“I am tired of being treated like a second-class citizen!”

Racial Discrimination in the Private Rental Market

May 2019
Key Findings

- Nearly 80% of survey respondents had experienced, or witnessed someone experiencing, racial discrimination in the private rental market;
- Racial discrimination and housing affordability are barriers to the private rental market for Aboriginal peoples;
- The majority of survey respondents had experienced or witnessed racial discrimination but only 15.5% filed a complaint;
- It is difficult to prove racial discrimination;
- People are not sure who to complain to about racial discrimination;
- Most survey respondents (72%) reported that private rentals are not affordable for themselves or their families;
- Nearly 60% of respondents indicated that private rentals are not culturally appropriate for themselves or their family;
- Just over half of the survey participants said they are afraid to report repairs or maintenance issues due to identifying as Aboriginal; and
- There is a lack of understanding in the community about what constitutes racial discrimination.
Introduction

“I have lost all faith in ever gaining housing in the private rental market due to being Aboriginal.”

Aboriginal peoples experience significant challenges in accessing private rental properties and there is a gap in the South Australian literature on this topic. Racial discrimination by real estate agents and landlords is a barrier that Aboriginal peoples face in trying to access a safe and secure home. We acknowledge that many people have experienced discrimination while trying to access the private rental market (because of unemployment, age, disability) but the purpose of this research is to identify the current challenges and opportunities (with a focus on racial discrimination) in the private rental market for Aboriginal peoples, one of the most marginalised and disadvantaged groups in Australian society as a result of colonisation and dispossession.

This research report contains a literature review that includes definitions of racial discrimination, stigma and negative stereotypes and a review of South Australian services in this area. The report contains data from the Equal Opportunity Commission, a discussion about housing affordability and housing design in a cultural context. Direct quotes from our survey participants are used throughout to illustrate racial discrimination issues. Survey results are presented and analysed, and the limitations of the survey are identified. The quantitative and qualitative data informs the recommendations to improve access to the private rental market for Aboriginal peoples.

Aims

This research aims to identify the challenges for Aboriginal peoples in the private rental market, with a focus on racial discrimination. This research will also identify opportunities for improvement in the form of recommendations to overcome the challenges.

Methods

A purposeful literature review was conducted. Aboriginal peoples, the Equal Opportunity Commission and other key stakeholders were consulted in the formulation of a survey to explore the current challenges and opportunities in the private rental market for Aboriginal peoples. An online survey was used to gather qualitative and quantitative data. The qualitative survey data was analysed thematically to identify key themes. A series of recommendations are made that relate to the key themes. Key Aboriginal stakeholders gave feedback on a draft version of the report, which was then incorporated into the final product.
Limitations

Survey respondents are not a representative sample of the population of Aboriginal peoples in South Australia and we do not claim that the results are generalisable across the entire community of Aboriginal renters. Some survey respondents indicated that they were non-Aboriginal and were sharing their own experiences of private rental, had no experiences of racial discrimination, difficulties with accessing private rental or requesting repairs and maintenance and were therefore removed from the survey results. The results data included is from respondents identifying as Aboriginal or those filling out the survey because they had witnessed racial discrimination towards Aboriginal peoples.

It is impossible to verify the identity or demographic details of on-line survey respondents and respondents to this survey self-identified as Aboriginal or non-Aboriginal. Similarly, non-South Australians could access the survey, and therefore it is not a representative sample of South Australian residents’ experiences.

Literature Review

“When you place a [rental] application you know that you are not considered as the first applicant, you get a house offer when no one wants the house and the owner is desperate to put someone in.” - Survey Respondent Self-Identified as Aboriginal

What is Racial Discrimination?

Many good landlords and real estate agents exist however, racial discrimination against Aboriginal peoples in the private rental market is alive and well. Landlords and agents have the right to choose the most suitable applicant for the property but are not allowed to unfairly discriminate on the basis of race. Racial discrimination is hard to prove and there is no specific complaints mechanism for Aboriginal peoples in South Australia. A specific complaints mechanism for Aboriginal peoples would take the form of an Aboriginal organisation with Aboriginal workers providing services to clients in a culturally appropriate way.

Racial discrimination can be direct or indirect. Direct race discrimination occurs when a person is treated unfairly because of their race, skin colour, country of birth, ancestry or nationality. For example, if a landlord refused to rent a property to a person or placed them lower down on the list of applicants because they were Aboriginal or Torres Strait Islander, they would be directly discriminating on the basis of race. Indirect race discrimination occurs when there is a requirement or situation which seems equal, but which is not reasonable because of its unequal effect on people of a particular race. For example, if a landlord placed unrealistic restrictions on the number of occupants permitted in a
dwelling, it could exclude Aboriginal people with extended family. The quote below is from one of our survey respondents and is an example of direct race discrimination:

“My brother went to real estate to enquire about a flat and was told "we don’t rent to your kind". My sister then went in (fairer skin Aboriginal) and was given a list of flats and houses available to rent. On another note, the price of rentals is extremely expensive, and I have never rented accommodation which has been culturally friendly or been made to feel welcome by real estate.”

While many people may not wish to be consciously racist, people do have an unconscious bias that can favour or disadvantage groups of people in society. Unconscious biases and cultural biases help to explain why, despite equality being “enshrined in law”, people still experience discrimination and racial discrimination which results in being treated vastly differently by society because of their appearance or cultural heritage.1 Quotes from two of our survey respondents about observing racial discrimination and experiencing racial discrimination are as follows:

1 https://www.theguardian.com/uk-news/2018/dec/02/unconscious-bias-what-is-it-and-can-it-be-eliminated
“A home owner shared his views with me about not allowing Aboriginal people to rent his property as he does not like it when all the family members visit. I also had a neighbour that bought the house next to his Mum’s to prevent an Aboriginal family from buying that property. Racism in action.”

“I found a lot of discrimination occurred when applying for places. A lot of the times if I was particularly interested in a place, I would send my application etc. prior to get on the front foot because [location] is hard. The real estate agents would always be so friendly and say I had a good chance and then when we would attend inspections and they physically saw us, things would change.”

Stereotypes and Social Stigma
A stereotype is a picture in your head and a “fixed general image or set of characteristics that a lot of people believe represents a particular type of person or thing”.² Racial profiling is any action made for reasons of “safety, security or public protection, that relies on stereotypes about race, colour, ethnicity, ancestry, religion, or place of origin, or a combination of these, rather than on a reasonable suspicion, to single out an individual for greater scrutiny or different treatment”.³ Aboriginal peoples may experience racial discrimination daily because people apply negative stereotypes according to a person’s appearance without questioning their own opinions. The survey respondent quote below illustrates one person’s experience of negative stereotypes, racial profiling and racial discrimination based solely on appearances:

“Being Aboriginal and working to move young people into private rental properties from our homelessness services is at times quite challenging for myself and the young Aboriginal people I support to find a property. I took my Aboriginal young people to an open inspection in which they did not get the property. My co-worker who is non-Aboriginal took her two young people (non-Aboriginal) to the same house to inspect the following week and that non-Aboriginal couple ended up getting the property. That was discrimination at its best.”

³ http://www.ohrc.on.ca/en/what-racial-profiling-fact-sheet
Social stigma is severe social disapproval of a person on the grounds of their appearance or other characteristics that distinguish them from others in society. Almost all stigma is based on negative stereotypes about a person or group of people who are differing from mainstream social or cultural norms. The linking of negative attributes to differentiated groups of individuals facilitates a sense of separation between people and creates an “us” and “them” situation. A sense that individuals from minority groups are fundamentally different to “us” causes stereotyping to automatically be applied to everyone who fits a visual ‘match’ and create stigma. One of our survey respondents highlighted “perceptions” as follows:

“It concerns me still that we are being discriminated against when applying for private rentals. It’s the perception that non-Indigenous peoples have about Indigenous peoples that clouds their judgement. How do we break this circle of racism?”

South Australian Literature
Research by the Australian Housing and Urban Research Institute into the role of private rental brokerage in housing outcomes for vulnerable Australians shows that racial discrimination is a major issue in securing private rentals. Private rental brokerage workers participating in the same research identified that discrimination against Aboriginal peoples was a major barrier they faced when assisting them into the private rental market. One agency in South Australia deliberately focussed on assisting Aboriginal clients because of the extreme difficulties they face when trying to access private rentals.

Other agencies reported that almost one in five clients they assisted were Aboriginal, which was disproportionate to the very low proportion of the local population who identified as Aboriginal.\(^5\) According to the research, private rental brokerage activity is “clearly impacted by market failures around addressing the needs of some clients, especially because of discrimination, stigma and stereotyping.”\(^6\) The quote below from one of our survey respondents highlights the demoralising effect that racial discrimination had on their search for a private rental property:

“I tried to obtain private rental for over 4 months. I dressed appropriately, pre-prepared applications, always followed up with calling the agents. I started to feel demoralised as I had been doing everything right and did not make a breakthrough. I did feel at times that the reason I was not chosen was due to my race. I struggled to stay motivated throughout the process.”

The lack of literature surrounding discrimination in the private rental market in South Australia is noticeable. Other States and Territories have slightly more research for example, researchers in Western Australia looked into racial discrimination, overcoming stereotypes and breaking the cycle of housing despair in their State, with particular attention to Aboriginal peoples.\(^7\) The Victorian Equal Opportunity and Human Rights Commission also released a report on the struggles faced by vulnerable Victorians when trying to access the private rental market, indicating that racial discrimination was a key issue.\(^8\) Researchers in the Northern Territory documented Aboriginal peoples’ experience of discrimination and found that a large majority had experienced it in the private rental market.\(^9\)

**Equal Opportunity Commission**

The Equal Opportunity Commission is an independent statutory body with responsibility under the South Australian Equal Opportunity Act 1984 to receive enquiries and complaints about discrimination across the State. The South Australian Equal Opportunity Commission established a free legal advice clinic in partnership with the University of Adelaide in January 2018 to improve access to justice for members of the community. The clinic is based at the offices of the Equal Opportunity Commission.

---

and can provide legal advice to any individual who believes that they have been unlawfully discriminated against, sexually harassed or victimised.

The Equal Opportunity Commission enquiries and complaints data from the last five years indicates that racial discrimination is the second most commonly reported issue behind disability discrimination. The Commission received multiple complaints related to private renting, including but not limited to:

- The complainant being refused [a rental property] based on race;
- The landlord refusing to extend the lease based on race;
- The landlord refusing to do repairs;
- Unfavourable treatment from the landlord based on race;
- Eviction due to race; and
- Racist comments from the landlord.

In one accepted complaint to the Equal Opportunity Commission, the complainant identified as an Aboriginal or Torres Strait Islander person and had their rental application refused because they were Aboriginal. Four enquirers identifying as Aboriginal or Torres Strait Islander felt as though they experienced unfair treatment based on their race. Two people had also complained that they were asked if they identified as Aboriginal or Torres Strait Islander on their lease forms, and when they disclosed this information, they were refused an extension on their lease. In another example, a person had their rental application refused because they were Aboriginal and had a large family.

Three of our survey respondents provided the following open text answers about their experiences in the private rental market as follows:

“I have lost all faith in ever gaining housing in the private rental market due to being Aboriginal.”

“It is nearly impossible to find a private rental if you are Aboriginal.”

“I got told by a worker in a real estate agency that if you were of Aboriginal descent your application went straight to the bottom of the list and they would not look at it.”

The Equal Opportunity Commission is the number one place to report instances of discrimination in South Australia. Commissioner Niki Vincent was reported in the mainstream media saying that because of a reduction in funding, efforts to prevent discrimination or educate the public about
discrimination have suffered due to a lack of staff. While all complaints are currently dealt with by the Equal Opportunity Commission, without additional funding, it will be difficult for the Commission to maintain the delivery of its statutory functions.

Housing Affordability
The private rental market has become increasingly important in providing housing options for families living on low incomes. There is a critical lack of affordable and social housing across Australia and many households living on moderate to low incomes now have no choice but to look to the private rental market for housing. Government policy has also encouraged and provided incentives for families living on low incomes to look for housing in the private rental market instead of seeking social housing. There is an increased reliance on marginal housing (such as boarding houses, hostels, and caravan parks) that reflects a lack of appropriate long-term housing options. Commonwealth Rent Assistance and the State and Territory Private Rental Assistance programs are the best known and understood assistance measures for private renters and provide bond and rent to eligible people.

In South Australia, Private Rental Liaison Officers help vulnerable households to “access and sustain private rental tenancies … through targeted early intervention assistance designed to build tenancy capacity and through building links with the local private rental industry”. The program also links clients to Commonwealth Rental Assistance, something that people may be unaware that they are eligible for.

The lack of affordable housing in the private rental market is a barrier for many families living on low incomes. The National Rental Affordability Index is produced by National Shelter, SGS Economics and Planning, Community Sector Banking and Brotherhood of St. Laurence. The National Rental Affordability Index (NRAI) shows that housing is unaffordable for families if housing costs exceed 30% of a low-income household’s (with low income households having the lowest 40% of income) gross income. Aboriginal peoples are disproportionately living on low incomes, meaning that they are accessing low-cost rentals that may need repairs and maintenance.

The NRAI, pictured below, shows that a household with an annual income of $50,000 or less could not find an affordable private rental in the Adelaide region, with rentals ranging from moderately unaffordable to severely unaffordable (the warm colours of orange and red respectively).

While not specific to Aboriginal peoples, the National Rental Affordability Index is an interactive map that demonstrates level of rental affordability across the country. The latest data on South Australian rental affordability shows that Adelaide has experienced the largest decline in affordability of all the States studied since the last release in May 2018. Rental affordability for people living on low incomes in Greater Adelaide has declined and levels of unaffordability are now almost on par with Greater Sydney. The absence of an Aboriginal community housing provider and a shortage of public housing means that an Aboriginal family living on a low income would turn to the unaffordable private rental market as a last resort; this scenario does not take into account the other barriers such as racial discrimination and inappropriate housing design.

Housing Design
Housing in South Australia is generally designed for Western families, typically for two parents and two children; this design is at odds with Aboriginal cultural obligations to accommodate extended

family. A large family living in a small space that is not suitable can result in higher rates of wear and tear. Private rental brokerage workers Australia-wide identified a lack of appropriate built form housing to cater for large family groups and cultural obligations, a barrier that disproportionately affects Aboriginal families seeking a home on the private market. The quote below from a survey respondent describes how a landlord has “struggled” with family members staying with their tenant:

“My clients’ landlords have always struggled with the fact my Aboriginal clients always have family over.”

Following a Shelter SA workshop in 2017 that focussed on what works well for Aboriginal peoples during times of transition from institutions back to family and community, workshop participants agreed that culturally appropriate housing and supports, especially during instances of transition, will enable people to achieve good health and wellbeing as well as increase social inclusion. Culturally appropriate housing that is affordable, safe and secure is critical to re-entry back into families and communities.

Repairs and Maintenance
Choice Australia, National Shelter and the National Association of Tenant Unions have conducted two National surveys of private renters. Issues identified by their survey responses included some tenants experiencing problems when asking for repairs and maintenance. These surveys did not relate problems around repairs and maintenance to cultural identity and there is no South Australian literature on this topic. Aboriginal peoples, like many other renters, may be hesitant to report repairs to their landlord for fear of a rent increase or eviction.

Cultural Training and Competence for Real Estate Agents
Real Estate Institutes do not appear to have Reconciliation Action Plans or a focus on cultural training and cultural competence as it relates to Aboriginal peoples as part of education and professional development for real estate agents. One of our survey respondents addressed this issue in the following quote as an antidote to the racial discrimination they have experienced in the private rental market as follows:

“CULTURAL COMPETENCY SESSIONS for landlords and real estate agents of rental properties. This is a MUST. I am a single mother and my late mother had children in her care, and I am in the process of fostering them which compounds my angst to search for a rental property. I

must look for a bigger property to rent. I work full time and I am active in my community. I am an excellent tenant yet when I go to find a rental property, I am TREATED LIKE A SECOND-CLASS CITIZEN. Apparently not even worthy of a response to my rental application on many occasions. I always identify if asked in applications- proud of who I am and my people. Housing SA is quick to approve any assistance for bond. Is this because they know it will take me a while to be considered for a rental property so a little positivity will get me through the rental search!!! I am not in a position now to buy my home. I would love to own my own home for my family and plan to as soon as I am able to. I AM TIRED OF BEING TREATED LIKE A SECOND-CLASS CITIZEN IN THE REALM OF THE RENTERS WORLD!”

One model from New York that South Australia could potentially adapt to uncover racial discrimination against Aboriginal peoples by real estate agents involves housing “testers”.19 State officials use testers (similar to mystery shoppers) to prove where real estate agencies consistently discriminate against minorities. The offending agencies are then shown the test results and asked to agree to measures to correct their attitudes and behaviour, including training their real estate agents in fair housing laws.

Tenant Information and Advice
Shelter SA conducted research looking at the availability of tenant information and advice in South Australia compared to other Australian jurisdictions20. Tenant services are spread across a range of government and non-government organisations however our research showed that South Australia has much less capacity than other States and Territories to inform and support tenants to access their legal rights. The Tenant Information and Advocacy Services and the Housing Legal Clinic, non-government agencies, are both crucial to assist tenants in South Australia and as the numbers of renters increases and require ongoing and adequate funding to respond to enquiries. Neither agency has dedicated Aboriginal services.

19 http://www.mlkdayton.org/overcoming-racism.html
Survey Results

Number of Respondents

There were 265 unique visitors to the on-line survey but only 90 people who submitted answers. Of the 90 responses, only 68 indicated they were Aboriginal peoples who had experience renting or non-Aboriginal peoples that had witnessed discrimination and were filling out the survey on behalf of someone. The data shown in this section will focus on those 68 responses.

Q1. Do you identify as Aboriginal?

Most survey respondents identified as Aboriginal and had experience renting privately. The other proportion of non-Aboriginal survey respondents indicated they had witnessed racial discrimination occurring.
Q2. Are you sharing your own experiences or someone else’s?

We asked survey respondents if they were sharing their own, or someone else’s experiences in the private rental market.

Q3. Have you ever felt discriminated against in the private rental market due to identifying as Aboriginal?

Most respondents (nearly 80%) felt as though they (or someone they knew) were racially discriminated against in the private rental market due to identifying as Aboriginal.
Q4. If you have been discriminated against did you file a complaint?

Of the respondents that reported experiencing racial discrimination in the private rental market, only 15.5% filed a complaint. The main reason for not filing a complaint was that they couldn’t prove that it was racial discrimination. The second reason that survey respondents gave was that they did not know who to complain to.

Q5. Are private rentals affordable?

Most survey respondents (roughly 72%) reported that private rentals are not affordable for themselves or their families. Several comments left at the end of the survey indicated that private rentals are unaffordable, run-down and that there should be an increase in social housing. A
competitive rental market coupled with the fact that rentals are extremely unaffordable for a large majority of people means that low-cost rentals are even harder to secure. Some of the respondent quotes are as follows:

“The good condition of some houses is exaggerated. Many houses are rundown.”

“The price of rentals is extremely expensive.”

“The Government should provide more social housing.”

Q6. Are private rentals culturally appropriate?

![Pie chart showing the percentage of respondents who think private rentals are not culturally appropriate.]

Nearly 60% of respondents indicated that private rentals were not culturally appropriate for themselves or their families.
Q7. Have you been concerned about reporting repairs/maintenance due to identifying as Aboriginal?

Just over half of the survey respondents said that they were afraid to report repairs or maintenance issues due to identifying as Aboriginal and many comments left at the end of the survey indicate that this is a prevalent issue as follows:

“From my experience, the response to defects and issues raised by a tenant are not responded to in the same urgency that a complaint from the real estate or landlord is. I feel there are double standards and even more so if you fall into a stereotypical demographic or come from a lower socio-economic standing in community.”

“I was fearful to report any issues e.g. leaking taps, shower heads, mould on walls and even put up with broken blinds (put brown paper up) in case they thought that I or my son had damaged it based on the fact that we are Aboriginal.”

“A young Aboriginal woman I worked with who is a single mum was often treated extremely badly by real estate agents who did not respond to urgent repairs that were needed to her home and who treated her with no respect at all. They did not return her phone calls nor respond to her repair needs. When it came time to leave the property due to violence from a male neighbour, they were extremely unhelpful.”
Other Results

Pets in Private Rental
We also identified another issue coupled with racial discrimination that could be a barrier for Aboriginal peoples. Shelter SA has long advocated for an increase in pet friendly rentals. Not only are Aboriginal peoples seeking a house in the private rental at risk of discrimination by real estate agents or landlords, but their rental application could also be overlooked as a result of owning pets. As the respondent below reveals, being Aboriginal and having pets is “double discrimination”; if there was an increase in pet friendly rentals, then at least one barrier could be removed to assist Aboriginal peoples with pets to find a home in the private rental market. A quote from one of our survey respondents:

“Being Aboriginal and having pets is double discrimination. That’s why we don’t disclose pets as it’s hard enough being refused rentals again and again.”

Negative Feedback
The on-line survey for this research was shared across Shelter SA social media platforms including Facebook, Twitter and LinkedIn. Negative feedback was left on our social media platforms indicating there is still much work to be done to educate the public about racial discrimination and barriers to private rental that affect Aboriginal peoples. The comment below was left on our Facebook post about the survey demonstrating discriminatory, stereotypical assumptions about other cultures and ethnicities:

“In the town I live in, most of the native Australians do not look after their houses. And I’m not for a second saying that they all are like that... Muslims tend to be clean and pay their bills ... People from Asia tend to be clean, pay their bills ...”

Other Facebook posts showed a lack of understanding about racial discrimination as follows:

“This [survey], in itself, is discrimination! Why not a generalised questionnaire where all people are treated equal?”

“There are always two sides to every story. I am sure there are other factors that are relevant, it’s not about race.”

Much of the criticism around our research was focussed on the fact that we were looking into racial discrimination against Aboriginal peoples. A few comments indicated that we should have invited all people to provide feedback on their experiences and challenges in the private rental market.
A LinkedIn user criticised our survey and research for providing no comparative analysis, and for not “checking with the wider cohort” with the quotes below:

“If we aren’t checking with the wider cohort, I can’t see how the study has validity.”

“How will you ‘prove’ if someone is refused a tenancy based on race?”

The same person also asked, “how can you prove that a tenancy is refused based on race given it could be for a wide range of reasons”.

Recent News
Given that the majority of our survey respondents did not report racial discrimination they experienced or observed we welcome this news from the Equal Opportunity Commission below.
Recommendations

This research shines a light on the challenges for Aboriginal peoples in the private rental market in South Australia based on the rich insights provided by our survey respondents. There are changes required to create opportunities to improve the renting experience of Aboriginal peoples as follows:

1. **Increase funding for private rental liaison officers**

   South Australian Government to expand the private rental liaison officer roles and increase their use by Aboriginal peoples who require assistance to enter the private rental market, especially during times of transition from institutions back to family and community; and

   South Australian Government to continue and expand the private rental assistance program.

2. **Increase the supply of social housing in South Australia**

   State Government must invest in social housing to increase the number of dwellings available to Aboriginal peoples and ensure they have access to those dwellings.

3. **Mandatory cultural training**

   Real Estate Institute of South Australia to implement mandatory cultural competency training for all who manage rental properties to ensure they understand different cultures, challenge negative cultural stereotypes and recognise the relevance of South Australian Equal Opportunity legislation in their day to day activities.

4. **Introduce stronger tenant protections around repairs and maintenance**

   This research indicates that many survey respondents had negative experiences of reporting repairs and maintenance to their landlord/property manager or did not have their request attended to. A review of the South Australian Residential Tenancies Act must be conducted to strengthen tenant rights, as well as be reviewed with a cultural lens.

5. **Introduce a positive pet policy**

   South Australia must introduce a positive pet policy in the private rental market and educate and support landlords and real estate agents to consistently offer pet friendly rental properties.

6. **Further research**

   Further research is required to identify if a “blind” application process, where applicants can submit their applications separately from an open inspection, would assist to counter racial discrimination, based solely on physical appearances.
7. Replace the terms “race” and “racial” in legislation

State government and Equal Opportunity Commission to consider the use of “race” and “racial” within legislation. More appropriate terminology should be considered in consultation with South Australian Aboriginal peoples to indicate cultural heritage and identity.

8. Adequately fund the Equal Opportunity Commission

South Australian Government to adequately fund the Equal Opportunity Commission to provide the following:

A public education campaign about racial discrimination and how to complain;

Additional powers to allow the Commission to investigate alleged racial discrimination complaints by whistle-blowers or media reports; and

A culturally appropriate complaints process for Aboriginal peoples.