

## Snapshot: Anglicare Western NSW – Central & Far West NSW

### Introduction

The Central West, Far West and Orana comprise a large regional and rural area of NSW. Bathurst, Orange, Dubbo and Broken Hill are the major regional centres, accounting for approximately half the area's population of around 330,000.

The economy of the Central West area has changed, with sheep, beef and grain farming replaced by hospitals as the industry employing the largest number of people between the 2011 and 2016 Census. All major employment industries now are in the education, service and government sectors. Similarly, in the Far West region, farming of sheep, cattle and grain previously employed 11% (the largest sector) and now only specialised sheep farming makes it into the top five at 2.5%. Again, hospitals are now the major employer in this area.<sup>1</sup>

The Central West has overall low unemployment at 5.5% and 8.7% for young people, and the Far West even lower at 2.9% and 5.0% respectively. However, this area has a lower rate of labour force participation (62% compared to 66% nationally). This may be related to the slightly older median age of this population.<sup>2</sup>

Housing prices are significantly cheaper in the Western region than those in metropolitan centres. The median weekly rent for a 2-bedroom house in the Central West (including Bathurst, Orange, Dubbo and Mudgee) is \$280-\$320 per week, and in Broken Hill, \$210.<sup>3</sup> However, recent trends have seen rents increase by nearly 10% over a year in Dubbo.<sup>4</sup>

Despite the lower accommodation prices in this area, 997 people were considered homeless on Census Night 2016. This is an increase from the 822 counted in 2011. This means about one in 300 people in Central and Far West NSW were homeless on Census night. A further 960 people were considered to be marginally housed, in crowded accommodation, other improvised accommodation or caravan parks, meaning that about 1 in 150 people was homeless or insecurely housed on Census Night 2016.<sup>5</sup>

8.1% of the Far West & Orana population and 9.4% of the Central West population who were renting accommodation were paying more than 30% of the household income for rent, putting them in an unaffordable situation. This is a lower rate than Australia overall (11.5%) reflecting the lower cost of accommodation in regional areas. The median household income is \$1110 in Far West & Orana and \$1166 in Central West, compared to \$1438 nationally, and 9% (Far West) and 10.6% (Central West) of households take home more than \$3000 weekly income compared to 16% nationally. 27% of the Far West

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<sup>1</sup> Census data from 2016 and 2011 ABS Census, for Central West and Far West & Orana SA4.

<sup>2</sup> Data from Labour Market Information Portal as at February 2019 <http://lmip.gov.au/>

<sup>3</sup> Median rental data from <https://www.realestate.com.au/neighbourhoods/>

<sup>4</sup> <https://www.dailyliberal.com.au/story/5659862/real-estate-why-its-more-expensive-to-rent-a-house-in-dubbo-now-than-12-months-ago/>

<sup>5</sup> Homelessness data from Estimating Homelessness, 2016, ABS 2049.0. LGA and SA2 tables.

population has a weekly income less than \$650 as do 26% of the Central West population, compared to 20% nationally.<sup>6</sup>

Major trends that affect the region include an ageing population, a decline in the proportion of people working in agriculture, a shift to urban and coastal living, declining national productivity, accelerated global market integration and climate change.

Anglicare Western NSW supports low income households in Western NSW in the following ways:

- No Interest Loans Scheme (NILS)
- Survive to Thrive Hub located in Orange, supporting families with young children
- Out-of-Home Care and associated Non-Placement Support Services
- Community and parish based emergency relief programs

### Findings

On the 23<sup>th</sup> March 2019, 847 private rentals were advertised for rent in Central and Far West NSW. 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:

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

While there were a considerable number of affordable options for low-waged households, some household types reliant on income support had very few rentals to select from, and some of the affordable properties were located in isolated areas which may not have been a suitable option for that household type. There were more properties recorded in the 2019 Snapshot weekend than in 2018; however, the number of properties affordable to minimum waged households remained constant and the number of properties affordable to households reliant on income support decreased by around 20%, showing a proportional decrease in rentals affordable to these household types.

### Young people and jobseekers

There were no affordable and appropriate options for any single person reliant on Youth Allowance, even in shared accommodation. One room in a share house in Orange was potentially affordable to a Newstart allowance recipient.

### Families with children receiving income support

There were limited options for families with children who were supported by a government payment. As housing in regional areas is more likely to be standalone houses than apartments, a larger proportion has the number of bedrooms and space that a family might require, unlike the city where most cheaper properties are small apartments. There was

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<sup>6</sup> From Central West SA4 and Far West & Orana SA4, 2016 Census as above.

only 1 property affordable to a single parent with one child supported by Newstart Allowance, in Forbes. Without family support in these areas such a household would be isolated and indeed risk losing eligibility for income support at all if they moved from an area with a lower unemployment rate. Other properties affordable to single parents or couple families supported by Centrelink also tended to be away from the larger regional hubs.

#### Older people, and people with disabilities

A small number of properties were found for people living on the Aged or Disability Pension. Approximately half of those affordable to single people were in shared housing, which in many cases would not be appropriate for people eligible for these payments. Additionally, those not in shared accommodation tended to be in small regional towns which may have lacked the support, health or public transport infrastructure needed by elderly people or those with disabilities.

#### Low-waged households

A reasonable proportion of properties was affordable and appropriate to families with one or two minimum wage incomes. Again, the condition, location, and proximity to essential services of the lower priced options are likely to have been quite variable.

<b>On the Snapshot weekend, these are the number of unique properties affordable and appropriate for:</b>	
Households on income support payments (#1-10)	Households on minimum wage (#11-14)
166	506

Table 1: Rental Affordability, Central & Far West NSW, 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)	53	6%
Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	20	2%
Couple, no children	Age Pension	130	15%
Single, one child (aged less than 5)	Parenting Payment Single	30	4%
Single, one child (aged over 8)	Newstart Allowance	1	0%
Single	Age Pension	28	3%
Single aged over 21	Disability Support Pension	17	2%
Single	Newstart Allowance	1	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	428	51%
Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	130	15%
Single	Minimum Wage	87	10%
Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A&B	237	28%
<b>Total No of Properties</b>		<b>847</b>	

## Discussion

The results of the snapshot show that families receiving income support and earning the minimum wage have a larger variety of options in this market compared to other regions of NSW. However, a large number of these properties are in distant regional areas where employment, essential services and public transport may not be easily accessible.

2019 results are slightly poorer than the results for 2018, with an increase in properties advertised but no change in the number of affordable properties for minimum wage earning households and a noticeable decrease for families supported by Centrelink. Just over 50% of properties are suitable and affordable to a family with two minimum wage incomes. More unusually, even single parent families receiving Parenting Payment (single) and two parent families where both parents receive Newstart Allowance had a number of options, although many were in smaller towns away from regional hubs which may or may not have been suitable given mutual obligation requirements, transport costs and needs for essential services. Single parents reliant on Newstart Allowance had only one option in this market, in Forbes.

Single income households are as always disadvantaged in this market, with no options for young people supported by Youth Allowance and only one option for jobseekers supported by Newstart. 17 properties (2%) were affordable to the slightly higher Disability Support Pension and 28 properties (3%) considered affordable to those receiving Age Pension, noticeably fewer than in 2018. Shared housing was included as appropriate for aged pensioners, although in reality, many share houses may not be an appropriate environment for an older person, or they may not be considered a good fit by existing housemates particularly in comparison to other applicants. Local services note that affordable options for older people are frequently under-serviced and inaccessible to public transport and support systems, compromising their ability to age in place at their home.

As a provider of out-of-home care services to young people without family support, Anglicare is particularly concerned about the impact on young people of the expensive private rental market. More options need to be provided for young people leaving foster, kinship or residential care to transition to independence in a safe, affordable environment well-linked to support services and opportunities for education, training and employment.

Other groups experiencing difficulties and discrimination in the private rental market in the Central and Far West areas are Aboriginal and Torres Strait Islander people and single parents. They may be forced to rent in the far more remote areas outside of the town centres which then compromises their access to community, social and medical support services. Overcrowded dwellings are also an issue in Western NSW, representing one of the top five reasons for people seeking emergency accommodation. On Census Night 2016, 189 people were considered to be living in 'severely crowded' dwellings, meaning the dwelling would have needed more than four more bedrooms to be considered appropriate for the number of people living there. A further 564 people lived in dwellings which were badly crowded but did not meet this definition of severity.

## Policy implications

Although waged households have access to affordable housing in this region, a number of vulnerable household types would experience considerable difficulty in finding appropriate, affordable housing within reach of needed services and transport links to the community. 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 reformed and incentives to provide lower cost, appropriate accommodation for low income families and individuals must be provided.

## Messages for the NSW Government

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 affordable private market. A continuation of the current program to upgrade dilapidated social housing properties is crucial to improve the utility of existing housing stock and ensure quality of life and sustainable lifestyle for the residents. It is also critical to ensure that Housing properties are a safe environment for all residents; both social housing and low cost rental housing are potential areas where anti-social behaviour can occur, putting already vulnerable households at further risk.

While there are more affordable options in Western NSW than in metropolitan areas, the lack of public transport available between more regional areas and even within regional hubs mean that affordable accommodation can mean isolation or heavy reliance on a personal vehicle. The cost of fuel in regional and remote areas often significantly exceeds that in the cities. Good public transport arrangements in and between regional centres is essential to promote social inclusion and access to community infrastructure for low income households.

A problem of increasing visibility is that of domestic and family violence, and how unaffordable housing undermines safety planning and opportunities for affected people who have left relationships to re-establish their life. Even where programs are available to support families who have left, such as Start Safely which subsidises rent, Anglicare's experience is that implementation appears variable as individual landlords consider the family unable to afford the property regardless. Whether this indicates that more education is needed in regional areas, or a more systemic issue, it appears that an important initiative is being undermined when families need it most.

Anglicare continues to advocate for young people leaving Out-of-Home Care across NSW by supporting the Home Stretch campaign to extend out-of-home care to age 21. Anglicare is a major provider of services for young people in statutory care in Central West NSW and is extremely concerned about young people leaving care into independence. Many young people leaving out-of-home care are dealing with extremely complex personal, legal and family issues and the severe financial strain of unaffordable housing compounds their stress and isolation. Statistics show that 35% of care leavers experience homelessness in the first year after leaving care.<sup>7</sup> A combination of better wraparound support, extended care options, and increased financial resources is needed to prevent the additional trauma

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<sup>7</sup> <http://thehomestretch.org.au/learnmore/>

homelessness for our most vulnerable young people. The Premier's Youth Initiative is an important component of supporting young people's transition to independence; however, providing options for young people to stay in care until age 21 would mean they have the same opportunities as most Australian young people to undertake further study or training without jeopardising their housing or trying to survive on inadequate government payments.

#### Social Housing in the Central West & Far West region

- Bathurst: 2-5 years for 1-2 bedroom, 5-10 years for 3-4 bedroom
- Cowra: up to 2 years, or 2-10 years, depending on property type required
- Dubbo: 2-5 years for studio/1 bedroom, 5-10 years for 2-4 bedroom
- Orange: 5-10 years for 1-3 bedroom, 2-5 years for 4 bedroom
- Parkes: 2-5 years

#### 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. Income inequality is also driving housing stress for households reliant on government benefits, which have not kept pace with the increases in the cost of living, particularly with regard to housing.

#### Conclusion

Although affordable housing may be more readily available in rural parts of NSW, it is not always appropriate. The consequences of a housing shortage have long-term effects which impact on a range of government services, as they attempt to address poor educational outcomes for children and the breakdown of families and relationships.

The current rental market is beyond the affordable price range of people on income support. The level of income received by people supported by Centrelink is only sufficient to pay for extremely cheap accommodation, which simply does not exist. For households trying to make ends meet without at least two minimum wage incomes, affordable rental housing in the Central and Far Western regions of NSW is difficult to find.