



## Snapshot: Anglicare Victoria – Victorian Rental Market

### Introduction

Anglicare Victoria's mission is to *prevent, protect* and *empower*. Our 1,400 staff and 2,700 volunteers work every day towards preventing harm befalling children, young people, adults and families, protecting those who have already experienced adversity from suffering further, and empowering all to strive towards *better tomorrows*.

The achievement of every one of these important outcomes requires that our clients – like all people – are able to live in safe and affordable housing which is not overcrowded.

Anglicare Victoria's 2018 *Rental Affordability Snapshot (RAS)* was conducted as part of the national Snapshot undertaken by Anglicare Australia. The aim of the Snapshot is to learn what proportion of advertised rental properties are both affordable and have enough bedrooms to enable individuals and families to avoid overcrowding. The affordability of housing was calculated for individuals and families subsisting on the minimum wage or a Commonwealth income support payment or pension. These individuals and families make up much of Anglicare Victoria's client base within our family support programs, family violence services, alcohol-and-other-drug treatment programs, out-of-home-care services, and other program areas. These are some of our society's most vulnerable people.

This is the 9<sup>th</sup> consecutive annual Snapshot. The Victorian Snapshot covered 48 Local Government Areas (LGAs) from across metropolitan Melbourne, as well as regional and coastal areas of Victoria.

### Methodology

On Saturday March 24<sup>th</sup> of the Snapshot weekend, 13,744 private rentals were advertised for rent in the Victorian rental market on realestate.com.au – from which all snapshot data was gathered. This included properties within Metropolitan Melbourne and regional Victoria.\*

A property was defined as affordable if its advertised rental price per week did not exceed 30% of weekly individual/family income - with income including that from wages and/or income support payments/pensions, as well as family tax benefit and Commonwealth rent assistance, where applicable. This is a well-established and accepted threshold for "rental stress".

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\* "Regional Victoria" for the well purposes of the snapshot was restricted to local Government areas (LGAs) in which Anglicare Victoria provides services, including: Ararat, Ballarat, Bass Coast, Baw Baw, Campaspe, Central Goldfields, Colac-Otway, Gannawarra, Greater Bendigo, Greater Geelong, Latrobe, Macedon Ranges, Mildura, Mornington Peninsula, Mount Alexander, South Gippsland, Swan Hill, and Wodonga.



Accordingly, maximum weekly affordable rent (MWAR) amounts were calculated as follows for individuals and families:

- For a couple with two children (one aged less than five years, one aged less than ten years) subsisting on the Newstart allowance – MWAR = \$241.39.
- For a single parent with two children (one aged less than five years, one aged less than ten years) subsisting on the Parenting Payment Single – MWAR = \$216.29.
- For a couple with no children subsisting on the Age Pension – MWAR = \$221.10.
- For a single parent with one child (aged less than five years) subsisting on the Parenting Payment Single – MWAR = \$188.87.
- For a single person subsisting on the Age Pension – MWAR = \$154.25.
- For a single person aged over 21 years subsisting on the Disability Pension – MWAR = \$154.25.
- For a single person subsisting on the Newstart allowance – MWAR = \$88.19.
- For a single person aged over 18 years subsisting on the Youth Allowance – MWAR = \$68.84.
- For a single person aged over 18 years seeking to live in a share-house and subsisting on the Youth Allowance – MWAR = \$68.84.
- For a couple with two children (one aged less than five years, one aged less than ten years) subsisting on two minimum wages – MWAR = \$425.31.
- For a single parent with two children (one aged less than five years, one aged less than ten years) subsisting on the minimum wage – MWAR = \$290.74.
- For a single person subsisting on the minimum wage – MWAR = \$184.64.
- For a couple with two children (one aged less than five years, one aged less than ten years) subsisting on the minimum wage and the Parenting Payment Partnered – MWAR = \$325.62.



## Findings – Victoria overall

The findings of the 2018 snapshot highlight a bleak picture within the Victorian rental market for individuals and families subsisting on income support payments and pensions, and a fairly unpromising picture for those subsisting on the minimum wage (see Table 1).

Within the overall Victorian rental market, mean weekly rent across available rental properties was \$474.86 per week, and the median weekly rent was \$415 per week. Both figures exceed the maximum weekly affordable rent for all income groups considered as part of this study.

*Table 1: Rental Affordability, Victorian rental market, by household type and percentage*

#	Household Type	Payment Type	Number affordable and with sufficient rooms to prevent overcrowding	Percentage affordable and with sufficient rooms to prevent overcrowding
1	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	93	0.7%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	48	0.4%
3	Couple, no children	Age Pension	381	2.8%
4	Single, one child (aged less than 5)	Parenting Payment Single	65	0.5%
5	Single, one child (aged over 8)	Newstart Allowance	8	<0.1%
6	Single	Age Pension	62	0.5%
7	Single aged over 21	Disability Support Pension	62	0.5%
8	Single	Newstart Allowance	0	0%
9	Single aged over 18	Youth Allowance	0	0%
10	Single in share house	Youth Allowance	0	0%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A (both adults)	3,909	28.4%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	373	2.7%
13	Single	Minimum Wage	169	1.2%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	811	5.9%
Total No of Properties			13,744	



## Findings – metropolitan Melbourne and regional Victoria

The findings of the 2018 snapshot present slightly different pictures of affordability within the rental markets of metropolitan Melbourne and regional Victoria (see Tables 2 and 5). In regional Victoria, the situation is extremely difficult for families subsisting on income support payments and pensions, with affordable housing that has enough rooms to prevent overcrowding being overwhelmingly out of reach. Within metropolitan Melbourne, however, the state of housing affordability in the rental market for such vulnerable families is absolutely dire – with affordability effectively approaching zero.

For single people without children on Newstart or the youth allowance, access to affordable and suitable housing within both regional Victoria and metropolitan Melbourne (as advertised on realestate.com.au) is literally non-existent.

For those households with two minimum wage-earners also receiving family tax benefit, close to a quarter of appropriate properties in metropolitan Melbourne are affordable, while just over half of properties in regional Victoria are affordable. For other households where a single person or family is subsisting on one minimum wage, regional Victoria is much more affordable (though still prohibitively expensive for the most part) than metropolitan Melbourne; with the latter being almost completely unaffordable to these groups. This is the case even when one minimum wage earner's income is supplemented with family tax benefit and income support payments (paid to themselves and/or a partner).

The mean weekly rent across available rental properties in metropolitan Melbourne was \$497.92 per week, and the median weekly rent was \$430 per week. Both figures exceed the maximum weekly affordable rent for all income groups considered as part of this study. In regional Victoria, mean weekly rent was \$354.38 and median weekly rent was \$330. These figures fall within maximum weekly affordable rent for only one of the income groups considered as part of this study; couples with two children (one aged less than five, one aged less than ten) where both adults receive the minimum wage.



*Table 2: Rental Affordability, metropolitan Melbourne rental market, by household type and percentage*

#	Household Type	Payment Type	Number affordable and with sufficient rooms to prevent overcrowding	Percentage affordable and with sufficient rooms to prevent overcrowding
1	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	7	<0.1%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	7	<0.1%
3	Couple, no children	Age Pension	111	1.0%
4	Single, one child (aged less than 5)	Parenting Payment Single	6	<0.1%
5	Single, one child (aged over 8)	Newstart Allowance	2	<0.1%
6	Single	Age Pension	8	<0.1%
7	Single aged over 21	Disability Support Pension	8	<0.1%
8	Single	Newstart Allowance	0	0%
9	Single aged over 18	Youth Allowance	0	0%
10	Single in share house	Youth Allowance	0	0%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A (both adults)	2,743	23.8%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	49	0.4%
13	Single	Minimum Wage	38	0.3%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	252	2.2%
Total No of Properties		11,536		



*Table 3: Top ten most affordable LGAs in metropolitan Melbourne for households subsisting on income support payments or pensions.*

Local Government Area (LGA)	Proportion of unique, advertised properties affordable to at least one income group receiving ISP or pension	Corresponding number of available properties
Maribyrnong	4.0%	13
Monash	3.4%	16
Greater Dandenong	3.3%	13
Whitehorse	3.3%	8
Banyule	2.8%	11
Frankston	2.5%	6
Yarra Ranges	2.0%	2
Darebin	1.6%	8
Brimbank	1.1%	11
Hume	1.1%	3

*Table 4: Top ten most affordable LGAs in metropolitan Melbourne for households subsisting on minimum wage.*

Local Government Area (LGA)	Proportion of unique, advertised properties affordable to at least one income group receiving minimum wage	Corresponding number of available properties
Melton	80.5%	334
Cardinia	77.1%	243
Whittlesea	65.0%	233
Casey	63.6%	438
Hume	60.0%	168
Brimbank	53.1%	547
Frankston	45.4%	109
Greater Dandenong	37.6%	147
Knox	32.5%	74
Yarra Ranges	31.3%	31



*Table 5: Rental Affordability, regional Victorian rental market, by household type and percentage*

#	Household Type	Payment Type	Number affordable and with sufficient rooms to prevent overcrowding	Percentage affordable and with sufficient rooms to prevent overcrowding
1	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	86	3.9%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	41	1.9%
3	Couple, no children	Age Pension	270	12.3%
4	Single, one child (aged less than 5)	Parenting Payment Single	59	2.7%
5	Single, one child (aged over 8)	Newstart Allowance	6	0.3%
6	Single	Age Pension	54	2.5%
7	Single aged over 21	Disability Support Pension	54	2.5%
8	Single	Newstart Allowance	0	0%
9	Single aged over 18	Youth Allowance	0	0%
10	Single in share house	Youth Allowance	0	0%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A (both adults)	1,166	52.8%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	324	14.7%
13	Single	Minimum Wage	131	6.0%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	559	25.3%
Total No of Properties		2,208		



*Table 6: Top ten most affordable LGAs in regional Victoria for households subsisting on income support payments or pensions.*

Local Government Area (LGA)	Proportion of unique, advertised properties affordable to at least one income group receiving ISP or pension	Corresponding number of available properties
Ararat	50.0%	2
Latrobe	50.0%	91
Swan Hill	40.6%	13
Baw Baw	29.5%	41
South gippsland	27.5%	11
Colac-Otway	25.0%	1
Campaspe	21.2%	14
Mildura	19.6%	21
Ballarat	14.7%	35
Wodonga	12.9%	13

*Table 7: Top ten most affordable LGAs in regional Victoria for households subsisting on minimum wage.*

Local Government Area (LGA)	Proportion of unique, advertised properties affordable to at least one income group receiving minimum wage	Corresponding number of available properties
Central Goldfields	100%	2
Latrobe	76.4%	91
Macedon Ranges	71.5%	108
Campaspe	71.2%	47
Mildura	69.2%	74
Bass Coast	68.2%	60
Ballarat	67.2%	160
Wodonga	66.3%	67
South Gippsland	60.0%	24
Swan Hill	56.3%	18



## Discussion

The affordability of the Victorian rental market remains extremely low. When broken into regional and metropolitan areas, there are virtually no affordable properties with sufficient rooms to prevent overcrowding available within metropolitan Melbourne for individuals and families subsisting on income support payments or pensions. The affordability of appropriate rental properties in regional Victoria for such people is somewhat better, though the rental market is still overwhelmingly out of reach.

As a large, state-wide provider of children, youth and family services in Victoria, Anglicare Victoria works with thousands of vulnerable people every day. In our experience, and consistent with a great deal of research evidence, lack of access to affordable, appropriate housing can cause or exacerbate many social problems. Being in rental stress, and being at risk of or actually experiencing homelessness can substantially contribute to individuals being trapped within cycles of mental illness, substance abuse, unemployment, and other psychosocial problems.

This leads to a great deal of human suffering, as well as staggering costs for Governments in respect of the welfare payments, social services, emergency services, healthcare services and criminal-justice services required to respond to these problems. It can also impede mothers and fathers from being emotionally well enough and adequately resourced to parent their children as well as they would like, which can have long-term consequences for children's healthy development and life chances. In the longer term, this can contribute substantially to the entrenchment of disadvantage and adversity within families and communities.

We are particularly concerned about the plight of young people within out-of-home care who, at present, are essentially kicked out of the care system when they turn eighteen. As the results of this rental affordability snapshot indicate, single people on Newstart and Youth Allowance are the worst off when it comes to being able to afford appropriate rental properties – with literally no rental properties out of 13,744 available in Victoria being found by this study as appropriate and affordable for this group.

The great majority of young people who have lived in out-of-home care have significant histories of trauma and abuse - which is why they were removed into care in the first place. For many of these young people, psychosocial problems which are a result of these experiences frequently emerge most powerfully in their late teens, right at this point when they are exited from the care system. So many of these young people are profoundly unready to fend for themselves, which is highlighted in their great over-representation amongst homeless and offender populations in the years immediately following their leaving care. The virtual complete lack of affordable housing options for such young people in Victoria – particularly within metropolitan Melbourne - makes this situation all the worse.

It is for this reason that Anglicare Victoria supports the *Home Stretch* campaign; an advocacy initiative arguing for Governments to increase the age that young people exit from the care system from eighteen to twenty-one years. More information on this campaign can be found at <http://thehomestretch.org.au/>.



## Policy implications and recommendations

### *Raise the age of exit from the care system from eighteen to twenty-one years*

We call upon Governments to follow the example of the Tasmanian and South Australian Governments by increasing the age that young people exit from the care system from eighteen to twenty-one years. This will provide services with more time to help young people address any psychosocial problems they have and acquire the life-skills and resources they need to successfully transition to independent living.

### *Increase in the rate of income support payments and pensions*

The payment rates of income support payments such as Newstart, youth allowance and the parenting payment, as well as pensions, need to be increased. Measures of housing affordability, such as this study, should inform Government decision-making about the rates of these payments and pensions so that vulnerable people are not trapped in rental stress and other aspects of poverty.

### *Increase investment in public housing and other affordable housing options for vulnerable people*

We call upon Governments to build and make available more public housing and other affordable housing options for those people in our community who experience significant psychosocial problems and cannot afford or sustain access to appropriate housing.