

Snapshot: Anglicare ACT – ACT and Queanbeyan

Introduction

The absence of affordable housing in the ACT means that a significant number of people commute from nearby Queanbeyan and other southern NSW towns, increasingly as far away as Goulburn and Yass. Approximately 451,000 people live in the Canberra-Queanbeyan region with pockets of rapid growth in the far north Gungahlin area, western Molonglo area, and Googong region south of Queanbeyan. Around 1.8% of this population reported an Aboriginal or Torres Strait Islander background, compared to 2.5% nationally, with a greater concentration of Aboriginal people in Queanbeyan than in the ACT. The median age of the Canberra/Queanbeyan population is slightly lower (35 compared to 38 nationally) and 36% of people aged over 15 in this region hold a Bachelor Degree or higher qualification, compared to 22% of the Australian population. Major industries of employment include federal and state government administration (21% of the workforce) and defence (5%).¹ The ACT has relatively low unemployment (4.1% compared to 5.6% nationally) and slightly low but still elevated rate of unemployment among young people (10.9% compared to 13.3% nationally).²

On Census night, 2016, 1599 ACT residents and 121 Queanbeyan residents were considered homeless. This is a slight reduction from 1739 and 127 people respectively in 2011. This means approximately one out of every 250 people (0.4%) in the Canberra-Queanbeyan region was experiencing homelessness. Canberra also held another 746 people considered to be marginally housed (in overcrowded accommodation, improvised accommodation or caravan parks) as were 126 people in Queanbeyan. About one in 170 people (0.6%) in the largely affluent Canberra-Queanbeyan region was homeless or marginally housed on Census night in 2016.³

8.3% of the Canberra-Queanbeyan population who were renting accommodation were paying more than 30% of the household income for rent, putting them in an unaffordable situation. Although this is a lower rate than Australia overall (11.5%), this reflects the higher median income in this region rather than the affordability of accommodation. The median weekly household income in Canberra-Queanbeyan is \$2043, compared to \$1438 nationally, and 28% of households take home more than \$3000 weekly income compared to 16% nationally. 12% of the population has a weekly income less than \$650, compared to 20%

¹ All figures from 2016 Census, Canberra-Queanbeyan Significant Urban Area
http://www.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/8001?opendocument

² Employment data from Labour Market Information Portal, February 2018.

³ Homelessness data from Estimating Homelessness, 2016, ABS 2049.0. LGA and SA2 tables.



nationally. The relative affluence of the population as a whole can make the experience of disadvantaged and low-income residents hard to observe from a statistical perspective.⁴

Combined with an insufficient supply of housing, higher average disposable incomes also result in upward pressures on rental prices and developers favouring more expensive housing projects. Higher income households have the capital necessary to make negative gearing investments, resulting in higher prices overall for housing, developments geared towards investors rather than matching community need, and increased difficulty for lower or indeed middle 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.

While Queanbeyan was once known as the cheaper option for people working in the ACT, its popularity has meant that low income earners are also unable to manage rent costs in this area. The added costs of expensive public transport over the border, or needing to run a personal vehicle, increase the difficulties for low income families. As shown below, people employed in lower paid industries or reliant on Centrelink benefits have next to no options aside from shared housing.

Anglicare ACT supports low income households in Canberra and Queanbeyan by:

- Supporting young people at risk of homelessness in supported housing programs
- Supporting young people to remain engaged in their education and transition to the workforce
- Supporting young carers who are at particular risk of difficult transitions to adulthood
- Providing disability support services
- Providing emergency relief and other food assistance programs, as well as low cost recycled clothing stores
- Providing subsidised rental units for aged pensioners
- Supporting at-risk young families to access subsidised early childhood education and care.

Findings

On March 24, 2018, there were 1176 private rentals advertised for rent in ACT and Queanbeyan. Private rentals and shared houses were surveyed from online sources including realestate.com.au, allhomes.com.au, and gumtree.com.au. While a property could be affordable and appropriate for more than one household type, any individual property can only be rented out by one household type at any time. To this end, we found that:

- 41 individual properties were suitable for at least one household type living on income support payments without placing them in housing stress
- 84 individual properties were suitable for at least one household type living on minimum wage without placing them in housing stress.

⁴ From Canberra-Queanbeyan SUA, 2016 Census as above.

On the Snapshot weekend, these are the number of unique properties affordable and appropriate for:	
Households on income support payments (#1-10)	Households on minimum wage (#11-14)
41	84

While there was an overall decrease in the number of properties advertised in 2018 compared to 2017, there was very little difference in the percentages of affordable, appropriate properties for each household type. Over 2015-2017 we observed a swift decrease in the percentage of properties affordable to families with two minimum wage incomes and two children, from 7.2% in 2015 to 2.3% in 2017 which has remained at 2.4% this year. This clearly indicates that the minimum wage is not keeping up with the housing costs of living in the ACT or Queanbeyan. Similar issues are likely to affect families with part time or casual hours in low paid jobs.

Aside from a small number of dwellings affordable to Aged Pensioner households, there were no appropriate housing options affordable to any household which derived its income from a Centrelink payment. Of particular concern to Anglicare was the lack of any affordable rental options for young people supported by Youth Allowance, Newstart Allowance recipients, Disability Support Pension recipients, or Parenting Payment (single) recipients, even including other payments such as Rent Assistance and Family Tax Benefit they may also have been eligible to receive.

Young People

Young people reliant on income support had no affordable options in this market, even in shared accommodation. Anglicare sees this as a significant issue affecting some of our most vulnerable clients. The underlying assumption, that young people can rely on family support until they are financially secure enough to afford their own rent, is highly problematic to many Anglicare clients who experience harmful or unstable family backgrounds. Of particular concern are young people leaving the Out of Home Care system at age 18.

Single Parents

Single parents, even those working full-time in a low-paid job, similarly lacked affordable options in this market. While they had a slightly larger budget than lone person households, the requirement for more than one bedroom meant that across the ACT and Queanbeyan, there were no affordable and appropriate settings in which the children could grow with privacy and independence. Low-income single parents negotiating custody arrangements would find the choice between affordability and appropriateness of their dwelling a further disadvantage and potential barrier to maintaining relationships with their children.

Older People

The 20 properties which were affordable to single aged pensioners were all rooms in shared houses. In many cases this would not be appropriate for an older person, and similarly would not be an arrangement of choice for the other housemates; they would be unlikely to secure the room even if they wanted it. This further evidences the increasing community awareness of homelessness affecting single older women. There were 20 properties

considered affordable and appropriate options for couples on the Aged Pension, and most were in Queanbeyan.

Single Workers

A person working full time at minimum wage (or more likely, part time hours on a slightly higher casual wage, for similar money but less job security) would have some but not many options in this market. 55 properties were affordable, representing 4.8% of those advertised. The variability of informal shared accommodation advertisements makes it difficult to compare between years. Only 3 dwellings were not in shared accommodation, including two units in Queanbeyan and one in a subsidised lodge run by the Buddhist community.

Table 1: Rental Affordability, ACT & Queanbeyan, by household type and percentage

Household Type	Payment Type	# Affordable & Appropriate	% 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	20	1.7%
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	20	1.7%
Single aged over 21	Disability Support Pension	0	0.0%
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	28	2.4%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	0	0.0%
Single	Minimum Wage	55	4.7%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A&B	0	0.0%
Total No of Properties	1176		

Discussion

As an organisation which aims to support children, young people and families, a major concern for Anglicare is the difficulty vulnerable young adults are likely to experience in this market as a result of inadequate government supports, exclusion from the workforce, and unaffordable housing. Without access to stable housing, young people face difficulties in completing education as well as finding and sustaining workforce participation. This further excludes vulnerable young people from opportunities and stability into the future. Anglicare is particularly concerned about the lack of support for young people who reach the age of 18 after spending their youth in Out of Home Care, although the ACT Government should be commended for their planned scheme supporting young people to remain in their placement until age 21. Nevertheless, young people who are continuing their studies or looking for work in their early twenties are only eligible for Youth Allowance, which year after year has proven insufficient for any affordable accommodation options in the ACT or Queanbeyan market, even in share housing. For young people combining part time work and study, or in the early stages of their career and in a low-skilled job or apprenticeship, rental costs are likely to have a significant impact on their finances and as a result affects nutrition, health (physical and mental), and ability to participate in their community. Young people are also at risk of experiencing discrimination in the rental market, especially if they are supported by Centrelink payments.

Minimum waged households

Meanwhile, continuing an ongoing trend from previous years, it is particularly concerning that so few properties are affordable even for households with a minimum wage income. While a small proportion of properties (2.4%, or 28 properties) were found for families with two full-time minimum wage incomes, zero properties were found for a single parent of two children on a minimum wage. Almost all of the 55 properties affordable to single people with a minimum wage income and no dependents were in shared accommodation.

More broadly, these figures do not indicate the level of competition for any affordable option. Rental applicants may find themselves up against many other applicants for a property or a room in a house, especially among lower priced dwellings. This means that a landlord can select from a large group of applicants and people with lower incomes, disabilities or other characteristics are often overlooked. Unfortunately, this can mask other forms of discrimination too, including racism, homophobia, ageism and ableism, compounding other difficulties.

Further, for those people where a shared accommodation is appropriate, any number of factors may impact the household's selection of housemate. As the choice of housemate is personal to the residents, some people may have more difficulty in securing share accommodation than others, such as those with difficulty socialising or those who are in an older age group than the majority of share house residents.

While Canberra and Queanbeyan have seen a large number of new developments built over recent years, rental affordability for the most disadvantaged groups has not seen any noticeable difference. Over the past year, Canberra median house rents have increased by 8% from \$500 to \$540. Units have also increased to a lesser extent, from \$420 to \$430. As

ever, there has been no change in the near total absence of affordable housing for those on the lowest incomes in the ACT and Queanbeyan.

Policy Implications

The consistent lack of affordable housing in the ACT and Queanbeyan areas indicates significant structural issues in the local housing market and broader economy. In order for our region to be inclusive of all its residents, policies which continue to promote the increase of rental prices need to be modified and incentives to provide lower cost, appropriate accommodation for lower income families and individuals must be provided.

Messages for the ACT Government

At the Territory level, the ACT needs a whole of government commitment to address homelessness and housing affordability. Every government portfolio needs to recognise the effects of unaffordable housing, from financial stress and exclusion to crisis and homelessness, on every aspect of life for many Canberra families. ACTCOSS is calling for each ACT Directorate to respond to this by allocating one percent of its budget towards housing services.

Housing supply continues to lag behind community demand, with the exception of some types of housing which do not closely match the needs of the community. Developments geared more towards the interests of investors than the community has led to an oversupply of one-bedroom apartments, while tax concessions such as negative gearing mean it is economically viable for them to remain empty rather than reduce prices. Proposed ACT Government levies on vacant rental properties may help to balance this effect on the market.⁵ However, since the rental market in Canberra is still undersupplied (as evidenced by increasing prices and large numbers of applications for affordable properties) the ACT Government must be mindful that increases to rates and taxes on rental properties can be passed on to tenants as increased rent and tenants have limited options to move or complain, especially those from more vulnerable backgrounds. It is also important to note that according to a recent report, more than four in 10 Canberra rental properties have an energy efficiency rating of zero⁶. Similar to the issues faced by those in ageing public housing stock, private tenants in poorly insulated and energy inefficient properties have higher energy costs for a less comfortable dwelling and no way to change these circumstances. Again, as properties are undersupplied there is little incentive for landlords to improve their property.

Continued government investment in social housing and affordable housing options, as well as providing incentives for non-government investors to increase the supply of affordable housing, will be required to address the disparity between subsidised accommodation and the unaffordable private market. For a family with one parent and two children, supported by Parenting Payment, Family Tax Benefit and Rent Assistance, weekly income is around \$642. Subsidised rent in an ACT Housing property would be limited to 25% of this, about

⁵ <http://www.canberratimes.com.au/act-news/bill-to-help-increase-act-land-tax-by-45-per-cent-over-five-years-20180412-p4z98j.html>

⁶ <https://www.allhomes.com.au/news/canberra-renters-in-worst-properties-in-the-market-according-to-new-report-20180413-h0ypdm/>

\$160/week. The cheapest property with 3 bedrooms was \$340/week, 53% of the family's income – a huge jump from subsidised housing to the private market. The cheapest with 2 bedrooms was not much less at \$310/week or 48% of the family's weekly income. Highlighting the huge gap between social housing and the private market shows the difficulty families face, and how in order to affordably move into the private market, a family would need a significant increase in income – in this case, the parent would need an income of \$1133/week to affordably rent. Anecdotally, this knowledge causes apprehension in some people around accepting jobs which would challenge their eligibility for housing assistance without paying enough, or giving enough stability, to affordably rent in the private market.

Anglicare provides youth services in the Canberra region and observes the difficulty young people face in securing safe, affordable accommodation when they can not live with family. Some of the most vulnerable young people in this situation are those leaving Out of Home Care, who do not have supportive family to rely on after statutory support ends. The current ACT Out of Home Care strategy has provision for some young people to remain with their carers until age 21. Anglicare supports the Home Stretch campaign which advocates that this be available to all young people in care across Australia.

Anglicare also provides Disability services in the ACT, and sees first hand the way unaffordable housing can impact on the wellbeing and independence of people with disability. This is compounded by the constrained options some people may have in terms of accessibility, proximity to formal and informal supports, and safety.

Social Housing in the ACT & Queanbeyan

- ACT: average housing wait times are 274 days (priority), 622 days (high needs) or 983 days (standard); shorter than last year for high needs, but longer for standard.
- Queanbeyan: 2-5 years (1, 3 or 4 bedroom properties); 5-10 years (2 bedroom property). More property types are in the 2-5 year category than last year when most were predicted to have a 5-10 year wait.

Messages for the Federal Government

At the Federal Government level, it is important that current tax concessions including Negative Gearing and Capital Gains Tax exemptions are examined to ensure they are supporting equity in the housing market and not creating an unfair advantage for any group of taxpayers. Proposed adjustments to this policy include focusing it on increasing the supply of new housing and/or targeting the tax concession to properties offered at an affordable rate. Any change to tax policy around housing must even the playing field for first home buyers in comparison to property investors, which in turn would take potential home buyers out of the rental market and reduce the pressure on rental prices.

Income inequality is also driving housing stress for households reliant on government benefits. Centrelink benefits, including allowances, payments, and the Commonwealth Rent Assistance supplement have not kept pace with the increases in the cost of living, particularly with regard to housing. The disproportionate relationship between housing costs and income support must be addressed for our more vulnerable members of society to participate to their greatest capacity, including having the opportunity to enter or re-

enter the workforce. It is particularly important for the Federal Government to note that low income families' housing affordability problems may be ameliorated but are not solved simply by entering the workforce; single parents in full time low paid work and receiving applicable family tax benefits are still unable to afford any rental properties in this area.

Conclusion

The private rental market in Canberra and Queanbeyan is extremely unaffordable for people 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. The highly vulnerable in our community, including young people without family support, people with disabilities, single parents, unemployed families and older people reliant on income support payments have next to no options in this market. The ACT Government needs to consider a range of options to reduce the affordability gap between highly subsidised government housing and very expensive private housing, including continuing to support affordable housing providers, leveraging the private market to create more affordable options, and ensuring that potential homebuyers have options to leave the rental market.