

# **Setting Them Up To Fail?**

## **Bond Customers and Private Rental**

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# S.A.'s Private Rental Assistance Scheme

A scheme has operated here for over 30 years

## Main assistance:

Bonds (bond guarantees); loans – repayable to the Trust

help to access private rental;

Rent 'emergency' payments; grants – not repayable

help to maintain the tenancy.

# The Scale of the Scheme

## Each year, S.A.H.T.

- has approx. 16,000 bond customers
- supports 27% of S.A. private rental tenancies
- pays approx. \$2 million to landlords in bond claims
- spends \$2 million on 'emergency' rent payments

# How is the Scheme working?

**Looking at Bond information 1998-2003, we asked:**

- Who has S.A.H.T. bonds?
- What sort of accommodation do they access?
- Is the bond 'setting them up to fail'?
- How could the Scheme be improved
  - for the Trust?
  - for the customers?

**VIRTUAL CUSTOMER No. 1**

**JASON'S STORY**



## **JASON'S STORY**

### **1<sup>st</sup> bond**

- Young-ish single male;
- Intermittent work;
- Moved from secondary/tertiary homelessness to RTA security:
- Only lasted 3 months;
- Arrears of rent: most frequent problem
- Repaid bond debt to Trust.

### **Setting him up to fail?**

Not really.

### **What would encourage a successful tenancy?**

- Sharers' register
- Point of contact if things go wrong: Bond liaison and/or tenants' support service

# JASON'S STORY

## 2<sup>nd</sup> bond

- Couple with child, 30s
- On S.A.H.T. wait list
- Moved from secondary/tertiary homelessness to RTA security;
- No debt to S.A.H.T. at application
- Moderate housing stress: rent = 33% income
- 'Emergency' rent grant
- Has now lasted 12 months.
- Tenancy precarious but subsisting: will it survive Baby 2?

## **Setting them up to fail?**

- Not really.
- Lasting but precarious.

**VIRTUAL CUSTOMER No. 2**

**CHANTAL'S STORY**



# CHANTAL'S STORY

- Young, single / single parent
- High housing stress as single person
- 4 bonds in 4 years; all lost
- Accumulating debts to S.A.H.T.
- Tenancies fail quickly / very quickly
- DV
- S.A.H.T. wait list
- One claim totally unexpected
- No claims formally challenged in the Tribunal
- Post-natal depression
- Social isolation

# CHANTAL'S STORY

## Setting her up to fail?

9% of bond customers have multiple bonds and lose every one.  
These tenants are NOT surviving the private rental market

There are several indicators of risk in Chantal's story, pointing to vulnerable tenancies:

- Youth
- Serious housing stress in 1<sup>st</sup> rental
- Several bonds in short time
- Unlikely to challenge bond claim
- Depression

# CHANTAL'S STORY

## What would encourage a successful tenancy?

- Life skills support linked to bond eligibility;
- Liaison with other support services: health, mental health, education.
- Bond liaison officer
- Bond audits by the Trust
- The Trust as party to claims
- Tenants' contribution as 'stake' in bond
- Tenants' support service
- Increased awareness of eviction risk: e.g. health/nursing professionals; links with real estate agents; Centrelink etc.

Social Inclusion Initiative funding to develop “supported tenancies program” for people in Private Rental Market – should assist for some vulnerable private renters.

# BOND BY BOND

## **Each year, S.A.H.T.**

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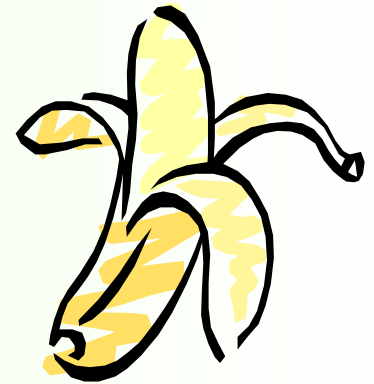
- Strengthening tenancies reduces bond loss
- Reducing bond claims and rent grants protects resources for more bonds
- Slowing the churn of bond customers through private rental via evictions minimises costs to the Trust and future costs across government.
- Helping customers achieve successful housing outcomes saves them, and their children, the detrimental impact of unstable housing.

## STEPPING STONE OR BANANA SKIN?

**73% of bond customers have only one bond**

When they move (often within 2 years)

- 45% return the bond
- 55% have a debt to the Trust for 'lost' bond money



**Where do they go next?**

- Private rental with own bond?
- Homeownership, or Trust housing
- Or – some other insecure housing form

**Is the PRAS program successful – for the**

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