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Report

Anglicare Australia

Rental Affordability Snapshot

April 2014

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# Anglicare Australia

Anglicare Australia is a network of over 40 independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the faith that every individual has intrinsic value. Our services are delivered to one in 45 Australians, in partnership with them, the communities in which they live, and other like-minded organisations in those areas. In all, over 23,000 staff and almost 16,000 volunteers work with over 500,000 vulnerable Australians every year delivering diverse services, in every region of Australia.

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# Executive Summary

Each year Anglicare Australia conducts the Rental Affordability Snapshot. This is the fifth time it has been carried out on a national level.

Developed by the Social Action Research Centre at Anglicare Tasmania in 2007, the Snapshot was designed to highlight the lived experience of looking for housing while in receipt of a low income.

For the purposes of this project, a suitable rental is one which took up less than 30% of the household's income, a commonly used benchmark of affordability<sup>1</sup>. Household incomes are derived from the maximum rate of Centrelink pensions, allowances or net minimum wage combined with the Commonwealth Rent Assistance (CRA) and Family Tax Benefits (FTB) where applicable.

The Snapshot was undertaken on Saturday 5 April 2014. In each locality, Anglicare Australia network members audited local newspapers and real estate websites (nominally realestate.com.au unless otherwise stated) for rental accommodation. Nationally, over 62,000 properties were surveyed (n=62,862), an 11% increase in the number of properties compared to last year. The coverage of the population and geographic area is similar to last year's Snapshot, with additional coverage in northern Queensland.

Anglicare Australia believes that acquiring a secure and suitable home is a significant factor in ensuring the health, wellbeing and inclusion of individuals and their families in our community. Affordable and appropriate housing does not only provide a physical structure to house its occupants, it also enables individuals to make use of their inherent potentials to participate meaningfully in their personal and social lives, including but not limited to getting an education, engaging in the job market, caring for family members and building friendships.

Despite an increase in properties available in the private rental market this year, the 2014 Snapshot highlights remarkably well that low incomes, such as government payments and the minimum wage, are insufficient to cover costs in the Australian rental market.

The primary findings of the nationally aggregated data are:

## *Overall national aggregate*

- Single people on government payments are seriously disadvantaged in the housing market, with less than 1% of the listed 62,000 properties rated as suitable.
- Single people on minimum wage would find 3.2% of listed properties suitable if they had two children (n=1,992) and 4% if they were living on their own.
- Couples fare marginally better, with 12.2% of properties suitable for a couple with two children on minimum wage (n=7,639). The same family composition on Newstart would have access to 1.4% of the available listing (n=883).

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<sup>1</sup> Australian Bureau of Statistics (2001), [Measuring Wellbeing: Frameworks for Australian Social Statistics, 2001, Canberra, cat No. 4160.0](#), viewed 12 April 2014.



- Age Pensioner couples would find 3.6% of properties suitable (n=2,232) on the Snapshot day.

### *Regional aggregate*

- Regional areas are too expensive for single people living on a government payment (<0.1%-1.9%). It is only marginally less expensive for individuals living on a minimum wage, depending on if they are single (3.9%, n=724) or have children (5.4%, n=1,012).
- Couple with two children on minimum wage would have access to around 1 in 5 regional rental properties (n=3616). The same family composition receiving Newstart would have access to only 1.2% of regional properties (n=419). Age Pensioner couples would find 6.4% of rentals suitable (n=1,188).

### *Metropolitan aggregate*

- The cities are also too expensive for people living on low income, especially if they are on Newstart (<0.1%-0.8%), Youth Allowance (<0.1%), Disability Support Payment (0.2%) and Parenting Payments (0.4%-0.5%). People on Age Pension would be able to access 0.5% to 1.9% of properties depending on if they were single or coupled.
- People on minimum wage fare better in the cities, with 1.8% of rentals suitable for a single person with two children (n=805), and 3.9% if they are single (n=1,728). Couple with two children would find 8.2% of rentals suitable on the day of Snapshot (n=3,640).

In our submission to the Senate Economics Reference Committee Affordable Housing Inquiry<sup>2</sup>, Anglicare Australia has drawn on various examples from the Anglicare network to demonstrate the consequences of unaffordable and inappropriate housing for people living on the margins of our society. These examples put a face on the housing crisis and depict the lived experience of rental stress and consequently its damaging and intergenerational effects.

Other work from Anglicare Australia has also demonstrated the negative impacts of the housing crisis. Examples include people having to go into debt to pay their bills, and children and parents having to go without food because it is the only discretionary item in the budget. Our Postcard Election Campaign last year highlighted housing security and social wellbeing as top priority issues for Anglicare clients.

The lack of affordable housing impacts on the everyday lives of people and touches on every demographic group in our society, including children, single parents, youth, refugees and the aged. The housing crisis is too critical an issue to be overlooked and not acted upon immediately.

Anglicare Australia advocates for action in the following five key priority areas:

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<sup>2</sup> Anglicare Australia (2014), *When is a crisis not a crisis?* submission to the Senate Economics References Committee Inquiry into Affordable Housing



- recognition of income inadequacy as a barrier to secure housing and meaningful social participation
- a tax system that makes affordable housing more available
- stability for investors in housing supply for those living on the margins of society
- housing stock that matches our changing population needs
- government working in partnership with the sector.



# Introduction

The Anglicare Australia Rental Affordability Snapshot (the Snapshot) is an annual project surveying the affordability of rental properties for people living on a low income in Australia.

Developed by the Social Action Research Centre at Anglicare Tasmania in 2007, the Snapshot was designed to highlight the lived experience of looking for housing while in receipt of a low income. This is the fifth year that the Rental Affordability Snapshot has been undertaken at a national level.

Numerous studies over the years have examined the housing crisis Australia is experiencing. By using the 30% of income benchmark, the Australian Institute of Health and Welfare (AIHW) estimated more than 12% of all Australian households are in housing stress, with an additional 6% under severe housing stress. Taken together, that's 1.6 million Australians who experienced difficulty paying rents last year, many of whom were living on a low income<sup>3</sup>.

The National Housing Supply Council, before it was abolished late last year, stipulated that the number of persons housed in non-private accommodation in Australia appears to be growing substantially. Its scoping study<sup>4</sup> estimated that, at the 2006 Census, somewhere between 135,000 and 167,000 people were unable to meet their housing needs via the conventional housing market. This population was comprised of people *in non-private dwellings, residents in caravan parks who were accommodated in this tenure through necessity rather than choice, and persons who were homeless at the 2006 Census and not included in the other components of this count*<sup>5</sup>.

While looking at different aspects of the housing crisis, these studies draw a similar conclusion: that the supply of affordable housing in Australia is just not keeping up with its increasing demand, and the devastating impact is particularly evident in the most vulnerable households in our community.

In the last four years, the Snapshot has found a profound lack of affordable and appropriate housing for people living on a low income, and this year is no exception. Once again, it was found that the private rental market is too expensive for people living on government payments and the minimum wage.

Housing plays a critical role in the health and wellbeing of individual Australians. The availability of affordable, sustainable and appropriate housing underpins good health and the social, educational and economic participation of individuals. Housing is not only an economic or social justice issue, it is a fundamental and universal right that everyone should be able to enjoy. Having a secure and stable home creates a platform from which people have the opportunity to engage in various activities in their community, such as to get an education, participate in the labour market, build friendship and not least of all, realise and make use of their potential to contribute to the community.

We hope this year's Snapshot will once again reinforce the urgency of resolving the housing crisis for the betterment of the Australian people.

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<sup>3</sup> Australian Institute of Health and Welfare (2013), [Housing Assistance in Australia](#), Canberra

<sup>4</sup> National Housing Supply Council (2013), [Housing Supply and Affordability Issues 2012-13](#), Canberra

<sup>5</sup> *ibid*

## Methodology

For the purposes of this project, an affordable rental is one which takes up less than 30% of the household's income, a commonly used benchmark of affordability<sup>6</sup>. Household incomes are derived from the maximum rate of Centrelink pensions, allowances or net minimum wage combined with the Commonwealth Rent Assistance (CRA) and Family Tax Benefits (FTB) where applicable. The total resulting income for each household type was used to establish a maximum affordable weekly rent based on the 30% rule.

The Snapshot was undertaken on Saturday 5 April 2014. In each locality, Anglicare Australia network members audited local newspapers and real estate websites (realestate.com.au unless otherwise stated) for rental accommodation. Nationally, over 62,000 properties were surveyed (n=62,862). Predefined tests of affordability and appropriateness were applied to the survey data, resulting in the number of advertised properties on a given day which were adequate for households of different types living on a low income. For a dwelling to be determined as suitable it must satisfy tests of both affordability and appropriateness. Assumptions underlying the tests of affordability and appropriateness can be found at

### A Note on Commonwealth Rental Assistance:

CRA has both a minimum (cut-in) point and a maximum (cut-out) point for each household type. Where the advertised weekly rent falls between the cut-in and cut-out points, the proportion of CRA is calculated as a proportion of the amount paid in rent. Where the weekly rent falls above the cut-out point, the maximum rate is applied irrespective of how far above the cut-out point the weekly rent happens to be. As rents increase the CRA becomes less effective as a means of affordability.

Appendix 1.

### Is 30% enough?

The commonly used benchmark of housing affordability is the '30% ratio'<sup>7</sup>. That is, it is determined that when housing costs are greater than 30% of disposable income and that household's income is in the bottom 40% of the income distribution, the household is deemed to be in 'housing stress'<sup>8</sup>. There are weaknesses with the 30% of income housing stress measure, such as what constitutes housing costs and how to account for household income. Though these concerns are inherent in any measure of

<sup>6</sup> Australian Bureau of Statistics (2001), [Measuring Wellbeing: Frameworks for Australian Social Statistics](#), 2001, Canberra, cat No. 4160.0.

<sup>7</sup> ABS, 2001, op. cit.

<sup>8</sup> Harding, A., Phillips, B., & Kelly, S (2004), *Trends in Housing Stress*, NATSEM, Paper Presented at the National Summit on Housing Affordability, Canberra



affordability<sup>9</sup>, Anglicare Australia has developed safeguards, where possible, to minimise the distortions created from inconsistent treatment of these concepts.

When a household income is upwards of \$150,000, 30% or greater of that income might be enough to obtain a suitable dwelling with adequate access to services and amenities as required without placing the household under any kind of stress. However, when the household income is at or below the minimum wage, options are limited and a reasonable place to live often comes at a much higher price.

The Ratio method, which has been used in the Anglicare Australia Rental Affordability Snapshot, is a broad brush approach to affordability that does not take into account the nuances of individual households. Though focussing on the lived experience of searching for suitable housing, the Snapshot does not seek to understand the individual experiences of households. The strength of the Ratio method is that it provides an indicator at a particular point in time (a snapshot) of unaffordability, and over longer periods, of the extent to which affordability shifts.

The Australian Housing and Urban Research Institute—from its National Research Venture 3 into housing affordability—found that the Ratio method was a reasonable indicator of housing stress and was useful in identifying “households likely to be at risk of problems associated with a lack of affordable housing”<sup>10</sup>. The Ratio method underpins the Housing Affordability Index offered by the HIA and Commonwealth Investment Bank<sup>11</sup> and the Council of Australian Governments also uses the Ratio method in the National Affordable Housing Agreement as its measure of affordability<sup>12</sup>.

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<sup>9</sup> Henman, P & Jones, A., (2010), *Exploring the use of residual measures of housing affordability in Australia: methodologies and concepts*. Australian Housing and Urban Research Institute: Melbourne.

<sup>10</sup> AHURI (2010), National Research Venture 3 into housing affordability, AHURI Final Report No. 105

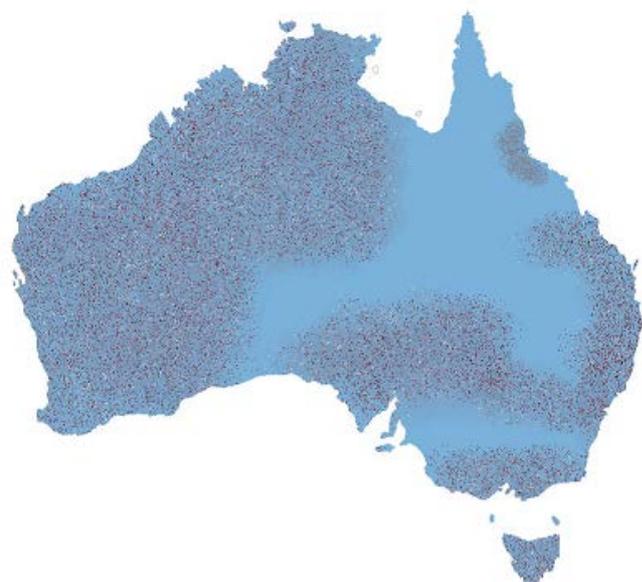
<sup>11</sup> HIA, n.d, [HIA-CBA Affordability Index and Report](#), viewed 23 April 2014.

<sup>12</sup> COAG Reform Council (2011), *National Affordable Housing Agreement: Performance report for 2009–10*, COAG Reform Council, Sydney.

# Findings

Detailed findings for each locality can be found in the section *Locality Snapshot* from p.24 of this report. What follows is an overarching description of the common findings across jurisdictions for people living on low incomes.

## National catchment



Overall there was an increase in the number of properties surveyed compared to last year but the growth was not consistent across all jurisdictions, highlighting the different rates of economic development and demand for labour in different parts of Australia. The geographic area covered by the Snapshot this year was largely similar to last year, with additional coverage in the North Queensland region.

In total 62,862 properties were assessed on the collection day as either appropriate or affordable for households living on low incomes. The Snapshot looks at 13 household types of varying composition and payment type and is conducted in both regional and metropolitan areas. For a property to be considered suitable for any of the household

types, both tests must be satisfied (i.e. suitable = affordable and appropriate). Table 1 below provides a breakdown of the suitability of properties listed on the day of the Snapshot for each of the 13 household types. It should be noted that these are aggregate figures and are not distributed evenly across the Snapshot catchment areas. It does not follow, for example, that a person living in rural South Australia will have the same chance to access a suitable property as would a person in either a similar regional area or a metropolitan area. For detailed figures on individual catchment areas, please see the relevant locality Snapshot.

Table 1: Number and proportion of suitable property listing: **National aggregate**

Household Type	Payment Type	No. Affordable & Appropriate	% Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	883	1.4%

Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	533	0.8%
Couple, no children	Age Pension	2232	3.6%
Single, one child (aged less than 5)	Parenting Payment Single	545	0.9%
Single, one child (aged over 8)	Newstart Allowance	100	0.2%
Single	Age Pension	625	1.0%
Single aged over 21	Disability Support Pension	316	0.5%
Single	Newstart Allowance	25	0.0%
Single aged over 18	Youth Allowance	6	0.0%
Single in share house	Youth Allowance	6	0.0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	7639	12.2%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	1992	3.2%
Single	Minimum Wage	2545	4.0%
<b>Total No of Properties</b>	<b>62,862</b>		

### Single income households

Less than 1% of the listed properties were rated as suitable for any of the single households in receipt of a government payment. Singles living on an Age Pension or the Disability Support Pension could afford 1% and 0.5% of the total properties, equating to 625 and 316 dwellings respectively. Singles living on Newstart and Youth Allowance however could only afford 25 and 12 respectively of the 62,862 properties listed in the national Snapshot catchment area. As these figures do not equate to a percentage at one decimal point, it will be hereafter described as <0.1%. Despite the higher level of the pensions over the allowances, affordable rentals were extremely limited for a single person living on any government payment.

Singles with children would also struggle to find suitable accommodation had they been looking on the day of the Snapshot. A single person with two children and living on the minimum wage would have access to 3.2% of the listed rentals (n=1,992), while the same family if in receipt of the Parenting Payment Single would have access to only 0.8% of the listings (n=533).

The two household types that include a single parent and child are some of the hardest hit. These two households are differentiated by the age of their child and subsequently the payment type: one has a five year old child and is in receipt of the Parenting Payment; the other has an eight year old child and is in receipt of Newstart. Respectively the availability of suitable rentals is 0.9% (n=545) and 0.2% (n=100).

Singles on a minimum wage could find 2,545 suitable rentals, equating to 4% of the total private rentals on the day.

### Double income households

Households with dual incomes naturally fair better in this Snapshot. However, there is clear demarcation between those living on the minimum wage and those in receipt of government payments. An implication is that the affordability benchmark for the minimum wage is drawing closer to the average weekly rental price. Of the three *couple households*, two include children. Children and the associated Family Tax Benefit payment do not seem to be an indicator of a greater share of suitable properties at the aggregate level.

The household with the greatest proportion of suitable listings is a couple household with two children living on the minimum wage at 12.2% (n=7,639). At the other end, the same family composition in receipt of Newstart would have access to only 1.4% of the available listings (n=883). A couple living on the Age Pension would have access to 3.6% or 2,232 properties of the listed 62,862.

### Regional catchment

The 2014 Snapshot took into account the greatest portion of rural and regional areas to date. Generally, Australia is codified into five different scales of remoteness: Metropolitan (least remote), Inner Regional, Outer Regional, Remote, and Very Remote<sup>13</sup>. Similar to the method used by the COAG Reform Council, Anglicare Australia has used a rough 'balance of state' approach to determine regional and metropolitan areas. Hence, Regional refers to the four ABS categories which include regional and remote descriptions. Generally, the areas covered in the regional areas have between 10,000 to 100,000 inhabitants, except in those areas which are very remote<sup>14</sup>. According to the ABS approximately 30% (30.8%) of Australia's population lives in regional areas. Those properties counted in the regional areas of the Rental Affordability Snapshot equates to 29.6% of the total collection, in keeping with the proportional breakdown of metropolitan and regional population distribution.

Table 2: Number and proportion of suitable property listings: **Regional aggregate**

Household Type	Payment Type	No. Affordable & Appropriate	% Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	419	2.2%

<sup>13</sup> ABS (2012), [Regional Population Growth, Australia, 2011](#), viewed 23 April, 2014.

<sup>14</sup> *ibid*

Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	259	1.4%
Couple, no children	Age Pension	1188	6.4%
Single, one child (aged less than 5)	Parenting Payment Single	293	1.6%
Single, one child (aged over 8)	Newstart Allowance	59	0.3%
Single	Age Pension	357	1.9%
Single aged over 21	Disability Support Pension	173	0.9%
Single	Newstart Allowance	10	0.1%
Single aged over 18	Youth Allowance	3	0.0%
Single in share house	Youth Allowance	3	0.0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	3616	19.4%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	1012	5.4%
Single	Minimum Wage	724	3.9%
<b>Total no. of Regional Properties</b>		<b>18,658</b>	

### *Single income households*

Single people in regional areas are very hard hit by housing unaffordability. Regional areas generally have fewer services and higher unemployment rates, raising the dilemma of "if you can afford to live there, there are no jobs and if there are jobs, you can't afford to live there!"

Of the 18,658 properties analysed on the collection day, those that would be suitable for a single person ranged from 0.1% for singles on Newstart and Youth Allowance (n=10 & 6), increasing to 0.3% for a single parent on Newstart (n=59), to 0.9% for a person with a disability (n=173). Singles living on the Parenting Payment with one child could access 1.6% of rentals (n=293), while those on the same payment with two children could access 1.4% (n=259). Age Pensioners could access 1.9% of the rentals (n=357).

Singles living on the minimum wage might apply for 724 properties if on their own (3.9%) or 1,012 properties if they had two children (5.4%).

### *Double income households*

As with the national aggregate, having children and a higher income does not equate to higher proportion of suitable rentals. A couple with two children on the minimum wage might access 19.4% of those listed (n=3,616) whereas the same family living on Newstart might only access 2.3% (n=419). An Age Pension couple could afford 1,188 of the 18,658 properties (6.4%).

## Metropolitan catchment

Metropolitan areas have seen the greatest population growth over the last decade with the bulk of that growth occurring in the inner cities and outer suburbs. Growth has also occurred along urban infill areas, coastal regions and mining areas, adding extra pressure on housing supply. A decline has been experienced in inland rural areas and long-established suburbs within capital cities<sup>15</sup>. Metropolitan areas account for almost two-thirds of Australia's population: over 15 million people<sup>16</sup>.

Table 4: Number and proportion of suitable property listings: **Metropolitan aggregate**

Household Type	Payment Type	No. Affordable & Appropriate	% Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	374	0.8%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	216	0.5%
Couple, no children	Age Pension	855	1.9%
Single, one child (aged less than 5)	Parenting Payment Single	173	0.4%
Single, one child (aged over 8)	Newstart Allowance	34	0.1%
Single	Age Pension	227	0.5%
Single aged over 21	Disability Support Pension	105	0.2%
Single	Newstart Allowance	13	0.0%
Single aged over 18	Youth Allowance	3	0.0%
Single in share house	Youth Allowance	3	0.0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	3640	8.2%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	805	1.8%
Single	Minimum Wage	1728	3.9%
<b>Total no. of metro properties</b>		<b>44,204</b>	

### Single income households

Given the increasing pressure on our cities, people living on a low income have very little chance of living in an urban environment without being under extreme housing stress. As can be seen from Table 4, none of the single income households on government payments would have access to more than 1% of the total available properties listed in the catchment areas on collection day.

<sup>15</sup> ABS (2014), [Regional Population Growth, Australia, 2012-13](#), catalogue no. 3218.0

<sup>16</sup> ABS (2013), [Regional Population Growth, Australia, 2013](#), catalogue no. 3218.0



Singles living on the higher pensions would be able to access 0.4% or 0.5% of the rentals depending on whether they had one or two child (n=173, n=216). For singles living on the Newstart and Youth Allowance, <0.1% of the available rentals in the metropolitan areas would be suitable (n=13, n=6). People living on Newstart with a child could afford 0.1% of rentals; that is 34 out of 44,204 available properties on the Snapshot day.

Singles living on an Age Pension or the Disability Support Pension would be able to afford 0.5% and 0.2% of the total metro properties equating to 227 and 105 dwellings respectively. Singles living on the minimum wage might apply for 1,728 properties if on their own (3.9%) or 805 properties if they have a child (1.8%).

### *Double income households*

A couple living in metropolitan area with two children on the minimum wage might access 8.2% of all rentals (n=3,640) whereas the same family living on Newstart might only access 0.8% (n=374). An Age Pension couple could afford 1.9 % of the 44,204 properties.

## Discussion & Policy Goals

Anglicare Australia believes that acquiring a secure and suitable home is a significant factor in ensuring the health, wellbeing, and inclusion of individuals and their families in our community. A secure home, together with employment and health are three imperatives allowing individuals to participate in society meaningfully.

### The home connection

Everybody needs and deserves a suitable home. An extract from AHURI<sup>17</sup> puts the significance of housing into context:

*The fact that both natural and man-made environments directly impact human health appears self-evident. Human habitation serves to mediate natural environmental extremes. As such, housing sustains and supports human life and thus housing environments directly and indirectly impact on health, social support, absence of disease, quality of life and well-being.*

A home does not only provide a physical structure to house its occupants. It is among many other things where people acquire their private space to rest and think, where relationships are nurtured, where children are clothed and fed, and where the aged can feel safe and cared for. A secure home is where people base their lives and where people go back to recharge themselves day after day. A home is like a connection hub through which people participate in different aspects of their community. It doesn't matter if you are rich or poor; wherever you come from you need a home. Having a home is a fundamental and universal right.

Despite housing affordability being a critically important issue, an AHURI study<sup>18</sup> shows that in 2006, only 37% of private renters with household incomes in the lowest 40% of the national income distribution accessed affordable housing. The picture is particularly grim for very low income private renters, with only 21% paying an affordable rent (less than 30% of household income), and 19% paying a severely unaffordable rent (over 50% of household income)<sup>19</sup>.

Anglicare Australia, through a number of projects and pieces of work, has demonstrated the intractability of housing stress. In a report commissioned from the National Centre for Social and Economic Modelling (NATSEM), it was found that households living on low incomes do not have enough income to cover basic necessities. The research found that people on Newstart or job seeker Youth Allowance spent on average 21% in excess of their incomes, with up to 64% of their total income spent on basics including housing<sup>20</sup>.

<sup>17</sup> AHURI (2003), *Housing Assistance and non-shelter outcomes*, AHURI, Melbourne

<sup>18</sup> AHURI (2011), *Australia's private rental market: The supply of, and demand for, affordable dwellings*, AHURI, Melbourne

<sup>19</sup> 'Low income' refers to households with incomes in the second lowest income quintile (21% to 40% of all income nationally), and 'very low' refers to households with incomes in the bottom income quintile (20% or lower)

<sup>20</sup> NATSEM (2012), *Going Without: Financial hardship in Australia*, Anglicare Australia, Catholic Social Services, the Salvation Army and UnitingCare Australia, Canberra

Given that it is difficult to improve their financial situation, the risk of spiralling further into poverty and disadvantage because of one or two unexpected expenses becomes apparent.

Anglicare Australia's Food Insecurity Project—*When there's not enough to eat*—provides more telling evidence of the impacts of housing unaffordability and its lingering effects on individuals and their families. The research shows that of those low-income households living in private rentals, the vast majority (94%) were in rental stress. In order to ensure that rent and other bills were paid, food often became one of the few discretionary items in the household budget, meaning families and sometimes even children had to go without food. While in most cases in the survey children were protected from days entirely without food, they nevertheless missed out on school events and friendship activities, and reported shame, embarrassment and ill health. Adults too also reported significant impacts including depression, resentment, embarrassment, isolation and anger<sup>21</sup>.

More recently, in the lead up to the Federal Election 2013, we carried out a Postcard Election Campaign, *Listening to everyone*, and invited Anglicare clients around the country to share with us issues that were most important to them in the election, and what changes they would like to see that would make life better in Australia. For both questions, *security* came up as the most pertinent issue they perceived could have a direct impact to their safety, livelihood, health and long-term wellbeing. And of all security concerns, housing and social wellbeing topped the list of priorities that they would like to see improvements, followed by health and employment.<sup>22</sup>

As we can see, the inability to secure an affordable home does not only erode one's mental and physical health and sense of identity and pride, the financial hardship and its impacts could also relate to those living close to them. For instance, financial hardship as described above could place stress on family relationships and affects childhood development and education, all of which are important factors leading to a healthy sense of belonging and meaningful participation in the community. An earlier AHURI study<sup>23</sup> also found that when poorer households are concentrated in 'sink' estates, social exclusion and a reduced sense of community may arise and lead to higher crime rates. Inadvertently, individuals living in these neighbourhoods may experience discrimination and stigma when applying for a job elsewhere<sup>24</sup>.

## The job connection

In addition to acquiring a suitable home, securing a proper job that generates a steady stream of income is also fundamental for people living on a low income to improve their life situation. Unfortunately, housing unaffordability has created multiple barriers for these people to participate meaningfully in the labour market. Some of these barriers include: high transport and time cost to travel to work, job insecurity and income inadequacy.

### *High transport and time cost to go to work*

Due largely to globalisation, Australia has been experiencing a structural change to the economy, where we see the development of city centres emerging as key metropolitan hubs, such as Melbourne, Sydney

<sup>21</sup> Anglicare Australia (2012), [When there's not enough to eat: State of the Family Report 2012](#), Canberra

<sup>22</sup> Anglicare Australia (2013), [Listening to Everyone Election 2013 Post Campaign](#), Canberra

<sup>23</sup> AHURI (2003), *Housing Assistance and non-shelter outcomes*, AHURI, Melbourne

<sup>24</sup> AHURI (2012), *Addressing stigmatisation of social housing*, AHURI, Melbourne

and Perth. As these metropolitan hubs further develop and mature, regional economies in country Australia gradually segregate from the city centres. This effect gives rise to terms such as 'two-speed economy' and 'patchwork economy' to describe the different rates of development between the 'new economy' with high value-adding, highly skilled and high paid occupations, and 'old economy' characterised by its routine, low-skilled, and low paid jobs mainly in the service sector, transport and manufacturing<sup>25</sup>.

For the functional efficiency and growth of the urban and high value-adding economies, it is important to have an adequate supply of workers possessing different skills and experience to fulfil various job natures at these economic centres. As these metropolitan hubs continue to attract high-end investments and development, they create a spatially concentrated demand for services of workers at both ends of the skill and wage spectrum<sup>26</sup>. While high-skilled and high-paid positions are relatively easy to fill with candidates already living in the city, filling low-skilled and low-paid positions is more challenging because those who are to take up these positions live at the outer rings of the urban centre due to their inability to pay for high rents in city centres<sup>27</sup>. In travelling to and from work in the city centre, people are incurring high transport and time costs, trapping them further into disadvantage and vulnerability. As a consequence, they may have little chance to save up, or to spend quality time with their families and friends. When unexpected expenses strike, they may easily fall into financial hardship with increasing debts that they find difficult to get out of without financial assistance. As a result, this group of people are more inclined to having poor physical and mental health, social isolation and poverty that further jeopardise their job prospects.

### *Job insecurity*

Today's labour economy is increasingly characterised by casualised work<sup>28</sup>. In its report to the Independent Inquiry into insecure work in Australia, the Australian Council of Trade Union (ACTU) stipulated that workers living on lower income are more likely to accept poor work conditions and are less likely to raise health and safety concerns, resulting in greater risk of injuries, physical and mental ill health<sup>29</sup>. The lack of income security provided by these insecure casual jobs may also have impacts on workers' living standards and financial independence, leading to a constant struggle of uncertainty, powerlessness and vulnerability for both the individuals and their families<sup>30</sup>, and further entrench them into ongoing poverty and disadvantage. This has a direct bearing on the amount of rent people can pay and the concern of being able to meet that level, week in and week out.

Recent research published by Anglicare member Brotherhood of St. Laurence<sup>31</sup> has demonstrated the significance of job security for youth in Australia. With a national unemployment rate of 12.5% among youth aged 15 to 24 in March 2014—double the overall rate of national unemployment—the study

<sup>25</sup> Berry, M (2006), *Housing Affordability and the economy: A review of labour market impacts and policy issues*, AHURI

<sup>26</sup> *ibid*

<sup>27</sup> *ibid*

<sup>28</sup> Australia Council of Trade Unions (2012), *Lives on Hold: Unlocking the potential of Australia's workforce – the report of the independent inquiry into insecure work in Australia*.

<sup>29</sup> *ibid*

<sup>30</sup> *ibid*

<sup>31</sup> BSL (2014), *On the Treadmill: Young and Long-term unemployed in Australia*, Brotherhood of St. Laurence, Melbourne.

suggests that those who experience unemployment while young are more likely to be unemployed, have poor health and have lower educational attainment later in life than those who are unaffected by unemployment while young.

The study also shows the longer a person stays out of the labour market, the less likely they are to find a job. With employers constantly placing a premium on education, skills and work experience in job applicants, getting that first step on the job ladder is becoming a harder and more complex task. This is especially challenging for young people from a disadvantaged background, who in addition to having to get their education and skills up to speed to secure a job, also have to struggle to pay for unaffordable accommodation.

The consequences of being long-term unemployed go well beyond the immediate hardship experienced while unemployed, but affect young people's chances of subsequent and ongoing unemployment down the track. According to the report, the number of young Australians who are unemployed for over a year has more than tripled since 2008. It is important for the government and employers to recognise and reverse this alarming trend affecting disadvantaged youth around the country. Failing to do so will mean that we are denying future generations of their chance to contribute meaningfully to our community in the long run. Additionally, the longer a person remains out of work their capacity to afford housing that will support them in their pursuit of work is dramatically reduced.

### *Income inadequacy*

The effect of being long-term unemployed also impacts on other disadvantaged groups in our community, such as single parents and older people. Having to live on a very low income for a prolonged period of time may lead to complex consequences that are often difficult to turn around. What this means for people is that they are forced to the edges of our society with little hope of ever transitioning permanently to the core, as Brian Howe<sup>32</sup>, former deputy Prime Minister called it. Little by little, the fabric that holds their lives together begins to unravel and it can take only one unexpected expense or event to entrench people into disadvantage, perhaps for the next and even subsequent generations. NATSEM research<sup>33</sup> shows that 55.1% of those living on Newstart or non-student Youth Allowance could not raise \$2,000 for an emergency; this compares with 10.7% of the waged population.

The diminishing value of Newstart—which currently stands at \$255 per week—means that people are unable to sustain themselves for the extended periods for which they receive it. Newstart is currently indexed according to the Consumer Price Index (CPI). It is growing at a slower rate than the male average weekly earnings, which is used in adjusting the Age Pension and Disability Support Pension. Given the way Newstart is indexed, the payment is destined to reduce in value over time.

Predictions from NATSEM have the income of Newstart allowees at around 18% of the average male earnings in 2012. As the years progress, the value of the payment will decline. The longer people remain on Newstart, the further its value diminishes as an effective living supplement. It is worth noting that Newstart was not designed to be a long-term living supplement. While people receiving Newstart for

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<sup>32</sup> Address by Brian Howe, AO Chair of the Independent Inquiry into Insecure work in Australia to the National Press Club, 18 April 2012.

<sup>33</sup> NATSEM (2012), *Going Without: Financial hardship in Australia*, Anglicare Australia, Catholic Social Services, the Salvation Army and UnitingCare Australia, Canberra

short periods of times can more readily use creative accounting to keep on track of payment schedules, for example by deferring payments, people who have been on Newstart for a long time don't have that option. It is not only because Newstart as a living supplement would have gone down in value, people who are on the payment for a prolonged period of time would have lost touch with the labour market with a consequent degradation of skills, health and personal drive making it even harder for them to get back on their feet.

Anglicare Australia is advocating for an increase in Newstart as a way to meaningfully engage long-term unemployed people in our community and to help them reconnect to the labour market and our community.

### ***Policy recommendation 1—***

*'Recognise income inadequacy as a barrier to secure housing and meaningful social participation'*

### **Housing market failure**

For the fundamental task that is the provision of affordable housing, the free market cannot be solely relied upon to produce efficient and desirable outcomes. The 'invisible hand' is often shaped by unpredictable and external factors resulting in an inequitable distribution of the pie. Market failure also happens when private incentives misalign with social returns, resulting in one group getting a larger share of resources at the expense of the rest of the population.<sup>34</sup> It sounds like economics for beginners, however its simplicity is its virtue because this is precisely where and when the government can play an enormous role in correcting these market failures; through designing policies—tax and regulations—to bring private incentives and social returns into alignment with social value; inequality can be brought back to balance<sup>35</sup>.

The current housing market in Australia provides a telling example of such market failure. With a housing supply gap of just under 300,000 dwellings<sup>36</sup>, a lot of first home buyers are out-competed by investors with a greater capacity to purchase in the market. This group of would-be home buyers are squeezed out of the buyer's market and must resort to renting for the foreseeable future. With their more comfortable incomes, they can afford to pay for higher quality rental properties, which would usually be occupied by people on the next lower income tier. As the domino effect plays out, and due to the basic laws of supply and demand, people on this income tier have no choice but to rent lower quality properties, but still pay a higher price for it due to significant demand in the rental market.

The downward pressure continues until people living on the lowest incomes of our society are totally priced out of the market. Since the waiting list for public and social housing are interminably long, they will have to compete for properties that do become available, accepting prices for poor quality housing that are far beyond their ability to pay.

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<sup>34</sup> Stiglitz (2013), *The Price of Inequality: How Today's Divided Society endangers our future*, W.W. Norton & Company, New York.

<sup>35</sup> *ibid*

<sup>36</sup> National Housing Supply Council (2011), [Key findings of the 2011 State of the Supply Report](#), NHSC, Canberra

The lack of housing supply is one of the most pressing market problems facing future generations of home owners and renters in the country, and Anglicare Australia believes that carefully considered government regulations could potentially reverse this downward spiral. We acknowledge and appreciate the massive investments in the housing and homelessness space in recent years, but would like to emphasise the importance of keeping up the level of investments and guarding against a stop-start approach. Prevention is always better than cure. We are relatively confident that without intervention the trend will continue, indeed the last report published by the National Housing Supply Council before its abolishment late last year says: “it seems certain that the aggregate rate of home ownership will drop and the proportion of renting will increase significantly”.<sup>37</sup>

## Provision of affordable housing

### *Tax review*

One of the measures identified to address the crisis of housing supply is to minimise the impact of speculative investment through reviewing and revamping tax policies, such as negative gearing and capital gains tax. These tax policies have over the years driven up demand for housing while doing very little to support the supply of housing by providing a safety net for people who might otherwise not take such risks in the property market. The Grattan Institute in preparing its report on the housing crisis investigated investment loan approvals and found only around 5% of approved investment loans were for the construction of new dwellings, indicating that investors are outbidding themselves for the same stock<sup>38</sup>.

While negative gearing and capital gains tax may once have had an important role in encouraging investment in property, these policy mechanisms have actually contributed to pushing up the value of an already limited housing stock in Australia. As a result, current and future generations are increasingly locked out of the property market. These tax policies, extensively discussed in 2010 the Henry Review<sup>39</sup> have also contributed to a loss of \$6.8 billion a year in revenue for the government<sup>40</sup>, funds which might otherwise have been used to finance social and physical infrastructure across the country.

Although seeking to improve Australia’s economic performance, the current government has categorically ruled out increasing taxes, and is instead relying largely on increasing productivity in the latent workforce<sup>41</sup>, selling off Australian assets and deregulating systems. This and previous governments, however, have been disinclined to address the adverse impact of negative gearing and capital gains tax, up to this point. Anglicare Australia is on record with a proposal to shift the way these tax policies work by ensuring that a social element is required for claiming the tax benefits. For example,

<sup>37</sup> National Housing Supply Council (2013), [Housing Supply and Affordability Issues 2012-13](#), NHSC Canberra

<sup>38</sup> Kelly, J-F. Hunter, J. Harrison, C., Donegan, P. (2013), [Renovating Housing Policy](#), Grattan Institute, Melbourne

<sup>39</sup> The Henry Review (2010), [Australia’s future Tax System](#), The Department of Treasury, Canberra

<sup>40</sup> Anglicare Australia (2014), *When is a crisis not a crisis?* submission to the Senate Economics References Committee Inquiry into Affordable Housing

<sup>41</sup> The Australian (2014), [Further rise in pension age inevitable: Hockey](#), The Australian, accessed on 25 April.

negative gearing may only be claimed on properties in which the tenant is a low-income earner or only eligible for new builds.

### **Policy recommendation 2 —**

*'Create a tax system that makes affordable housing more available'*

#### **Support investors**

Housing expert AHURI has also proposed a feasible way to more efficiently and effectively channel private investment towards new dwellings in the affordable rental housing market targeted to low and middle income households, to be provided by third sector Community Housing Organisations. The model is taken from international best practice and was adapted to the Australian market conditions to increase private investment in affordable rental housing. The proposal suggested institutional investment via superannuation funds, which have an accumulated value of \$1.62 trillion, surpassing the nation's GDP, and which are growing rapidly<sup>42</sup>. The funds could play a significant role as investors in goods and services of national economic significance. The research revealed widespread support for such a mechanism among investors, asset consultants, affordable housing providers, and housing policy and finance market experts. If successfully adopted it would be a fine example of how the government can support investors in boosting Australian economic productivity and promoting social inclusion and innovation in medium density housing provision.

### **Policy recommendation 3 —**

*'Support stability for investors in housing supply for those who need it most'*

#### **Housing stock that matches changing needs of population**

In order to meet the increasing demand for housing in Australia in a sustainable manner, it is important to have housing stocks that are reflective of and adapting to the changing needs of our population. The latest ABS figures on housing utilisation<sup>43</sup> reveals that while Australian households are becoming smaller on average, dwelling size as indicated by the number of bedrooms is increasing. The average number of persons per household has declined from 3.1 in 1976 to 2.6 in 2009-10. In the same period, the proportion of dwellings with four or more bedrooms has risen from 17% to 31% and the average number of bedrooms per dwelling has increased from 2.8 to 3.1, reflecting an ongoing accumulation of unused residential resources.

By taking into account the changing social trends and household make-up, both the government and housing suppliers will be able to utilise new and existing housing stocks to enable more affordable housing for Australians, especially those living on a low income. For example, the Senate Inquiry into Affordable Housing in 2008<sup>44</sup> indicated a decrease in household size attributed to a variety of social factors, such as an increase in the occurrence of divorce and separation in families, people getting

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<sup>42</sup> Lawson, J., Berry, M., Hamilton, C. and Pawson, H. (2014), *Enhancing affordable rental housing investment via an intermediary and guarantee*, AHURI

<sup>43</sup> ABS (2012), [Housing Utilisation, catalogue 1301.0 0 Year Book Australia 2012](#)

<sup>44</sup> Senate Committee on Housing Affordability in Australia (2008), *A good house is hard to find: Housing affordability in Australia*, Senate printing unit, Canberra

married later in life and families having fewer children. By providing suitably sized dwellings rather than big housing complexes, housing stocks can be used more purposefully so that fewer residential resources would be underutilised.

***Policy recommendation 4 —  
'Increasing housing stock that matches changing population needs'***

### **The social connection**

Those who have already acquired a secure home may think that the housing supply crisis experienced by those who can't afford a home has little impact on their wellbeing. However, evidence continues to show that the negative impacts facing those who cannot obtain a secure and suitable home also adversely affect our economy, national productivity and communal wellbeing.

As we can see, affordable housing, suitable job opportunities and social wellbeing are intricately interlinked, both on an individual and societal level. On an individual level, affordable and appropriate accommodation can provide individuals and their family with a proper home. A home that provides a stable environment to support its occupants in participating in activities that can generate income (meaningful employment) without vast time and travel costs; knowledge (education) that can enrich one's mind and hone skills that are essential for meaningful engagement with our ever changing society; and among other things, social support and friendships that are integral to being part of the same community.

On a societal level, a more affordable rental market, especially in the city centres, would benefit business across Australia. For instance, for industries competing on low margins and dependent on a low-paid, flexible, casual workforce, addressing the problem of housing unaffordability may result in lower training and administration costs due to a reduction of labour turnover rates<sup>45</sup>. It would also make it less challenging for employers to recruit low-paid positions and avoid higher wages to offset high housing or expensive commuting costs<sup>46</sup>. Prices of services and projects would therefore stay competitive, which would benefit both employers and consumers.

Furthermore, Australia as a whole will benefit from housing affordability as the spatial mismatch of affordable housing and job opportunities may weaken or even destroy the benefits that come from a social and employment mix<sup>47</sup>. A good mix of skill sets is important for globally competitive production at the central core of our big cities. If housing unaffordability is not adequately addressed, regional and national economies would be affected by lost growth, unresponsive labour markets and increased welfare costs.

Improving housing affordability could also restore the core value of egalitarianism that has bound us all together as a nation.

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<sup>45</sup> ibid

<sup>46</sup> ibid

<sup>47</sup> ibid



## The community sector connection

Anglicare Australia acknowledges this government's commitment to cutting red tape. However government intervention can be positive as well as reductionist. In addition to removing—and not creating new—red tape, respectful relationships throughout the contracting process are vital in creating *responsive* and *efficient* services.

At the time of writing, 30 June is only 10 weeks away and up to this point the Prime Minister had insisted that any announcements to come on funding would be made on Budget night. While Minister Andrews has given a reassurance late last month<sup>48</sup>, announcing another year of interim funding for homelessness services, it did not come early enough to avoid the costs—both financially and personally—of commencing wind-down procedures for programs. Time and time again organisations are left not knowing whether their contract with government will terminate, be retendered or simply rolled over, such as the current Family Support Program. Each of these has lasting impacts on the way programs are managed, affecting not only workers who are in general lowly paid, but most important, those who need the services the most in our community.

Anglicare Australia advocates for respectful relationships in contracting, which would dictate that the intention should be known at a minimum, six months from the end of the contract period. Where a competitive process is then involved, it should be resolved three months before the contract end date. To this, Anglicare Australia also advocates for having a dedicated leader for national housing and homelessness policy including Indigenous housing policy, as housing affordability is at crisis point in Australia and deserves immediate and dedicated attention.

### ***Policy recommendation 5 —***

*'Encourages the government to work in partnership with the sector'*

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<sup>48</sup> Minister Kevin Andrew's [Opening Address to the Child Aware Approaches Conference](#), 31 March 2014



## Conclusion

The Rental Affordability Snapshot has shown once again that people on low incomes are bearing the brunt of the housing crisis and that it is likely they will continue to do so. As the population grows and puts increasing pressure on urban centres housing affordability continues to be an extremely important and serious issue. The Snapshot has also clearly shown that the nature of the housing crisis is not unique to either the city or country areas, but is felt across the board.

Anglicare Australia advocates for action in the following five key priority areas:

- recognition of income inadequacy as a barrier to secure housing and meaningful social participation
- a tax system that makes affordable housing more available
- stability for investors in housing supply for those living on the margins of society
- housing stock that matches our changing population needs
- government working in partnership with the sector.

The Rental Affordability Snapshot offers only an overview of the experience of housing stress in Australia. It does not speak to the issues of individual households who are spending more and more of their meagre budget on housing.

# Snapshot: Anglicare ACT — Canberra and Queanbeyan

## Introduction

The ACT, together with Queanbeyan, is unique in that its population is almost totally urban and suburban. About 381,500 people live in Canberra and a further 57,000 in Queanbeyan (ABS 2013), giving a total of 438,500 people. 1.6% of this population (compared to 2.5% nationally) reported an Aboriginal or Torres Strait Islander background, with a slightly higher proportion in Queanbeyan than Canberra. More than a quarter of the Canberra/Queanbeyan population have a university-level qualification, nearly double the national figure of 14.3% (ABS 2011). Approximately 40% of this region's workforce is employed in the public sector. The result of such high public sector employment is that the region's residents have, on average, a larger amount of disposable income than the Australian population more generally.

In combination with an insufficient supply of housing, higher disposable incomes also result in upward pressures on rental prices. Higher income households have the capital necessary to make negative gearing investments, resulting in higher prices overall for housing and increased difficulty for lower income households to enter the property market. This results in a group of households who otherwise would purchase homes continuing to rent, increasing the pressure on the private rental market.

As rents have increased in the capital, an increasing number of people commute from nearby Queanbeyan, to the extent that it makes more sense to treat the two towns together as in this report. However as this becomes a more popular option, even Queanbeyan's prices are reaching a level of unaffordability that low income earners cannot cope with. The added costs of expensive public transport over the border, or needing to run a personal vehicle, increase the difficulties for low income families who choose to do this. As shown below, people employed in lower paid industries or reliant on Centrelink benefits have next to no options aside from share housing in this market.

Anglicare ACT supports low income households in Canberra in a variety of ways. A few key examples include: supporting young people at risk of homelessness in independent living programs, aged persons through various community based aged care programs; providing disability support services, and partnering with parish-based food assistance programs.

## Findings

With the exception of shared housing, there were practically no affordable rental options found in Canberra or Queanbeyan for any of the low-income households studied.

It should be noted that the methodology for capturing shared accommodation differed in the ACT between the 2013 and 2014 reports, and the figures are not comparable. The 2014 report captured listings of shared accommodation which were up to 2 weeks old from Allhomes.com.au and Gumtree.com.au. The 2013 report captured only the shared accommodation which was listed as private rental accommodation. The number of properties captured is also significantly larger in 2014 as a result.

A total of 3371 properties were found for rent in the ACT and Queanbeyan region, including 2736 properties and 635 rooms in shared properties. Even taking into account the addition of shared properties, this is a significant increase in the rental market over 2013, where 2071 properties were captured.

The inclusion of the shared accommodation market showed that a significant proportion (44%) of shared accommodation options were affordable to singles earning a full-time minimum wage. There was even a single (very anomalous) room on the outskirts of Canberra which was affordable to a single person on Newstart allowance.

As was the case in 2013, singles with a minimum wage income could afford lower-priced shared housing but no 'live alone' private rental options. Since these are advertised less formally than properties themselves, it is difficult to put an exact figure on how many there are, not knowing how many of those found have already been filled.

In some welcome positive news for the region, there was a slightly larger proportion of properties affordable to couples on the Age Pension. However the proportion of the market affordable has not yet hit 1%. Nearly all of the properties found available for this group were located in Queanbeyan.

It should also be noted that all of the properties found affordable for single Aged Pensioners were in shared accommodation, which is unlikely to be a realistic option.

The number and percentage of affordable and appropriate properties for each household type examined are given below:

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	0	0.0%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0	0.0%
Couple, no children	Age Pension	22	0.7%
Single, one child (aged less than 5)	Parenting Payment Single	0	0.0%
Single, one child (aged over 8)	Newstart Allowance	0	0.0%
Single	Age Pension	97	2.9%
Single aged over 21	Disability Support Pension	0	0.0%
Single	Newstart Allowance	1	0.0%
Single aged over 18	Youth Allowance	0	0.0%
Single in share house	Youth Allowance	0	0.0%

Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	14	0.4%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	0	0.0%
Single	Minimum Wage	280	8.3%
<b>Total No of Properties</b>	<b>3371</b>		

## Discussion

This year, after major cuts to the public service and an increase in unemployment in the ACT region, we had hoped for an increase in affordable properties in the private rental market for the lowest income earners. However as our results show there has been little difference between the two years, especially once slight methodological differences have been accounted for. While there were a number of shared housing options for singles on the minimum wage, there were very few or zero options for every other household type we examined.

As the ACT Government acknowledged very recently through a policy change targeted at older residents, the current definition of 'affordable rent' set at 74.9% of market rent is in many cases still too expensive for people on low, fixed incomes. The changes to the ACT Affordable Rental Scheme have been welcomed by those currently renting through this scheme and advocates. However the Government's acknowledgement that even 74.9% of market rent can be too high only underscores the difficulty faced by those on low incomes who are not accessing, or not eligible, for a scheme like this.

Continuing a trend from last year, it is particularly concerning that so few properties are affordable even for households with a minimum wage income. Virtually nothing was found for families with two minimum wage incomes, and nothing at all was found for a single parent of two children on a minimum wage. Single people without dependents at least have the option of a share house; all of the dwellings we found affordable to this group were shared houses.

An added factor is that these figures do not indicate the level of competition for any affordable option. Rental applicants may find themselves up against 20-50 other applicants for a property or a room in a house. Anglicare has heard considerable anecdotal evidence that many landlords are more likely to choose a wage earner rather than a Centrelink beneficiary when given the choice.

## Policy Implications

Anglicare acknowledges that the ACT Government has recognised the need to increase the affordable housing stock. However the dire findings in this report suggest a far more comprehensive and coherent approach is needed to address rental affordability in the private market as well as increasing public housing and community housing options.

Our findings that there are very few affordable options for low waged families support those in the ACT Government's publication on the Targeted Assistance Scheme. It is not only the lowest income-earners that struggle in this environment, but low waged households, who were found to spend proportionally much more of their income on essentials like housing and utilities than other groups. Providers of assistance both in government services and charities must remember that in such an expensive market, it is not only those supported by Centrelink who face financial difficulties.

As found last year, there are no properties affordable to a single parent with a child even if the parent has a full time low-waged job. In light of the changes to single parent benefits, supposedly to encourage single parents to find work, it is disappointing to find that even a full time low-skilled worker cannot afford to live in the ACT. While there is much spoken of the importance and benefits of working, the fact remains that low-paid and particularly part time workers are still unable to afford housing in this market and likely to have the added financial burden of childcare costs as well. For those unable to find work and supported by Newstart Allowance, even the option of moving to a smaller, cheaper town is complicated by the relatively low unemployment in the ACT and Queanbeyan compared to towns with affordable housing in surrounding NSW.

Partnerships between the community sector and the ACT Government are crucial to continue and develop community initiatives to provide affordable housing, but just as important is ongoing systemic change to increase supply of housing and relieve the upward pressure on property prices and rents. While Canberra and Queanbeyan have recently seen significant new developments of apartments constructed, care must be taken to ensure that the properties constructed are of the type needed most in the ACT and not simply of the type most lucrative to investors.

At a federal level, Commonwealth Rent Assistance needs to be increased, low-paying allowances like Newstart need to be increased by at least \$50 per week, and the definition of 'affordable' for National Rental Affordability Scheme properties re-thought. In markets like Canberra-Queanbeyan, even 75% of market rent (the current definition) is frequently too much for a low income earner to afford. Options also need to be explored for providing an incentive to landlords who charge lower rents; for example, Anglicare has advocated for a change to negative gearing requiring that the property be made available to low income earners.

## Conclusion

The private rental market in Canberra and Queanbeyan is extremely unaffordable for persons on a low income such as minimum wage or government benefits. This is placing significant pressure on government housing programs, as well as contributing to financial stress and social exclusion in families unable to access subsidised housing. Aged pensioners, single parents, disability pensioners, unemployed or low-waged people and families, and students have no appropriate and affordable housing options in this market.



# Snapshot: Anglicare Central Queensland— Rockhampton, Gladstone, and Emerald

## Introduction

(Source: ABS and Qld Governments Statisticians Office Qld Regional Profile)

	Central Highlands (LGA)	Rockhampton (LGA)	Gladstone (LGA)
As of 30 <sup>th</sup> June 2013 the population was	31,289	82,538	63,955
Aboriginal and Torres Strait Islander people made up % of the population	3.1%	6.4%	4.1%
Population predicted to rise by the year 2036	43,455	116,297	121,266
As of the 30 <sup>th</sup> June 2012 the median Age was	31.6 years	34.8 years	35.1 years
Place of birth	77.7% (Australia)	82.8% (Australia)	79.1% (Australia)
As of the December 2013, the unemployment rate compared to Qld rate of 5.9%	3.2%	8.2%	4.8%
population in full time employment	69.6%	62.9%	67.6%
population in part time employment	21.1%	25.6%	21.7%
Employment is predominately in <b>Emerald:</b> coal mining (16.9%), the next two highest industries are school education (5.1%) and then farming (3.8%) <b>Rockhampton:</b> Technicians and trade workers (17%), professionals (17%), followed by clerical & administration (14.3%) and labourers (13.1%) <b>Gladstone:</b> Metal manufacturing (9.6%), the next two highest industries are architectural, engineering and technical services (6.1%) and then school education (4.8%).			

## Findings

The rental property market showed significant increases over the last 12 months in availability of houses, units, and flats in Rockhampton and Gladstone whereas in Emerald the number of advertisements was virtually unchanged.

The other significant finding was a third drop in the median rent in Gladstone and Emerald, which could be attributed to a slowdown in the resources sector. Incidentally, there was a slight increase in median rent for units/flats in Rockhampton suggesting an increase in the number of luxury units now available.

Gladstone continued to have the most expensive advertised rental properties between the three locations.

In 2014, the rental market remained largely unaffordable to singles and families reliant on government benefits, there was some improvement in affordability for those on the minimum wage in particular two income households. Based on the 30% affordability criteria (rent considered affordable if it is less than 30% of post-tax income), none of the properties advertised were affordable to singles on Newstart, Austudy or Youth Allowance

## Discussion

Rockhampton has an 8.2% unemployment rate (compared to the Queensland average of 5.9%) suggesting a reliance on Newstart or Youth Allowance. Rockhampton also has a slightly higher percentage of people in part time employment (25.6%) in comparison to the Central Highlands (21.1%) and Gladstone (21.7%) again suggesting that housing affordability and subsequent stress for people who are unemployed or on low wages is more critical in Rockhampton than the other two LGA's. However, in saying that in all three communities, the rental market remains largely unaffordable to singles and families reliant on government benefits, it has seen a slight improvement for minimum wage earners in 2014 compared to 2012 and 2013.

Housing is a critical factor for both social and economic wellbeing, between the 1st April 2013 and the 1st April 2014, Anglicare CQ turned away 423 households in Rockhampton, 141 in Gladstone and 110 in Emerald.

## Policy Implications

- Increasing the growth of the National Rental Affordability Scheme (NRAS) across all three LGA's will enable those people on lower incomes to greater access to affordable housing.
- Increasing the stock of community housing to cater to the changing population needs, particularly young people and singles as well as funding financially viable and effective housing models.
- Federal and State Governments committing to five year contracts for the National Partnership Agreement on Homelessness

## Conclusion

Rental Affordability in Central Queensland has seen significant improvements in 2014 compared to the previous two years; however it remains largely unaffordable to those reliant on government benefits and low incomes. Anglicare CQ turn away rates indicates that housing insecurity and homelessness is still a critical issue for Central Queensland.

# Snapshot: Anglicare North Coast—North Coast of NSW

## Introduction

Anglicare North Coast covers a broad geographic area stretching from Port Macquarie to Tweed Heads. Within this area, we find several major regional cities, as well as large rural areas. Whilst the major urban areas are relatively well serviced in terms of infrastructure and services, residents of the rural regions of the North Coast face significant obstacles when trying to access services.

Overall, the North Coast is economically disadvantaged when compared to both the Australian average and the NSW average. The 2011 Census revealed higher levels of unemployment, longer disengagement from the labour force and lower median income. We also have higher levels of households over 60yrs old, single parent households and single households. 4.1% of the population identifies as Indigenous, compared to 2.5% in NSW as a whole and 2.3% across Australia. These households typically have barriers, both economic and social, to accessing housing.

Anglicare North Coast has a number of initiatives to support people either to maintain housing or re-enter the housing market. We are overwhelmingly reliant on the private rental market to meet our needs, so have developed an early intervention program as well as a training package to skill people to find and maintain share accommodation. We offer a homelessness service, community housing, financial counselling, home energy saving service and Partners in Recovery mental health referral service.

## Findings

On Saturday 5th April 2014, there were 808 properties advertised for rent. This represents a drop (11%) from 912 properties in 2013, despite having added an extra area to our search from last year.

We used postcodes to identify 9 discrete areas (Ballina; Casino(new); Clarence Valley; Coffs Harbour; Byron Bay; Kempsey; Lismore; Port Macquarie; Tweed Heads) and then collated the results for an overview of the region. There is significant regional variation in housing availability across the region. Our survey was based on properties available on realestate.com.au and did not consider local newspapers or Gumtree.

### RENTAL AFFORDABILITY, NORTH COAST OF NSW, BY HOUSEHOLD TYPE AND PROPORTION

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	7	>1%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	3	>1%
Couple, no children	Age Pension	52	6%

Single, one child (aged less than 5)	Parenting Payment Single	8	>1%
Single, one child (aged over 8)	Newstart Allowance	0	0%
Single	Age Pension	12	1.5%
Single aged over 21	Disability Support Pension	4	1%
Single	Newstart Allowance	0	0%
Single aged over 18	Youth Allowance	0	0%
Single in share house	Youth Allowance	0	0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	225	28%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	33	7%
Single	Minimum Wage	25	3%
<b>Total No of Properties</b>	<b>808</b>		

Consistent with the three years in which we have participated in this research, there are no properties considered both affordable and appropriate for single people claiming Newstart or Youth Allowance.

Across the region, again in keeping with the previous years, the majority of property is out of the reach of most of the household types we considered. Only families in receipt of minimum wage had any significant access to rental properties in comparison to other household types. However, as the table above shows, it is still a low percentage. In fact, across the region there has been a decline in properties available to families on minimum wage, falling from 39% in 2013 to 28% in 2014. In the Clarence Valley, surveyed from 2012 – 2014, these properties have declined from 67% to 50%.

Even with the inclusion of the additional town, Casino, availability region-wide has either held steady or trended downwards despite the fact that Casino actually had availability in most areas to mitigate the losses in other regions.

## Regional Variations

For the second year running, Byron Bay had no properties whatsoever that were affordable and appropriate for any the groupings we identified. In three out of the remaining seven areas (Ballina, Coffs Harbour and Tweed), only couples on the minimum wage could access any affordable and appropriate accommodation, but, even then, only 3% in Ballina, 13% in Coffs Harbour and 9% in Tweed of the properties surveyed were considered affordable and appropriate.

Most areas saw a decline in housing available to couples on minimum wage, with the worst being Ballina with an 88% drop in availability, Port Macquarie 65% and Coffs Harbour 53%. Kempsey, as well, has seen a sharp drop off in all properties available to households of all types on minimum wage. Casino was best



served overall, with some housing available in most categories, excepting the single households on Newstart/Youth Allowance.

## Discussion

It is of some concern that we have seen a decline in properties available to households on minimum wage. The North Coast of NSW is an area of low socio-economic status, with high and enduring unemployment. Newstart is inadequate to meet rental costs, and although there are many properties considered appropriate, they are not affordable. Additionally, outside of the larger conurbations, there is no culture of sharing accommodation and private real estate agents are wary of a share-housing model. What employment opportunities there are, cluster around retail, hospitality and social care, and many employees in these areas are on the minimum wage, as well as these jobs being typically casual and insecure. Poor public transport and high energy bills continue to impact heavily on residents across the region and especially those in the more rural areas. This creates extra budgetary strain on already tight financial schedules.

All of the above suggests that the private rental market in the North Coast of NSW is increasingly moving beyond the reach of the majority of its residents.

## Policy Implications

Our research has highlighted a number of issues of concern that have implications for our policy makers, including:

- The significant decrease in housing that is affordable to those on minimum wages;
- The ongoing lack of affordable housing for those on government benefits;
- The mismatch between the types of available rental properties and the demographic makeup of the region. Of particular note is that only 369 of the 808 properties (45%) available for rent were considered to be affordable and appropriate for those on minimum wages and government benefits.

We call upon both the state and federal governments to develop policies and programs that will address these major issues of concern.

## Conclusion

There is clearly a lack of affordable housing across the North Coast of NSW. This has been demonstrated over a number of years, and it is disappointing that the situation appears to be worsening. Of particular concern in this report is the significant decline in housing that is affordable for those on minimum wages, especially given that much of the limited employment that is available across the region is insecure and provides minimum wages. The ongoing decline in affordable accommodation continues to be of major concern.

**AVAILABILITY OF AFFORDABLE AND APPROPRIATE RENTAL PROPERTIES,  
BROKEN DOWN BY REGIONS IN THE NSW NORTH COAST OF NSW, AND BY HOUSEHOLD TYPE**

Regions surveyed	Ballina	Byron Bay	Casino	Clarence Valley	Coffs Harbour	Kempsey	Lismore	Port Macquarie	Tweed Heads	
<b>Total properties counted</b>	69	48	57	149	126	53	108	131	67	
<b>Household Type</b>	Couple, 2 children Newstart	0	0	2 (4%)	2 (1%)	0	1 (2%)	0	2 (<2%)	0
	Single, 2 children, Parenting Payment	0	0	1 (2%)	0	0	1 (2%)	0	1 (<1%)	0
	Couple, Age Pension	0	0	21 (37%)	14 (9%)	0	9 (17%)	3 (3%)	5 (4%)	0
	Single, 1 child, Parenting Payment	0	0	3 (5%)	3 (2%)	0	1 (2%)	1 (1%)	0	0
	Single, 1 child, Newstart	0	0	0	0	0	0	0	0	0
	Single, Age pension	0	0	3 (5%)	1 (<1%)	0	0	8 (7%)	0	0
	Single, 21 +, Disability Support Pension	0	0	3 (5%)	1 (<1%)	0	0	0	0	0
	Single, Newstart	0	0	0	0	0	0	0	0	0
	Single, 18 +, Youth Allowance	0	0	0	0	0	0	0	0	0
	Single (sharing), Youth Allowance	0	0	0	0	0	0	0	0	0
	Couple, 2 children, Min wage, FTA & FTB	2 (3%)	0	33 (58%)	75 (50%)	17 (13%)	25 (47%)	47 (43%)	20 (15%)	6 (9%)
	Single, 2 children, Min wage, FTA & FTB	0	0	18 (32%)	20 (13%)	0	11 (21%)	4 (4%)	2 (<2%)	0
Single, Min wage	0	0	8 (14%)	5 (3%)	0	1 (2%)	10 (9%)	1 (<1%)	0	



# Snapshot: Anglicare North Queensland— Cairns region

## Introduction

Anglicare North Queensland covers a broad area as far south as Mackay as far north as the Cape and as far west as Mt Isa, for the purposes of this snapshot the Cairns local government region was examined.

### *Cairns:*

Population 224 436, Aboriginal and Torres Strait Islander people make up 10.3% (QLD 3.6%. Aust. 2.5%). The median age of the population is 37 years of age. 58.6% are in full time employment, there is an unemployment rate in Cairns of 7% (QLD 6.1%. Aust. 5.6%). The most common occupations in Cairns included: Professionals 16.0%, Technicians and Trades Workers 15.9%, Clerical and Administrative Workers 13.3%, Managers 12.5%, and Labourers 11.8%. (Census 2011 data)

### *Housing Services*

Homeless services offered by Anglicare North Queensland in Cairns Region.

- Cairns Homelessness Service HUB
- HomeStay
- Quigley Street Night Shelter
- St Margaret’s House
- St John’s House



## Findings

On the weekend of 5-6th April 2014, the Cairns rental affordability snapshot was conducted, 719 rental advertisements listed on Realestate.com were identified as available for rent in Cairns and with the local government areas, 68 properties were listed in the Cairns Post, a total of 787 properties were listed. Properties related to house, townhouse, flat, unit and shared accommodation.

On Census night 2011 the median weekly rent was \$240 however during the snapshot the median weekly rent was \$320.

## Discussion

The rental market in Cairns is largely unaffordable to singles and families on low incomes. Based on the 30% affordability criteria (for the purposes of this study, a rental property is considered affordable if its rent is less than 30% of post-tax household income.)

- Zero of the 787 rental properties advertised in Cairns on the weekend of 4-5 April 2014 were affordable to singles on



Newstart or Youth Allowance.

- Zero of the 787 rental properties advertised were affordable and appropriate for Single Parents with 2 children or 1 child over 8, there was 1 property for a Single Parent on a parenting payment if the child was under 5.
- Only 106 rental properties (13%) were assessed as affordable and appropriate to a couple with two children on a minimum wage as well as receiving Family Tax Benefit A, this reduced to 1 property or 0% for a single parent with 2 children on Minimum wage receiving Family Tax Benefit A&B.
- Of the 787 rental properties advertised in Cairns on the weekend of 4-5 April 2014, 27 rental properties 28 properties or 3% were appropriate and affordable to a single person on minimum wage.
- The cheapest room rental advertisement in 2014 was \$100 being shared accommodation which was \$27 more than rental affordability threshold for a single person on Austudy and/or Youth Allowance. Likewise, the advertised room was not affordable for singles receiving Newstart allowances in 2014 as it was \$10 above the rental affordability threshold.

## Policy Implications

Number and Percentage of Affordable & Appropriate Properties by Household Type							
Household Type	Payment Type	Number Affordable	Percentage Affordable	Number Appropriate	Percentage Appropriate	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	137	17%	362	46%	0	0%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	85	11%	362	46%	0	0%
Couple, no children	Age Pension	88	11%	775	98%	77	10%
Single, one child (aged less than 5)	Parenting Payment Single	38	5%	674	86%	1	0%
Single, one child (aged over 8)	Newstart Allowance	7	1%	674	86%	0	0%
Single	Age Pension	8	1%	787	100%	8	1%
Single aged over 21	Disability Support Pension	8	1%	775	98%	3	0%
Single	Newstart Allowance	0	0%	787	100%	0	0%
Single aged over 18	Youth Allowance	0	0%	787	100%	0	0%
Single in share house	Youth Allowance	0	0%	787	100%	0	0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	488	62%	362	46%	106	13%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	248	32%	362	46%	1	0%
Single	Minimum Wage	28	4%	787	100%	28	4%
<b>Total No of Properties</b>	<b>787</b>						

The following actions are recommended to alleviate the pressure on the affordable housing market.

1. Anglicare supports a tax system that makes affordable housing more available by reassessing and reforming negative gearing and capital gains tax. Currently, the combined effect of negative gearing and capital gains is causing a loss of \$6.8 million a year in revenue for the government. Negative gearing and capital gains tax are serving to benefit a select demographic with the majority of the population becoming increasingly locked out the property market. Other taxes such as stamp duties

and land taxes could be re-evaluated to impact less on low cost housing. Statistical evidence suggests that between 1997 and 2010, the cost of Australian house prices increased by 220% with Australia cited as having the world's most overvalued housing market<sup>49</sup>.

2. Housing stock that matches the changing population with emphasis on the ageing and cultural population, single person households and lower birth rates per family needs to be supported by a scheme similar or equivalent to the National Rental Affordability Scheme. There are indications that by 2014 about 35% of public housing will be under the control of the not-for-profit sector rather than state Governments<sup>50</sup>. Anglicare Australia argues that the State and territory Governments must stop transferring the responsibility of public housing stock to the community sector without giving the sector complete ownership and control. Public housing in Australia has never comprised more than 6% of the housing stock<sup>51</sup>. This limited supply of housing is reflected in the Housing Assistance in Australia 2013 report with Queensland reported as having the highest proportion of applicants on the waiting list, with greatest need for all programmes<sup>52</sup>. Low availability of appropriate public housing also results in people living further away from employment increasing the costs and reliance on transport. Anglicare Australia support appointing a dedicated housing advocate in Cabinet which would allow for the development of a comprehensive strategy that would encompass a recommitment to expert impartial advice on housing supply and homelessness strategies and policies in collaboration with sector partners.
  
3. Increasing the Commonwealth Rent Assistance program for low income households would eliminate the widening gap between rental increases and income and provide some relief to those accessing the private rental market. This would also alleviate some of the pressure on the demand for public housing with 189,700 households as of 2012 on public housing waiting lists in Australia<sup>53</sup>. The 2014 Rental Affordability Snapshot assessed only 7 properties as being affordable to a single parent with children aged 8 years or older. Results are similar to the 2013 Rental Affordability Snapshot with 38 properties deemed affordable to a single parent with children aged less than 5 years. These results support the statistical data from the 2013 Rental Affordability Snapshot in Cairns that the transfer of single parents with children aged over 8 years from Parenting Pension to Newstart Allowance increases rental stress and vulnerability to risk of inappropriate housing and homelessness. Young people are especially vulnerable in the private rental market with zero properties deemed affordable for youth on Youth Allowance in both single and share accommodation in Cairns. Increasing Newstart Allowance and Youth Allowance would reduce the widening gap between allowances and pensions which would increase affordability in the private rental market and enable people to keep pace with living standards, thus reducing the risk of relative poverty. Pensioners such as the ageing and disability population of Australia however, are still highly vulnerable to rental pricing stress with both demographics indicating only 8 properties in Cairns as affordable. Given that the ageing population is

<sup>49</sup> Worthington, Andrew C (2012), *The quarter century record on housing affordability, affordability drivers, and government policy responses in Australia*, International Journal of Housing Markets and Analysis, pp. 235-252

<sup>50</sup> Morris, A (2013), Public housing in Australia: A case of advanced urban marginality?, *The Economic and Labour Relations Review*, pp.80-96

<sup>51</sup> *ibid*

<sup>52</sup> Australian Institute of Health and Welfare (2013), *Housing Assistance in Australia 2013*, AIHW, Canberra.

<sup>53</sup> *ibid*



expected to increase over the next ten years, these statistics are of significant concern. Sustaining incentive schemes such as the National Rental Affordability Scheme and housing supply bonds will encourage private investors to commit the necessary funds to assist in alleviating the declining public housing stock.

Note: For the purposes of this project, an affordable rental is one that takes up less than 30 per cent of the household's income, a commonly used benchmark of affordability. Household incomes are derived from the maximum rate of Centrelink benefit or the minimum wage (after tax), combined with the Commonwealth Rent Assistance (CRA) and Family Tax Benefits (FTB), where applicable. These affordable data points are compared with the listed rentals on the snapshot collection day.

Note: Images were taken by Anglicare North Queensland's Youth Substance Misuse Service clientele for National Homeless Persons



# Snapshot: Anglicare Northern Territory— Northern Territory

## Introduction

Anglicare NT recognises that unsafe, inadequate and expensive housing is a major challenge right across the Territory. People who struggle to find affordable housing often live in unsanitary and overcrowded conditions, which immensely diminish opportunities to meaningfully participate in their communities.

In view of this, Anglicare NT continues to advocate for improved housing and provides services throughout the NT such as the Tenancy Support and Sustainability Program to help people at risk of eviction to retain their public housing tenancy, Youth Housing Program to assist young people aged 15 – 19, and transitional accommodation program to help adults and families experiencing homelessness to establish a stable housing environment.

Anglicare NT also employs strategies such as emergency relief, support services and case management to seek to help in this area.

## Findings

A total of 794 rental properties were surveyed on 6 April for this year's Snapshot. 660 of the rental advertisements were taken from [www.realestate.com.au](http://www.realestate.com.au) and 134 from the rental property and shared accommodation pages of [www.gumtree.com.au](http://www.gumtree.com.au).

Of these properties, none were affordable and appropriate (thereafter suitable) for people on Youth and NewStart Allowances, Parenting Payment and Disability Support Pension and only 6 were suitable for people on some benefits and minimum wages. Of those properties:

- 2 properties were suitable for a couple living on the age pension
- 4 properties were suitable for a single person on an age pension
- 6 properties were suitable for a single person on minimum wage
- Only 1 property was suitable and affordable for a couple with a family on a minimum wage.

## Discussion

The availability of rental properties increased marginally from last year's data collection – from 735 to 794 properties. Of concern is an increase of the average weekly rent to \$581 – up from \$566 in 2013.

While the availability and appropriateness of rental accommodation across the NT is concerning the Darwin city rental market is particularly sobering. Of the 456 properties available in Darwin and its suburbs the average rental is \$642 per week.

On the day of data collection, less than 1% (6) of surveyed rental properties were both affordable and appropriate in the Northern Territory.



Shared accommodations are in general the most affordable rentals on the market ranging from \$100 to \$350 per week, and 74 of those were considered in this Snapshot, an increase of 45% from last year which could itself be an indicator of housing stress as more renters seek to reduce their costs. Shared accommodation, while suitable for some, does not provide the stability and certainty which many people seek.

While there were properties affordable for families with children on NewStart Allowance (43), Parenting Payments (35), parent on single minimum wage (72) and parents both on minimum wages (130), they were not appropriate due to limited space (such as a single bedroom in a shared house).

Conversely, all the advertised shared accommodation would be appropriate for single people on benefits or the minimum wage however only 6 were affordable for that household type on a minimum wage.

The Snapshot findings clearly indicate a lack of affordable and appropriate housing for people on minimum incomes and benefits within the Northern Territory.

## Policy Implications

The Snapshot reinforces the importance for policy interventions to address rising housing unaffordability in the Northern Territory. It is evident that people are required to pay much more than they can afford on housing costs which limits how individuals and families prioritise their other needs. Interventions to counter the risks associated with housing stress might include increasing supply of affordable housing through extending programs such as the National Rental Affordable Schemes with the addition of specific targets for particular population groups such as indigenous young people here in the NT, increasing the rate of Commonwealth Rental Assistance and improving the adequacy of benefit payments.

The National Affordable Housing Agreement calls for all levels of government to act in regard to this issue with particular emphasis placed on housing for Indigenous people. The Northern Territory has the highest rates of youth homelessness in the country and without further intervention, the housing crisis will contribute to disadvantaged young people further spiralling into ongoing poverty and deprivation, which will immensely diminish their life chances.

To overcome the challenges presented in the housing crisis and highlighted by this Snapshot, real action stemming from real commitment is required.

## Conclusion

The Anglicare Australia Rental Affordability Snapshot shows that less than 1% of rental properties are affordable and appropriate to families with children on minimum wage(s), couples living on age pension without children and single person on minimum wage.

The picture for rental affordability in the Northern Territory continues to be grim with average private rents increasing over the past 12 months. Investment by community and government to address affordability and stability is urgent and failure to do so will impact on the health and wellbeing of those most at risk.

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	0	0%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0	0%
Couple, no children	Age Pension	2	0%
Single, one child (aged less than 5)	Parenting Payment Single	0	0%
Single, one child (aged over 8)	Newstart Allowance	0	0%
Single	Age Pension	4	1%
Single aged over 21	Disability Support Pension	0	0%
Single	Newstart Allowance	0	0%
Single aged over 18	Youth Allowance	0	0%
Single in share house	Youth Allowance	0	0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	1	0%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	0	0%
Single	Minimum Wage	6	1%
<b>Total No of Properties</b>	<b>794</b>		

## Snapshot: Anglicare Riverina—Riverina

### Introduction

According to 2011 Australian Bureau of Statistics data, the resident population of the Riverina Murray area is 268 823. Major population and service centres in the region include Albury, Griffith and Wagga Wagga. Each city acts as a business and industry hub supporting a highly diverse and dynamic economy that services areas well beyond its Local Government boundaries. The region is also made up of medium sized towns, urban shires and rural shires. More than half the population (50.1%) have a post-secondary qualification and the median household income ranges from \$924 in the Murray area to \$994 in the Riverina.

Growth rates vary across the region with the fastest growing demographic people aged over 55. In 2012-2013 one of the largest growth areas in Inland New South Wales was recorded in Albury (up by 290 people) followed by Wagga Wagga (up by 260)<sup>54</sup>.

In 2011 10.9% of Riverina residents and 13.2% of Murray residents were in receipt of the Age Pension and 4.2% of people were receiving a Disability Pension. Of the families in the area, sole parents with children under 15 or dependent students made up 2.8% of the population, compared to couple families with children under 15 or dependent students making up 8.7%. Indigenous residents constituted 4% of the population (compared to 2.5% nationally) and the unemployment rate averaged 4.9% over all residents, compared to 5.8 % nationally.

Agriculture continues to be the largest employer in the region followed by retail, manufacturing and health and community services. Opportunities also exist in the aviation, education and aged care sectors.

Anglicare NSW South, NSW West & ACT supports low income households in the Riverina through a variety of ways including the No Interest Loans Scheme (NILS) and partnering with community based emergency relief programs.

### Findings

Comparing 2013 data to 2014, the percentage of affordable rental properties remained basically unchanged for all household types examined.

A smaller number of total properties were surveyed, down from 907 to 887, demonstrating the lack of rental housing supply in the region. While we found nearly 400 suitable properties (42%) for couples with two children on a minimum wage income and Family Tax Benefit, there were no affordable housing options for singles on Newstart or Youth Allowance. Other demographics with limited housing options include single parents on a parenting payment, single parents on Newstart and singles on a minimum wage income.

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<sup>54</sup> ABS (2014) [Regional Population Growth, Australia, 2012-13](#), catalogue 3218.0.

Below is the number and percentage of affordable and appropriate properties for each household type examined.

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	82	9%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	43	5%
Couple, no children	Age Pension	210	24%
Single, one child (aged less than 5)	Parenting Payment Single	73	8%
Single, one child (aged over 8)	Newstart Allowance	11	1%
Single	Age Pension	81	9%
Single aged over 21	Disability Support Pension	42	5%
Single	Newstart Allowance	2	0%
Single aged over 18	Youth Allowance	0	0%
Single in share house	Youth Allowance	0	0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	371	42%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	168	19%
Single	Minimum Wage	130	15%
<b>Total No of Properties</b>		<b>887</b>	

## Discussion

Groups on government benefits are bearing the brunt of the shortage of rental accommodation throughout the Riverina Murray region. The situation is marginally better for people on a low income, however, it is still a problematic area.

Based on the affordability criteria (This survey defined an affordable rental as one which took up less than 30% of the household's income) none of the 887 rental properties advertised on Saturday 5 April 2014



were affordable to singles on Newstart or Youth Allowance. This includes no affordable share accommodation. This highlights the major housing affordability and cost of living issues in the area.

The outlook for families isn't much better. Only 9% of properties were suitable for a couple with two children receiving a Newstart allowance, compared to 42% of properties available for a full time working couple with two children receiving minimum wage and Family Tax Benefit. This dropped by more than half to 19% for a single parent with two children receiving a minimum wage income and Family Tax Benefit.

Single people are seriously disadvantaged by housing unaffordability. For single people receiving the Age Pension, 9% of properties surveyed were affordable, equating to 81 properties. Couples on the Age Pension were in a much better situation with 24% of households affordable. It must be noted shared accommodation has been included in this survey as appropriate for singles on the Age Pension, however, it may not be considered suitable for elderly residents to live in this form of housing in many cases. Single Disability Support Pension recipients also had very few options (5%). The stigma attached to single parents on a low income or benefit should also be noted. This demographic is at a disadvantage when entering the market and can be subject to discrimination from real estate companies.

In terms of location, many of the affordable properties were based outside the major city areas. This survey does not take in to account the suitability of the neighbourhood or area, resulting in the risk of social isolation if a household were to move away from support networks in order to find cheaper accommodation.

The expected waiting times for social housing applicants is also interesting to consider as many people currently in the private rental market are placing added burden on the system. In Wagga Wagga the average wait time for 1, 2 and 3 bedroom houses is 2 to 5 years, and for a 4 bedroom property the wait time is more than 10 years. In Griffith and Albury the average wait time for 1, 2 and 4 bedroom houses is 2 to 5 years. In Batlow, West Wyalong and Hay the wait time is less than 2 years for all house types, however, all locations are small rural communities with limited access to services and employment.

An observation also not reflected in this survey is current subdivision developments taking place. In Wagga Wagga areas such as Estella Rise and Forest Hill are rapidly expanding, however, for people on a low income the cost of building a new home is out of reach. The suburbs are also on the outskirts of the CBD which can create issue surrounding access to public transport and employment.

An important economical driver, agriculture also plays a part in the regions sustainability. In recent times there has been a drop in the sector with issues such as extended drought, reduced water allocations and poor commodity prices. For farmers who cannot afford to stay on the land, the cost of living may impact on the rental market.

## Policy Implications

The snapshot highlights the inadequacy of Government Benefits. As house prices and costs of living continue to rise, there is an immediate need for increases to Newstart and Youth Allowance. A \$50 increase in Allowance payments would help lift thousands of people out of worsening poverty in the



Riverina Murray. Advocacy groups estimate this rise would bring relief to almost a million households across Australia, including single parent families.

It also reinforces the need for better planning and funding from the New South Wales Government to increase the supply of social and affordable housing. This issue is currently being examined by means of a parliamentary inquiry into social, public and affordable housing in New South Wales. The report is due to be released on 9 September 2014.

## Conclusion

The private rental market is largely out of reach for people receiving a government payment in the Riverina/Murray area. While a couple with two children receiving a minimum wage income has the option of nearly 400 properties across the region, many are located outside the major cities.

A limited range of properties surveyed were both affordable and appropriate for single parents, aged pensioners, disability pensioners and unemployed people and families.

The data from this year's survey adds to the growing body of evidence showing housing affordability across Inland New South Wales is approaching serious and unsustainable levels.

# **Snapshot: Anglicare Southern NSW— Southern Tablelands, South Coast, South East NSW Region**

## Introduction

The population of this region is 162,204 (ABS 2013) and 3% have an Indigenous background, many of whom live in the South Coast area. While the South Coast's fastest growing demographic is in people aged 55 and over, the Southern Tablelands is growing fastest in the 15-24 age group. Major regional centres here are Goulburn, Yass, Batemans Bay and Bega. (Please note Queanbeyan has been included in the ACT report.)

Anglicare NSW South, NSW West & ACT supports low income households in the Southern Tablelands and South Coast through a variety of ways including homelessness programs, emergency relief programs and supporting aged persons through various aged care programs.

## Findings

Examining a total of 1344 properties, including a small number of share houses, we found properties suitable for all groups except for singles on Newstart and Youth Allowance. However, only 7 properties were found suitable for single parents on Parenting Payment who had two children, and only 5 were found for a single parent on Newstart with one child. These properties were located in smaller towns such as Cooma and Narooma, away from major employment centres. Singles on the Age Pension and Disability Pension also had very limited options.

We were able to capture significantly more properties overall, compared to the 2013 snapshot. In part this was because there were more properties advertised this year; and in part by carefully combining results from the two best advertising sources across the region.

However, the actual numbers of affordable properties available to the low-income households we looked at were only slightly greater despite the larger overall number, resulting in a proportional decrease found across all groups. There remained no properties, even shared properties, affordable to single people on Newstart or Youth Allowance. For single parents with one child, receiving Newstart, there were only 5 suitable properties compared to only 2 in 2013. Similarly, for single parents with two children, receiving Parenting Payment, we found only 7 properties compared to 2 in 2013. Singles on Disability Pension and the Age Pension had a similarly difficult time, only able to afford about 1% of the market in both 2013 and 2014. We found more properties that Aged Pensioner couples could afford this year, but the share of the market fell from 9% to 7%.

Owing to the larger number of properties found, there were more houses affordable to families with two minimum wage incomes. However the increase was much less than proportionate to the larger sample, demonstrated by the fall from 35% of the market in 2013 to 17% in 2014. Similarly, we found only a few more properties for single parents with a minimum wage income, and the proportion of the market they could afford was only 4.5% compared to the 9% reported last year.

The number and percentage of affordable and appropriate properties for each household type examined are given below:

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	19	1.4%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	7	0.5%
Couple, no children	Age Pension	93	6.9%
Single, one child (aged less than 5)	Parenting Payment Single	34	2.5%
Single, one child (aged over 8)	Newstart Allowance	5	0.4%
Single	Age Pension	16	1.2%
Single aged over 21	Disability Support Pension	13	1.0%
Single	Newstart Allowance	0	0.0%
Single aged over 18	Youth Allowance	0	0.0%
Single in share house	Youth Allowance	0	0.0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	231	17.2%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	61	4.5%
Single	Minimum Wage	46	3.4%
<b>Total No of Properties</b>		<b>1344</b>	

## Discussion

The major affordability issues in Canberra and Queanbeyan continue to have an effect on the broader Capital Region. As the ACT report found, a total absence of affordable accommodation for several groups including single parent households and single individuals means that low-income and even low-waged households can only find affordable accommodation in towns outside the region.

For example, the only accommodation in this area affordable and appropriate to a single parent on Newstart with one child was in Cooma (3 properties), Narooma (1 property) and Cootamundra (1 property). However, the relatively higher unemployment in these towns could mean that Newstart



recipients were not permitted to move there from a more expensive place like Queanbeyan or Canberra, in search of cheaper accommodation.

As Canberra/Queanbeyan's rental costs increase, more lower-income households who work in the national capital are electing to live in the Yass Valley, Goulburn-Mulwaree and Palerang shires in order to access cheaper housing. There are sustainability and environmental concerns about people travelling so far every day to work, as well as the burden of the petrol cost on that household's budget and the effect on work-life balance and family support.

The housing issues on the NSW South Coast are typical for many Australian coastal communities. Tourism has a major impact on the private rental market, particularly with regard to the popularity of 'holiday houses' belonging to people who usually don't live there. These houses are generally not available to locals for long term rent, and also do not have permanent inhabitants regularly participating in the local economy. Thus although there may appear to be plenty of houses, the supply on the market remains low and prices remain high.

The decline of other industry is another factor. In the South Coast, jobs have been steadily decreasing over the past decade and there is now very little work for low skilled people, particularly in the off season when tourism and hospitality industries are quieter. There is currently controversy over fishery reform on the South Coast of NSW, with restrictions on commercial fishing under review considering environmental and sustainability concerns.

Changes to government funding arrangements in the NSW homelessness sector have caused uncertainty for many agencies which support homeless people, marginally housed people and those at risk of eviction. A major men's shelter in Goulburn is preparing to close as a result of the changes. Meanwhile waiting times for most types of Housing NSW properties in the South Coast and Southern Tablelands areas are upwards of 5 years, with some at more than 10 years predicted wait.

## Policy Implications

Anglicare was virtually unable to find any affordable housing for singles on Newstart anywhere across the broader region including the ACT, Southern Tablelands, and the Riverina. The South Coast was no exception. This suggests that the Newstart for singles needs to be adjusted to reflect the reality of the housing market. In particular, Rent Assistance needs to be increased to assist singles and families on low paying benefits.

## Conclusion

The private rental market in South East NSW has very few options for persons on a low income such as minimum wage or government benefits. This is placing significant pressure on government housing programs, as well as contributing to financial stress and social exclusion in families unable to access



subsidized housing. In particular, aged pensioners, single parents, disability pensioners, unemployed people and families, and students have virtually no access to appropriate and affordable housing.

# Snapshot: Anglicare South Australia—South Australia

## Introduction and methodology

The Anglicare SA rental affordability Snapshot surveyed rental properties available in South Australia on Friday 4 April 2014. The survey used rental listings on realestate.com.au.

Properties were assessed for affordability and appropriateness for a number of different household types and incomes. This survey defined an affordable rental as one which took up less than 30% of the household's income. The 30% benchmark is commonly used as an indicator of 'housing stress' among low income households.

We assessed how many properties would be affordable for each of the 9 household types listed in the findings section of this report. The only income sources taken into account were the household's main income support payment and Family Tax Benefit. Other allowances the household might receive (e.g. Mobility Allowance) were not included. Commonwealth rent assistance was included as income for the purpose of calculations.

Data was disaggregated to separate listings of appropriate and affordable properties. Appropriateness for properties was assessed on the basis of the number of the bedrooms in relation to the number of occupants. For a property to be considered suitable, it was required to be affordable and appropriate.

## Findings

On the day of data collection, 4,020 properties were identified as available for rent in South Australia. This report does not disaggregate for region. Table 1 summarises which were affordable and appropriate:

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	310	8%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	195	5%
Couple, no children	Age Pension	465	12%
Single, one child (aged less than 5)	Parenting Payment Single	139	3%
Single, one child (aged over 8)	Newstart Allowance	30	1%
Single	Age Pension	74	2%



Single aged over 21	Disability Support Pension	74	2%
Single	Newstart Allowance	4	0%
Single aged over 18	Youth Allowance	2	0%
<b>Total No of Properties</b>		<b>4020</b>	

At the time of data collection, 8% of available rental properties were affordable and appropriate for couples with two children where both parents were receiving Newstart Allowance (or Parenting Payment Partnered), equating to 310 properties across the state of South Australia. For a couple with both people receiving the Age Pension, 12% of properties were affordable and appropriate, equating to 465 properties. For single people with children where income support constituted the sole income, and for single people receiving the Age Pension or Disability Support Pension, 3% or less of available properties were affordable and appropriate.

For single people on Newstart or Youth Allowance, no properties were affordable.

This survey does not take in to account suitability of properties in regards to physical accessibility, nor does it account suitability of neighbourhood or region.

# Snapshot: Anglicare Southern Queensland— Brisbane

## Introduction

The area surveyed for the 2014 Anglicare Southern Queensland (Anglicare SQ) Snapshot takes in the five Brisbane City statistical divisions (Inner, North, South, East and West).<sup>55</sup>

<i>Quick Stats</i>	Inner	North	South	East	West	QLD
As of 30 <sup>th</sup> June 2013 the population was	246,646	205,865	340,514	225,676	183,145	<b>4,656,803</b>
Aboriginal and Torres Strait Islander people made up % of the population	0.9	1.9	1.2	1.9	0.8	<b>3.6</b>
Population predicted to rise by year 2036	340,536	260,969	433,767	285,742	206,074	<b>7,095,177</b>
As of 30 <sup>th</sup> June 2012 the median Age was	32.7	36.9	34	38.9	35.4	<b>36.6</b>
Place of birth (Australia)	66.6	73.2	61.6	73.4	68.6	<b>73.7</b>
December 2013, unemployment rate	4.7	6.1	5.6	4.6	3.0	<b>5.9</b>

### Household composition

- The Queensland population % of **couples with no children** is 39.5, compared to Brisbane Inner (45.9), East (37.1), North (38.7), South (36.6) and West (36.0).
- The Queensland population % of **couples with children** is 42.8 compared to Brisbane Inner (38.1), East (46.2), North (42.6), South (45.9) and West (49.7).
- The Queensland population % of **one-parent families** is 16.1 compared to Brisbane Inner (11.9), East (15.4), North (16.4), South (14.7) and West (12.2).
- **Group households** (distinct from family or multiple-family households) in Queensland made up 4.7% compared to Inner (12.2), East (2.9), North (4.9), South (6.8) and West (6.3).
- **Lone person households** (distinct from family or multiple-family households) in Queensland made up 22.8% compared to Inner (30.7), East (20.2), North (25.7), South (21.6) and West (19.1).<sup>56</sup>

### Anglicare Southern Queensland

With a workforce of approximately 2000 people across residential aged care, community care and social services programs, Anglicare SQ serves disadvantaged members of the community, including those in the above regions, through a range of social and community welfare activities.

These include nursing care and domestic assistance in the home, physiotherapy to enable the return of mobility, emergency accommodation for victims of domestic violence, working with foster carers in the care of vulnerable children, providing a safe caring environment for frail elderly people, services for the

<sup>55</sup> As defined in the ABS Australian Statistical Geography Standard (ASGS 2011). The study region was restricted to the five statistical regions that comprise metropolitan Brisbane (namely Inner City, North, South, East and West). For the first time ASQ combined the Gumtree and RealEstate.com data together in 2014. This allowed a more comprehensive evaluation of the Brisbane rental market.

<sup>56</sup> Data taken from: Queensland Government Statistician's Office, *Queensland Regional Profiles: Resident Profile*, generated 16 April 2014.

homeless, skills training for young unemployed people, parental education and counselling, and pastoral care. We also offer a range of specialist services within indigenous, homeless, multicultural and rural and remote communities.

## Findings

In the Anglicare SQ 2014 Rental Affordability Snapshot, a total of 6,436 Brisbane rental advertisements from the property website RealEstate.com.au was assessed. These involved house, townhouse and unit rentals as well as share accommodation advertisements.

For comparative purposes, nearly nineteen hundred (1,830) share accommodation advertisements were also assessed from the community and classifieds website, Gumtree.com.au ('Gumtree'). The aim was to determine whether share accommodation listings on Gumtree were more affordable to singles on low incomes than those listed on RealEstate.com.au.<sup>57</sup>

This study focuses on the lived experience of seeking rental accommodation whilst living on a low income.<sup>58</sup>

### *Key Findings:*

#### **THE MARKET –**

- In 2014 the number of share listings remained stable, but rental properties advertised on RealEstate.com.au rose by 30% to 6,055 (from 4,641 in 2013). The greatest growth was in the Inner city and North. Despite an increase in the number of advertised rentals, advertised rents also rose between 2013 and 2014 (by an average of \$8 per week).

#### **SINGLES –**

- Only 1 of the 8,266 rental (house or share) properties advertised in metropolitan Brisbane was affordable for singles on Austudy or Youth Allowance, and just 8 (0%) were affordable for a single on Newstart.
- One in seven (14%) rental advertisements in 2014 (8,266) were deemed affordable for singles earning a minimum wage (1,121) in 2014. Most of these affordable rentals (82%) were Gumtree share advertisements.
- None (0%) of the properties was affordable for a single person on disability support pension.

**FAMILIES –** In 2014, the Brisbane rental market remained largely unaffordable to families on low incomes.<sup>59</sup>

<sup>57</sup> To assist data evaluations in 2014, ASQ used each website's embedded search filters to extract summary details about their advertised rental properties. The study region was restricted to the five statistical regions that comprise metropolitan Brisbane (namely Inner City, North, South, East and West). For the first time ASQ combined the Gumtree and RealEstate.com data together in 2014. This allowed a more comprehensive evaluation of the Brisbane rental market.

<sup>58</sup> For that reason, in calculating an affordable rental, 30% of the available income – that is income after tax – was used to calculate the benchmark.

<sup>59</sup> The rental market for families is limited to rental properties advertised on RealEstate.com (as share accommodation is generally considered unsuitable for families).

- Only 3 rental properties were considered suitable for a family of two Newstart recipients with two children. None were suitable for single parent families relying on Newstart or Parenting Payment.
- Even households with two minimum wages experienced rental stress. More than fifteen hundred (1,512) of rental properties on RealEstate.com.au were considered affordable for a family of four when both parents earn a minimum wage. But only one ninth of these (138 house/units) were deemed both appropriate and affordable for a dual minimum income couple with two children.

### AGED PENSIONERS –

None (0%) of the rental properties was affordable for a single pensioner, and just 27 were affordable for a couple on the pension (which is so statistically insignificant as to round to 0%).

## Discussion

Brisbane's rental market continued to be dominated by inner city properties. Nearly half (44%) of the 8,266 advertisements were for properties located in the Inner city (3,659), another quarter (24%) were in South (1,861), and one eighth (12%) in the North (1,134). These findings perhaps reflect the preponderance of rental stock, including share house/room options in suburbs surrounding the CBD and Brisbane's universities and international colleges.

The most affordable rental properties (by median rent) were in the North (\$387) and for share arrangements in Brisbane South (\$163). The Inner city, was the least affordable on both counts (\$474 and \$186).

Between 2013 and 2014, the percentage of affordable rental properties remained stable that is out of reach, for all household types evaluated in the Rental Affordability Snapshot.

Rental affordability did not improve despite the growth in RealEstate.com.au rental advertisements in 2014. The proportion of affordable rental properties remained constant across all household types. This is a disappointing finding, given the lack of rental affordability for people on low incomes.

The proportion of affordable and appropriate rental advertisements on RealEstate.com.au for households (families) earning a minimum wage also remained relatively stable, albeit exceedingly low, between 2013 and 2014. Yet for households reliant on government allowances, the proportion of affordable and appropriate rental advertisements on RealEstate.com.au fell to pitifully low numbers in 2014.

## Policy Implications

About two-thirds (63.5%) of households in Queensland either own or are paying off a mortgage, 33.2% rent privately and just 3.3% of accommodation is provided by social housing (Census 2011).

The Queensland State Government Housing 2020 strategy recognises that private rental market is a critical component of any long-term strategies to address homelessness and improve housing affordability in Queensland. Indeed one of the five key principles is "Facilitating housing pathways to the private market" and it seeks to capitalise on opportunities "for building the capacity of households to progress to the private rental market or home ownership" (Housing 2020 strategy, p.7).

In this respect it is imperative that housing policy is prioritised within all levels of government and a range of strategies continue to be implemented across the housing spectrum, including:

▫ **Generating housing stock that matches our changing population needs.**

The Queensland Government has noted of NRAS “Boosting the supply of affordable housing is the perfect way to lower the cost of living for families, especially those who are struggling the most.” Over 75% of the Queenslanders housed through NRAS so far “had an annual income of less than \$50,000 a year and well over a third had an annual income of less than \$30,000.”<sup>60</sup>

Yet as the rental snapshot also suggests, although more rental stock appears to be available on the mainstream private market in 2014, it remains out of reach for all families on Centrelink payments and nearly all living on the minimum wage. Increasing affordable housing, including public, community and other low-income rental properties must continue to be a priority for Government. **This should include ongoing commitments to support the growth of the National Rental Affordability Scheme or something similar.**

- **Governments at all levels need to continue working in partnership with the sector.** This should include for instance committing to five-year contracts for the National Partnership Agreement on Homelessness.
- Finally, the Snapshot again raises an underlying issue of income adequacy, be it Centrelink or the minimum wage. It must be recognised **that income inadequacy is a serious barrier to secure stable, appropriate housing,** and with it the commensurate meaningful social and economic participation.

## Conclusion

The 2014 Rental Affordability Survey results, yet again, suggest people on low-incomes are vulnerable to extreme rental stress in metropolitan Brisbane. Analysis of data from the property website RealEstate.com.au and the community and classifieds website Gumtree, suggests the needs of low-income renters are not being met by the private rental market in Brisbane. It is uncertain what options and resources low-income families, the aged and people with disabilities are using to find rental accommodation in this region.

**Number and Percentage of Affordable & Appropriate Properties by Household Type - 2014 Brisbane Metro**

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	3	0%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	3	0%
Couple, no children	Age Pension	27	0%
Single, one child (aged less than 5)	Parenting Payment Single	0	0%
Single, one child (aged over 8)	Parenting Payment Single	0	0%

<sup>60</sup> Media Statement, Thursday, 3 April 2014, Minister for Housing and Public Works, The Honourable Tim Mander

Single	Age Pension	0	0%
Single aged over 21	Disability Support Pension	0	0%
Single	Newstart Allowance	8	0%
Single aged over 18	Youth Allowance	1	0%
Single in share house	Youth Allowance	1	0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	138	2%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	103	1%
Single	Minimum Wage	1121	14%
<b>Total No of Properties</b>		<b>8266</b>	

## Snapshot: ANGLICARE Sydney— Greater Sydney and the Illawarra

### Introduction

ANGLICARE Sydney's Rental Affordability Snapshot covers a diverse area which includes Greater Sydney and the Illawarra region (including Shoalhaven and the Southern Highlands)<sup>61</sup>. The aim of the snapshot is to highlight issues of affordability for people looking for rental accommodation on low incomes.

According to the 2011 Census, there were around 1.6 million households in Sydney and 160,000 in the Illawarra and surrounds – collectively accounting for about two-thirds (67%) of households in NSW. Of this number, 32 percent of households were renting their home in Sydney and 27 percent in the Illawarra region.

In 2011, the median weekly household income in Greater Sydney was \$1,477 per week. This was higher than the median income of households in the Illawarra Statistical Area (\$1116 per week), a sub-region of the Illawarra, and in the Southern Highlands and Shoalhaven Statistical Area (\$896 per week). However, some aspects of household expenditure were also higher in Greater Sydney – households paid an average of \$2,167 per week in mortgage repayments or \$351 per week in rent. By comparison, households in the Illawarra Statistical Area paid less on average than those in Sydney on mortgage repayments (\$1,950 per week) and rent (\$250 per week). Those in the Southern Highlands and Shoalhaven Statistical Area had the lowest average in the region for mortgage repayments (\$1,604 per week) and rent (\$230 per week).

### Findings – Greater Sydney

#### *Households on Income Support*

<sup>61</sup> Geographies covered in this Snapshot are the Sydney Greater Capital City Statistical Area (GCCSA) and the Illawarra and Southern Highlands/Shoalhaven Statistical Areas Level 4 (SA4s). ANGLICARE Sydney has also prepared an extended report focusing on this region, as well as the Central Coast of NSW. Central Coast data has been excluded from this summary as it is included in the Samaritans Foundation section. The full ANGLICARE Sydney report can be downloaded at [www.anglicare.org.au](http://www.anglicare.org.au)

Of the **11,397** properties available for private rental in Greater Sydney on the snapshot weekend, only **21** properties were identified that satisfied the criteria for affordability and appropriateness without placing households dependent upon income support payments into rental stress. Couples receiving the Aged Pension had only **13** suitable properties available to them across Sydney. There were even fewer suitable properties available for other household types, including singles on the Aged Pension (n=7 properties), couples with children on Newstart (n=2) and single parents on the Parenting Payment (n=1). No suitable properties were found for single people on Youth Allowance, Newstart or the Disability Support Pension.

### *Households on the Minimum Wage*

Results reveal that having two Minimum Wage earners in a household improves the chances of obtaining housing without being under rental stress. There were **213** unique properties identified that would be appropriate and affordable for households on the minimum wage without placing them into rental stress. Results were highest for couples families on the minimum wage (n=186), followed by single persons (n=28) and single parents (n=5).

The online classifieds website Gumtree (gumtree.com.au) is another source of housing for single persons. An indicative search of 'Flatshare/Houseshare' listings for the Sydney Region revealed that at face value, there were around 1,000 share-houses that were affordable for single people on the Minimum Wage. However, those on Newstart and Youth Allowance still had few options. No analysis of suitability has been conducted on these share-houses, with many advertisements seeking a person of a particular gender, race, religion, etc.

## Findings – Illawarra

### *Households on Income Support*

Of the **1,037** properties available for private rental in the Illawarra region on the snapshot weekend, only **28** properties were identified as both affordable and appropriate for households receiving income support, without placing households into rental stress. Compared with Sydney, the Illawarra region had a higher number of suitable properties relative to the size of its available rental stock. Suitable rental properties in the region were divided fairly evenly between the Illawarra (n=12) and the Southern Highlands/Shoalhaven Statistical Areas (n=16). Couple families on the Aged Pension had the highest number of suitable properties available to them (n=25). Only small numbers of suitable properties were found for Parenting Payment recipients with one child (n=5), single people on the Aged Pension (n=4) and those on the Disability Pension (n=2). There were no affordable and appropriate properties for the remainder of households on Parenting Payments, Newstart or Youth Allowance.

### *Households on the Minimum Wage*

There were **199** unique properties identified that would be appropriate and affordable for households on the minimum wage without placing them into rental stress. Results were highest for couples families on the minimum wage (n=187), followed by single parents (n=17) and single persons (n=12).



The number of 'Flatshare/Houseshare' listings on Gumtree for Wollongong and the South Coast was much lower than for Sydney, with only about 100 affordable options for single people on the Minimum Wage.

## Discussion

Within Greater Sydney, the vast majority of affordable and appropriate rental properties for households dependent upon income support payments were in the Outer Ring (n=15), at least 20km from the Sydney CBD. Of the remaining properties, five were in the Middle Ring (5-20km from CBD) and only one was in the Inner Ring (within 5km of the CBD). No properties in the Middle or Inner Ring were affordable and appropriate for household types other than couples on the Aged Pension. The Illawarra region reflected a similar pattern, with the bulk of suitable properties only being affordable and appropriate for couples on the Aged Pension (n=25). These results confirm that rather than being a solution to Sydney's lack of suitable housing, the Illawarra also faces its own critical lack of affordable and appropriate housing, without tenants entering into rental stress.

## Policy Implications

The issue of rental affordability facing thousands of Greater Sydney and Illawarra residents requires an urgent and long-term commitment to improve affordability from all levels of government, community and business sectors.

On a national level, housing affordability must be addressed by a Cabinet portfolio and with funding for the re-establishment of an independent housing specialist entity to gather and analyse data on housing supply and demand in Australia. All levels of government need to commit to long-term agreements such as the National Affordable Housing Agreement and the National Partnership Agreement on Homelessness, with strategies and funding commitment for at least five years. The Federal Government needs to work with all levels of government to commit to a formal five-year plan with numerical targets to increase the supply of social and affordable housing. Recipients of Newstart and Commonwealth Rent Assistance desperately need increased income support to help prevent them entering rental stress in the Greater Sydney and Illawarra area.

On a state level, attention must be directed to the social housing crisis. With 57,451 approved applicants for public and community housing waiting on the NSW Housing Register, diminishing housing stock, decreased government funding and fewer people housed in social housing, immediate action must be taken to increase supply and availability of social housing.

# Snapshot: Anglicare Tasmania—Tasmania

## Introduction

Anglicare Tasmania collected information on all the properties advertised as available for rent across Tasmania on the weekend of 5-6 April 2014. This included rooms available in share houses. The information was gathered from major real estate websites and from newspapers. We assessed these properties on the basis of whether they were appropriate and affordable for people living on low incomes.

We worked out whether people who depend on Centrelink payments could afford to find suitable accommodation for themselves and their family. We also assessed the situation for people who are working and earning the minimum wage.

## Findings

We assessed 2,010 properties advertised as available for rent throughout Tasmania over the weekend of 5-6 April 2014.

Of these, only a very small number were affordable for people who depend on Centrelink payments as their main source of income.

### *People on New Start and Youth Allowance*

- There were only 3 rental properties advertised that were affordable for a young person aged over 18 who depends on Youth Allowance. All were rooms in share houses.
- Less than 1% of the rental properties in the state which were affordable for a single person who depends on New Start Allowance (8 properties, of which 5 were rooms in share houses).
- Only 8% of the properties were affordable for a couple with two young children who are living on New Start Allowance (158 properties).

### *Single parents on Parenting Payment Single*

- Only 6% of the properties were affordable for a single parent with one child (124 properties)
- Only 6% were affordable for a single parent with two young children (111 properties).

### *Single parents whose youngest child is aged over 8*

- 36 properties (only 2% of the total) were affordable for a sole parent whose youngest child is aged more than 8. These people no longer qualify for Parenting Payment and can now only receive the lower New Start Allowance.

### *People on Age Pension*

- 9% were affordable for a single person on the pension (180 properties)
- 20% were affordable for a pensioner couple (396).

For people who are working full time and earning the minimum wage the situation is still very limited.

### *Minimum wage earners (in full-time work)*

- 15% were affordable for a single minimum wage earner with no children (306 properties)
- 17% were affordable for a sole parent worker with 2 children (335 properties)
- 36% of the properties were affordable for a couple with two young children where both parents were working full-time (724 properties).

## Discussion

The results of this survey again confirm the very difficult situation that Tasmanians living on low incomes are faced with when looking for housing in the private rental market.

The survey analysed all the properties advertised for rent in Tasmania on two major real estate websites and the three main newspapers over the weekend of 5-6 April 2014. It was designed as a snapshot of what Tasmanians living on a low income would find on an average weekend if they were looking for somewhere to live.

It should be noted that the very limited number of properties that we did find to be suitable and affordable for people on low incomes 'doubled up' – that is, a property that is suitable for a single person looking for work would also appear as one of the properties an age pensioner could afford.

It is evident that the demand for those few properties that are affordable is very great, and that in the absence of adequate housing supply people must spend more money on their housing than they can afford, thus putting sometimes dangerous pressure on other elements of their budgets. In addition, our survey takes no account of related housing costs such as bond and rent in advance.

Appropriateness of the properties was assessed solely on the basis of the number of bedrooms required. We did not look at other aspects of appropriateness such as physical accessibility. Many of the properties that were affordable in financial terms were located in comparatively isolated areas where employment opportunities and other services may be very limited and where other costs, such as transport, become disproportionately high. Thus many properties would in fact not be appropriate in terms of affordable access to food shops, employment, health services and education.

In addition, many houses offered at lower rents are difficult and expensive to heat and thus running costs can wipe out the value of lower rent.

Other accommodation, ostensibly affordable, was in fact unlikely to be suitable. For example, while a single age pensioner may be able to afford to rent a room in a shared house, it is improbable that they would be the successful applicant as this type of accommodation is mainly geared towards younger people, nor would such accommodation be likely to provide an appropriate place for an older person to live.

While there are a number of share houses advertised for rent, most of these are still priced too high to be truly affordable for people on low incomes. Some were offered on the basis of tenants sharing a



bedroom. For many people this would not be considered safe or suitable, yet it may be the only truly affordable option.

While the situation for people who are working full time and earning the minimum wage was somewhat easier, it was still very limited. Even if both members of a couple with two young children work full-time, only a little over one-third of the properties advertised would be affordable. A single person would only find 15% of the properties to be affordable.

Statewide the number of properties assessed was smaller than in 2013, but the percentages of those affordable and appropriate remained virtually unchanged. However, these figures mask differences across the state where, in some regional and more isolated areas, there is a higher proportion of properties that would be affordable for a couple with children where both adults are working full time earning the minimum wage. However, it needs to be kept in mind that in many of the areas where affordable accommodation is available, unemployment rates are high and the likelihood of people finding full-time work comparatively low.

## Policy Implications

This survey of over 2000 properties has shown that there are only a very few properties anywhere in Tasmania that a young person who is studying or a single person looking for work could afford. With Tasmania having a comparatively low rate of young people completing school and following further education and training, there is a great need to ensure that safe, secure and affordable housing is available in suitable locations for education and training.

The majority of more affordable properties, which might be suitable for families or age pensioners, are located in areas well away from the main population centres. People living in these areas are likely to have increased expenses and difficulty in accessing employment, food, education and health services. Public transport is minimal or non-existent.

We noted from photographs and descriptions that many of the advertised properties are likely to be difficult and expensive to heat. Anglicare's service experience has been that energy saving advice and retro-fitting has been able to reduce people's heating costs and make their daily lives more comfortable. A cosy house is much more conducive to happy family life and to household members being able to pursue study, domestic chores and social connections.

Anglicare's service experience has also shown us that where people are able to gain secure, affordable accommodation, with appropriate supports, they are able to do well in other aspects of life such as continuing with education or training, seeking employment and leading healthy lives.

The private rental market is patently not able to meet the needs of Tasmanians living on low incomes, whether in receipt of government pensions and benefits or earning low wages in employment.

## Conclusion

Anglicare has long advocated the importance of public housing and the need for community and social housing options to be structured so as to be truly affordable to people living on very low incomes.



Assistance with energy saving advice and modifications has proved to be an important service for many low-income households and helps to offset, albeit in a small way, high rental costs.

Our survey this year again confirms that much more needs to be done to ensure that Tasmanians living on low incomes are able to lead dignified lives and not be forced into hardship in other areas of life in order to pay for their housing.

# Snapshot: Anglicare Victoria—Metropolitan Melbourne, Ballarat, Latrobe

## Introduction

Anglicare Victoria's Rental Affordability Snapshot covered Metropolitan Melbourne, comprising 32 Local Government Areas (LGAs) in the Inner, Eastern, South-Eastern, Northern and Western Regions. Our Snapshot also included the City of Ballarat and the City of Latrobe to provide a regional comparison (34 LGAs in total).

Anglicare Victoria's services operate out of approximately 30 service sites located across metropolitan Melbourne, as well as the regional areas of Gippsland (Morwell, Maffra, Sale, Bairnsdale, Leongatha) Ballarat, Myrtleford, Warrnambool, Ararat, Bright and Mt Beauty. The Agency provides care and support for marginalised and in-crisis families, individuals, young people and children in Victoria, through over 100 different services including:

- Home-Based and Out-of-Home Care for children and young people
- Crisis accommodation, support, counselling and mediation for young people
- Intensive family counselling and support
- Parent education
- Men's behaviour change programs and domestic violence support
- Disability support services for families
- Training and skills assistance for young people
- Counselling for victims of child abuse and neglect
- Support for dealing with drug and alcohol abuse, problem gambling and sexual assault
- Food, material aid and financial counselling for low income families
- Advocacy.

## Findings

Anglicare Victoria reviewed 16,094 rental listings advertised on Saturday 5th April 2014, across the 34 LGAs identified for this snapshot. Rental affordability was assessed against a range of low income categories and family types, including singles. The highest number of total listings were located in the South-Eastern Metropolitan region (n=4,620) and the lowest number located in the regional City of Latrobe (n = 325).

The availability of both affordable and appropriate housing was consistently low across the majority of regions, family and income types. Single people, either with or without children, had the least access to both affordable and appropriate rentals, in particular those on the Youth Allowance or Newstart for whom 100% of rentals were found to be unaffordable. Couples with two children receiving a combination of the minimum wage and Family Tax Benefits A and B, had the greatest access to affordable and appropriate housing, representing nearly 20% of the total listings advertised

### *Singles*

Single people had overwhelmingly low access to rentals that were both affordable and appropriate. **Only two of the 16,094 rentals advertised were affordable for singles on Newstart (although most were appropriate), and no rentals were affordable for those receiving the Youth Allowance.** The average rent associated with the 2,012 one bedroom and/or bedsit properties advertised was \$258 per week. This constitutes 83% of the maximum possible income derived from the Newstart Allowance (with rent assistance), and 98% of the maximum possible income derived from the Youth Allowance (with rent assistance).

A slightly greater number of rentals were affordable/appropriate for singles on the Minimum Wage (2%, n=172), however the majority of these were located in areas of greater socio-economic disadvantage as captured by the SEIFA index, such as the regional City of Latrobe (50%, n=82), the City of Melton (8%, n=12), the regional City of Ballarat (7%, n=11) and the City of Casey (6%, n=10).

Singles receiving the Disability Support Pension (aged over 21 years) and the Aged Pension also had negligible access to both affordable/appropriate housing, representing just 0.4% (n=62 and n=75, respectively) of the total 16,094 listings.

### *Single parent families*

The proportion of rentals that were affordable/appropriate for single-parent families was consistently low, ranging from just 0.04% to 2% of all listings. This was impacted by household income, as well as the total number and age of children in each family. For one-child single-parent families, those receiving the Parenting Payment and Family Tax Benefits (FTB) had marginally greater access to suitable rentals (1.0%, n=85) than did those receiving the Newstart Allowance/FTB (0.04%, n=8). Likewise, for single parents with two children, a slightly greater number of affordable/appropriate rentals were available to those on the Minimum Wage/FTB (2%, n=373) compared to those receiving a parenting payment/FTB (0.4%, n=64).

As was the case for singles without children, the vast majority of affordable rentals for single-parent families, regardless of income type and number/age of children, were located in the regional City of Latrobe. For example, of the 85 total rentals identified as affordable/appropriate for one-child single-parent families receiving the Parenting Payment, 87.1% (n=74) were located in Latrobe, as were 87.5% of the 64 total rentals (n=56) available for two-child, single families also receiving a Parenting Payment.

### *Couple families*

Couple families with two dependent children on the Minimum Wage/FTB had considerably greater access to affordable/appropriate rentals compared to the other income and family types examined. These families had access to 3,082 rentals, representing 19% of all listings. Of these suitable rentals, 87.5% (n=2,697) were located in Metropolitan Melbourne, largely concentrated in outer-suburban LGAs. Access to rentals in the Inner, Eastern and Bayside LGAs remained negligible. The greatest proportion of these rentals were located in Western Metropolitan Melbourne (36.4%, n=1,120), particularly within the lower socio-economic LGAs of Wyndham (9.5%, n=294), Greater Geelong (10%, n=293) and Melton (n=7.3%, n=225).

Outside of the largely metropolitan fringe areas, a moderate proportion of all rentals advertised in the Ballarat and Latrobe LGAs were also appropriate/affordable for this group of families, representing 53.2% (n=225) and 48.8% (n=152) of all listings in these regions respectively.

The increased access to affordable/appropriate rentals associated with couple families on the Minimum Wage did not extend to those receiving the Newstart Allowance. Consistent with singles and single-parent families relying on income support, less than 1% (n=108) of total listings were affordable/appropriate for two-child, couple families receiving Newstart/FTB; the vast majority of which were located outside of Metropolitan Melbourne in Latrobe (74.7%, n=80) and Ballarat (9.3%, n=10). **Within Metropolitan Melbourne, only 17 or 0.1% of all advertised rentals were both affordable and appropriate for couple families reliant on income support as their main source of income.**

Lastly, couples receiving the Aged Pension also slightly greater access to affordable/appropriate housing, representing 4% (n=579) of all listings. Consistent with the trends associated with other household and incomes types receiving income support, the majority of these rentals were located in LGAs across the metropolitan fringe or in the regional areas of Latrobe and Ballarat.

Table 1: Number and proportion of affordable/appropriate rental properties as a function of the total listings for each Victorian region

		TOTAL listings in Victoria N=16094	Inner N= 2972	East N=2144	South-East N=4620	North N= 2324	West N=3286	Ballarat N=423	Latrobe N= 325
Couple, 2 children (one aged <5, one aged <10)	Newstart Allowance (both adults)	108 (1%)	0 (0%)	0 (0%)	4 (<1%)	1 (<1%)	13 (<1%)	10 (2%)	80 (25%)
Single, two children (one aged <5, one aged <10)	Parenting payments, single	64 (<1%)	0 (0%)	0 (0%)	3 (<1%)	0 (0%)	3 (<1%)	2 (<1%)	56 (17%)
Couple, no children	Age pension	579 (4%)	7 (<1%)	103 (5%)	110 (2%)	63 (3%)	107 (3%)	27 (7%)	162 (50%)
Single, one child (aged <5)	Parenting payments, single	85 (1%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	6 (<1%)	5 (1%)	74 (23%)
Single, one child (aged >8)	Newstart Allowance	8 (<1%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (<1%)	0 (0%)	7 (2%)
Single	Aged pension	75 (<1%)	0 (0%)	2 (<1%)	12 (<1%)	8 (<1%)	12 (<1%)	5 (1%)	36 (11%)
Single (aged >21)	Disability Support Pension	62 (<1%)	0 (0%)	2 (<1%)	12 (<1%)	1 (<1%)	9 (<1%)	2 (1%)	36 (11%)
Single	Newstart Allowance	2 (<1%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	2 (1%)
Single (aged >18)	Youth Allowance	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Single in share	Youth	0	0	0	0	0	0	0	0

house	Allowance	(0%)	(0%)	(0%)	(0%)	(0%)	(0%)	(0%)	(0%)
Couple, two children (one aged <5, one aged <10)	Minimum wage + FTB A	3082 (19%)	9 (<1%)	120 (6%)	923 (20%)	527 (23%)	1120 (34%)	225 (53%)	158 (49%)
Single, two children (one aged <5, one aged <10)	Minimum wage + FTB A&B	373 (2%)	1 (<1%)	3 (<1%)	47 (1%)	15 (1%)	132 (4%)	58 (14%)	117 (36%)
Single	Minimum wage	172 (1%)	0 (0%)	3 (<1%)	35 (1%)	16 (1%)	25 (<1%)	11 (3%)	82 (25%)

## Discussion

Anglicare Victoria provides services to thousands of vulnerable Victorians each year. For many of our clients, their difficulties and experiences of adversity are further compounded by a lack of affordable and appropriate housing, and the unsafe, insecure and stressful living conditions that are the all too common result of being marginalised from the private rental market.

The current state of the private rental market also pushes individuals and families on limited incomes into restricted geographic areas that are typically associated with higher levels of social disadvantage. In general, these areas have poorer access to essential services, fewer employment opportunities or access to education and training, potentially higher crime rates, limited social infrastructure, restricted access to public transport and fewer opportunities for recreation – factors that can perpetuate the cycle of disadvantage for the most marginalised families and individuals in our communities.

The data from this Snapshot highlight that young people are particularly disadvantaged in the private rental market. Across every region in Victoria there was a marked absence of any affordable and appropriate rental properties for young people whose primary source of income is the Youth Allowance. Whilst young people are likely to source rental accommodation through other channels, including informal/social networks and community classified sites like Gumtree, their exclusion from the mainstream rental market is nevertheless striking. It is also notable that given the very low income associated with both the Youth Allowance and Newstart (where affordable weekly rent equates to \$63.95 and \$82.55 respectively) even share accommodation or rooms in boarding houses accessible via informal channels are largely unaffordable. Given that the bulk of young people exiting the care system are likely to subsist on the Youth Allowance as they attempt to transition to independent living, the absence of affordable and appropriate accommodation for this cohort should raise serious concerns about the structural impediments faced by young people exiting care.

Similarly, families relying on income support were largely excluded from the private rental market in metropolitan Melbourne. In contrast, the proportion of affordable and appropriate rentals for these families was greatest in Latrobe, although even here only one-quarter of the private market was accessible for couples on the Newstart Allowance or single parents receiving the Parenting Payment. Couples and singles (with and without children) on the minimum wage could also find a relatively high proportion of affordable and appropriate rental housing in this region. Nevertheless, the higher proportion of affordable and appropriate rentals in the Latrobe LGA relative to metropolitan Melbourne



belies the social disadvantage experienced by many people in this region. Not only is there high unemployment, but also few structural opportunities for further education and training in this area. For this reason Latrobe is ranked in the top 10% of Victorian LGAs that experience the greatest amount of relative disadvantage.

## Policy Implications

In an economic climate marked by large government deficits and budgetary 'black holes' it is perhaps unsurprising that investment in, and commitment to, public housing is declining. Nevertheless, government, in partnership with non-for-profit and community-based agencies needs to address the factors that contribute to housing stress for vulnerable individuals and families. This includes:

Increased access to stable, supported housing, and other forms of support (including training, education and independent living skills) for all young people exiting the care system, as a means of fostering improved life chances into adulthood, and minimising the potential for future homelessness, poverty, marginalisation, unemployment, substance use and contact with the criminal justice system.

- Increased investment in the necessary infrastructure to support the 'urban sprawl', in particular investing in educational, training and recreational facilities in high growth areas
- Canvassing social housing options that have long-term sustainability, including investing in partnerships with community-based organisations and the private market to increase the supply of affordable, appropriate and stable accommodation for low income earners
- Expanding the existing portfolio of social housing to meet the increased demand fuelled by population growth and high unemployment
- Addressing the disparity between income assistance and the actual cost of living, by indexing Rent Assistance in line with the cost of renting in the private market; increasing the base amount of the Newstart Allowance, Youth Allowance and the Aged Pension to more adequately reflect the rising cost of basic living

## Conclusion

Stable housing that is both affordable and appropriate for the needs of an individual or family is a basic necessity, linked with better health, general wellbeing, increased social and civic engagement, and greater educational and economic participation. The results of the Rental Affordability Snapshot for Victoria highlight that individuals on low incomes are faced with the following limited options:

- a) Spending more than they can afford on rent, thereby experiencing substantial hardship and financial stress
- b) Accessing affordable and appropriate rental accommodation in areas marked by significant social disadvantage and isolation
- c) Accessing housing that is inadequate for their needs
- d) Homelessness and/or continued reliance on unstable forms of transitional or emergency housing (e.g. shelters and boarding houses)



All options come at a considerable price, namely increased marginalisation and exclusion for some of the most vulnerable people in society. Housing and/or financial stress borne out of an unaffordable private rental market needs to be addressed through government intervention both to revitalise disadvantaged communities and to promote greater access to appropriate and affordable rental housing in metropolitan localities.

# Snapshot: Anglicare Western NSW—Central and Far West NSW

## Introduction

The central and far west of NSW is a vast and sparsely populated area, area, with the exception of a small number of regional hubs. The population of the Central West and Far West & Orana regions of NSW in 2013 was 326,700. The major industries include farming, manufacturing, forestry and in particular an expanding mining sector. Indigenous people account for 5.7% of the population, more concentrated in the Far West area, and significantly higher than the national figure of 2.5%.

The Central and Far West areas of NSW have a higher proportion of lone person households than elsewhere in NSW and Australia. Likely linked is the significantly higher proportion of households with incomes under \$600 per week. Despite the considerable natural resources in this region, household and personal incomes are around \$300 per week lower than the national average. This could be affected by the tendency of mines to employ fly-in, fly-out workers, whose income does not remain within the region. Agriculture, one of the major industries in this area, is also much more vulnerable to variance in rainfall, weather and natural disasters. The unemployment rate is slightly lower than the national rate.

Anglicare Western NSW supports low income households in Western NSW in a variety of ways. A few key examples include supporting the community through NILS programs, foster care, and partnering with community and parish based emergency relief programs.

## Findings

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	13	1.7%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	7	0.9%
Couple, no children	Age Pension	62	8.1%
Single, one child (aged less than 5)	Parenting Payment Single	4	0.5%
Single, one child (aged over 8)	Newstart Allowance	0	0.0%
Single	Age Pension	5	0.7%
Single aged over 21	Disability Support Pension	5	0.7%
Single	Newstart Allowance	0	0.0%
Single aged over 18	Youth Allowance	0	0.0%
Single in share house	Youth Allowance	0	0.0%

Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	213	27.8%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	34	4.4%
Single	Minimum Wage	17	2.2%
<b>Total No of Properties</b>		<b>765</b>	

## Discussion

The findings show that minimum wage earning couple families still have a variety of options in this market. Unfortunately, recent developments have seen a number of major employers closing their manufacturing plants or planning to do so over the coming years. More than 500 jobs are likely to be lost in Orange as a major whitegoods manufacturer plans to close their plant. While local government is working to create more jobs to replace those lost, difficult economic times and rental stress for those households affected are likely.

The NSW Government's stated priority of decentralizing state public service jobs away from the major cities and into the regional centres across western NSW is likely to stimulate the economy in these areas. However as we observed last year, the rapid job creation in other industries such as mining was not matched with adequate growth in housing, resulting in high prices unaffordable to most residents.

There are considerably more properties affordable and appropriate to Aged Pensioner couples this year compared to last year. Every year, the Age Pension is indexed according to average weekly earnings, which results in a small increase in the payment and consequently, the amount a household can affordably spend on rent. Last year an affordable rent to an Aged Pension couple was \$197; this year it is \$205 – crossing the \$200 mark. Many of the properties available this year would have been only slightly unaffordable last year.

Poverty-related food insecurity in Bathurst has prompted the recent opening of a Food Bank to supplement the existing food pantry operated by the local church. A major cause of household food insecurity in this area, has been found to be severe rental stress, where, for example, small low income households are paying upwards of \$200 per week for low quality bedsitter apartments. No single person household examined in our Snapshot could affordably pay more than \$170 per week, even on a full time minimum wage. It is no wonder that singles on Centrelink Allowances, with an income less than half the minimum wage, would struggle.

Unfortunately, many of the properties in an affordable price range were located in suburbs known for complex social issues and higher crime levels. This is a serious problem for families unable to afford anywhere else; it is harder to protect their children from the difficulties of their environment and their access to essential services is often limited.



The reality is that substandard housing is an enduring issue in parts of rural and remote New South Wales, meaning that even if a house has enough bedrooms, it may not be an appropriate or safe dwelling for individuals or, particularly, families with children. Overcrowded dwellings are also an issue in Western NSW, representing one of the top 5 reasons for people seeking emergency accommodation.

## Policy Implications

In general, policy levers should be designed to encourage a speedy catching up of the rental market whenever new economic activity enters an area. Where new economic activity arrives suddenly (as is the case with mining), decision makers should remain mindful of the effects on low income households.

64% of the households in supported accommodation (SAAP) in this area are single men, and 50% of SAAP clients identify as Aboriginal. Compared to NSW generally, these groups are significantly over-represented, and Housing NSW have proposed programs targeted at them in the Regional Homelessness Action Plan 2010-2014. Considering this and the high proportion of lone person, low income households in the area, affordable developments in locations close to community facilities and local amenities may be a helpful solution.

At a federal level, an increase to the Newstart Allowance is long overdue, as is an indexation to Rent Assistance in line with the increasing price of renting. Currently there is no accommodation in this area affordable to a single person living on Newstart Allowance, even in shared accommodation.

## Conclusion

The Central and Far West regions of NSW experience somewhat different issues with regard to rental affordability and disadvantage more broadly. The long distances between regional hubs mean higher transport costs and the mining industry brings with it the risk of a 'two-speed economy', increasing prices without increasing incomes for many locals. A high proportion of lone person households means the cost of housing per person is on average higher, as well as associated risks of social isolation exacerbated by rental stress and poverty. Even if the lone person is employed in a full-time, minimum wage job, there were very few affordable options available considering the size of the region.

Meanwhile there was no affordable housing at all for singles on Newstart or Youth Allowance, and barely anything for single parents receiving Newstart or Parenting Payment, families where both parents are unemployed, or singles on the Age or Disability pension. While there was an increase in properties affordable to Age Pensioner couples, only households with two incomes of at least the minimum wage could comfortably find affordable accommodation in this market.



# Snapshot: Anglicare Western Australia— Western Australia

## Introduction

Anglicare WA works across Western Australia; predominantly in the greater metropolitan area of Perth, the South West and Great Southern, and the North West (Pilbara and Kimberley). It provides services that assist people to build relationships, secure affordable housing, and manage financial stress.

Anglicare WA believes it is not acceptable or necessary for any member of our community to be homeless. We strive to ensure that affordable, safe and secure housing for all becomes a fundamental social priority in our community. Every person needs quality, affordable and appropriate housing to get on with their lives.

On Saturday 5 April, 2014 Anglicare WA ran a Rental Affordability Snapshot to survey available private rental properties. The survey examined online listings from realestate.com.au and gumtree.com.au (share housing options only). The main focus was on collecting listings from realestate.com.au. However, Anglicare WA also looked at the cheapest of nearly 4000 listings on Gumtree, as there is a perception that share accommodation is more likely to be listed there. The inclusion of gumtree listings for share housing options did not account for possible duplication of entries and relied on the assumption that the properties were removed as soon as they were filled. For these reasons, gumtree.com.au listings were analysed separately and are mentioned in the notes on page 73.

Properties advertised on realestate.com.au were assessed in terms of affordability and appropriateness for a number of different household types and assumed incomes. Affordable rental was defined as 30% or less of a family or individual's gross income. This is a commonly used indicator of housing stress for low income households. Appropriateness was assessed on the number of bedrooms in a property (e.g. a single parent with one child would need a two bedroom property).

For a property to be considered suitable it was required to meet the tests of both affordability and appropriateness.

## Findings

Data was collected on 6975 private rental listings found on realestate.com.au. This number is up 63% from 4272 private rental listings last April in 2013. For the purposes of analysis the properties were grouped into three locations: (1) Greater Metropolitan Perth, including Mandurah, (2) South West and Great Southern (including Bunbury and Albany), and (3) the North West (including Pilbara and Kimberley).

### Perth

*“Even though the average and median prices of rent in Perth are down from 2013 (12% and 8% respectively), they have not reduced enough to make properties more affordable. Private rentals are inaccessible for low income earners and those on benefits. Overall the situation remains very grim.”*

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	0	0%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0	0%
Couple, no children	Age Pension	1	0%
Single, one child (aged less than 5)	Parenting Payment Single	0	0%
Single, one child (aged over 8)	Newstart Allowance	0	0%
Single	Age Pension	5	0.1%
Single aged over 21	Disability Support Pension	0	0%
Single	Newstart Allowance	0	0%
Single aged over 18	Youth Allowance	0	0%
Single in share house	Youth Allowance	0	0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	175	2.9%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	2	0%
Single	Minimum Wage	34	0.6%
<b>Total No of Properties</b>	<b>5979</b>		

## Discussion

For single people on Newstart or the Youth Allowance no properties were affordable in Perth. No properties were affordable for singles on disability support and only five properties (0.1%) were affordable for singles on an aged pension.

There was only one affordable property (0.0%) for aged pension couples.

There were no properties available for families on benefits.

Families on a dual minimum wage are marginally better off, with 2.9% of the market (175 properties) in Perth being affordable. This is up slightly (0.3%) from last year, when 2.6% of the market (95 properties) was affordable, but is still drastically down from 2012, when 6.7% of the market was affordable for these families.

Singles and single minimum wage income families have limited options with only 0.6% of the market (36 properties) being affordable. This is up 0.1% from 2013 when 0.5% (15 properties) were affordable.

The average rental in Perth was \$535 per week, exclusive of share accommodation found on gumtree. This is down 12% from \$609 in 2013. The median price is also down 8% (from \$520) in 2013 to \$480 this year. It must be noted that even though the average and median prices of rent in Perth are down from 2013, they have not reduced enough to make properties affordable.

## South West and Great Southern

*“The average price of weekly rent has gone down while the median price has gone up in the south of Western Australia resulting in the majority of housing options remaining unaffordable for anyone on a pension or benefit.”*

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	8	1.5%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	3	0.6%
Couple, no children	Age Pension	18	3.5%
Single, one child (aged less than 5)	Parenting Payment Single	4	0.8%
Single, one child (aged over 8)	Newstart Allowance	0	0%
Single	Age Pension	1	0.2%
Single aged over 21	Disability Support Pension	1	0.2%
Single	Newstart Allowance	0	0%
Single aged over 18	Youth Allowance	0	0%
Single in share house	Youth Allowance	0	0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	162	31.3%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	33	6.4%
Single	Minimum Wage	3	0.6%
<b>Total No of Properties</b>	<b>517</b>		



Overall the availability of suitable private rentals for people on pensions or benefits across the south of Western Australia was very low.

For single people on Newstart or the Youth Allowance no properties were affordable.

Only one property (0.2%) was available for singles on an aged pension or a disability support pension.

Other household types on pensions or benefits were competing for a very small number of properties. Couples on an aged pension could afford the most (18 properties or 3.5%).

Families on a minimum wage had the greatest options in the south of Western Australia. Nearly 31% of properties (162 properties) were affordable for families with two children and a single minimum wage income. Notably, these findings are still down 3% from 2013.

The average rental in the south of Western Australia was \$371. This is down 3% from \$383 in 2013. The median rental price was \$360, up \$10 (3%) from last year.

The average price of weekly rent has gone down while the median price has gone up in the south of Western Australia resulting in the majority of housing options remaining unaffordable for anyone on a pension or benefit.

## North West

*“The average rental price in the North West was \$780 a week. This was down 28% from 2013 and a substantial 43% from 2012. However, it was not a significant enough decrease to make rent affordable to anyone on a low income”.*

Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	0	0%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0	0%
Couple, no children	Age Pension	0	0%
Single, one child (aged less than 5)	Parenting Payment Single	0	0%
Single, one child (aged over 8)	Newstart Allowance	0	0%
Single	Age Pension	0	0%
Single aged over 21	Disability Support Pension	0	0%
Single	Newstart Allowance	0	0%

Single aged over 18	Youth Allowance	0	0%
Single in share house	Youth Allowance	0	0%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	0	0%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	0	0%
Single	Minimum Wage	0	0%
<b>Total No of Properties</b>	<b>479</b>		

There was not a single suitable private rental property available in the North West for families and individuals on benefits or on a minimum wage. This was reflective of the overall housing situation in resource based communities in Western Australia.

The average rental price in the North West was \$780 a week. This was down by 28% from 2013 and a substantial 43% from 2012. However, it was not a significant enough decrease to make rent affordable to anyone on a low income.

## Policy Implications

Anglicare WA maintains that multiple interventions are required at Federal, State and Local Government levels to ease the pressure on the rental market. **Increasing the levels of benefits and accelerating investment in social and affordable housing programs should be priorities.**

Priority must be given to:

- decreasing the long waiting lists for public housing for low income earners
- the sustainable development of affordable housing
- recognition that low income earners are socially excluded due to lack of affordable housing

These are not novel solutions. They have been identified and required for years. Now they must be acted upon.

The current rental market in Western Australia is clearly beyond the affordable price range of people on benefits, pensions or a minimum wage. The level of income received by people on pensions and benefits is only sufficient to pay for extremely cheap accommodation, which simply does not exist. In particular the benefits paid through Newstart and the Youth Allowance are grossly inadequate.

The first and most obvious solution is **to increase the level of Newstart and the Youth Allowance so that recipients of these can access housing.** We have established in the Rental Affordability Snapshots that there was not one rental property available across the state for this group in April of 2013 and only four share properties (0.3% for singles on Newstart Allowance) available in April of 2014. This level of



structural discrimination should not be tolerated and increases to the Newstart and Youth Allowance benefits are required to enable low income earners access to private rentals.

The Commonwealth Rental Assistance (CRA) supplement provides a valuable subsidy that can increase the amount of affordable housing available to low income earners. However, it has not kept pace with the rising cost of rent in Western Australia.

**CRA needs to be immediately increased for all eligible recipients and revised to provide recognition for locational differences in private rental markets.** As CRA is not regionally calculated it has limited efficacy in high cost areas and, as has already been established, a significant proportion of Western Australia is high cost.

The National Rental Affordability Scheme (NRAS) provided a Commonwealth commitment to increase the supply of affordable rental properties by 50,000 nationally. At 30 June 2013, 14,575 dwellings had been delivered through NRAS with a further 23,884 in progress.

The scheme subsidises affordable housing through tax credits as long as the housing is leased to eligible households at 20% below market rent.

After a relatively modest uptake NRAS appears now to be providing a significant incentive for the delivery of affordable housing in Western Australia. It remains overly complex and program requirements create barriers to access for vulnerable people. Anglicare WA believes that NRAS should be expanded and simplified to improve access.

Commonwealth and State Governments must, as a priority, allocate additional expenditure for the construction of affordable housing. There needs to be recognition that for many families and individuals home ownership is not a present option and the decline in public housing construction over the last two decades is having a major impact on availability of affordable housing.

**A bipartisan commitment to significantly increase investment in appropriate public housing stock over the next five years** is urgently required if we want to make serious inroads into this fundamental social and community issue.

In addition, there is a growing need for support services to ensure that people who have access to housing are able to maintain it. Anglicare WA and other community service organisations provide services that support families and individuals in housing, financial and relationship stress.

For each of these groups it is critical that their existing housing is stable to prevent them sliding to less affordable or appropriate housing. The provision of support services provides a valuable buffer against such shifts. **Secure funding is required for support services to be maintained.**

The organisations delivering these services are also well placed to embrace the innovation and collaboration required to find sustainable solutions. It is essential that they receive the financial support required to undertake this work.



A significant component of the NPAH suite of services has been the inclusion of brokerage funds, or “flexible funding” to enhance positive outcomes for people engaged with Support Services. These funds have been used to contribute to the clearance of existing debt and to provide material assistance which supports the maintenance of tenancies. The funds enable people to address one off difficulties that would otherwise threaten their tenancies and have proven to be invaluable in preventing or addressing homelessness. Anglicare WA believes **an increase in funds for brokerage is essential to prevent people and families from sliding to less affordable or appropriate housing.**

Additionally there is a pressing need to **provide support to those families transitioning to private rental.**

## Conclusion

The implications of unaffordable housing in Western Australia are greatly concerning. A home is critical to the well-being of people and their life and employment opportunities. The consequences of a housing shortage will cost a great deal to governments down the track, as they attempt to address poor educational outcomes for children and the breakdown of families and relationships.

Multiple interventions are required at both State and Federal government levels. Priorities must be made to increase the levels of benefits and income supplements and to accelerate social housing programs. The Western Australian State Affordable Housing Strategy is a good way forward, but it requires additional resources to make an impact in the critical next five years.

Anglicare WA believes that a comprehensive national strategy, ranging across Commonwealth, State and Local Government, is required to ensure that every individual and family has access to safe, affordable housing.

We further believe that a Commonwealth Minister for Housing is the appropriate office to hold responsibility for such a strategy.



Notes:

1: Gumtree

The least expensive of the 4000 listings live on April 5 2014 on [www.gumtree.com.au](http://www.gumtree.com.au) for Western Australia were examined to test if there were cheaper share accommodation rentals available through that site. One-thousand two-hundred and seventy-six shared housing rentals (~32% of all listings on the site) were found that met the criteria for minimum wage earners. It was also found that 434 of those properties (34%) were also affordable for singles on an aged pension.



## Snapshot: Anglicare Willochra—Willochra region

### Introduction

The Anglican Diocese of Willochra covers some 900,000 square kilometres of regional and remote South Australia. Anglicare Willochra is the part of the Anglican Diocese of Willochra specifically directed to fulfil the call of God to respond to human need by loving service and to seek to transform unjust structures of society.

Anglicare Willochra works with communities and churches in the Diocese of Willochra to help identify needs and issues and develop appropriate responses to suffering and disadvantage. We do this through particular focus on:

- Reconciliation
- Community Outreach and Engagement
- Nurturing Servant Leadership
- Local Advocacy
- Social Justice in Partnership

### Findings

The Rental Affordability Snapshot (RAS) aims to highlight the lived experience of looking for housing whilst on a low income. An audit of rental properties determines the extent to which on the nominated day a person on a low income is able to find housing that is both affordable and appropriate for their needs.

On 5 April 2014 Anglicare agencies across Australia conducted a Rental Affordability 'Snapshot'. The snapshot involved identifying rental property listings available on the private market at a common point in time and comparing these with the ability of prospective renters to pay the advertised rates, without becoming subject to rental stress.

Anglicare Willochra surveyed the following localities:

- Ceduna
- Copper Coast
- Port Augusta
- Port Pirie
- Whyalla

The findings demonstrate that when the household income is at or below the minimum wage options are strictly limited (see Appendix 1 - Number and Percentage of Affordable & Appropriate Properties by Household Type & Locality).

Single households in the 5 localities surveyed by Anglicare Willochra are by far and large the hardest hit by housing affordability. The most concerning findings were for those single households without children across the age spectrum - whether on Newstart, Youth Allowance, Disability Support Pension or the Aged Pension you would struggle to find any suitable accommodation in the private rental market. Singles living on Newstart and Youth Allowance could not afford a single property surveyed, even when considering advertisements for share housing. Despite the higher level of pensions over allowances only 2-3% of properties surveyed by Anglicare Willochra would be affordable to a single person on an Aged or Disability Support Pension (apart from in Port Augusta at 11%).

Household Type	Payment Type	Willochra		Ceduna		Copper Coast		Port Augusta		Port Pirie		Whyalla	
		#	%	#	%	#	%	#	%	#	%	#	%
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	72	23%	0	0%	3	6%	14	25%	32	63%	23	17%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	54	17%	0	0%	2	4%	9	16%	28	55%	15	11%
Couple, no children	Age Pension	94	30%	1	5%	11	22%	26	46%	35	69%	21	16%
Single, one child (aged less than 5)	Parenting Payment Single	29	9%	0	0%	7	14%	6	11%	15	29%	1	1%
Single, one child (aged over 8)	Newstart Allowance	2	1%	0	0%	0	0%	1	2%	1	2%	0	0%
Single	Age Pension	8	3%	0	0%	1	2%	6	11%	1	2%	0	0%
Single aged over 21	Disability Support Pension	7	2%	0	0%	0	0%	6	11%	1	2%	0	0%
Single	Newstart Allowance	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Single aged over 18	Youth Allowance	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Single in share house	Youth Allowance	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	210	67%	19	x	34	67%	34	60%	44	86%	79	60%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	125	40%	7	32%	20	39%	19	33%	37	73%	42	32%
Single	Minimum Wage	34	11%	1	5%	4	8%	14	25%	13	25%	2	2%
<b>Total Number of Properties Surveyed</b>		313		22		51		57		51		132	
<b>Median Rent</b>		\$266		\$280		\$289		\$242		\$204		\$288	

The impacts of housing stress play out in various ways. One client, a single mother of a teenage child, reported that as a result of the decrease in payments in transitioning from Parenting Payment to Newstart, and in order to be able to continue to pay her rent, she has had to give up her car. Living in a rural community, she and her son are now limited in their ability to access social and other supports, and opportunities for further education or work are also diminished.

#### Number and Percentage of Affordable & Appropriate Properties by Household Type & Locality

## Snapshot: The Samaritans Foundation— Central Coast, Hunter, Great Lakes and Taree

### Introduction

Samaritans Foundation was established in 1984 as the social welfare agency of the Anglican Diocese of Newcastle, operating currently in Central Coast, Hunter, Mid-North Coast and Western District regions of NSW. The Samaritans Foundation overall mission is to provide unconditional support to disadvantaged people and to promote social and economic policies that promote social inclusion, social justice and the quality of life of individuals, families, groups and general community. The Samaritans Foundation believes that people presently experiencing disadvantage have the right, equally with others, to fully participate in and contribute to community life by promoting acceptance, justice, reconciliation, peace and dignity for all people.

Over the years, the Samaritans Foundation has successfully supported hundreds of thousands of individuals and families across the service support spectrum. This includes services to children, young people, people with disability and/or mental health issues, families, carers, people exiting correctional facilities, people experiencing long term unemployment, people experiencing homelessness and services to indigenous and CALD communities. The major activities include holistic, person centred and family centred services that enhance social and economic participation, skills development and quality of life. These include prevention and early intervention services, educational and vocational services, casework services, information and referral, accommodation and respite support, emergency relief services



On the 5th April 2014, Samaritans along with other Anglicare agencies across Australia carried out a rental affordability snapshot. This snapshot identified rental property listings in the private market at a point in time and compared these with the ability of prospective renters to pay the rents shown. The focus of this report is upon the rental affordability for people receiving Government benefits and those on a minimum wage. People who suffer disadvantage and who use Samaritan's services are often receiving government benefits as their main income source. Many too are renting property rather than being home owners or purchasers.

The following report outlines the results of the snapshot for the Samaritan's regions of Central Coast, Hunter, Great Lakes and Taree where we surveyed 3,451 available properties. Predefined tests of affordability and appropriateness were applied resulting in the number of advertised properties on a given day which were adequate for households living on a low income. For a dwelling to be determined as suitable it must satisfy tests of both affordability and appropriateness. The 2014 results are stark for anyone living on a low income which included those on a federal income support and the minimum wage. High level figures identified by Samaritans show that housing affordability is as much a regional issue as it is an urban one.

## Findings

The Snapshot was undertaken on Saturday 5 April 2013. In Samaritans we audited The Newcastle Herald newspaper and [www.realestate.com.au](http://www.realestate.com.au) website for rental accommodation. Over 3,451 properties were surveyed. Predefined tests of affordability and appropriateness were applied resulting in the number of advertised properties on a given day which were adequate for households living on a low income. For a dwelling to be determined as suitable it must satisfy tests of both affordability and appropriateness.

The following advertisements were excluded from the Snapshot:

- Housing in retirement villages and holiday accommodation.
- Those include a condition such as child-minding or other 'employment' type activities and student only accommodation
- Properties that were already listed as leased
- Multiple advertisements for the same property

On the 5<sup>th</sup> April 2014, there were a total of 3,451 properties available for rent over the Central Coast; Hunter; Great Lakes and Taree Regions. The breakdown of available property count was:

- Gosford – 440 properties
- Wyong – 374 properties
- Newcastle - 699 properties
- Lake Macquarie - 334 properties
- Cessnock - 181 properties
- Maitland - 354 properties
- Port Stephens - 264 properties
- Singleton - 165 properties
- Scone, Upper Hunter, Muswellbrook, Gloucester and Dungog Shire -374 properties
- Great Lakes - 97 properties

- Taree – 169 properties

**Gosford LGA:** There were a total of 20 affordable and appropriate properties out of 440 available properties. Of these 15 properties were suitable for a Couple with two children on the minimum wage. There were 5 that were affordable and appropriate for an aged couple looking at room configuration and pricing, however 2 of these were bedsits on 1st or second floors.

Single parents with two children or a single person on a minimum wage as well as all household types (other than aged couples) receiving government benefits were unable to find affordable and appropriate accommodation in the Gosford LGA.

**Wyong LGA:** There were a total of 69 affordable and appropriate properties out of 374 properties. 61 of these properties were suitable for a couple with two children on a minimum wage, (2 of these same properties was also the only properties suitable and appropriate for Single Parent with two children on Minimum wage). The remaining 8 properties were available for a couple on the aged pension however 1 of these involved a flight of stairs. Many of the properties available for all categories were in isolated parts of the Wyong LGA with limited transport or employment options.

Once again a single person on a minimum wage as well as all household types (other than aged couples) receiving government benefits were unable to find affordable and appropriate accommodation in the Wyong LGA.

**Newcastle LGA:** Of the total of 58 affordable and appropriate properties (out of 699 properties) there was nothing to rent for any household type living on a government benefit except for an aged couple or individual. Therefore no young person, person with a disability, single parent or family without employment was able to find a rental property.

There were 27 properties for a couple with children on the minimum wage. The majority of these properties were a long way from the city centre adding to petrol and other living costs. There were also 26 properties (6 within boarding houses) for a single person on the minimum wage with similar issues. Included in the same 26 properties (1 boarding house room), were 12 properties affordable and appropriate for a lone aged pensioner however 2 were on the first floor or higher of the apartment block.

For a couple with no children on the aged pension there were 5 properties that were seen to be appropriate in terms of affordability and room configuration. Of those 5 properties, 1 was upstairs property.

Due to the university there are a lot of shared accommodation options available in the Newcastle LGA, yet there were limited options for any single person on Newstart or Youth Allowance. There were no affordable and appropriate properties for single parents (waged or receiving benefits), or for a person receiving disability support payments.

**Lake Macquarie LGA:** There were total of 53 affordable and appropriate properties out of 334 properties. Once again, a couple with two children on a minimum wage fared the best with 42 properties available.

For a couple on the aged pension there were 10 properties were seen to be appropriate in terms of affordability and room configuration. However, 3 of these were bedsits and 1 was in a two storey building. 2 of these properties were also appropriate for a single person on a minimum wage. There was 1 other property available to a single person on a minimum wage.

Groups that cannot access affordable and appropriate accommodation in Lake Macquarie include:

- Couple with two children on Newstart
- Single person with two children on parenting payment
- Single person with two children with a minimum wage
- Single person with a child of any age on parenting payment
- Single person on a disability support pension or aged pension
- Single person on Newstart or Youth Allowance

**Cessnock LGA:** Out of 181 properties there were only 89 affordable and appropriate properties with 80 of these suitable for a couple with two children on a minimum wage. Within these 80 properties are the 7 affordable and appropriate properties for a Single parent with two children on minimum wage. For an aged couple there are 9 properties, but 1 of these properties is also the only suitable rental for a single person on a minimum wage.

Once again young or single people on Newstart or Youth Allowance, and Single parents on parenting payments, people with a disability and single aged people are unable to find a private rental in the Cessnock LGA.

**Maitland LGA:** There were over 354 properties available properties in the Maitland LGA. 84 of these were affordable and appropriate for a couple with two children on a minimum wage (included within these is the only property affordable and appropriate for a single parent with two children on a minimum wage).

There were 20 properties (1 on the second storey) affordable and appropriate for an aged couple (included within this is the 1 property suitable for a single person on a minimum wage and the 1 property for a single parent with one child under 5).

Of the 104 affordable and appropriate properties, there were no affordable and appropriate accommodation rentals in Maitland for:

- Couple with two children on Newstart
- Single person with two children on parenting payment
- Single person with a child over 8 on Newstart
- Single person on a disability support pension or aged pension
- Single person on Newstart or Youth Allowance

**Port Stephens LGA:** Out of the 264 properties available there were only a total of 60 affordable and appropriate properties. Considering Port Stephens LGA reputation as a place for those retiring there were only 6 properties available for those couples on an aged pension and nothing for a single person on an aged pension.



Predominately couples with two children on a minimum wage, were able to access affordable and appropriate rental properties with 54 properties available. Within these properties, 3 were also affordable and appropriate for a Single parent with two children earning a minimum wage.

There is nothing affordable and appropriate for single people on any of the following payments – Newstart, Youth Allowance, Aged Pension, or Disability Support. A couple with two children on Newstart and any single parent on a parenting payment were also unable to access a rental in the Port Stephens LGA.

**Singleton LGA:** There were 65 available rentals with 45 affordable and appropriate properties. 37 of these are for a couple with two children on a minimum wage (and include the 7 properties also available for a single parent on a minimum wage).

There were 8 properties available for a couple on the aged pension however 5 of these involved significant amounts of stairs. Competing for the same properties include the 1 unit for a single parent with one child under 5 (significant stairs) and the 2 properties for single people on a minimum wage.

Single people on income support (Newstart, Aged, Disability, and Youth Allowance) will not find anything affordable or appropriate in Singleton. Neither will families on Newstart, or single parents with two children or one child over 8 on Centrelink support.

**Remaining Hunter LGA:** For Dungog, Upper Hunter, Muswellbrook, Scone and Gloucester there were 374 properties and 240 of these were affordable and appropriate, 216 of these for families on a minimum wage.

Of the 4 affordable and appropriate rentals in Dungog, 4 were suitable for a couple with two children on a minimum wage including properties that were also suitable for Single parent on Minimum Wage (3).

In Upper Hunter LGA there were 12 affordable and appropriate properties. 10 of these were for a couple with two children on a minimum wage. Within these 10 and an additional 2 properties the following household types would all find affordable and appropriate

- A couple with two children on Newstart (2 properties),
- A couple on the aged pension (6 properties however 3 involved stairs)
- A single parent on parenting payment with one child under 5 (2 properties)
- A single parent on Newstart with one child over 8 (2 properties)
- A Single aged pensioner (2 properties)
- A Single person on a disability support pension (2 properties)
- A single person on a Minimum wage (2 properties)

In Scone there was only 23 affordable and appropriate for a Couple with two children on a minimum wage (7 of these were also affordable and appropriate for a single parent with two children on a minimum wage or parenting payment, 1 for a couple with two children on Newstart, or a couple on the aged pension).

There were an additional 4 properties deemed affordable for an aged couple however 2 of these were on the first floor of buildings. Competing for 1 of these additional properties were a single aged pensioner, a person with a disability and a single person on a minimum wage.

In Gloucester, there were 15 properties affordable and appropriate for a Couple with two children on a minimum wage (also competed for by a Single parent with two children on a minimum wage (6)).

Muswellbrook has 164 affordable and appropriate properties for a couple with two children on a minimum wage. Out of these properties, a number of household types would also be competing for the rental.

- 30 properties for a couple with 2 children on Newstart,
- 65 properties for a single parent with two children on a minimum wage,
- 15 properties for a single parent with two children on parenting payment
- 15 properties for an aged couple on the aged pension
- 2 properties for a single parent with one child under 5
- 2 properties for a single parent with one child over 8 on Newstart
- 2 properties for a single person on a minimum wage

There are an additional 16 properties that were affordable and appropriate. These include properties for a single person on a minimum wage (16), a single aged pensioner (8 properties including one with a flight of stairs), and a person on a disability benefit (8 properties including 1 with a flight of stairs).

Stereotypes alone about the different categories make it extremely difficult for people to gain accommodation but when they are competing with a couple with children working they are more likely to miss out. Despite the employment opportunities, the accommodation is spread out over a large region leading to high travel costs for employment and limited access to services.

Across the Upper Hunter region there is no affordable or appropriate accommodation for a single person on Newstart or Youth Allowance.

**Great Lakes LGA (including Stroud):** There were a total of 42 affordable and appropriate properties out of 97 available. 17 of these were suitable for couple with two children on a minimum wage, (also includes the 3 properties for single parents on a minimum wage and 2 for a couple with two children on Newstart. Out of this 17, there were 2 properties in Stroud (only for couples on a minimum wage).

There were 25 properties affordable and appropriate for a couple on an aged pension (however 15 of these were up a flight of stairs), 16 of these were the same properties that were suitable for a single person on a minimum wage, 3 properties for a single parent with one child under 5, 1 was the only affordable and appropriate rental for Single person on an aged pension, and 1 was the only affordable and appropriate rental for a person on a disability support pension. None of these were available in Stroud.

There were no rentals affordable or appropriate for

- Single person with two children on a parenting payment

- Single person with one child over 8 years old on parenting payment
- Single person on Newstart, or Youth Allowance

*Taree LGA:* There were 169 properties in the Taree LGA with 77 affordable and appropriate properties. There were two pools of properties. In the first pool, there were 67 properties that were suitable for a couple with two children on a minimum wage. Inclusive within these same properties were properties for a couple with children on Newstart (4), or a single parent with two children on a minimum wage (20).

In the second pool, there were 10 properties suitable for an older couple on an aged pension. Within this same property group, properties were suitable for single person on a disability pension (1), or aged pension (1), a single parent with one child under 5 (2), or a single person on a minimum wage (3)

Within the pools often groups are vying for the same properties.

Despite the large number of affordable and appropriate properties, those single parents with two children on parenting payment or a single parent with a child over 8 on the Newstart allowance, single people on Newstart or Youth Allowance are all unable to find accommodation in the Taree LGA.

## Discussion

Although the majority of available rental properties in this region are deemed to be affordable for families on minimum wages, there is not really sufficient employment in this area for these housing opportunities to be realised. In other words, the supply of affordable housing does not match the household types who are in need of it.

This picture of affordability and appropriateness is further complicated by the recognition of a very poor public transport system, meaning that people need to budget for additional expenses to run and maintain a car, pay for community transport, taxis or other means of transportation. Lack of transportation often leads to social isolation and an inability to access services. Appropriate, affordable housing is not always as readily available in central locations as it is in some of the more isolated rural parts of the region.

Young and single people on income support are doubly affected in all of this, with few employment opportunities and virtually no appropriate housing stock. They also face discrimination because of their age and lack of rental history. As a result, they will migrate to more urban areas, or will become hidden homeless, moving from household to household as a couch surfer or boarder with no tenure. Unless a young person is earning a minimum wage they will not find any affordable or appropriate rental across the entire region.

Aboriginal and Torres Strait Islander people as well as our refugee community in the Hunter, also face unspoken discrimination in the private rental market and, even if they meet affordability criteria, may find it harder to access the private rental market.

Also, there appears to be reluctance within the established, older community to move from their particular area, even to access affordable housing. People have often preferred to remain in an insecure situation than to consider moving.



Single Parents and Families on Newstart find it extremely difficult to find any affordable and appropriate rentals across the region. Our emergency relief services are currently filled with people from these household types needing access to food due to their rental costs.

The majority of the above groups accessing our services are renting, staying temporarily with friends or residing in emergency accommodation. This places the parent and the children in difficulties financially on a daily basis, causing much stress and anxiety, school difficulties and risk of homelessness is constant.

## Policy Implications

Of serious concern was the lack of affordable and appropriate accommodation for a single person aged over 21 on a disability pension, for single people on Newstart and for young people on Youth Allowance.

We offer many services to people with a disability, to single adults including those who have been released from correctional centres and to young people and often accommodation is a huge cost and concern for these people that we support and/or their families when considering independent living. Young people in the Hunter are already remaining at home longer (where possible) due to the high rental costs. Unfortunately many of the people we support have been unable to remain at home due to abuse and neglect. Our system is filled with young people ready to move on and be independent but they are unable to due to the lack of affordable housing right across the region.

## Conclusion

There were 857 affordable and appropriate housing across the Central Coast, Hunter, Great Lakes and Taree regions out of the total 3,451 properties available for rent on the 5th April 2014. This means that less than 25% of the total rental market is affordable and appropriate for any particular household type.

There were 39 properties available for a couple with two children on Newstart across the entire region. There were only 13 properties available for a person on a disability support payment across the entire region. These were all found in predominately in Muswellbrook (30 for families on Newstart and 8 for a person on Disability support) with the others in Upper Hunter, Scone, Taree or Great Lakes.

There were no properties for any single person on Newstart or Youth Allowance across the entire region.

Unless you earn a minimum wage and are part of a couple with two children, then the housing stock for affordable and appropriate rentals in Central Coast; Hunter; Great Lakes and Taree Regions is highly competitive and difficult to find.

## Appendix 1: Assumptions of Affordability & Appropriateness

### Assumptions used when calculating affordability and appropriateness:

The measure of **affordability** that we use is the 'housing stress' benchmark – i.e. if the household is paying more than 30% of its income in rent, then it is in 'housing stress' and the housing is deemed to be unaffordable.

We include rent assistance as income for the purposes of this calculation.

When going through the listings in the paper to assess whether they are affordable, we apply the following assumptions:

- Where rents are banded (e.g. the property is advertised as renting at \$200-\$220 per week), we use the highest rent in the band (e.g. \$220).
- Where rents are listed as 'from \$x' or 'offers above \$x' or '\$x negotiable', we use the figure given (\$x).
- Where rents are not stated in the ad, we assume that these properties would be too expensive.
- Where multiple properties are advertised in the same ad (e.g. 2 rooms available in the one share house), we count them as separate properties.
- The exception to the above rule is when it is not clear from the ad how many properties are available (e.g. an ad for 'seniors' units') – in these cases, we count them as one property.
- Where a property lists a condition of renting such as child minding or other 'employment' type activities, the property is not included.

In determining whether the property is **appropriate**, we apply the following assumptions:

- A room in a share house or a bedsit is suitable for a single person, a 1-2 bedroom property is suitable for a single person or couple, and a 2-3 bedroom property is suitable for parents with children.
- Share houses and bed-sits are not suitable for couples.
- Households with 2 children require a 3 bedroom property – we assume that it is not appropriate for the children to share a room.

In order for the property to be considered suitable for a household,  
it has to be affordable and appropriate.