

## **Rental Affordability Snapshot (RAS): Anglicare North Queensland Limited – Cairns Region**

### **Introduction**

Anglicare North Queensland Limited (AnglicareNQ) provides a broad suite of services and programs providing support to strengthen local communities within the North and Far North Queensland Regions. Service provision is provided over an extensive geographical area from Cairns, south to Mackay, north to the Cape and west to Mount Isa. For this RAS the analysis of available rental properties is focussed on the Cairns, Cook, Douglas and Cassowary Coast Local Government Areas (Cairns Region) from Cooktown in the north to Innisfail in the south.

The 2016 Census reported that Cairns had a population of 240,190 people. Aboriginal and Torres Strait Islander people made up 10% of the Cairns LGA's population compared to 4% of Queensland's population and 2.8% of Australia's population. The median age of the population was 39 years of age. Just over half of the population (56.6%) were in full time employment with an unemployment rate of 7.8% in the Cairns LGA compared to 7.6% in Queensland and 6.9% nationally. The most common occupation groups in Cairns included Professionals 17.3%, Technicians and Trade Workers 14.7%, Community and Personal Service Workers 13.2%, Clerical and Administrative Workers 12.4%, Managers 12.2% and Labourers 12%. Cairns 2018 Youth unemployment rate sits at 15.3%.

The following homelessness services are offered by AnglicareNQ in Cairns:

- Cairns Homelessness Services Hub
- Cairns HomeStay Support Service
- Cairns Integrated Crisis Accommodation Service (Quigley Street Night Shelter).
- St Margaret's House (Crisis accommodation for young women).
- St John's House (Crisis accommodation for young men).

### **Findings**

On Snapshot weekend of 24 March 2018, 780 properties were advertised for rent in the Cairns Region. The RAS findings are -

- For a single person in receipt of the Newstart or Youth Allowance there was only one property available that was both affordable and appropriate.
- For a single parent in receipt of the Parenting Payment Single, of the 780 properties that were available only 3 properties were affordable and appropriate.
- For people in receipt of the Disability Support Pension, only 6 properties were available that were both affordable and appropriate.
- For a single person earning a minimum wage income - only 14 properties were or 2% of all available advertised properties were available that were both affordable and appropriate.
- For a couple in receipt of the Age Pension - only 55 properties were or 7 % of all available advertised properties were available that were both affordable and appropriate.
- For a couple with two children with one parent earning the minimum wage income and one parent in receipt of Parenting Payment Partnered, Family Tax Benefit (FTB) Parts A and B - only

48 properties were or 6% of the 780 advertised properties were available that were both affordable and appropriate.

**Number and Percentage of Affordable & Appropriate Properties by Household Type**

**Headline figure**

Household Type	Payment Type	# Affordable	% Affordable	# Appropriate	% Appropriate	# Affordable & Appropriate	% Affordable & Appropriate
1 Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	87	11%	41	53%	5	1%
2 Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	44	6%	41	53%	1	0%
3 Couple, no children	Age Pension	54	7%	79	100%	54	7%
4 Single, one child (aged less than 5)	Parenting Payment Single	15	2%	69	88%	3	0%
5 Single, one child (aged over 8)	Newstart Allowance	4	1%	69	88%	1	0%
6 Single	Age Pension	6	1%	79	100%	6	1%
7 Single aged over 21	Disability Support Pension	6	1%	79	100%	6	1%
8 Single	Newstart Allowance	1	0%	79	100%	1	0%
9 Single aged over 18	Youth Allowance	1	0%	79	100%	1	0%
10 Single in share house	Youth Allowance	1	0%	79	100%	1	0%
11 Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	56	72%	41	53%	23	29%
12 Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	18	24%	41	53%	22	3%
13 Single	Minimum Wage	13	2%	79	100%	13	2%
14 Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A&B	28	35%	41	53%	47	6%
<b>Total No of Properties</b>		<b>793</b>					

On the RAS day, these are no. of unique properties that are affordable and appropriate for:

Households on income support payment	Household on minimum wage
57	243

## Discussion

The statistical data reflects no change or marginal positive and negative changes in the number of available properties across Household Types when compared to the 2017 RAS –

## Number and Percentage of Affordable & Appropriate Properties by Household Type – 2017 versus 2018

Household Type	Payment Type	2017% Affordable & Appropriate	2018 % Affordable & Appropriate
Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	0%	1%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0%	0%
Couple, no children	Age Pension	8%	7%
Single, one child (aged less than 5)	Parenting Payment Single	1%	0%
Single, one child (aged over 8)	Newstart Allowance	0%	0%
Single	Age Pension	1%	1%
Single aged over 21	Disability Support Pension	1%	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	27%	29%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	2%	3%
Single	Minimum Wage	2%	2%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A&B	5%	6%

One possible explanation for any increases could be that, this year there were an additional 34 properties available for rent which was an increase of 4.36% compared to the previous year. Another possible explanation for an increase in the number of properties available that are 'affordable & appropriate' is that some Centrelink payments were marginally increased in January and this may have had an impact on maximum affordable rent for each household types in receipt of relevant Centrelink payments.

The figures demonstrate that there is a distinct shortage of affordable accommodation for all household types. As reported in previous RASs this remains a critical issue.

The RAS for the Cairns Region for 2018 reveals similar key issues as the 2017 RAS -

1. The Household types covered in the RAS simply do not have the necessary financial resources necessary to meet and/or sustain their accommodation needs.
2. The rental market is priced beyond the financial resourcing available for household types with income less than that of a couple with two children, where both adults earn the minimum wage and are in receipt of FTB A. This household type with this level of financial resources is likely to be driven out of the rental market by household types with comparatively more financial resources. 29% of all properties were affordable and appropriate to this Household Type at the time of the RAS.
3. There is insufficient social housing stock within the Cairns Region to provide housing relief, particularly for larger family units.
4. There is an ongoing housing and homelessness crisis in the Cairns Region due to these factors-
  - The financial resources of most household types can't cover the current rental market prices.
  - There is a paucity of other housing solutions available to adequately meet this housing need.

### **Policy Implications**

The findings reflect properties are out of reach in terms of affordability. There is also insufficient housing available to meet demand.

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

- More pressure on government to intervene with practical policy mechanisms to put downward pressure on the private rental market.
- Capitalize on existing social housing properties by supporting innovative and culturally sensitive housing design in collaboration with local key Indigenous stakeholders.
- Increase the level of Commonwealth Government income support, for household types that are unable to access the private rental market, to a level that allows all household types to access the private rental market that are not able to access social housing.
- Increase the level of available social housing stock to meet the needs of all household types within the Cairns Region.

### **Conclusion**

The 2018 RAS findings for the Cairns Region highlights –

- A lack of affordable and appropriate advertised rental properties available for all Household Types, most notably for singles and for single parent family unit types.
- Insufficient social housing stock to meet the needs of all Household Types.
- Unaffordable market price of the private rental market.

It is clear that both State and Commonwealth governments must respond with an assertive and adequate housing policy to alleviate and improve housing affordability and availability in this region. This could be achieved through a combination of increasing –

- The level of social housing available through all three levels of government.
- The level of income support provided to society's most vulnerable groups in order to eliminate homelessness.