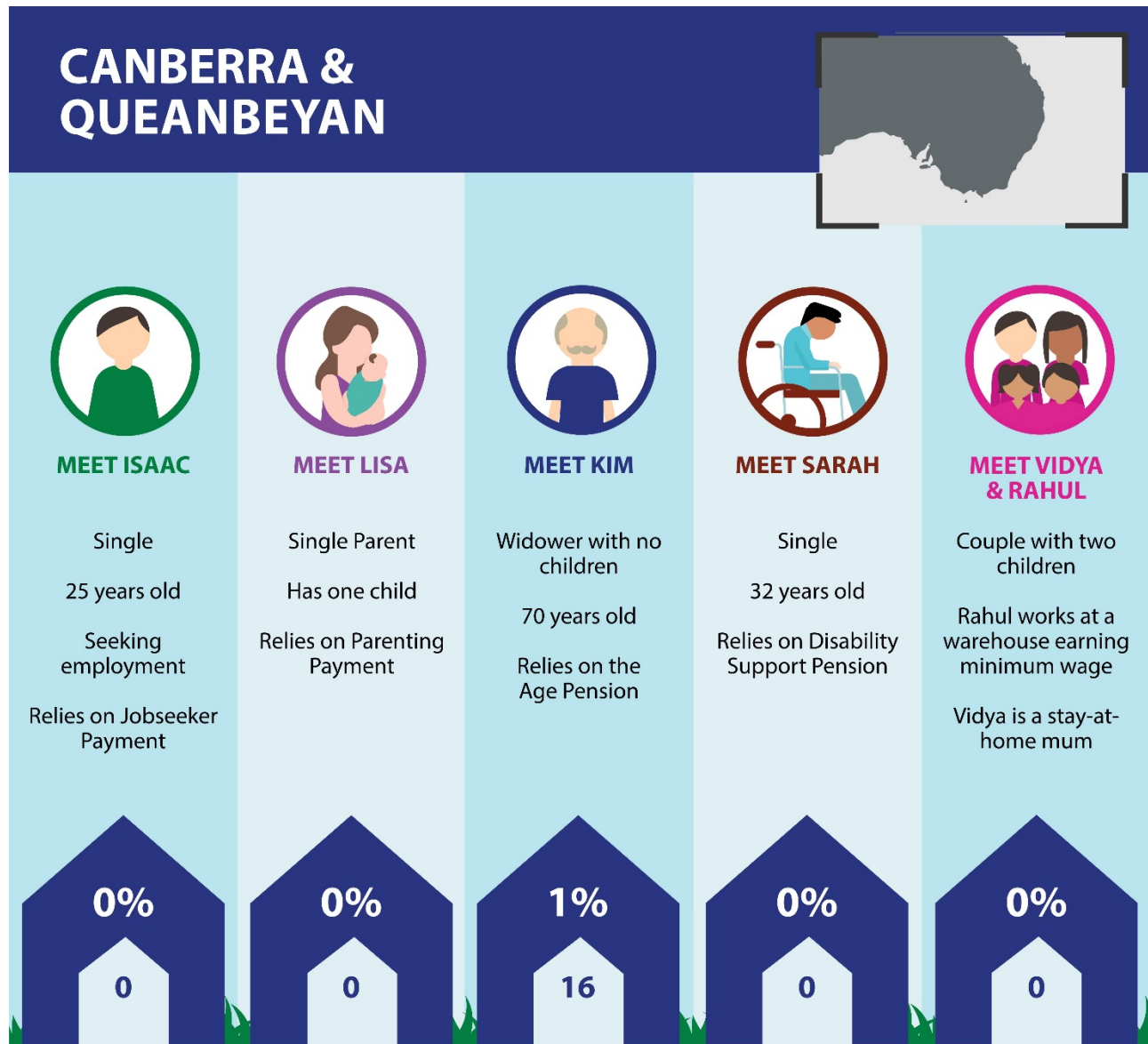


Rental Affordability Snapshot 2020

Anglicare NSW South, NSW West & ACT

Affordability in ACT and Queanbeyan

Figure 1: Rental affordability in the ACT and Queanbeyan for selected household types, by number and percentage



Our footprint in housing and crisis support

Anglicare NSW South, NSW West & ACT supports people on low incomes living in rural communities, regional hubs and coastal towns ranging from the south coast to the western plains and the national capital. The people whom we serve, and many of the communities in which they live, are subject to socioeconomic shifts, drought and demographic changes. Across our catchment area are many small rural and regional communities where support services are very limited.

Housing costs in ACT are one of the greatest stressors on family budgets. Anglicare seeks to address this by providing crucial support for people at risk of homelessness through offering access to emergency housing, homelessness support and food relief, as well as case management support. We provide financial counselling and support to people in financial stress, many as a consequence of issues such as unemployment, health problems including mental illness, disability, and family violence. Anglicare strives to provide additional wraparound support to help people move beyond day-to-day survival towards long-term independence and sustainable living.

Anglicare NSW South, NSW West & ACT supports low income households in the ACT & Queanbeyan in a variety of ways:

- Supporting young people at risk of homelessness in supported housing programs
- Supporting young people to remain engaged in their education and transition to the workforce
- Supporting young carers who are at particular risk of difficult transitions to adulthood
- Providing disability support services
- Providing emergency relief and other food assistance programs, as well as low cost recycled clothing stores
- Providing subsidised rental units for aged pensioners
- Supporting at-risk young families to access subsidised early childhood education and care

The Australian Capital Territory (ACT) houses Canberra, Australia's capital, built between Sydney and Melbourne in the early 20th century. The federal district's forest, farmland and nature reserves earn Canberra its nickname, the "Bush Capital". Queanbeyan, a city in south-eastern region of New South Wales, is located adjacent to the ACT in the Southern Tablelands region and has long been a more affordable city with an easy commute to Canberra.

This year's Snapshot

Each year Anglicare surveys the private rental market to see if people on low incomes can afford to rent a home without putting themselves in financial stress and hardship. We do this by taking a snapshot of properties listed for rent on realestate.com.au, allhomes.com.au and gumtree.com.au on one weekend each year. We test whether each property is affordable and appropriate for 14

types of households on low incomes. We determine a suitable rental to be one which cost less than 30 percent of a household’s income, a commonly used benchmark for affordabilityⁱ; and one that has an appropriate number of bedrooms. We are unable to assess appropriateness for particular mobility needs and the quality of the rental property.

This Snapshot covers the ACT & Queanbeyan¹. Over the last months some families have been affected by severe drought conditions and the unprecedented bushfires of last summer. Currently they are all experiencing the effects of the measures put in place across our nation to limit the spread of COVID-19 – including job losses and redundancies.

This year’s Snapshot contains two sets of findings: it shows the number of affordable and appropriate homes for rent for people on low income on the weekend of 21 March 2020. It then uses the same rental property listings to provide an analysis of what would change to affordability for low income households in the ACT & Queanbeyan if the temporary Coronavirus Supplement increases to some government income payments, coming into effect at the end of April 2020, were made permanent.

On 20 March 2020 the Newstart Allowance, the main income support payment for recipients aged between 22 years to Age Pension qualification age who have capacity to work, changed name to the Jobseeker Payment. We use the term Jobseeker Payment throughout this report.

Who can afford a home in the private rental market?

On the Snapshot weekend of 21 March Anglicare 2020, there were 1201 private rentals advertised in the ACT & Queanbeyan region. Table 1 shows how many properties were affordable and appropriate for our assessed 14 household types.

Table 1: Rental Affordability in ACT & Queanbeyan, analysed 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)	Jobseeker Payment (formerly Newstart) (both adults)	0	0.0%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0	0.0%
3	Couple, no children	Age Pension	6	0.5%

¹ LGAs within our catchment area include Queanbeyan, Cooma-Monora (2620 postcodes) and all of Unincorporated ACT.

#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
4	Single, one child (aged less than 5)	Parenting Payment Single	0	0.0%
5	Single, one child (aged over 8)	Jobseeker Payment (formerly Newstart)	0	0.0%
6	Single	Age Pension	16	1.3%
7	Single aged over 21	Disability Support Pension	0	0.0%
8	Single	Jobseeker Payment (formerly Newstart)	0	0.0%
9	Single aged over 18	Youth Allowance	0	0.0%
10	Single in share house	Youth Allowance	0	0.0%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A (both adults)	8	0.7%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	0	0.0%
13	Single	Minimum Wage	48	4.0%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	0	0.0%
Total No of Properties		1201		

As with previous years' Rental Affordability Snapshots, it is impossible for people on income support payments to find affordable and appropriate rentals in the region. Due to the total absence of affordable housing in the ACT a significant number of people commute from Queanbeyan and other southern NSW towns, increasingly as far away as Goulburn and Yass or the South coast.

Although Queanbeyan is a more affordable option for people moving to Canberra for work and study, the tight rental market in Canberra is affecting affordability in Queanbeyan. Of the 76 listings in Queanbeyan, only six properties were affordable and appropriate for people on income support and Minimum Wage, respectively – or almost eight per cent.

For an organisation that works hard to support families to stay together and assist highly marginalised and at-risk young people stay connected to school, society and the workforce, our findings continue to be dire reading.

A single mum or dad with one child on Jobseeker Payment (formerly Newstart) can afford to pay \$151 in weekly rent before entering into financial stress. For this family there are zero affordable and appropriate rental homes across the whole of ACT & Queanbeyan on the snapshot weekend. Further, zero properties are affordable and appropriate for a family with two children and both parents on the Jobseeker Payment.

For the snapshot-weekend, not a single property – not even a room in a share house – was affordable for a young person on Jobseeker or Youth Allowance. This has been the case for as long as Anglicare NSW South, NSW West and ACT has been running the snapshot. Paying anything more than \$90 and \$72 in weekly rent respectively, would cause these young people financial hardship. The cheapest rent on the snapshot weekend was a bedroom for \$96 in a share house in Hackett.

As eligibility for Youth Allowance doesn't kick in before you've lived independently for two years, young people are often sacrificing their safety for a roof over their head – such as sleeping in precarious places, couch surfing or staying home in unsafe conditions.

Olivia Hatfield, Junction Youth Health Consultant in ACT

In comparison, a single person on the Age Pension could afford 16 listings, almost all exclusively in shared accommodation. Even if an older person was willing to live in shared accommodation, he or she might likely not be a preferred choice for the other housemates or the landlord.

While the rental market in the other regions Anglicare NSW South, NSW West and ACT works in offer a working family on low income some real choice, this is not the case in ACT and Queanbeyan. Only eight houses – or 0.7 per cent – were affordable and appropriate for this household type in ACT and Queanbeyan.

In comparison, the somewhat larger share of listings affordable and appropriate for a single person on Minimum Wage in ACT and Queanbeyan – 48 properties or 4 per cent – were all in shared accommodation.

A crisis for many

While the Snapshot every year gives a single set of data on one particular date, it is possible to look across the years of Snapshots and discern a pattern. Our data shows how totally unaffordable the rental market is in this region and how consistent this unaffordability has been over time.

Figure 2: Number of private (affordable and appropriate) rentals on our Snapshot weekend in the ACT and Queanbeyan over the last five years

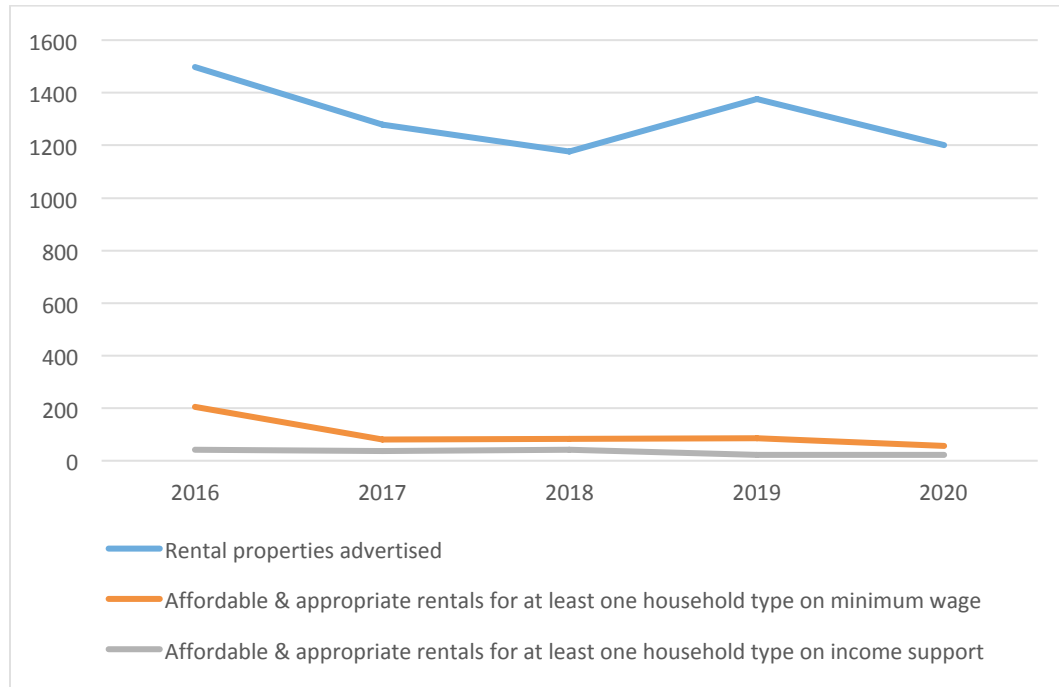
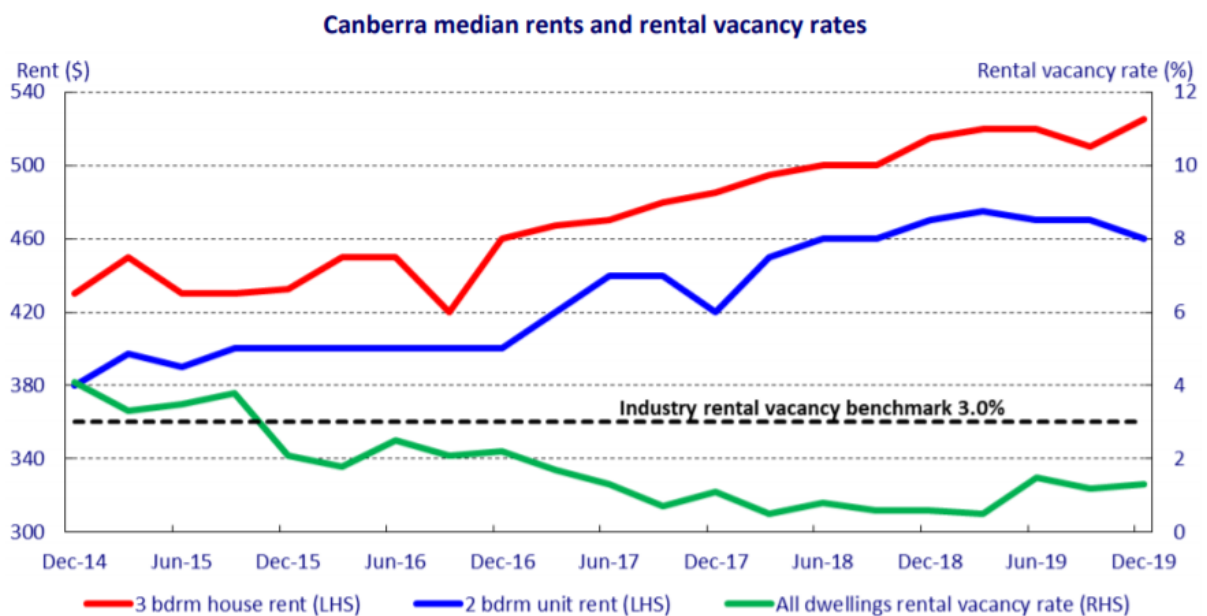


Figure 2 shows a continuing downward trend in the availability of affordable and suitable houses for low income household types. This drop in affordability seems to be linked to a gradual rent increase in Canberra since the end of 2016 (figure below)ⁱⁱ.

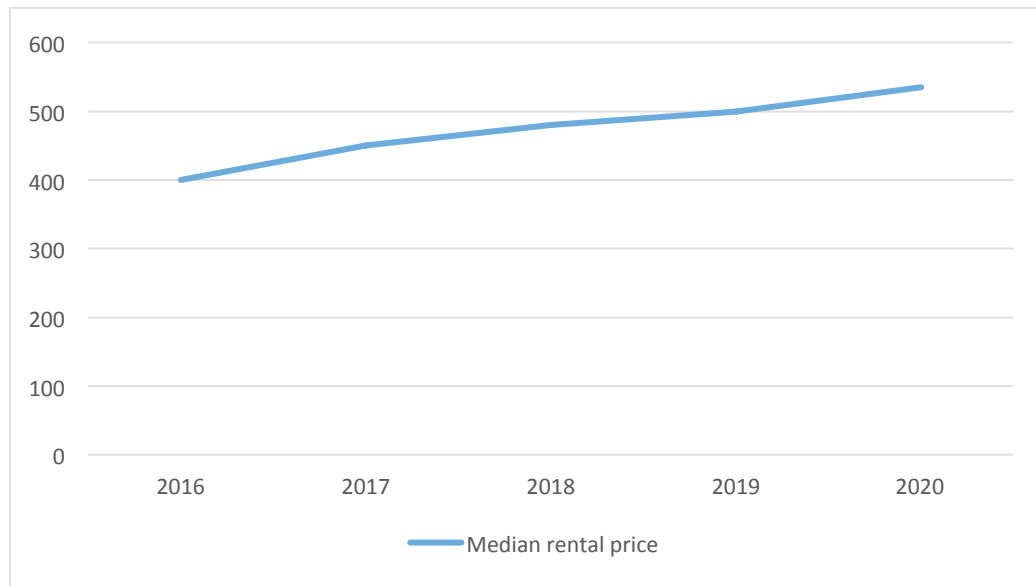
Figure 3: Median rental price in Canberra over time



Source: REIA Market Facts Report.

A median rent increase is also evident from our Snapshot data over the last five years. Whilst the median rent was \$400 in 2016 it was \$535 this year.

Figure 4: Median rental price in the ACT and Queanbeyan over the last five years on our Snapshot weekend



This is bad news for the over 37,000 people estimated to live in low-income households in the ACT, including almost 8,000 childrenⁱⁱⁱ. Five years ago close to 17,000 were renting privately and close to 50 per cent of these were in rental stress^{iv}. These numbers have likely increased – particularly considering the COVID-19 income losses.

The increasing cost of housing – in addition to job redundancies and losses in relation to the coronavirus pandemic – means that many families in ACT and Queanbeyan have to forgo essential everyday needs, such as turning on the heating, paying another bill or putting food on the table. We witness this crisis daily at our emergency support service in St. John’s Care. A report by ACTOSS emphasises that the cost of living pressures have worsened for Canberrans living on low incomes. Cost of living is growing at a faster rate for low-income households than it is for higher income households as the cost of essential goods and services continues to rise^v.

It’s just not feasible for many older people to relocate closer to regional centres and cities to be in proximity to much needed services – particularly not in Canberra – because the housing market is so expensive.

John Vilskersts, Anglicare’s General Manager Retirement Villages

What if Coronavirus Supplement increases were permanent?

This year's Rental Affordability Snapshot was taken just days before the Australian Government announced a temporary, six months increase to some government income payments, in response to the Coronavirus pandemic. This 'Coronavirus Supplement' of an additional \$550 per fortnight will be paid to all new and existing recipients of the Jobseeker payment (formerly Newstart), Youth Allowance, and Parenting Payments from 27 April 2020^{vi}, in addition to their normal payments.

These temporary increases allowed us to pose a hypothesis: what would the change in rental affordability be for households on income support, if the increase in payments via the Coronavirus Supplement was made permanent?

Table 2: Rental affordability in ACT and Queanbeyan, by household type and percentage with Coronavirus Supplement increases calculated as permanent increases to household incomes

#	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)	0	0.0%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0	0.0%
3	Couple, no children	Age Pension	14	1.2%
4	Single, one child (aged less than 5)	Parenting Payment Single	2	0.2%
5	Single, one child (aged over 8)	Jobseeker Payment (formerly Newstart)	1	0.1%
6	Single	Age Pension	23	1.9%
7	Single aged over 21	Disability Support Pension	0	0.0%
8	Single	Jobseeker Payment (formerly Newstart)	30	2.5%
9	Single aged over 18	Youth Allowance	23	1.9%
10	Single in share house	Youth Allowance	15	1.2%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A (both adults)	8	0.7%

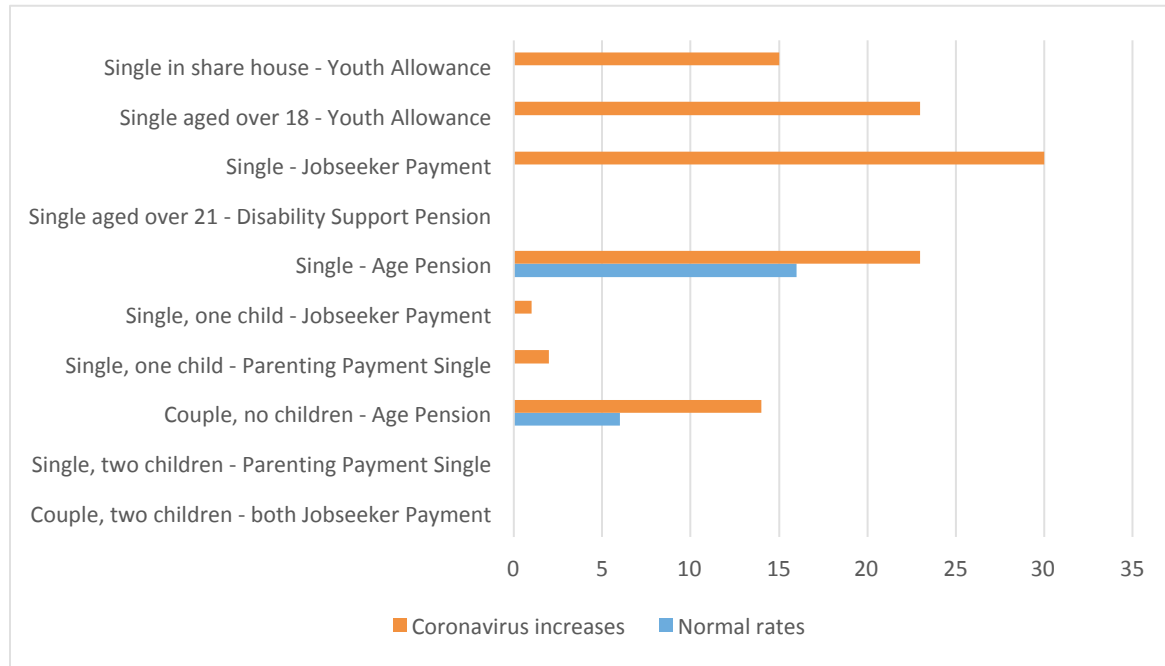
#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	0	0.0%
13	Single	Minimum Wage	48	4.0%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	0	0.0%
Total No of Properties			1201	

An increase of \$550 a fortnight is substantial for those on the lowest incomes. However, these improvements makes very little difference when the private rental market is as high as it is in the ACT and Queanbeyan.

What we find is that families on low income – single or couple with one or two children – are priced out of the rental market in ACT and Queanbeyan. And the situation is more or less the same for single people – young or old – on low income, unless you are able to live in a share house and are the preferred choice by the landlord and other housemates. Knowing how though the rental market is, and the fact that property managers generally rule out potential tenants if the rent is more than 30 per cent of their income^{vii}, a person on the Jobseeker Payment is not going to stand any real chance in the private rental market.

Figure 5: The number of affordable and suitable homes in the ACT and Queanbeyan for people on income support payments before and after the Coronavirus

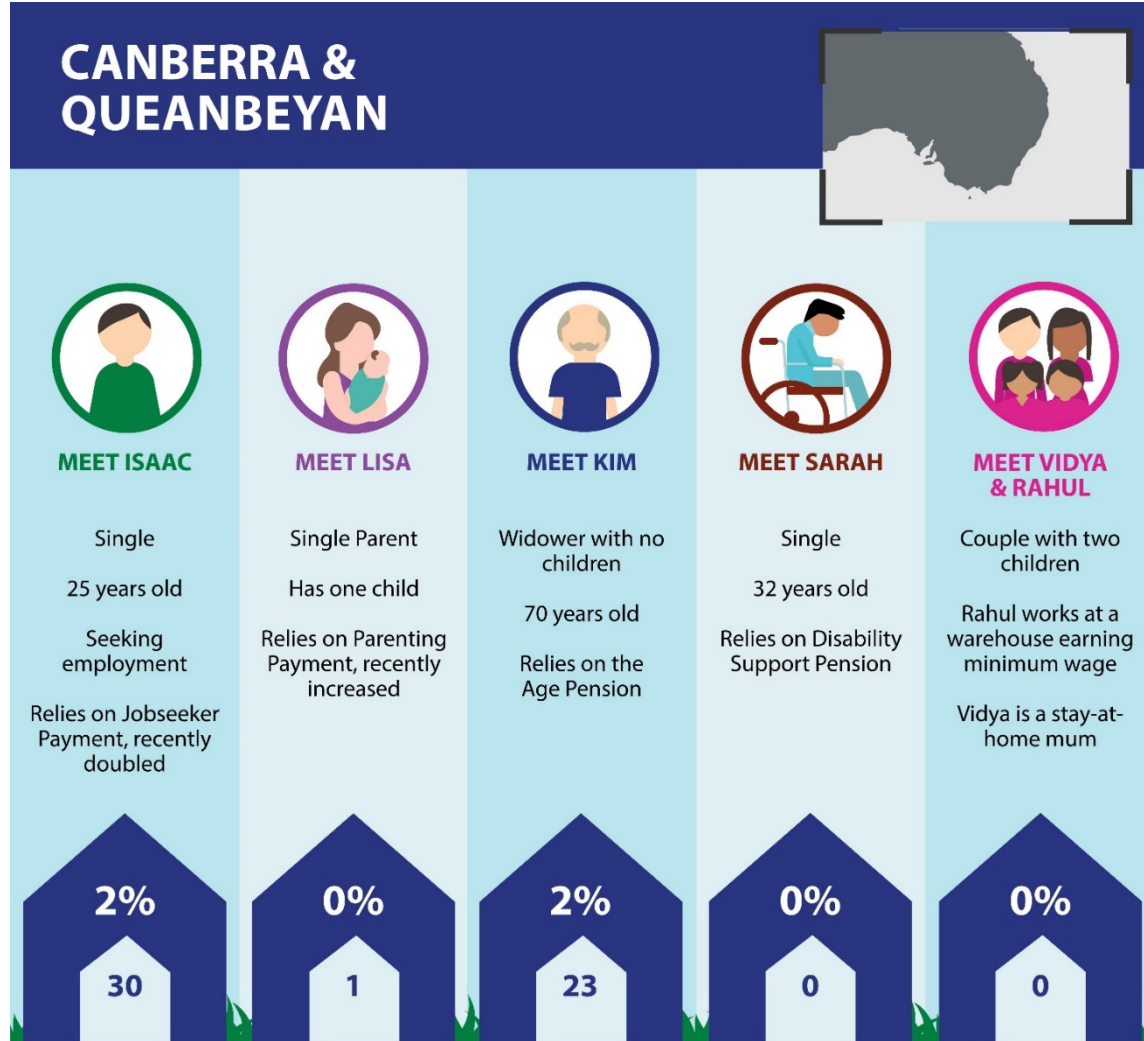
Supplement increases



While the Coronavirus Supplement increase might not mean much in terms of housing affordability for low income families in the region, it would still mean a long awaited improvement for children living in poverty. Of all age groups, children are the cohort most likely to be living in poverty or nearly 17 per cent of all children in Australia^{viii}.

NCOSS has found that single parents is the household with the highest poverty rates^{ix}. A permanent increase for single parents would be important to improving the wellbeing and participation of Aboriginal families, as Aboriginal children are much more likely to live with only one parent^x.

Figure 6: Rental affordability in the ACT and Queanbeyan for selected household types after the Coronavirus Supplement increases, by number and percentage



There is little doubt that the Coronavirus Supplement is real money in people’s pockets that will help ease expenses and let them do things they often defer such as paying essential bills, buying enough food and allowing the kids to attend school events or birthday parties. But in terms of stark affordability improvements, people on low income in the ACT and Queanbeyan see no real improvement. The results show that the private rental market, without major adjustment, just does not provide sufficient affordable and appropriate homes for people on low income. Our households are still ultimately competing against each other for the limited pool of affordable – and appropriate – rentals available in the market.

What should be done?

Together with the national Anglicare Australia Network, Anglicare NSW South, NSW West and ACT keeps advocating for significant changes to our nation's policies, so that all Australians can afford a home and not be forced into poverty. This year's Snapshot for the ACT and Quenbeyan shows us that we still have a long way to go to improve housing and living affordability for vulnerable people in our society. All level of governments, businesses and not-for profits need to work together to change this dire trajectory.

More affordable homes and social housing

As growing numbers of households find themselves locked out of home ownership and face difficulties securing affordable housing, Australia badly needs housing reform.

We need the ACT Government to invest in affordable homes and social housing across the territory that meet people's diverse needs. An increasing number of low income households are pushed in to severe hardship with the very high rental prices in ACT, and we need to provide them with better, cheaper alternatives. As such, Anglicare welcomes investments through the ACT Housing Strategy 2019-2024.

Australia, including the ACT, will suffer a protracted economic downturn as a result of this pandemic. The Federal Government has written to State and Territory governments, seeking projects as part of its economic stimulus package under the COVID-19 pandemic and asking for infrastructure to be prioritised. The current health crisis has shown us more than ever the importance of a home. No one should be without a home or be squeezed out of the market – particularly not during a health emergency. Investing in affordable homes – including social housing – would be the most powerful way to tackle the rental crisis and boost our economy.

Investment in housing as the critical social infrastructure it is, must be a top inter-governmental priority over the coming three-five years. Projects that invest in housing as social infrastructure provide an excellent "double-sided impact platform" – meeting a critical economic need to stimulate economic recovery, whilst helping to meet critical unmet social need amongst the most vulnerable in our society.

The ACT Government needs to provide incentives for non-government investors to increase the supply of affordable housing that meet the needs of diverse tenant groups, e.g. older people needing to downsize or suddenly finding themselves single, persons with a disability, single parents with children or young person moving out of state care. Affordable and appropriate housing must be within reach of much needed services and transport links to the community as well as employment opportunities.

Better protection for renters

We also need better protection for renters. Ban on tenant evictions is important, but the ACT Government needs to clearly communicate how the legislation will be enforced and supported. It also needs to ensure that rent is waived, as simply deferring rent will create a future debt risk for many. Indeed, Anglicare believes there will be a significant cohort of the population who will simply not be able to repay a three to six months rental debt and that would see more Australians falling into homelessness.

There needs to be joint efforts between local governments, real-estate agents, landlords and support services to make sure that rentals are made available to those who really need them, such as single people with a disability and families of Aboriginal and Torres Strait Islander background.

Further, the likely severity of the recession will also increase the need for a safety net from the public and social sector.

A decent safety net

We also need permanent welfare increases for people out of work. This will be a long awaited measure to addressing poverty in Australia and child poverty in particular. The Federal Government must ensure that payments accurately reflect not only housing cost, but also living expenses – for all vulnerable cohorts that need them.

We need to support people to keep a roof over their heads and buy essential supplies – in a time of crisis as well as in ongoing hardship. People will be recovering from this current downturn for years. If in the Coronavirus Supplement is removed six months – and if those who are most vulnerable continue to be left out, such as people with a disability – people will be pushed even deeper into poverty and homelessness.

A better safety net also means the existence of community infrastructure that can support people who find themselves in crisis, whether it is due to natural disasters or unfortunate life circumstances.

Anglicare NSW South, NSW West and ACT is a provider of services for young people in statutory care in Queanbeyan and witness daily the struggle young people experience when leaving care into independence. Many young people leaving out-of-home care are dealing with complex personal, legal and family issues and the severe financial strain of unaffordable housing compounds their stress and isolation. Statistics show that 35 percent of care leavers experience homelessness in the first year after leaving care^{xi}. A combination of better wraparound support, extended care options, affordable housing and increased financial resources is needed to prevent the additional trauma of homelessness for our most vulnerable young people.

Conclusion

Our Rental Affordability Snapshot once again shows that the Canberra and Queanbeyan private rental market is completely unaffordable for people on low incomes. We need urgent action from the Federal and Territory Governments to address the region’s lack of social housing, and to ensure people have enough money to have a home, and live a decent life.

To see the results across the nation, go to the Anglicare Australia’s national report on www.anglicare-ras.com

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- ^{iv} Productivity Commission (2020), Report on Government Services 2020, Housing and Homelessness sector overview data tables (XLSX - 118 Kb) <https://www.pc.gov.au/research/ongoing/report-on-government-services/2020/housing-and-homelessness/rogs-2020-partg-sector-overview-data-tables.xlsx>
- ^v ACTCOSS, [Poverty and inequality in the ACT](#), Factsheet July 2019
- ^{vi} The full list of government income payments temporarily increased via the Coronavirus Supplement is found here - <https://www.dss.gov.au/about-the-department/coronavirus-covid-19-information-and-support#cor>
- ^{vii} ABC News (Posted 20 Jan 2020), [Bleak prospects for new tenants moving to Canberra, the city with Australia's highest rent](#)
- ^{viii} ACOSS and UNSW Sydney (2020), [Poverty in Australia 2020: Part 1](#)
- ^{ix} Ibid.
- ^x NSW Government Department of Aboriginal Affairs, 2019, ‘Community portrait: New South Wales. A portrait of the Aboriginal community of New South Wales, compared with Australia, from the 2016 and earlier Censuses.
- ^{xi} <http://thehomestretch.org.au/learnmore/>