



## **Snapshot: ac.care- Southern Country regions of SA: Limestone Coast, Murraylands/Adelaide Hills, Riverland**

### **Introduction**

ac.care provides specialist homeless services to clients across the Southern Country regions of South Australia. We serve the Limestone Coast, Murraylands/Adelaide Hills and the Riverland. The issues regarding homelessness and housing affordability are similar across all three regions.

ac.care's homelessness services work closely with clients and real estate agents to ensure quality outcomes for those who are able to access private rental properties, and assist others to access Housing SA properties. The homeless services also provide Intensive Tenancy Support to assist those facing eviction to maintain and sustain their tenancy, and Supported Transitional Housing to provide case management to address the issues which caused the initial homelessness.

Major issues faced by people on income support payments in regional South Australia include limited access to affordable housing, limited employment opportunities, social exclusion, and isolation.

### **Methodology**

Every year ac.care tests if it is possible for people on low incomes to rent a home in the private market. We do this by taking a snapshot of the properties listed for rent on realestate.com.au on one weekend in March or April. We then assess whether each property is affordable and suitable for fourteen types of households on low incomes.

Those households are:

- single people receiving the Disability Support Pension, Youth Allowance, JobSeeker and the Age Pension, or earning minimum wage
- single parents receiving the Parenting Payment or earning the minimum wage
- couples without children on the Age Pension, and
- couples with children on JobSeeker, Parenting Payment, earning the minimum wage, or a combination of these income sources.

To test whether a listing is affordable, we calculate the income for our household types using government data. We use these figures to calculate the maximum affordable rent for each household type, and compare that against listed properties that are suitable for each household type. The Snapshot follows the internationally accepted benchmark that rent needs to be no more than 30 percent of a household budget to be affordable for people on low incomes.

### **Findings**

On the Snapshot weekend of 26 March 2021, 123 private rentals were advertised for rent in our three regions. 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.



*Table 1: Rental Affordability, SA Southern Country regions*

#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	Jobseeker Payment (both adults)	24	20%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	12	10%
3	Couple, no children	Age Pension	38	31%
4	Single, one child (aged less than 5)	Parenting Payment Single	12	10%
5	Single, one child (aged over 8)	Jobseeker Payment	0	0%
6	Single	Age Pension	3	2%
7	Single aged over 21	Disability Support Pension	3	2%
8	Single	Jobseeker Payment	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)	79	64%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	40	33%
13	Single	Minimum Wage	15	12%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	59	48%
Total No of Properties		123		



## Discussion

In our regions, as is the case across Australia, renters on low incomes are being left behind and forgotten in the private market.

Rents are less affordable than ever. Yet as our Snapshot was being taken, the support that had been given to renters at the height of the pandemic was starting to fall away. In South Australia, people in hardship have been given the right to defer their rental payments. They have also been protected by an eviction moratorium to ensure they aren't punished for deferring payments. These arrangements will soon expire on 31 May 2021. Some renters have found themselves tens of thousands of dollars in rental arrears. If they can't afford to repay their landlords, they face the very real prospect of eviction. On top of it all, cuts to JobSeeker, Youth Allowance and other payments came into effect at the beginning of April.

Put simply, renters on low incomes are facing the perfect storm as incomes reduce and protections disappear. The private rental market continues to fail them, especially if they are out of work. The new rate of JobSeeker, which has been framed as an increase, has had no impact on affordability.

People on income support, especially those who are out of work, have few options. We found no rentals that were affordable for a person on the JobSeeker payment. This includes sharehouses. The shortage of affordable rentals will condemn people to make difficult decisions to keep a roof over their head. Some will be turning to ac.care or other services in our region to make the rent.

Families out of work are facing a difficult situation. An out-of-work couple with two children can afford twenty percent of rentals. Single parents out of work face even tougher odds, with affordability at just ten percent. This helps explain why the rate of JobSeeker is such a critical factor in child poverty – one in six children now lives in poverty, with those growing up in households that depend on JobSeeker at much greater risk.<sup>i</sup>

This year's results again show how brutal the rental market is for young people. A person on Youth Allowance looking for a sharehouse cannot afford any rentals across our three regions. Youth Allowance is the lowest of all government payments, and year after year, we find young people are at the bottom of the affordability ladder.

People with disabilities face unique challenges in this market. Some will find that the rentals listed in this Snapshot don't meet their needs, and for many people, the Disability Support Pension is too low to allow them to rent a home that does. A person on the Disability Support Pension could afford two percent of rentals at the time of our Snapshot.

The most generous of government payments is the Age Pension. For a couple living on the Age Pension, 31 percent of rentals were affordable. Yet single retirees may struggle, with only two percent of listings left to compete for.

All of this is a wake-up call. What this Snapshot shows is that finding an affordable home in the private rental market is complete fiction for people on low incomes. It is part time for action to make housing more affordable.



## Policy Implications

### *Raising the rate of payments for people on the lowest incomes*

Across our regions, people out of work depend on JobSeeker and other payments to get by. Many are likely to be renting, yet this Snapshot shows that the payment is so low that its trapping people in poverty and housing stress.

Raising the rate of JobSeeker and related payments above the poverty line will give badly needed relief to the people on the lowest incomes. It will allow them to afford the essentials they need to live their lives, and plan for their futures. Most importantly, it will give more people the benefits of a secure home.

### *More affordable rental homes*

We are facing a major shortfall of affordable homes. The Australian Housing and Urban Research Institute has shown we that we have a shortfall of 33,400 social and affordable rentals across South Australia. By 2036, that number is expected to grow to 49,900.<sup>ii</sup>

With the private rental market failing so many people, we must invest in homes for people those need them most. Ending our affordable housing shortfall would be the most powerful way to tackle the rental crisis – and boost our regional economy. The Federal and State governments must work together end this shortfall.

### *More support for renters*

Commonwealth Rent Assistance is meant to help people on low incomes to afford their rent. But it has failed to keep pace with the cost of renting, which has been skyrocketing.

It means that people on low and middle incomes are paying so much in rent they can't meet basic costs like decent food and medical expenses. And for people on some government income payments, like Youth Allowance and Newstart, it doesn't kick in until their rent is already causing serious financial stress.

We need to reform and increase Commonwealth Rent Assistance so that it works for people struggling to pay the rent. That will give people in housing stress more to spend on food, their health and getting on with life in their local community.

### *A plan to end homelessness*

The number of people experiencing homelessness is growing every year because of the shortage of affordable housing. This lack of access to affordable housing is a major concern for older people, who are being into homelessness at record-high rates – at a time in their lives when they need stability more than ever.

People who are homeless need safe secure homes to help them get back on their feet. Being stuck indefinitely in temporary emergency accommodation is not the answer.

We need a plan to end homelessness that tackles the causes of homelessness, including the lack of affordable housing, poverty, and family violence. We also need funding and support to rehouse people who are homeless, helping them keep a roof over their head.



## Conclusion

This year's Rental Affordability Snapshot shows that the private rental market is failing people on low incomes. Some people may have shelter or accommodation, but there is very little on the market that could be a place to call home.

The key to making housing more affordable lies in two factors: making sure everyone has a decent income, and providing enough affordable rentals for the people who need them.

It is clear that we must invest in affordable housing. The shortfall of affordable rentals in our region must be tackled. The sobering results of this Snapshot show that this investment is truly urgent.

ac.care is also calling for an increase to the rate of JobSeeker and other payments. This will help people on the lowest incomes find a secure home.

We also need to give more support to renters, and make a real plan to tackle homelessness.

Nobody should be forced to make impossible sacrifices just to keep a roof over their head. It's time to take real action, and make sure that everyone can have place to call home.

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<sup>i</sup> Phillips, B. and Narayanan, V. (2021) [Financial Stress and Social Security Settings in Australia](#). Australian National University Centre for Social Research and Methods.

<sup>ii</sup> Australian Housing and Urban Research Institute (2018) [Social housing as infrastructure: an investment pathway](#). See Appendix 4.