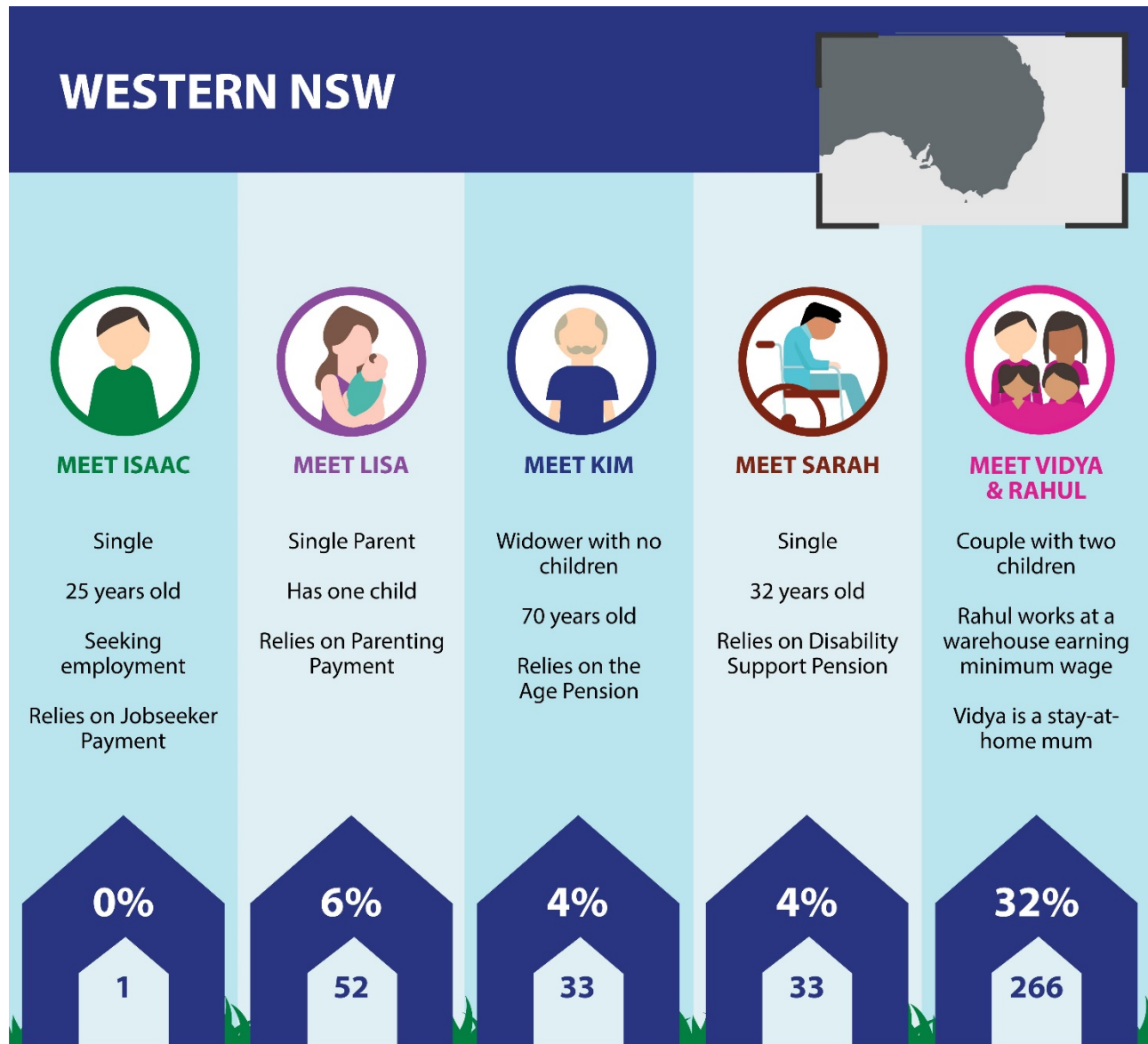


## Rental Affordability Snapshot 2020

Anglicare NSW South, NSW West & ACT

Affordability in Western New South Wales – Far West, Central West and Orana

Figure 1: Rental affordability in Western NSW 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 many parts of regional NSW 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 Western NSW in a variety of 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

*The Far West, Orana and Central West regions include over 25 local government areas with major town centres being Bourke and Wilcannia on the Darling River, Broken Hill, Bathurst, Orange, Dubbo as well as key centres of Lithgow, Mudgee and Cowra. It covers a vast and diverse area, bordering Queensland, South Australia and Victoria, and has a higher proportion of Aboriginal and Torres Strait Islander population than the rest of NSW.*

## 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 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 affordability<sup>1</sup>; 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 Western New South Wales – the Far West, Orana and Central West regions<sup>1</sup>. Over the last months many families have been affected by severe drought conditions and the unprecedented bushfires of last summer. At current they are all experiencing the effects of the measures put in place across our nation to limit the spread of COVID-19 – including record 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 Western NSW 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 found 843 private rentals advertised in the Western NSW. 549 rentals (65 per cent) were affordable and appropriate for at least one household type on Minimum Wage, whilst 199 rentals (almost 24 per cent) were affordable and appropriate for at least one household type on income support payments. The table below shows how many properties were affordable and appropriate for our assessed 14 household types.

Table 1: Rental Affordability in Western NSW, 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)	61	7%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	41	5%

<sup>1</sup> LGAs within our catchment area include Balranald, Bathurst Regional, Bogan, Boorowa, Brewarrina, Broken Hill, Cabonne, Central Darling, Cobar, Coonamble, Dubbo, Forbes, Gilgandra, Lachlan, Lithgow, Narromine, Mid-Western Regional, Orange, Walgett, Warren, Warrumbungle Shire, Wellington, Upper Hunter Shire

#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
3	Couple, no children	Age Pension	180	21%
4	Single, one child (aged less than 5)	Parenting Payment Single	52	6%
5	Single, one child (aged over 8)	Jobseeker Payment (formerly Newstart)	7	1%
6	Single	Age Pension	33	4%
7	Single aged over 21	Disability Support Pension	33	4%
8	Single	Jobseeker Payment (formerly Newstart)	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)	450	53%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	184	22%
13	Single	Minimum Wage	111	13%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	266	32%
Total No of Properties		843		

As with previous years' Rental Affordability Snapshots most people on income support payments would have a hard time finding affordable and appropriate private rentals. 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 7 affordable and appropriate rental homes across the whole of Western NSW on the snapshot weekend. That is one per cent of all listings. Further, a limited 61 properties – or seven percent of listings – are affordable and appropriate for a family with two children and both parents on the Jobseeker Payment. The condition, location, and proximity to essential services of the lower priced options would vary.

For the Snapshot weekend, one property was affordable and appropriate for a person on Jobseeker Payment, but none for a young person on 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 households financial hardship. The one suitable property on the Snapshot weekend was a compact living arrangement recommended for a contractor or shift worker in Cobar.

There are limited options for single people working for Minimum Wage – 13 percent of all properties. ‘Best off’ is a family where both working parents receive Minimum Wage and Family Tax Benefit A, as slightly over half of all rentals are affordable and appropriate to them on the Snapshot weekend.

It is worth noticing that affordability and appropriateness would be influenced by the housing stock available in the regions. In Far West, Orana and Central West three, four or more bedroom homes comprise over 80 per cent of occupied dwelling. Although over half of households in these regions are single person or couple, only one-two per cent of dwelling stock is studio or one bedroom. A significant 22 per cent of dwellings were unoccupied at the time of the 2016 Census in the Far West<sup>ii</sup>.

## A crisis for many

Housing rent and purchase affordability varies significantly within the region, particularly between the larger centres and the rest of the region.

The general trend in rental affordability in Far West for low income households is an improvement in affordability since 2013<sup>iii</sup>, whilst rental affordability for lower income households has been declining for the majority of LGAs in Central West and Orana. Median rents have experienced strong growth in Central West and Orana<sup>iv</sup>, whilst in Far West the price growth over the last ten years has been variable and particularly so over the last 12 month period to June 2019, with some LGAs experiencing price increases, some holding steady and others declining<sup>v</sup>.

The number of very low and low income renters in housing stress increased significantly in almost every LGA in Central West and Orana between 2011 and 2016, and particularly in Western Plains Regional, Orange and Bathurst<sup>vi</sup>. In Far West there has been a strong increase in the number of recipients of Commonwealth Rent Assistance and particularly the number in housing stress compared to the rest of NSW. This is at a time when the proportion of the population who own their home outright and who has purchased their home has declined, but the proportion who rent has increased<sup>vii</sup>.

Even in Western NSW where housing is more affordable than other regions of NSW, the rental market is not meeting the needs of people on the lowest incomes. There is a large gap between what households can afford to pay for housing and the rent price of housing in the region. As social housing is so scarce and waitlists are long, people have to do with a rental market forcing them into severe hardship.

## 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<sup>viii</sup>, 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 Western NSW, by household type and percentage with Coronavirus Supplement increases calculated as permanent increases to household incomes

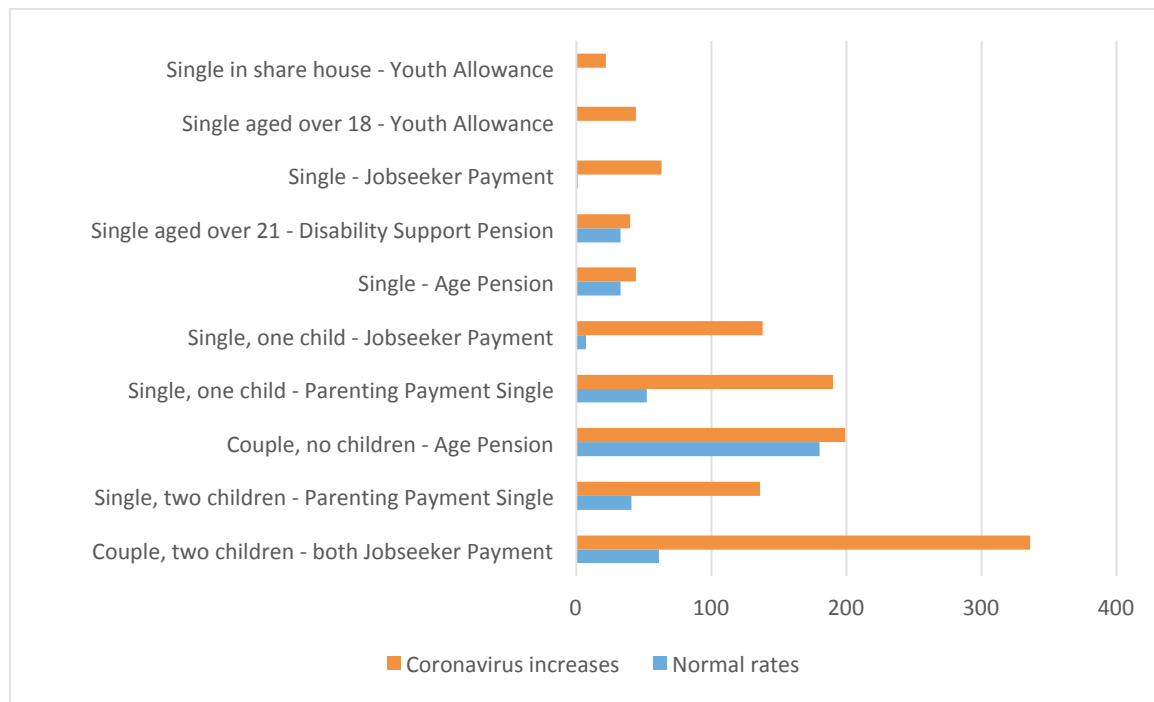
#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	Jobseeker Payment (both adults)	336	40%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	136	16%
3	Couple, no children	Age Pension	199	24%
4	Single, one child (aged less than 5)	Parenting Payment Single	190	23%
5	Single, one child (aged over 8)	Jobseeker Payment (formerly Newstart)	138	16%
6	Single	Age Pension	44	5%
7	Single aged over 21	Disability Support Pension	40	5%
8	Single	Jobseeker Payment (formerly Newstart)	63	7%
9	Single aged over 18	Youth Allowance	44	5%
10	Single in share house	Youth Allowance	22	3%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A (both adults)	450	53%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	184	22%
13	Single	Minimum Wage	111	13%

14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	381	45%
Total No of Properties			843	

The new additional payments would provide needed relief for several low income households - in particular families with children. 65 per cent of listings would still be affordable and appropriate for at least one household on Minimum Wage, whilst 514 rentals or 61 per cent of listings would now be affordable and appropriate for at least one household type on income support payment – as opposed to previously 24 per cent.

Whilst a single mum or dad with one child on Jobseeker Payment (formerly Newstart) could find seven affordable and appropriate rental homes across the Western NSW on the Snapshot weekend, they can find 63 such rentals after the Coronavirus Supplement increase. That is however, still only seven per cent of all listings. If both parents receive the Jobseeker Payment, 336 properties or 40 percent of advertised rentals would then be affordable and appropriate, as opposed to previous seven per cent.

Figure 2: The number of affordable and suitable homes in the Western NSW for people on income support payments before and after the Coronavirus Supplement increases



The \$550 increase would mean both better housing affordability and ‘life affordability’ for very low income families in the Western NSW although single parents would still be doing it tough. Of

all age groups, children are the cohort most likely to be living in poverty. More than 1 in 6 children in NSW live below the poverty line<sup>ix</sup>.

NCOSS has found that single parent households have the highest poverty rates in NSW. More than a quarter of single parent households are in significant economic disadvantage, experiencing rates of poverty across NSW of 27 per cent on average<sup>x</sup>. 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<sup>xi</sup>.

Making the Coronavirus Supplement permanent would go some way to improving poverty rates among single unemployed people and young people living alone in Western NSW. However, it is still not doing much to improve housing affordability. A single person on Jobseeker Payment could afford a weekly rent of \$173 as opposed to \$90, but this would still leave only seven per cent of properties affordable and appropriate across the region.

The fact that the rental affordability rise is not bigger for a single person on Jobseeker Payment – or Youth Allowance – just shows how low these original allowances are when such big raises don't significantly improve the lot of many households.

*It's not just about housing. It's also about the standard of living. A home should be descent and healthy for kids to crawl around. At the end of the day we're talking about families and their wellbeing and how that influence people's outlook on life.*

*Rebecca Hare, Anglicare NSW South, NSW West & ACT Family Case Worker in Orange*

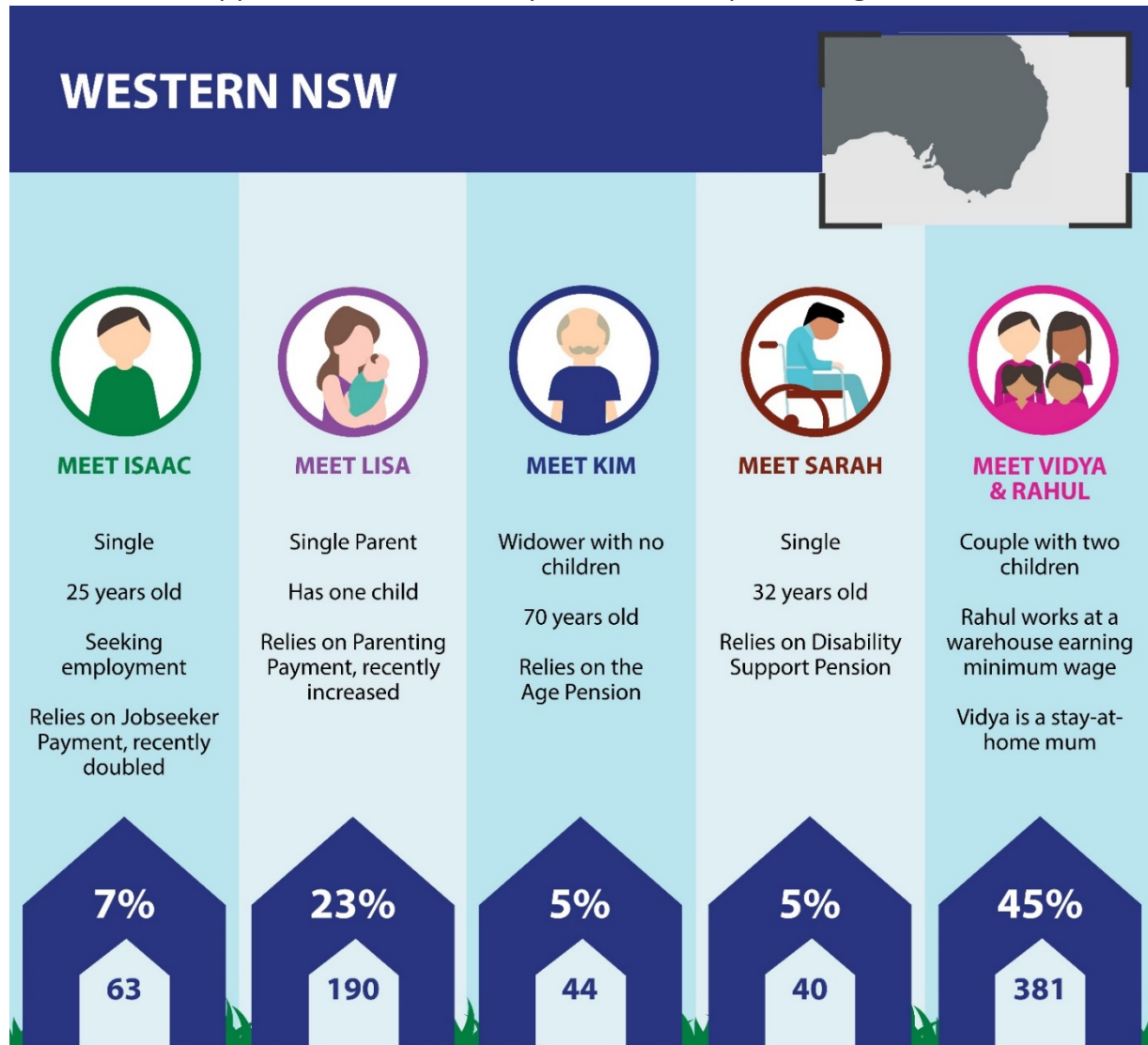
Further, the new calculations show that single people on Age Pension and Disability Support Pension are left behind. The affordability for these two household types are now at the same level as a single person on Youth Allowance. This is disturbing considering the special needs of older people and people with a disability. 21 per cent of people with a disability lives in poverty compared to nearly 11 per cent of people without a disability<sup>xii</sup>. Research has found that, to provide the same standard of living as households without disability, families receiving the disability support pension would need \$183 more per week on average<sup>xiii</sup>. Currently a person on Disability Support Pension receives \$919.30 per fortnight.

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, single people see little major 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 incomes. Our households are still ultimately competing against each other for the limited pool of affordable – and appropriate – rentals



available in the market. As the population in Western NSW is ageing and the proportion of lone person households is increasing, the competition will be particularly felt for older residents and people who live alone as the region’s current housing stock is not matching their needs.

Figure 3: Rental affordability in Western NSW for selected household types after the Coronavirus Supplement increases, by number and percentage



### 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 Western NSW 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 NSW Government to invest in affordable homes and social housing across NSW that meet people’s needs. An increasing number of low income households are pushed in to severe hardship with the current rental prices, and we need to provide them with better cheaper alternatives. Australia’s affordable housing shortfall is massive. The Everybody’s Home campaign has shown NSW needs 316,700 new social and affordable rental homes by 2036 to meet the current shortfall and keep up with population growth<sup>xiv</sup>.

Australia, including the NSW, 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 when there are no real alternatives – 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 NSW 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. As such we welcome the six-month support package announced by the NSW Government for residential tenants and landlords facing financial stress including an interim moratorium on evictions.

However, the NSW Government 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 it, 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.

The Coronavirus Supplement has shown that increases to only some vulnerable groups would leave others behind in the rental market. 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 the Coronavirus Supplement is removed in 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.

However, 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 Orange 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<sup>xv</sup>. 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 Western NSW private rental market is not meeting the needs of people on the lowest incomes. We need urgent action from the

Federal and State Government 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](http://www.anglicare-ras.com)

## References

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- <sup>i</sup> Yates, J (2007), Housing affordability and financial stress, National Research Venture 3: Housing affordability for lower income Australians, Australian Housing and Urban Research Institute.
- <sup>ii</sup> Families and Community Services NSW (17 Feb 2020 version), [Housing Market Snapshot – Central West and Orana Region](#) and [Housing Market Snapshot – Far West Region](#)
- <sup>iii</sup> Families and Community Services NSW (24 Sep 2019 version), [Far West - What's happening in the housing market](#)
- <sup>iv</sup> Families and Community Services NSW (17 Feb 2020 version), [Housing Market Snapshot – Central West and Orana Region](#)
- <sup>v</sup> Families and Community Services NSW (24 Sep 2019 version), [Far West - What's happening in the housing market](#)
- <sup>vi</sup> Families and Community Services NSW (17 Feb 2020 version), [Housing Market Snapshot – Central West and Orana Region](#)
- <sup>vii</sup> Families and Community Services NSW (17 Feb 2020 version), [Housing Market Snapshot – Far West Region](#)
- <sup>viii</sup> 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>
- <sup>ix</sup> Vidyattama, Y., Tanton, R., and NSW Council of Social Service (NCOSS) (2019), [Mapping Significant Economic Disadvantage in New South Wales](#), NATSEM, Institute for Governance and Policy Analysis (IGPA), University of Canberra. Report commissioned by NCOSS.
- <sup>x</sup> Ibid.
- <sup>xi</sup> 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.
- <sup>xii</sup> Ibid.
- <sup>xiii</sup> Li, J., La. H.N., Brown, L., Miranti, R., & Vidyattama, Y., 2019. ‘Inequalities In Standards of Living: Evidence for Improved Income Support for People with Disability’, NATSEM, Institute for Governance and Policy Analysis (IGPA), University of Canberra. Report commissioned by the Australia Federation of Disability Organisations.
- <sup>xiv</sup> <https://everybodyshome.com.au/nsw-rental-stress-is-real/>
- <sup>xv</sup> <http://thehomestretch.org.au/learnmore/>