Sole parents have the highest poverty rate of any group in Australia and, not surprisingly, are one of the largest groups in receipt of housing assistance. The number of sole parents is also growing at a dramatic rate. Two AHURI projects have been looking at issues raised by these trends. This report incorporates research findings from these projects, both by the AHURI Swinburne-Monash Research Centre. Bob Birrell and Virginia Rapson examine the location and housing needs of sole parents. Terry Burke and Kath Hulse explore the relationships between sole parents, social well being and housing assistance. Important policy questions addressed by the research are whether sole parents are being forced by high housing prices to live in areas of poor job availability and the role of Commonwealth Rent Assistance in supporting the social well being of sole parents.

**KEY POINTS**

- Sole parents make up to 43% of new public housing tenants in some states. Sole parents also account for 22% of income units receiving Commonwealth Rent Assistance (CRA).

- Most sole parents are ‘doing it tough’. Almost 50% of those surveyed reported experiencing the practical manifestations of poverty, such as inadequate food and heating, problems in meeting bills, particularly utility bills etc.

- Sole parents in receipt of CRA and renting privately move house much more often than public tenants. Frequent movers surveyed were less positive about their financial security, children’s schooling and community support.

- This study confirms that there are relatively high concentrations of sole parents relative to other families in areas where housing prices and rental costs are low. But there is no evidence to suggest that the availability of public housing has influenced those concentrations.

- Evidence points strongly to the conclusion that these concentrations are largely a product of the increasing socio-economic divide in Australia between the winners and losers in the process of economic restructuring. That is, the concentrations reflect underlying poor economic conditions in the areas where large numbers of sole parents live.
**BACKGROUND**

There were 662,800 sole parent families in Australia in 1996, according to Census data. This accounted for just over 14% of all families living in occupied private dwellings. Sole parent families are raising around one-fifth of the next generation of Australians.

About two-thirds of sole parents have dependent children (aged under 25 for whom parents continue to have some financial responsibilities). Most of this group of sole parent families are headed by women and a substantial number of these (46%) are on very low incomes (less than $300 per week in 1996 dollars), which is one of the reasons they make up a disproportionate share of those requiring housing assistance.

An estimated 28% of low income sole parents with dependent children live in public rental and 34% in private rental, while 32% are home owners or purchasers.

The proportion of lone parent families with dependent children aged 0-14 in subsidised housing is rising dramatically from 14.6 per cent in 1986 to 19.4 per cent in 1996 and to 22% in 1999 according to Census data. In 1998-99, between 23% and 43% (depending on state or territory) of new public housing tenants were sole parents. Similarly, sole parents made up an estimated 22% of income units receiving Commonwealth Rent Assistance (CRA) in 2000.

In the light of these figures it is important to understand the factors impacting on their economic and social well being. For example, are sole parents being forced to areas of low housing prices and poor job prospects? What, if any, difference is there in the general well being of these families in public housing compared to private rental housing?

Data from the 1996 Census has been used to find answers to these and related questions. To compare well being across different types of tenure, Terry Burke and Kath Hulse looked broadly at the Census data, followed (in September 2001) by more detailed mail-out surveys to sole parents in public housing and those in receipt of CRA across several regions in Queensland, Tasmania and Victoria. Although it could be expected that the survey results would apply more generally across Australia, inevitably there are limitations to such data and this Bulletin identifies where findings are drawn from survey data, as distinct to Census data.

The tendency of sole parents to concentrate in areas of low cost housing was examined using statistical evidence from the 1996 Census to test what role migration played in these concentrations. Bob Birrell and Virginia Rapson compared concentrations reported between 1991 and 1996 with the actual growth of sole parent families to determine how much of this growth is attributable to migration.

**FINDINGS**

**WHERE DO SOLE PARENTS LIVE?**

Census data confirms that sole parents do tend to be concentrated in particular areas. These include poorer outer suburban metropolitan locations, and inland and coastal regional centres. These areas are often characterised by poorer quality housing, lower levels of economic activity (and thus fewer job prospects) and more limited access to services compared to wealthier areas.

**WHY DO CONCENTRATIONS OF SOLE PARENTS OCCUR?**

One theory is that such concentrations occur because sole parents migrate to these areas – possibly because of the availability of low cost housing. Another theory is that sole parents tend to be more tied to cheaper accommodation in areas of low economic activity than are couple families. Because of this they are ‘left behind’ when other families move out.

Analysis of the migration patterns of sole parent households shows that although they tend to be quite mobile, sole parent households’ movements are primarily local. In the case of metropolitan areas, the main movement is within the same region of the relevant capital city. Only a small proportion moved to other parts of the state or interstate locations. In the case of regional centres, the main migratory movement is from their respective hinterlands.

The ‘left behind’ factor also proved not to be significant in contributing to sole parent concentrations.

The research results also posed the question: does the availability of public housing influence concentration levels of sole parents? The answer is that sole parents do tend to concentrate in public housing, but analysing net movements into such housing doesn’t support that theory. Those moving into public housing are only a minor contributor to the growth of sole parent concentrations, even in areas with a higher number of public housing households.

It therefore appears that migration is not the main cause of the growth of sole parent concentrations in the areas studied over the period 1991-1996.

An alternative theory is that concentrations of sole parents are a product of the socio-economic characteristics of the areas in question. Analysis shows that areas with high levels of unemployment and low male incomes have the highest sole parent concentrations. By contrast, there are fewer sole parent families in areas offering relatively good employment prospects.

In poorer areas, women tend to leave school early and also to begin their partnering and child-bearing early, at least relative to women in the same areas who stay at school to age 17. By contrast, women in the more vibrant economic areas, including those in Melbourne and Sydney, tend to leave...
school later and begin their child-rearing careers later. The research also found that, in the areas of high sole parent concentrations, women tended to begin child rearing outside of marriage more frequently than in other areas and that there was a higher tendency for marital breakdown. This pattern is linked to the difficulties of providing for their family experienced by prospective male partners or spouses where economic circumstances are poor. Although it was not possible to test the full potential array of socio-economic factors which shape entry into sole parent status, the research strongly points to socio-economic factors, rather than migration, as the underlying cause of concentrations of sole parents.

SOLE PARENTS IN PUBLIC HOUSING AND SOLE PARENTS RECEIVING CRA

Sole parents in receipt of CRA tend to be younger and to have smaller families than those in public housing. They are also likely to have reached a higher level in their education. Sole parents in public housing are more likely to have been born overseas and to speak a language other than English.

INCOMES

Sole parents receiving CRA have higher incomes than those in public housing. Whilst in part this reflects the different types of housing assistance, the main factor is that rent assistance recipients are more likely to receive child support payments from the non-custodial parent, and at higher levels than payments to public tenants. More than one third (36%) of the sole parents in public housing surveyed for the AHURI study who did get child support received less than $10 a week, compared to just under a quarter (24.5%) of CRA recipients.

IN THE WORKFORCE

Most sole parents rely heavily on Centrelink payments, with fewer than one in ten of those surveyed working full-time. CRA recipients were significantly more likely to undertake part-time paid work and to work for longer hours, with 37% working part-time in the week prior to the survey compared to 22% of public tenants. Analysis of Census data helps to explain these differences; the key reason for the difference between the two groups appears to be their different socio-economic profile. CRA recipients in general are better placed to get jobs because, compared to public tenants, they tend to be better educated, more likely to speak English as their main language and have higher rates of car ownership.

Irrespective of housing tenure, sole parents surveyed had a strong commitment to looking for work when their children are older. As soon as sole parents no longer have children under 15, workforce participation rates soar to 75% for private renters and to 58% for public renters. However four in ten of both groups in our survey were concerned that if they worked, or worked additional hours, they would lose benefits (the poverty trap).

MAKING HOUSING DECISIONS

Among those surveyed, CRA recipients (62%) were more likely than public tenants (51%) to have lived previously in private rental, while public tenants (36%) were much more likely than CRA recipients (16%) to have lived previously in public or community housing. The relatively large numbers of public tenants who had lived with their parents in public housing or who had friends in public housing illustrate the importance of past knowledge and experience in shaping housing decisions.

HOUSING PREFERENCE

Survey data suggests public tenants are more likely to see their dwelling as a long-term proposition rather than a temporary state. Significantly, few public tenants would take up any option to move out of public housing. By contrast, more than one-third of CRA recipients would prefer public housing if they could get a similar home at a similar rental. For public tenants the preservation of their dwelling is valued more than full-time employment (presumably because of proximity to schools, and other services and local networks), even though the latter may mean ability to move out of public rental.

MOBILITY

There are high “churn” rates for sole parents in the private rental sector particularly. Two-thirds (67%) of CRA recipients surveyed had moved two or more times in the previous three years, compared to 39% of public tenants. More than one-third (35%) of CRA recipients thought they would continue living in their current dwelling for less than a year, compared to only 9% of public tenants.

For sole parent families, it is likely that high mobility rates mean relocation expenses, disruption to schooling and impact on general well being and connection with local community.

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<th>Tenure type</th>
<th>Moved within last twelve months (%)</th>
<th>Moved within last five years (%)</th>
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<tr>
<td>Private rental</td>
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<tr>
<td>Public rental</td>
<td>19.0</td>
<td>50.3</td>
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Source: ABS | HA CURR
AFFORDABILITY

Public housing is more affordable for sole parents than private rental and after-housing poverty is greater for private tenants (despite CRA). Sole parents living in higher cost housing areas were more likely to experience financial stress.

Affordability in Australia is usually calculated on the percentage of household income devoted to rent. The benchmark level for public tenants is 25%, while the Commonwealth Government uses 30% of income as a measure of the impact of CRA on affordability. There are two methods of calculating an affordability ratio for CRA recipients. Market rent minus CRA can be calculated as a percentage of income (not including CRA); or actual market rent as a percentage of gross income (including RA) can be calculated.

Depending on the method used, the survey found that 42% (first method) or 74% (second method) of private tenants reported paying more than 30% of income in rent. In contrast, whilst public housing tenants have lower incomes, they pay rent based on income; two-thirds reported paying less than 25% of income in rent, whilst 19% reported paying 30% or more.

According to Census data, 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.

Irrespective of the form of housing assistance, most sole parents surveyed are ‘doing it tough’ with almost 50% of those surveyed experiencing the practical manifestations of poverty. 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).

Sole parents have high rates of after-housing poverty and most worry constantly about their finances. Substantial numbers had fallen behind with their rent in the previous year (41% of public tenants and 46% of CRA recipients). The reasons were largely the same for both groups, with the need to pay utility bills the most important factor.

SOCIAL CAPITAL

Overall, both groups surveyed had low levels of social capital – and 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. However, sole parents’ sense of community increased depending on location, housing form and degree of contact with their families.

Survey results show that the area that scored highest on sense of community had the most varied housing stock, neither highly gentrified at one extreme nor with a large stock of public housing at the other. This might suggest that people relate to or fit in a community which is seen to be ‘normal’. This has implications for community renewal, as it would appear that a balance of tenure and socio-economic groups generates higher levels of community.
“the findings suggest that sole parenthood is an outcome of a systemic cycle of disadvantage...”

POLICY IMPLICATIONS

If sole parent concentrations have arisen as a result of economic restructuring, reflecting outcomes for the “losers” of this process, then the implications for policy are significant. Since the findings suggest that sole parenthood is an outcome of a systemic cycle of disadvantage, strategies to address the economic hardship suffered by sole parents would be more effective in combination with other measures to address the underlying issues within disadvantaged communities. In the meantime, it is clear that many sole parents do not have enough disposable income after paying for housing to meet the costs of basic necessities such as food, electricity and water. Since most sole parents are dependent on income support payments, this has considerable policy implications. Potential responses can be categorised into those addressing income levels and those addressing housing affordability.

In terms of income, policy responses could include:

- considering whether rent assistance could be extended to some home buyers to avoid the dislocation experienced by sole parents forced to move into private rental, since a small but significant group of sole parents in receipt of CRA (one in 10) had previously been home owners or purchasers.

- a reassessment of income support levels for sole parents, particularly to eliminate after-housing poverty. Some further options here include rolling up CRA into general income support payments so that it is not tied to specific housing costs or housing outcomes, or to separate out CRA funds from income support into a specific housing program with objectives in terms of housing costs and conditions, possibly administered by the states. Rent assistance is also paid at the same level throughout Australia regardless of local costs. Could rent assistance be paid at higher levels in areas with relatively high rental prices?

- strategies to increase the number of sole parents receiving child support payments from ex-partners. Many do not receive child support payments, particularly those in public housing. Such payments would make a real difference.

- 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 recognise the preference for part time work.

Addressing affordability issues provides these policy options:

- there are very high rates of mobility for sole parents who are CRA recipients and some evidence that mobility affects financial and personal well being. 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. CRA could be tied to specific housing units as part of a financing package to make this viable.

- sole parents rely on CRA as both a general income support and to meet housing costs. Consideration about whether this is a useful outcome of current policy could focus on whether to: to retain the status quo; roll up CRA into general income support payments so that it is not tied to specific housing costs or housing outcomes; or to separate out CRA funds from income support into a specific housing program with objectives in terms of housing costs and conditions, possibly administered by the states.
• The high proportion (almost a half) of households experiencing rent arrears in both sectors suggests that this is to a large extent an intractable problem associated with having to live on too low an income. There is a need for more innovative ways in tackling arrears in both the public and private sectors.

Other policy issues raised by these studies include:

• Security of tenure is an issue for those in private rental. Consideration should be given to creating mechanisms for encouraging longer-term security in private rental, such as long-term leases, for example.

• Sole parents in both the public and private sectors appear to have relatively low levels of social capital. The findings suggest that sole parents’ feelings of community are greater in areas with a balance of tenure and socio-economic types. Community renewal strategies could benefit from this insight.

• The findings point to a strong attachment to public housing from current tenants and substantial unmet demand for public housing from CRA recipients.

• 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.

• Safety and security is perceived to be worse in public rental. Addressing these concerns of sole parents in public housing appears to be the single most important policy need for this group.

• Since few public renters would choose to rent privately, any programs designed to encourage greater movement from the public to the private sector are unlikely to succeed.

FURTHER INFORMATION

For more information about these projects, the following papers are available:

• Positioning Paper
• Work in Progress Report
• Final Report

See www.ahuri.edu.au

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