.4%) planned to rent privately in their next move. There appeared to be little awareness amongst either group of the community housing sector as an option.

These findings indicate qualitatively different shelter outcomes of the two types of assistance on the dimension of security. For sole parents, it is likely that high mobility rates mean relocation expenses, disruption to schooling and impact on general wellbeing and connection with local community. A number of questions were asked on personal wellbeing and social capital (which are detailed in the next two questions) including sense of involvement in community, financial security and school attendance. On virtually all of these questions, there was a lower positive response rate from those who had moved three or more times in the previous three years, compared to those who had moved twice or less in that period. On some variables, particularly those relating to financial hardship, school attendance and community support, movers were less positive than non-movers. These findings raise policy issues about the impact of housing mobility for sole parents, particularly those renting in the private sector, and policy options for enabling greater stability in accommodation.

Figure 10: Sole Parents Planning to Move by Most Likely Housing Tenure



Source: ISR survey of sole parents 2001.

An additional element of insecurity was the churning of RA recipients in terms of receipt of housing assistance. Just under half (46%) had received RA on prior occasions. These sole parents had received RA for relatively short periods, 27% for less than twelve months and 47% for between one and three years. It is not known if these findings represent administrative practices of Centrelink such as withdrawal and reinstatement of payments for breaches or changes in circumstances, or if they reflect instability and insecurity in the lives of these sole parents.

On the more technical aspect of legal arrangements, most RA recipients paid their rent to a real estate agent (57%) or private landlord (38%). Three-quarters (76%) had a formal lease or tenancy agreement, with almost all (97%) having their name on that lease where there was one.

Security of housing is important to sole parents. 84% of public tenants said that their right to stay as long as they like was very important to them, with a further 13% rating this as important. However, despite the different forms of assistance, 82% of public tenants and 72% of RA recipients agreed that they felt safe from eviction. It is not clear whether respondents took this to mean physical eviction, rather than termination of a lease for whatever reason. Further research is required on why sole parents on RA are such frequent movers, and the implications for their families.

6.4 Non-Shelter Outcomes

6.4.1 Personal Wellbeing

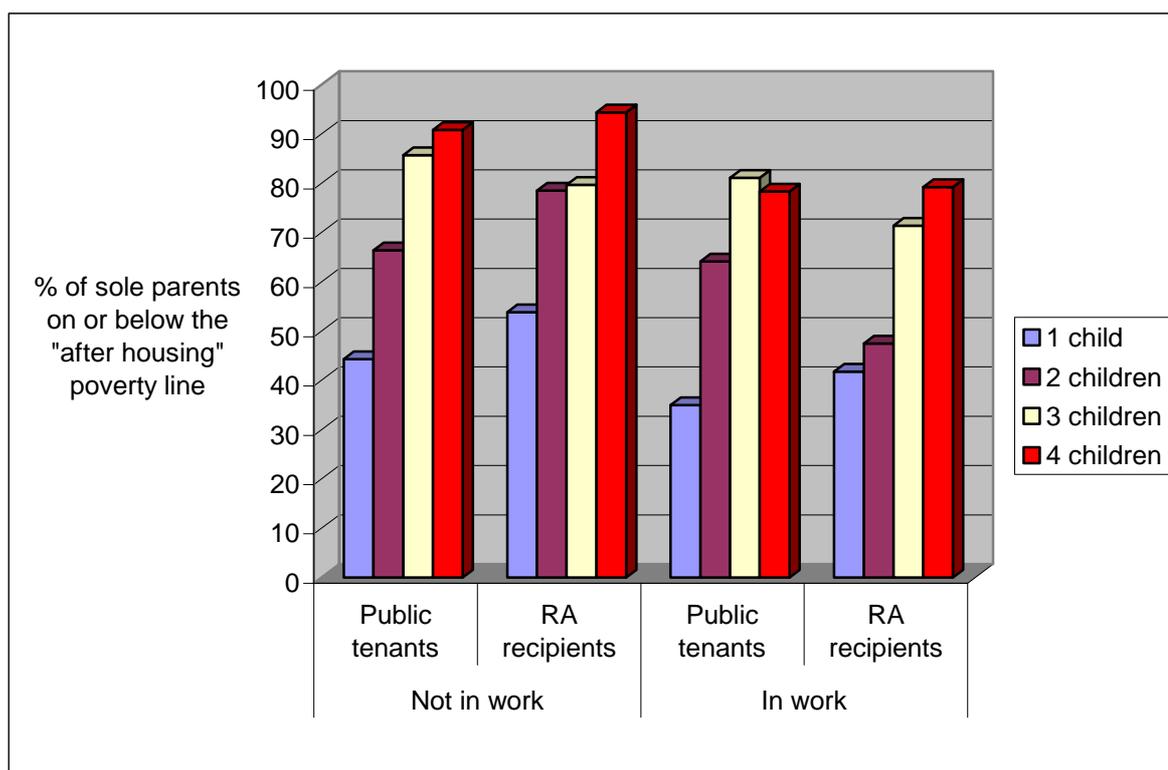
In this section we use 'wellbeing' as a generic term to capture information on the individual's perception of their personal situation in regard to finances, health, children's schooling, and levels of confidence. The following section focuses on social capital, which is used to capture interaction with the wider community.

In terms of wellbeing, financial stress is the biggest concern for both groups. Over three-quarters (75% of public tenants and 77% of RA recipients) said that they constantly worry about their finances; it is not difficult to see why when we look at whether, after paying their rent, they have sufficient disposable income to meet other necessities such as food, clothing and utility costs. In the section on affordability, it was suggested that this is perhaps a more

relevant measure of outcomes for low income sole parents than calculation of rent as a percentage of income. Disposable income after paying rent was calculated for each sole parent in the survey and compared with the relevant after-housing poverty line as calculated by the Melbourne Institute of Applied Economic and Social Research.⁶ This analysis indicates high rates of poverty after paying for housing among both public tenants and RA recipients (see Figure 11). Only in the case of public tenants with one child, whether working or not, and RA recipients in paid work with one or two children, are fewer than 50% of sole parents in after-housing poverty using this measure. The more children a sole parent has to support, the higher the rate of after-housing poverty. Working households generally have lower rates than non-working ones, but the difference is not substantial. Substantial percentages of sole parents were still in after-housing poverty even if they had some paid work, mainly because, as discussed above, most of this work was very part-time.

Not surprisingly, given the different private rent levels in the areas studied, there were differences in the percentages of RA recipients in after-housing poverty by area. Figure 12 shows the regional variation for RA recipients not in any paid work (the majority) with either one or two children. After-housing poverty rates for these sole parents were substantially lower in lower cost housing markets such as Northern Tasmania, Hobart and Geelong, and higher in the high rent markets of inner Melbourne and the Sunshine Coast. In all areas, the more children there are to be supported, the higher the rate of after-housing poverty. For sole parents with three or four or more children in all seven areas (not illustrated), the rate was at or close to 100%.

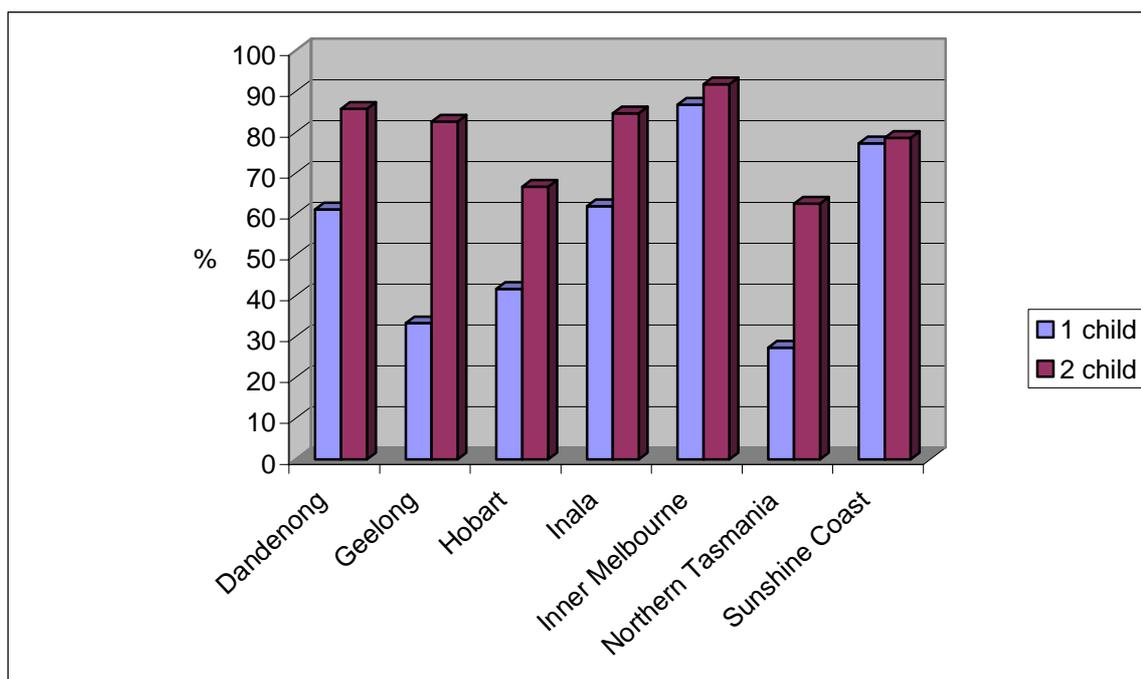
Figure 11: Percentages of Sole Parents on or Below the After-Housing Poverty Line



Source: ISR survey of sole parents 2001.

⁶ The Melbourne Institute for Applied Economic and Social Research (University of Melbourne) produces poverty lines for both working and non-working households and which are before and after housing costs. Poverty lines also vary by household composition including number of children. In this analysis, the disposable income of survey respondents after paying rent was compared with the relevant poverty line to calculate whether that sole parent was on or below that line.

Figure 12: RA Recipients Not in Paid Work with Disposable Incomes After Rent Below the After-Housing Poverty Line, by Geographic Area



Source: ISR survey of sole parents 2001.

To indicate what this means in terms that readers can relate to, we looked at how much money sole parents who were below the after-housing poverty line had to live on each week after paying their rent. The results are shown in Table 14, which again illustrates that the higher the number of children to support, the greater the dollar shortfall per week. For each family size, the dollar shortfall is greater for working compare to non-working households because the applicable after-housing poverty line is higher to take into account the costs associated with working such as travel and childcare.

Table 14: Median Disposable Income of Sole Parents in After-Housing Poverty Compared to the After-Housing Poverty Line, by Family Size

Household type	1 child	2 children	3 children	4+ children
<i>Non-working households</i>				
Median disposable income after rent (\$ per week)	160.0	220.0	250.0	260.0
After-housing poverty line (\$ per week)	204.4	270.5	336.6	402.8
Income shortfall (\$ per week)	-44.4	-50.5	-86.6	-142.8
<i>Working households</i>				
Median disposable income after rent (\$ per week)	200.0	259.0	281.0	330.0
After-housing poverty line (\$ per week)	257.0	323.1	389.2	455.4
Income shortfall (\$ per week)	-57.0	-64.1	-108.2	-125.4

Source: ISR survey of sole parents 2001.

Not surprisingly in view of these findings, sole parents in both groups said that they had experienced hardship in various practical ways in the previous year. Most had had one or more days without adequate food during the previous four weeks (70% of both groups) or had been unable to afford school excursion fees (72% of public tenants and 84% of RA recipients). Almost half (45%) of both groups were unable to adequately heat their homes. Few could afford a holiday (78% of public tenants and 71% of RA recipients). Despite these financial hardships, 54% of public tenants and 62% of RA recipients had given at least one of their children a party on their birthday, and just on half of both groups said that they paid all their bills on time. A quarter (24%) of both groups said that they were better off financially than a year ago.

Substantial numbers said that they had been behind with their rent in the previous year (41% of public tenants and 46% of RA recipients). The reasons for falling into arrears were largely the same for both groups (see Table 15). The two main reasons were utility costs and general living expenses, but the impact of factors such as debt repayment and car repairs is also apparent. There was a consistent picture across the seven regions with a few variations. For example, about half of both groups on the Sunshine Coast cited car repairs as a reason for falling behind with rent, and to a slightly lesser extent in Inala, perhaps reflecting greater dependence on cars in these areas. Utility costs were particularly important in Northern Tasmania, cited by about six in ten of both groups.

Table 15: Reasons Given by Sole Parents in Public Housing and in Receipt of RA as the Main Reasons for Falling Behind in Their Rent

Reason for rent arrears	Public tenants (percentage) (n=1046)	Ranking	RA recipients (percentage) (n=644)	Ranking
Utility costs (gas, electricity, water)	50.9	1	53.8	2
General living expenses	48.2	2	61.8	1
Debt repayment	29.0	3	29.5	3
Educational expenses	28.6	4	20.1	6
Car repair	28.3	5	28.1	4
Christmas expenses	24.7	6	24.7	5

Source: ISR survey of sole parents 2001.

The findings raise fundamental policy questions about poverty amongst women and children, and about the effectiveness of income support and housing assistance programs in Australia in alleviating poverty amongst sole parents and their children.

In terms of health status, sole parents tended to rate their children's health more highly than their own: 64% of public tenants and 73% of RA recipients reported that their children's health was excellent or very good, compared to 32% of public tenants and 40% of RA recipients who rated their own health in this way. Three in ten public tenants and two in ten RA recipients rated their own health as fair or poor. The most common problems suffered by sole parents themselves were nervous or emotional conditions and arthritis or asthma. For their children, asthma was the main medical condition nominated. Sole parents were generally positive about their children's schooling. About three-quarters of both groups said that their children enjoyed school and had a good attendance record.

In summary, most of the sole parents in the survey are 'doing it tough'. They have high rates of after-housing poverty and most worry constantly about their finances. Many experience the practical manifestations of poverty such as inadequate food and heating, difficulties in meeting bills, particularly utility bills, and find it difficult to pay for 'extras' such as school excursions and Christmas. Despite these obvious financial disadvantages, sole parents rated their children's health highly and, to a lesser extent, their own. For the most part, their children enjoyed school and had good attendance records. Sole parents had a strong commitment to staying at home to look after their children, but were generally quite confident of finding work later on.

6.4.2 Workforce Participation

The survey data repeated the census findings that public housing tenants were less likely to be in the workforce than RA recipients. There are a number of reasons as to why sole parents are not in the workforce. Irrespective of tenure, sole parents in the survey had a strong commitment to looking after their children. About six in ten of both groups said that they could not work (or work more hours) because they have to look after the children. Other reasons given for not working were much less strongly supported. For example, 29% of public tenants and 33% of RA recipients said that they could not work (or work more) due to childcare costs. More than one-third (37%) of public tenants and a quarter (26%) of RA recipients said that there were no jobs in their local area.

About half of both groups said that they would like to work or work more hours, and approximately a quarter in both groups said that they had sought a part-time or full-time job in the four weeks prior to the survey. There is some evidence that the attributes of the local labour market affected attitudes to work and work behaviour. Areas perceived to have the strongest job market, Inner Melbourne and the Sunshine Coast, also had the highest percentages who said that they were looking for a job.

There were quite strong perceptions of the welfare poverty trap. Four in ten sole parents were concerned that if they worked or worked additional hours they would lose benefits (40% of public tenants and 38% of RA recipients). Whilst both groups were similar in their perception of a possible poverty trap, public tenants were much more committed to their dwelling than to employment. Asked about an imaginary trade-off between full employment and their housing assistance, 40% said that they would not take a full-time job if it meant losing their housing assistance, compared to only 4% of RA recipients. This might reflect the very different benefits that attach to public housing compared to RA. A RA recipient's income loss is much less than that of a public tenant. RA only provides some income support, whereas public housing provides a specific dwelling, security and perhaps, for those on certain estates, a sense of community. Moreover, as the mobility data showed, public tenants are more likely to see their dwelling as a long-term proposition rather than a temporary state. They therefore value the preservation of their dwelling more than full-time employment, even though the latter may mean ability to move out of public rental. This is an important finding. While modelling exercises demonstrate that there is the potential for a poverty trap, the survey would suggest that a sizeable proportion of tenants are aware of it and may therefore behave accordingly. Some of the differences in workforce participation between RA recipients and public tenants may be explained by this awareness.

Consistent with census data that showed high employment rates among sole parents who had non-dependent children, many sole parents saw being out of the workforce to care for children as a temporary phase. Just over half in both groups were confident that they would find a job when the children were older (56% of public tenants and 59% of RA recipients). These findings suggest that low workforce participation is not a product of any endemic culture of work avoidance, but a temporary state associated with childcare responsibilities.

These findings raise a number of questions. Are public tenants under less financial pressure to work because income-related rents and secure housing mean that they can choose to keep out of the paid labour force and bring up their children? Is there a greater disincentive for public tenants to move into work as they lose 25% of any additional income and may fear loss of entitlement to their housing? Do public tenants have the same skills to contemplate moving into work, in view of the difference in educational qualifications of the two groups? The targeting of public housing means an increasing percentage of households have attributes that may limit capacity to work such as psychiatric illness, disability, poor English, trauma, lower education levels, and more children and consequently childcare.

The questionnaire also asked a set of questions around perceptions of wellbeing, including confidence in finding a job, in dealing with doctors, their own and children's health and children's school attendance. Table 16 illustrates a remarkable pattern of conformity for all questions. Tenure and type of housing assistance appear to have very little effect on attitudes to issues of personal and family wellbeing. The concerns with financial wellbeing again stand out as the area of principal concern, with over three-quarters of both groups constantly worrying about finances and less than a quarter feeling they were better off financially now than a year ago.

Table 16: Sole Parents' Attitudes to Personal and Family Wellbeing

Strongly agree or agree with the following statements	Public tenants (percentage) (n=1046)	RA recipients (percentage) (n=644)
Better off financially than a year ago	23.5	23.7
Confident in finding a job when children are older	56.4	59.1
Children have good school attendance	77.5	74.9
Confident in dealing with doctors, hospitals, banks and government agencies	82.0	84.0
Consistently worry about finances	75.9	77.3
My health is good to excellent	68.8	77.3
Children's health is good to excellent	90.0	94.9

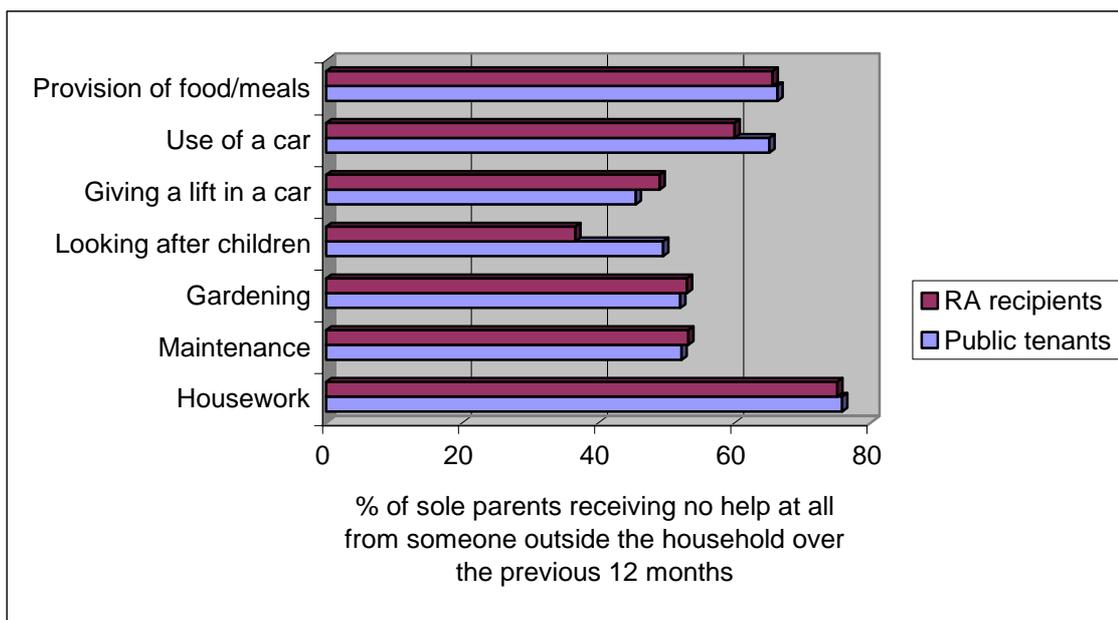
Source: ISR survey of sole parents 2001.

6.4.3 Social Capital

Sole parents were also asked questions to draw out the perceived quality of social relationships and their connectedness to the communities where they live. In particular, they were asked about the quality of local and friendship networks, of trust and confidence, and of reciprocity, and about participation in local support groups or agencies. The concept of social capital is relatively new in terms of Australian social policy and is still being developed (Stone 2001). In this study, as in the few similar studies, one of the problems is the absence of benchmarks on what constitutes good social capital. For example, what type of friendship network or level of voluntary activity indicates a good outcome? In the absence of such benchmarks, the analysis below compares the perceptions of public tenants with those of RA recipients and also compares across the seven geographic areas in the study.

We asked sole parents a series of questions about the level of support they received in their day-to-day lives from people outside their household (see Figure 13). In the absence of any established benchmark, it would appear that both groups receive relatively little support, with 50-60% receiving no support with basic domestic tasks. There was virtually no difference in responses, with the exception of assistance with looking after the children. Almost half (45.5%) of sole parents in public housing did not receive any assistance with looking after their children, compared to just over one-third (37%) of RA recipients. Overall, it does not appear that the form of housing assistance affects access to social support. Rather, the difference in terms of help in looking after the children may relate to different levels of family support or an income differential, with RA recipients having higher incomes from which to pay for babysitting. The lower levels of support with childcare for public tenants may be another contributing factor to the lower rates of workforce participation. If they cannot afford paid childcare and there are lower rates of informal childcare, their capacity to join the workforce may be constrained.

Figure 13: Percentage of Sole Parents Receiving No Help at All Within the Previous Twelve Months from Anyone Outside the Household with a Number of Domestic Tasks



Source: ISR survey of sole parents 2001.

One possible explanation for the lack of support is simply that the households did not need it. We ran a cross-tabulation of support received by those who said that their health was only fair or poor (31% of public tenants and 23% of RA recipients). Did those in fair or poor health receive greater support than others? Unfortunately, this was not the case. There were no statistically valid differences in the level of support for sole parents who considered that they had fair or poor health, compared to all sole parents in the survey. Put simply, there is no evidence that those sole parents whose own health is not good are getting extra support.

Overall, the conclusion is that neither form of housing assistance has distinctively better or worse effects on social capital, as measured by community support; levels and forms of social capital are determined by other factors. One such factor is location, as across the seven RA regions there was variation in degrees of 'social capital' and within a region there could also be variation between RA recipients and public housing tenants. Dandenong recorded the worst outcome on four of the seven social capital variables, and Geelong best on four of the seven. The variations were quite marked, with 63% of Dandenong RA recipients receiving no help with housework (compared to Geelong 45%), 66% receiving no help outdoors (Geelong 43%), and 46% no help with children (Geelong 29%). One explanation for the difference is the role of family. In Dandenong 31% rarely saw their family, compared to only 19% in Geelong. Access to family would appear to be an important factor in the degree of social capital available to a household.

Another measure of social capital is the degree to which one sees their local area as having a sense of community. We asked sole parents for their attitudes to a number of aspects of local community, with the results shown in Table 17. Public tenants and RA recipients gave very similar responses on most of the areas raised, with the exception of four. Public tenants were less likely to agree that people feel safe and secure (36% of public tenants and 48% of RA recipients) or that 'neighbours look after their property' (62% of public tenants and 74% of RA recipients). Public tenants were more likely to agree that there was hostility in the area to sole parents. Interestingly, more public tenants agreed that they felt part of the community. Typically on some of the questions relating to community, 25-40% of sole parents neither agreed nor disagreed with statements put to them, which in itself may reflect lack of engagement with the local community.

Table 17: Sole Parents' Attitudes to Aspects of Local Community by Type of Housing Assistance

Statement	Percentage of sole parents strongly agreeing or agreeing with statements about community	
	Public tenants	RA recipients
I rarely see my family	15.4	14.2
People are friendly and help each other	52.2	55.8
The community has a distinct character; it's a special place	32.7	34.9
Good local facilities and services	78.9	79.4
No hostility to sole parents	18.5	12.9
An active community	30.8	30.2
Range of community and support groups	47.3	47.9
Good age, income and social mix	64.1	62.8
People feel safe and secure	36	48.1
People look after their properties	62.4	74.1
I feel part of the local community	38.7	31.1
Numbers	1,046	644

Source: ISR survey of sole parents 2001.

We also looked at differences between the seven regions in terms of perceptions of community. The method for identifying differences was to calculate for each variable the standard deviation from the mean of the 'strongly agree/agree' responses for each region, and then identify those responses that were more than one standard deviation from the mean. The sense of community did not vary greatly on any of the twelve variables, with the exception of Inner Melbourne, and then predominantly in the case of RA recipients. For the RA group, Inner Melbourne recorded the lowest response on all but two of these variables and in some cases quite markedly, notably, people being friendly to each other. Only 19% of inner urban sole parents in receipt of RA believed they 'lived in an area which was a special place', compared to an average of 34% for all the areas, and only 15% believed 'they lived in an active community' compared to an average of 29%. Similarly low responses were recorded for 'feel part of the community' (18% compared to 31%) and 'opportunities to participate' (16% compared to 30%).

How do we explain this? One possible explanation is that those on lower incomes find an inner city dominated by successful professional households and the services that cater for them an alienating environment. It may be much more difficult for them to feel at home or have a place in the local community. But why not the same response for public housing tenants? The explanation appears to lie in the building form. In all other regions, public and private tenants essentially live in the same type of housing but with different landlords. However, in Inner Melbourne, RA sole parents mainly live in walk-up, low rise flats scattered throughout the area, while most public tenants are in purpose built and publicly managed high rise estates. While these estates may have their problems, their very design is such as to create a more distinctive notion of place, and they therefore put sole parents in a physical space which they share with many other sole parents. This may protect them from the apparent sense of dislocation felt by RA recipients scattered throughout the inner city. This is not to say that Inner Melbourne public tenants had a higher overall sense of community than the average, only that for this location it was much higher than among RA recipients.

At other end of the spectrum, the Sunshine Coast, recorded the highest levels of community for both public housing and RA recipients, coming top on six of the twelve variables and second on four in the case of RA recipients, and coming top on eight of the twelve for public housing tenants. The difference here may be climatic, but it may also be the fact that of the seven regions (excluding Hobart) it has the most varied housing market, not gentrified at one extreme and without a large stock of public housing like Geelong, Inala and Dandenong at

the other; in other words, it is a typical urban area. This might suggest that people relate to or fit in a community which is seen to be 'normal'. This has implications for issues of community renewal as it would appear that a balance of tenure and socioeconomic types generates higher levels of community.

The final level of social capital is engagement with the local community, as measured by the form of day-to-day transactions such as shopping, use of facilities such as libraries, or in terms of voluntarism. The level of local connectedness through retail and service transactions was moderate to high for both groups (see Table 18), but levels of mutual obligation were low, with only 17% of public tenants doing any voluntary or community work and an even lower 13% of RA recipients. Significantly, those who were unemployed and had potentially more time available demonstrated no greater participation than those who worked, irrespective of form of housing assistance. There were also very low levels of formal expression of religious commitment, i.e. attendance at local church, temple or mosque (16% of public tenants and 10% of RA recipients) or involvement in local clubs or community organisations (20% of public tenants and 17% of RA recipients). Whether these are higher or lower than the wider community is unknown but, on the surface – along with other answers above – they do suggest a low level of community engagement or social capital. The reasons for this are unknown but may relate to the time commitment in caring for children without a partner and the very tight financial circumstances of most sole parents in the survey, irrespective of type of housing assistance.

Table 18: Sole Parents Agreeing or Strongly Agreeing with a Range of Statements on Involvement in Local Community

Statement	Public housing (percentage)	RA recipients (percentage)
Have close friends/family living locally	68.2	70.5
Do most of my shopping locally	81.8	89.0
Children go to school locally	71.9	71.4
Take part in local clubs/ organisations	20.1	16.8
Use local library	47.6	43.8
Use local health services	65.0	63.2
Go to local cafes, pubs, restaurants	27.4	34.2
Go to local church, temple, mosque	15.5	10.4
Try to keep informed about local issues	61.0	64.3
Work locally	14.2	23.8
Do voluntary or community work locally	16.9	13.0
Take active interest in, or vote on, local issues	31.7	25.5
Use local park, beaches etc.	62.2	74.5
	N =1046 valid cases	N =644 valid cases

Source: ISR survey of sole parents 2001.

Overall, the survey results on social capital are quite compelling; the particular form of housing assistance has no impact on social capital, however measured. Being a private renter or public renter, with the exception of Inner Melbourne, simply does not matter overall for social capital outcomes. There are variations in outcomes, but by variables such as location, housing form and nature and frequency of family contact, rather than by form of housing assistance.

7. CONCLUSIONS AND IMPLICATIONS FOR POLICY

The overall conclusion of this study is that both forms of housing assistance have their advantages and disadvantages, constraints and opportunities. The policy issues revolve around how to minimise the problems and constraints and maximise the advantages and opportunities. Specific conclusions of the research are:

- Many sole parents experience substantial personal and financial hardship after paying for their housing, confirming the results of other studies. Preoccupation with measuring affordability, in terms of rent as a percentage of income, diverts attention from whether sole parents are left with enough money to live on after paying for their housing. The evidence is clear: many sole parents, whether public tenants or in receipt of RA, do not have enough disposable income after paying for their housing to meet the costs of other necessities, according to established benchmarks. Since most sole parents in the survey are dependent on income support payments, this has enormous policy implications. Put simply, in many cases, income support payment levels are insufficient to meet essential costs.
- Despite the efforts of the Child Support Agency and some non-custodial parents, many sole parents in the survey do not receive child support payments from the father of their children. This was particularly the case for public housing tenants and was the major factor explaining their low incomes relative to RA recipients. Put simply, receipt of child support payments makes a real difference to the financial wellbeing of sole parents.
- Just under two-thirds of sole parents on low incomes were renters in 1996, with about one-third in home ownership. Policy on rental housing assistance is thus vital to the wellbeing of this low income group. Neither public housing nor RA, however, was able to lift many above the after-housing poverty line. Sole parents in receipt of RA have higher incomes than public tenants, partly because of the addition of RA, but this additional income is taken in higher rents. Public tenants' lower incomes are balanced by lower housing costs. Overall, for most household sizes, RA recipients were more likely to be in poverty after paying for their housing than public tenants, whether they were in work or not.
- Sole parents who undertook any work had marginally lower after-housing poverty rates than those who were not in the workforce. Very few worked full-time, and most who worked did so on a very part-time basis. The additional income did little to improve their financial situation, due to the poverty trap entailed in income related rents for public tenants and reductions in income support payments more generally. Substantial numbers of sole parents were aware that if they undertook (more) paid work, they would lose other benefits. The main barrier to doing so was the commitment to caring for their children. Other factors such as childcare and job availability were less significant. Many sole parents planned to work when their children were older, and were relatively confident that they would be able to find a job when they were ready. Sole parents saw being out of the workforce as a necessary stage in their lifecycle whilst they had dependent children.
- A minority of sole parents dropped out of home ownership to become RA recipients renting in the private sector. This raises the question of whether RA could be used to stop sole parents dropping out of ownership into private rental. There are obvious budget problems in designing housing assistance in such a way that it is used by people to buy a home. However, if the objective is to stop people dropping out, then a minimum pre-ownership period of, say, two years could be required.
- Few public renters would choose to rent privately. Any programs that are designed to encourage greater movement from the public to the private sector and which assume private rental is inherently more attractive will most likely not work. To encourage such movement would require approximation of the housing conditions that households value in the public sector, particularly affordability and security of tenure.

- The high proportion (almost a half) of households experiencing rent arrears in both sectors suggests that these are to a large extent an intractable problem associated with having to live on too low an income. Over-enthusiastic pursuit of rent arrears in the public sector on the assumption that it is a behaviour problem of the tenants should be tempered by this reality. The survey findings show that arrears tend to be due to one-off bills blowing out a meagre budget, such as utility bills, Christmas or car repairs, might suggest the need for more innovative ways in tackling arrears.
- There are specific areas where private rental clearly outperforms public housing. Perceptions about safety and security of the property and neighbourhood were a concern for some public tenants and a factor in private renters not choosing public housing. Given that the sole parents were resident in the same broad locations, these concerns appear to relate to specific dwellings and specific locations within these areas. While we did not explore the reasons for wanting to move, these concerns may be a factor in the number of public tenants wishing to move to other public housing. Addressing concerns about safety and security would appear to be the single most important policy need for sole parents in public housing.
- There are very high rates of mobility for sole parents who are RA recipients and some evidence that mobility affects financial and personal wellbeing. Reducing mobility in the private rental sector is a problematic policy issue. There is always a concern that regulation of residential tenancies to improve security of tenure will deter investors. Part of the solution may be for governments to facilitate the development of an 'affordable housing' sub-sector which offers longer-term leases to tenants and secure and long-term returns to investors. RA could be tied to specific housing units as part of a financing package to make this viable.
- Sole parents use RA in about equal measure as general income support and for specific housing purposes. It is a hybrid between income support and housing assistance. There appear to be three options: retain the status quo, roll up RA into general income support payments so that it is not tied to specific housing costs or housing outcomes, or separate out RA funds from income support into a specific housing program with objectives in terms of housing costs and conditions, possibly administered by the states. The pros and cons of each of these options need to be worked through in detail.
- Many sole parents in public housing, who are planning to move, nominated that they wished to move into other public housing. This indicates a strong preference for this sector and an unmet demand for transfers within public housing. This has implications for state housing authorities when viewed with the main reasons for dissatisfaction by public tenants, namely, safety and security of the dwelling and neighbourhood and inadequate space.
- The form of housing assistance is not a significant factor in determining social capital. Sole parents in both sectors appeared to receive low levels of informal support for basic tasks such as child minding, maintenance and gardening, and those with health problems did not receive more informal support than other sole parents. There also appeared to be low levels of connectedness with, and participation in, the local community. In the absence of benchmarks of levels of informal support and community connectedness, we do not know whether this is a feature of Australian society in general or whether it can be attributed to the demands of sole parenthood or the constraints of low income. The findings do raise issues about how to build community capacity to deliver informal support.
- RA recipients reported particularly low levels of social capital for Inner Melbourne, while relatively high levels were reported on the Sunshine Coast for both the public and private sectors. What appears to be the common factor here is the mix of housing types, tenures, and socioeconomic groups. The Sunshine Coast broadly accommodates all groups, while Inner Melbourne is increasingly gentrified to the degree that it would appear to leave lower income groups feeling disenfranchised. This may be seen as an unintended side-effect of market processes and a rationale for building up the stock of affordable housing in such areas. It may also illustrate the point that merely providing shelter for low income households is not enough. If they are to be fully inclusive members of society they may need other infrastructure support.

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Level 7 20 Queen Street, Melbourne Victoria 3000
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