

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

### Introduction

Anglicare North Queensland Limited (Anglicare NQ) 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%. As of 2018 the Cairns Youth unemployment rate was sitting at 15.3%.

The following homelessness services are offered by Anglicare NQ 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 23<sup>rd</sup> March 2019, 655 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 were no properties available that were both affordable and appropriate
- For a single parent in receipt of the Parenting Payment Single, of the 655 properties that were available only 4 properties were affordable and appropriate.
- For people in receipt of the Disability Support Pension, only 2 properties were available that were both affordable and appropriate.
- For a single person earning a minimum wage income - only 20 properties were or 3% of all available advertised properties were available that were both affordable and appropriate.
- For a single in receipt of the Age Pension - only 4 properties were or 1 % 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 30 properties were or 5% of the 655 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		On the Snapshot day, these are no. of unique properties that are affordable and appropriate for:	
1	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	77	12%	311	47%	3	0%	households on income support payment	household on minimum wage
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	47	7%	311	47%	2	0%	55	179
3	Couple, no children	Age Pension	61	9%	646	99%	52	8%		
4	Single, one child (aged less than 5)	Parenting Payment Single	20	3%	566	86%	4	1%		
5	Single, one child (aged over 8)	Newstart Allowance	2	0%	566	86%	0	0%		
6	Single	Age Pension	4	1%	655	100%	4	1%		
7	Single aged over 21	Disability Support Pension	4	1%	646	99%	2	0%		
8	Single	Newstart Allowance	0	0%	655	100%	0	0%		
9	Single aged over 18	Youth Allowance	0	0%	655	100%	0	0%		
10	Single in share house	Youth Allowance	0	0%	655	100%	0	0%		
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	480	73%	311	47%	160	24%		
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	177	27%	311	47%	13	2%		
13	Single	Minimum Wage	20	3%	655	100%	20	3%		
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A&B	254	39%	311	47%	30	5%		
Total No of Properties		655								

## 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 2018 RAS –

For Single family units with one to two children the differences compared with the 2018 Snapshot reflect marginal changes, and the same can be said for singles and couples on aged pension & singles on a disability. There were 17 fewer properties available for couples with two children (one aged less than 5, one aged less than 10) compared to the 2018 RAS. There are 138 fewer properties in total in this snapshot (655 for 2019 as opposed to 793 in 2018). Significantly there is a steep reduction in overall number of properties listed as ‘appropriate’ for a couple with two children; one parent on minimum wage and the other a recipient of parenting payment single & FTB parts A & B (there were 419 properties in 2018 snapshot as ‘appropriate’, now 311). The 2019 Townsville floods, subsequent loss of housing stock in both the private and public sectors (and displacement of families) may have contributed to an overall hike in rental prices. This may have contributed to overall competitiveness in the FNQ market with more financially equipped 4 member family units out competing couples with two children on Minimum wage, parenting payment partnered and FTB parts A&B. Additionally overall increases in household costs and interest rates may have contributed to investors less likely to invest; as well as the Finances Royal commission, which means that people require a significant deposit or equity to purchase, which then limits likelihood of investors. Also investors selling property due to requiring significant deposits for primary houses, whereas previously minimal equity would allow a second purchase.

The RAS for the Cairns Region for 2019 reveals similar key issues as the 2018 RAS, and two additions

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. 24% 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.
  - Extreme weather events such as flooding can have a direct impact on housing & homelessness infrastructure, further compounding what is already a housing & homelessness epidemic.
5. There is less confidence by investors to 'invest' in the market given economic changes and the Financial Services Royal Commission

#### 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.
- Increase the number of community housing stock.

#### Conclusion

The 2019 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.
- Insufficient community housing stock to meet the needs of all Household Types.
- Unaffordable market price of the private rental market.
- Extreme weather events burdening housing and homelessness infrastructure in FNQ already under considerable strain.

It is clear that both State and Commonwealth governments must respond with assertive and adequate housing policies and place the importance of these front and centre in state and national conversations 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 community 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, particularly those on Newstart & Youth Allowance.
- 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.