

Snapshot: Anglicare NSW South, West & ACT - Central 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 service centres, accounting for approximately half the area's population of around 330,000.

The economy of the regional area is strengthened through a range of industry sectors including agriculture, mining and manufacturing as well as education and healthcare. Manufacturing plays a more significant role in the Central West than it does for NSW as a whole.

Charles Sturt University campuses are located in Bathurst and Orange and several TAFE Western campuses provide education opportunities. In the 2011 Census, the highest post school qualification held was most commonly a Certificate III or IV. The sector is also supported by the National Logistics Hub in Parkes and the intermodal facilities in Blayney and Bathurst.

Unemployment in the Far West is close to national levels at 5.2%. However, youth unemployment is particularly high at 19.4%. The Central West region has a lesser disparity between low unemployment of 4.8% and youth unemployment of 13.1% (LMIP, February 2017).

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, Dubbo and Mudgee) is \$265-280 per week.

Major trends that affect the region include an ageing population, 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)
- A new Survive to Thrive Hub located in Orange, supporting families with young children
- Out-of-Home Care
- Community and parish based emergency relief programs

Findings

On the weekend of 1-2 April, 836 private rentals were advertised for rent in the Central West, Far West and Orana regions of NSW. Private rentals were surveyed from online sources³⁵. 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:

- 230 individual properties, including rooms in shared houses where appropriate, were suitable for at least one household type living on income support payments without placing them in housing stress.
- 550 individual properties, including rooms in shared houses where appropriate, were suitable for at least one household type living on the 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 reasonable option for that household type. There was little change between the 2016 and 2017 snapshot over this region; despite a 28% decrease in properties advertised, the percentage of properties accessible to the household types analysed remained very similar.

There were no affordable and appropriate options for any single person reliant on Youth Allowance, even in shared accommodation. There was only one place affordable to a person on Newstart, which was a share house in Cowra.

Most family types with a Centrelink income had a number of options in this market. However, only 2 properties found were affordable to single parent families whose only income was Newstart Allowance and Family Tax Benefit. The condition, location, and proximity to essential services of the more affordable options are likely to have been quite variable.

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, some of these were in small regional towns which may have lacked the support, health or public transport infrastructure needed by elderly people or those with disabilities.

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 more affordable options are likely to have been quite variable.

³⁵ In 2016, a data collection method was adopted where rental listings were retrieved and exported by realestate.com.au (RE) from the RE website. This method, replacing the former manual collection that we used before 2015, will result in minor variation due to random errors. Where possible, the effects have been minimised, and should not be more prevalent than what was expected in previous Snapshots due to human error.

Table 1: Rental Affordability, Western NSW, by household type and percentage

#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	86	10%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	53	6%
3	Couple, no children	Age Pension	172	21%
4	Single, one child (aged less than 5)	Parenting Payment Single	57	7%
5	Single, one child (aged over 8)	Newstart Allowance	2	0%
6	Single	Age Pension	49	6%
7	Single aged over 21	Disability Support Pension	24	3%
8	Single	Newstart Allowance	1	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)	465	56%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	161	19%
13	Single	Minimum Wage	93	11%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	274	33%
Total No of Properties		836		

On the Snapshot weekend, these are the number of unique properties affordable and appropriate for:

Households on income support payments (#1-10)	Households on minimum wage (#11-14)
230	550

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. 2017 results are very similar to the results for 2016. More than 50% of properties are suitable and affordable to a family with 2 minimum wage incomes, and even single parent families receiving Parenting Payment and two parent families receiving Newstart have a number of options, although it is likely that many of these are still in inaccessible or poorly serviced areas. However, single parents reliant on the Newstart Allowance still have very few options in this market.

Single income households are again very disadvantaged in this market, with no options for young people receiving Youth Allowance, a single property affordable to someone on Newstart Allowance, 3% for people receiving Disability Support Pension (DSP), and 6% of the market suitable for a single older person living on the Age Pension. The discrepancy between DSP and Age Pension recipients relates to the methodology, and indicates that half of the properties deemed suitable for Age Pension recipients are share houses – which may or may not be a practical option. 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.

The Orange region has seen an impact of the mining downturn in terms of a decline in new businesses opening, which may affect the availability of jobs. The effect on the economy of changes to the mining industry is complex, as fly-in/fly-out work arrangements mean that many high-income workers do not spend much of their money in the region they work, or conversely, can cause prices to increase to a level that excludes people employed in other sectors. Another factor impacting on construction and housing development is a current shortage of tradespeople in certain fields, increasing prices for services and delaying projects.

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.

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 of its residents, policies which continue to promote the increase of rental prices need to be modified 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 unaffordable 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.

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.

One of the most vulnerable populations experiencing exclusion from the housing market is young people in care. Anglicare Western NSW's main activity is foster care and residential care for children and young people in statutory care. Findings from the Swinburne University of Technology's study 'The Cost of Youth Homelessness in Australia' reveal that almost two-thirds of homeless youth had spent time in state care. This demonstrates the need for a major government review at a policy and systems level if we are to break the cycle of disadvantage experienced by this cohort of youth. Currently, there is no ongoing financial support provided to carers once their foster children turn 18, which can make it difficult for young people to remain at their home. As Anglicare Victoria's *Home Stretch* campaign highlights, providing young people in care the opportunity to be supported for longer if they wish needs to be discussed as a potential solution, as well as a more sustainable, gradual and supported transition from care into affordable, safe independent housing when young people are ready to move on. The NSW government's current roll-out of a program supporting young people leaving care to maintain stable housing is encouraging and we look forward to its implementation in the Central West area.

There are few options in the private rental market for people reliant on pensions, especially older people and people with disabilities who live alone. Not only do these groups require affordable accommodation, but it needs to be safe and appropriate to their needs and well-linked to community and health resources. Elderly people living alone also may need to live in particular areas to receive family support or provide it, for example to a partner in an aged care facility or providing care to grandchildren, and their ability to drive may be limited. Similarly, people with disabilities often would not have the option of moving away from support systems, or would struggle to maintain wellbeing and quality of life if they moved to an isolated area in search of affordable housing. Supply of social housing appropriate for people with special needs must be increased across regional NSW.

Housing NSW waiting periods

Across NSW, the waiting period to access a Housing NSW property is significant. Low income households who cannot afford the cost of rent in their area may spend many years on waiting lists falling deeper into poverty and social exclusion. In Western NSW, estimated wait times for Housing NSW properties are:

- Bathurst: 5-10 years (all property types)
- Cowra: 2-5 years (1, 2 or 4 bedroom properties), up to 2 years (3 bedroom properties)
- Dubbo: 5-10 years (all property types)
- Orange: 5-10 years (1-3 bedroom properties), up to 2 years (4 bedroom properties)
- Parkes: 2-5 years (1, 2 & 4 bedroom properties), up to 2 years (3 bedroom properties)

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. Both of these issues are discussed in greater detail in the overarching National report.

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 on benefits 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 and appropriate rental housing in the Central West, Far West and Orana region is difficult to find.