



Rural Housing:
Liveability, Availability and Affordability
Background Briefing Paper

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Contents

Introduction	3
Women and housing statistics	4
Liveability	6
Housing, Health and wellbeing and non-shelter outcomes.....	6
Climate change environmental and health impacts	7
Aboriginal and Torres Strait Islander housing and health	8
Availability.....	9
Regional migration and Covid 19.....	10
Availability of Social, Public, and Community Housing.....	11
Specialist Homelessness Services	12
Affordability	13
Housing Affordability	13
Rental Affordability.....	13
Summary	14
Seven Policy Action Areas To Address The RRR Housing Crisis	15
References	16

Introduction

RURAL, REGIONAL AND REMOTE (RRR) AUSTRALIA IS IN THE MIDST OF A HOUSING CRISIS.

The housing crisis is characterised by a shortage of housing, whether to buy, rent or for temporary refuge. It is being fed by low interest rates and tax incentives that encourage real estate investment that in turn increase demand for properties and increase property prices. The increased demand for RRR properties has also been fuelled by population migration to regional areas as a result of the COVID-19 pandemic.

The housing crisis is also being fed by policy responses (or lack thereof) to support the recovery of RRR communities after a climate event such as the back to back floods in Eastern Australia in the summer of 2022. Climate change is having an impact on liveability in RRR Australia. The number and severity of climate events is forecast to increase as the planet continues to warm. Some RRR communities are still trying to recover from cyclone events from over a decade ago. Families are still living in tents or caravans in bushfire affected communities from 3 years ago and communities in flood affected areas are still grappling with the damage to their homes and towns and industries. Recovery from climate events like drought, bushfires, storms and floods will be a perpetual cycle of preparing and adapting requiring rethink of what liveability means to RRR communities in a changing climate.

The housing crisis is also a result of changes to social security payments and low wages that contribute to rental and mortgage stress. Rental assistance is not keeping pace with rental prices and the cost of living is increasing. There has also been a decrease in the quantity, quality and availability of public/social housing, and not enough community housing options and emergency accommodation. This means that more people are living in precarious housing or are homeless. The decreased availability and affordability of suitable and safe housing impacts on the availability of key workers that are essential for the liveability of RRR communities and threatens the community cohesion, a trademark of RRR Australia.

Attitudes to housing have shifted from seeing a house as a home and a place for shelter and safety and as a human right¹ to the house being a commodity and a vehicle for wealth and investment². The financialization of housing allows *“the market to become the main regulating institution, setting benchmarks for the price, location and availability of housing and land, including rental prices”* and as a result *“Handing over housing to the market has proved a failure in providing affordable and adequate housing for all.”*³

Providing bricks and mortar alone does not guarantee affordability; security of tenure; availability of services, materials, facilities and infrastructure; accessibility; habitability; a safe location or cultural appropriateness⁴. This is because the RRR housing crisis intersects with social and health inequalities that already existed before the pandemic and the natural disasters. These include (but not limited to) lower education attainment, low incomes, unemployment, high rates of domestic violence, mental illness, family breakdown, drug and alcohol abuse, and poor access to health care and transport.

And underlying both the climate and the housing crisis is how these issues amplify existing gender inequalities and pose unique threats to RRR women’s livelihoods, health, and safety⁵.

The overall result of the RRR Housing crisis can be summarised⁶ as follows:

- an under supply of new homes
- poor housing affordability

- increased mortgage and rental stress
- workforce shortages in RRR as key workers are unable to find affordable places to live
- reduced outright home ownership (especially among the young adults)
- housing insecurity and precarious housing
- overcrowding and increased numbers of people sleeping rough
- homelessness is continuing to increase
- impacts to health and wellbeing; and
- women are at high risk of becoming homeless.

For RRR to be healthy and sustainable places to live, work and visit, they need a stable environment, a viable local economy and sense of community that promotes inclusion, reciprocity and trust. It is evident from the increasing demand for and decreasing supply of housing that current policies are not dealing with the crisis sufficiently to meet the growing need for safe, secure, liveable, affordable and available in RRR, particularly for women.

Women and housing statistics

Women in RRR are at high risk of becoming homeless and living in precarious, unsafe, and unsuitable housing. Women and housing issues, particularly couch surfing, is often hidden and as a result the housing and homelessness statistics underestimate the extent to which women are experiencing housing stress.

In 2016 there were over 116,00 people experiencing homelessness on Census night, an increase of 14% since 2011, and 58% were male⁷. However, older women over 55 are the fastest growing group to experience homelessness in Australia. There was a 31% increase of the number of women experiencing homelessness from the 2011 Census to the 2016 Census, which is over double the rate for people experiencing homelessness in Australia⁸. In 2006, there were 91,549 older women who were private renters. By the 2011 Census, that figure had almost doubled to 180,617.

The pandemic has worsened the housing situation for women further. Research by Equity Economics in women in New South Wales showed that in 2020-2021 the number of people seeking specialist homelessness services who have experienced family and domestic violence increased by 7.1 per cent, and 4812 women were being forced to stay in an unsafe and violent home, or face homelessness - with up to 2,402 women returning to live with a violent partner because of lack of an affordable alternative⁹.

Research from the Housing for the Aged Action Group and Social Ventures Australia¹⁰ estimate that **405,000 women aged 45 years and over are at risk of being homelessness**. This includes 165,000 women aged 45-55 years; and 240,000 women aged 55 years and over.

YWCA's survey of over 1,000 women on low or moderate incomes living in regional Australia¹¹ also showed that:

- 63% had some level of housing stress
- 1 in 4 had lived in temporary accommodation in the last five years because they could not afford private rental accommodation
- 1 in 8 had been homeless in the last 5 years. 1 in 4 of these hid that homelessness from others

- 1 in 5 said their current housing was not suitable for them
- 1 in 3 women in unsuitable housing said it was not safe
- 78% worry about having enough money in retirement
- 41% had asked for financial help from family or friends
- The most common reason for women becoming homeless is escaping domestic violence.

At the heart of women and housing issues is gender inequality^{12,13} structural barriers and discrimination this includes:

- the gender pay gap between men and women
- interrupted or limited earning capacity due to primary caring responsibilities
- women being more likely to experience economic insecurity as a result of relationship breakdown, separation and divorce
- women being more likely to reach retirement with much lower superannuation balances than men
- female dominated industries being more likely to be low paid, casual and part-time
- experiences of family violence; and
- gender and age discrimination in the workforce.

In addition, women are at risk of being homeless if they:

- are not employed full time;
- are an immigrant from a non-English speaking country;
- are in a private rental;
- would have difficulty raising emergency funds;
- identify as Aboriginal and/or Torres Strait Islander;
- are a lone person household;
- a lone parent (excluding those never married);
- have a low-level of social support; and,
- have previously met the criteria for being at risk of homelessness¹⁴.

Liveability

Liveable is an urban centric term relating to the built environment in towns and cities. A liveable community is defined as one that is:

“safe, attractive, socially cohesive and inclusive, and environmentally sustainable; with affordable and diverse housing linked by convenient public transport, walking and cycling infrastructure to employment, education, public open space, local shops, health and community services, and leisure and cultural opportunities”¹⁵.

A place can be deemed liveable if they have certain characteristics such as health and education services, a low cost of living, good quality amenities, connection to community and lifestyle opportunities.¹⁶ These aspects have been found to play an important role in regional “liveability” and influence people’s decisions to move to, stay in or move from a regional town.¹⁷

One could argue that many regional towns cannot meet the liveable criteria. Using the example of health services, RRR communities have long experienced inequality in access to health care. The further you go from a major city the higher the chances are that you will need to be admitted to hospital for care, often many kilometres from your home town, for an issue that could have been prevented if access to health care had been available¹⁸. There is also a higher chance of people dying prematurely for the same reason¹⁹.

The concept of liveability when it is applied to RRR also needs to take into account current and emerging environmental challenges and include (but not limited to) the health impacts from poor housing conditions in Aboriginal and Torres Strait Islander communities and the impacts of climate change.

Droughts, bushfires, floods, severe storms, changes to regional industries, workforce shortages and recovery from the impacts of Covid 19 are just some examples of ongoing issues in RRR Australia that are impacting on liveability.

Housing, Health and wellbeing and non-shelter outcomes

Housing is a determinant of health and wellbeing²⁰. When housing is inadequate, or precarious it is harmful to our health. There is no single issue relating to precarious housing (unaffordability, dwelling condition, overcrowding, forced moves, private rental) that is more important to health because they all play their part.²¹ Public renters, lone parents, singles and Indigenous people are more likely to be living in poor-quality precarious housing.

The condition of the home, the sanitation including plumbing, cleanliness and being pest free, the insulation, the ventilation, contamination free e.g., free from chemicals such as lead or pesticides, and the ability to heat or cool the home contribute to physical wellbeing²². Where housing is located, the design of the house, the quality and safety of the neighbourhood (such as footpaths, lighting, green space and places that increase social connections such as community gardens and sporting facilities contribute to mental, social and emotional wellbeing²³.

Overcrowding and precarious housing impact on liveability and can increase the spread of infectious diseases, decrease hygiene and sanitation and safety and privacy. The number of people in RRR that are living in precarious housing is increasing particularly for young people. Young people are more likely to fall into or remain in precarious housing than older people. Physical violence is usually the cause of why young people enter into precarious housing and the reason that they stay in it for so

long²⁴. Housing is more than bricks and mortar for shelter. Having a stable home, that provides privacy and safety is important to maintain a job, education and social connections.

Children’s health and wellbeing is impacted by insecure and precarious housing. Having to relocate adds to the family stress level, destabilises family life, reduces motivation and levels of school attendance, interrupts continuity at school and may result in children falling further and further behind their peers²⁵. See Table 1 for examples of some housing and health issues.

Table 1 Some examples of housing and health related issues

<p>Injury and hazards</p> <ul style="list-style-type: none"> • Falls, burns, poisonings, ingestion of foreign objects, • electrocution • smoke inhalation, drowning, cuts and collisions with objects, • crushing and fractured bones as a result of structural collapse. 	<p>Infectious disease</p> <ul style="list-style-type: none"> • poor housing is linked to increased risk of complications from Covid-19 • Rheumatic fever and rheumatic heart disease • Viruses spread by vectors (e.g., insects, mosquitoes and rats) • Diarrhoea and vomiting from food and water contamination • Tuberculosis. 	<p>Mental health</p> <ul style="list-style-type: none"> • Overcrowding is associated with high levels of psychological stress. • Excessive noise (common in poorly insulated housing units) is associated with sleep deprivation that leads to psychological stress and chronic stress • Precarious housing and unsafe neighbourhoods • unaffordable housing was associated with a small decrease in their mental health
<p>Chronic illness</p> <ul style="list-style-type: none"> • Poorly insulated and constructed homes can make a dwelling too cold or too hot. Extremes of temperatures and the inability to control temperature are associated with cardiovascular, respiratory and neurological illness. • Overcrowding and inadequate ventilation also increase interior moisture and CO2 levels resulting in poor air quality. • Damp, cold, and mouldy housing is associated with asthma and other chronic respiratory symptoms. • Unclean housing- Damp houses provide an environment for mites, roaches, respiratory viruses, and moulds, dust, allergens, and toxic chemicals. These are linked to respiratory and skin diseases. 	<p>Children’s development</p> <p>There are a number of issues that affect children and housing and liveability in RRR these include:</p> <ul style="list-style-type: none"> • Food insecurity- the lack of affordable housing for low income families means that the majority of the family income is spent on housing leaving little for food. • Housing deprivation is associated with disability or severe ill health in adulthood • Homelessness and living in substandard, temporary housing have been related to mental health and behavioural problems • Poor education outcomes- frequent school moves 	<p>Non-shelter outcomes</p> <p>Insecure and poor conditions housing have been linked to :</p> <ul style="list-style-type: none"> - Neighbourhood crime rates - Lower employment - Lower education attainment - Social dislocation and isolation

Sources: World Health Organization Housing and health guidelines 2018; Mallett et al. 2011; AIHW Australia’s Children 2022; Phibbs & Young 2005.

Climate change environmental and health impacts

Climate change is forecast to increase ambient temperatures, the number and severity of storms, fires and floods, making some places in Australia not only uninsurable but uninhabitable²⁶. Many Australian homes have not been designed to withstand the impact of climate change, particularly for heat as they are often poorly insulated and energy inefficient. The changing climate calls in to questions other dimensions of liveability such as water, food, energy and transport and how to make safe RRR towns.

As of June 2022, many regional towns are struggling post floods, agriculture is suffering from inundated crops and households grappling with damp and mould, deal with the huge amount of

waste and debris, contaminated water and difficulty accessing essential services, food and fuel. The high cost of recovery after floods and bushfires is now opening up questions as to just how liveable parts of Australia are. It is estimated that in Queensland alone will have over 190,000 properties at risk of uninsurability²⁷. Floods have been described as the most expensive disaster to recover from. The flood insurance recovery costs south-east Queensland and northern NSW are now estimated to be over \$4 billion²⁸. In Lismore it has been estimated that it will cost over \$400 million to buy back or relocate a 1000 homes²⁹. The picture is made more complex by the influx of people from the cities to regional areas like Byron Bay. This has increased housing affordability and decreased availability at a time when the region has been inundated with flood waters and has been ranked second in the country for the percentage of high-risk properties.

Flooding and the wetter conditions have been exacerbated climate change and the La Niña weather pattern. The latest La Niña was expected to persist from November 2021 to late summer or early autumn in 2022. It is not unusual for La Niña events to occur over two consecutive summers, but for it to occur a third time is very rare. There are new weather modelling reports indicating that a third La Niña could occur again in the spring of 2022 and summer 2023. Other research indicates that the frequency of extreme La Niña events will increase as a result of global warming³⁰. The impact of climate change is slowing down the ocean currents brings warm water from the tropics to the North Atlantic. Scientist are concerned that the slowing down of the ocean current will lock earth's climate into a La Niña-like state³¹. As El Niño and La Niña are naturally occurring climate patterns, they cannot be prevented. As they are also being fuelled by climate change, this will have further impacts to liveability in regional Australia, particularly for agriculture, water supply and safety of towns and infrastructure in northern and eastern Australia.

Climate change will also increase the number and type of a number of health issues such as vector borne diseases. Vectors include rodents, cockroaches, ticks and mosquitoes. Japanese encephalitis is a viral disease spread by mosquitoes, it usually infects animals, but they cannot transmit the virus to humans. Prior to February 2022, infection with the virus had not been detected in animals further south in mainland Australia than the northern peninsula area of Cape York. The recent floods and warm temperatures have created conditions for the virus to flourish and thirty seven cases have been recorded in areas that would not normally see this virus in humans including South Australia, Victoria and New South Wales. Previously, when cases have been recorded, they have usually been contracted the virus overseas³². Secure housing plays a significant role in keeping vector borne diseases out of the house³³. Housing policies need to address all of these issues to future proof regional towns as part of their mitigation and adaptation to climate change.

Aboriginal and Torres Strait Islander housing and health

The definition of liveability describes what a place is like to live in as well as what it looks like. Although the definition outlined above refers to cultural opportunities, this label does not adequately encapsulate the ongoing impacts of colonisation, dispossession and cultural disruption that Aboriginal and Torres Strait Islander people experience. Liveability for Aboriginal and Torres Strait Islander communities may be defined very differently and include additional dimensions of spiritual connection to country, ecological knowledge and custodianship and kinship.

When considering the concept of liveability in terms of housing, there are many issues around healthy housing and Aboriginal and Torres Strait Islander health and wellbeing. Overcrowding for example is one significant housing issue that impacts Aboriginal and Torres Strait Islander people. There is no universally accepted definition of what overcrowding means as it is culturally and socially contextual. For the purpose of collecting data, the Australian Bureau of Statistics use the Canadian

Occupancy Standard that takes into account the number of bedrooms required in a dwelling based on the number, age, sex and interrelationships of household members³⁴. Indigenous households are more than 3 times as likely to be overcrowded than non-Indigenous households³⁵.

Overcrowding in Aboriginal and Torres Strait Islander people's housing is linked to a list of health issues that include:

- chronic ear infections (e.g. otitis media),
- eye infections (e.g. trachoma),
- skin conditions (e.g. crusted scabies),
- gastroenteritis,
- respiratory infections (overcrowding has been identified as a risk factor for pneumococcal disease), and
- exacerbation of family violence and mental health issues are all potential outcomes from overcrowded environments³⁶.

Another serious health issue that demonstrates what happens when housing is not healthy or liveable is the high rates of rheumatic fever and rheumatic heart disease in Aboriginal and Torres Strait Islander communities. This disease is usually seen in poor developing countries. Up to 78% of women with rheumatic heart disease in Australia are Aboriginal and/or Torres Strait Islander women. Most at risk of developing the disease are young Aboriginal and Torres Strait Islander children aged 5-15, who are 55 times more likely to die of the disease than their non-Indigenous peers. This disease is common in overcrowded homes and can be prevented by providing adequate housing and reducing overcrowding, education on sanitation and hygiene, access to fresh water and assistance to pay energy bills so that washing machine can be used to clean clothes and bed linen, cultural safety, access to quality education and employment, and access to health services³⁷.

Availability

Availability is the number of houses that are available for people to buy, rent or require temporary shelter. The number that are available at any one time is affected by a cyclical ebb and flow of housing stock, structural housing policies (including land use planning, housing welfare, rental price, property price and interest rates) and population movement. Much of the focus of availability has been on the purchasing, rental, and the construction side of the housing market. As a result of this population shift and macroeconomic policy the vacancy rates for buying or renting properties is very low.

In terms of properties available for rent, the rental market benchmarks vacancy rates at 3%, anything under this is deemed a low vacancy rate. Due to what is happening in the housing market at the moment the demand for housing has increased and vacancy rates have fallen. Vacancy rates have been below 3% for major cities for over a year. In some regional towns the vacancy rate has been at zero. Figure 1 shows a comparison of vacancy rates between a selection regional towns and major cities from in April 2021 and April 2022. Although there has been a slight improvement for Strathalbyn and Broome, their vacancy rate remains lower than other regional towns. Since April 2021 vacancy rates in Hobart, Tamworth and Cairns vacancy rates have declined further. In April 2022 Tamworth, the vacancy rate was 0.8%, Cairns, 0.6%, and 0.3% in Strathalbyn and Broome³⁸. (See Figure 1).

The Regional Australia Institute (RAI) estimate that fifteen per cent of housing markets in the Local Government Areas that they analysed have stalled or have failed³⁹ for the following reasons:

1. The total absence in many places of available housing for incoming workers to a country town or other regional settings.
2. Sustained unaffordable housing, resulting in poor living conditions and – potentially – overcrowding.
3. Long commuting times for workers in some regional centres, forced by price to live some distance from their place of work.
4. Under-investment in the housing stock, resulting in under maintained dwellings and housing that is a risk to human health; and
5. The decline of some housing markets results in property owners ‘trapped’ and unable to realise the capital they have invested in their home.

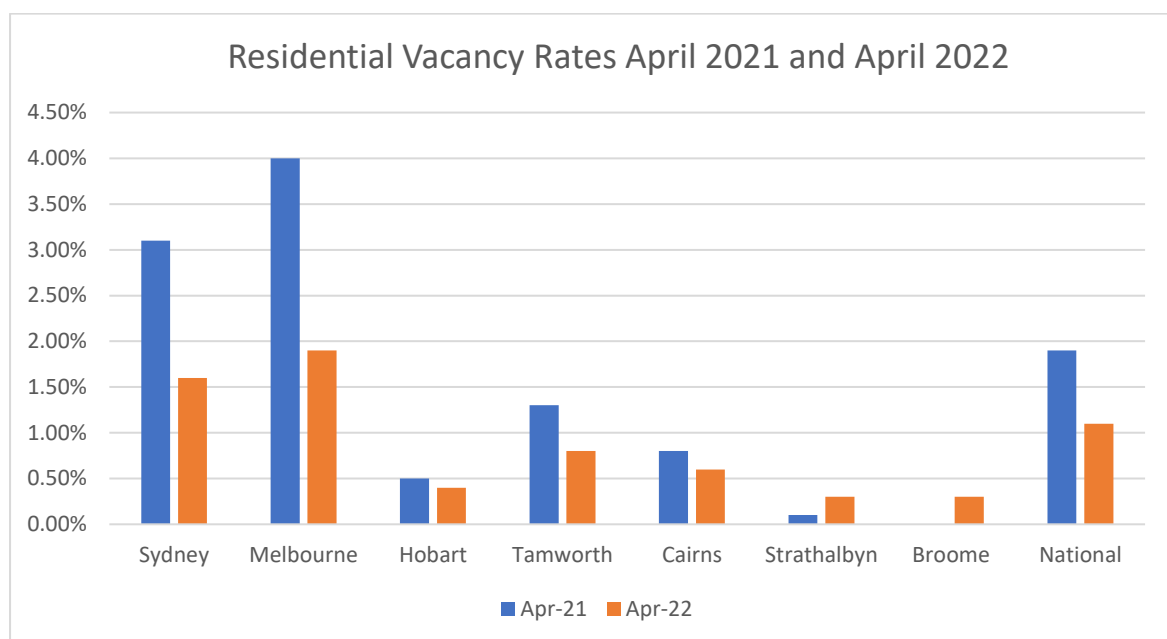


Figure 1 Vacancy Rates record April 2021 and April 2022 Data sourced from SQM Research.

Regional migration and Covid 19.

Availability can be impacted by shocks to the system, such as the COVID-19 pandemic. COVID-19 lockdowns disrupted migration of people moving to cities and people remained in the regions. Housing availability decreased when higher-income households in the cities were able to work from home and were willing to live farther from their offices and relocated to the regions.

Outward migration from regions to the cities also slowed as people remained in the regions during the lockdowns (and after the lockdowns were lifted) that would normally move for education or work. Lockdowns also constrained workforce mobility and availability causing a supply-chain bottleneck and permitting delays that slowed new-home construction.⁴⁰ This also created a lack of supply as houses that may have become vacant did not and new houses were not able to be built.

The Regional Movers Index shows that the quarterly migration during the pandemic is about 15 per cent higher than in previous years, more than double the levels prevailing in the two years prior to the pandemic⁴¹. The pandemic is continuing to disrupt standards of living, housing markets and local and national economies⁴².

National Housing Finance & Investment Corporation in the State of the Nation's Housing report 2021-22 estimate that as the economy and Net Overseas Migration recovers from the pandemic, this will increase the number of new households and will outstrip supply, with a shortfall of over 160,000 dwellings from 2025-32⁴³. This is a shortfall of 20,000 homes a year. A figure that is at odds with the calculations made by NCOSS, that there is already a shortfall of affordable and social housing of 200,000 dwellings.

Another phenomenon that is affecting housing availability in regional Australia is the increase in short term rental properties. Short term rentals in popular tourist locations is not a new phenomenon, but over the last 5 years the number of short term rental properties has increased. For example, in 2017 51% of Airbnb listings of entire homes were outside of major cities, by 2022 this had increased to 71%⁴⁴. This means that properties that were previously available as a long term rental are no longer available. A report from Oxford Economics Airbnb contributed over \$10 billion to the Australian economy and provides over 9000 jobs. Therefore it is seen as good way to support tourism pandemic recovery⁴⁵. But this does not help people who need long term accommodation and stable base to live in regional areas. This includes key workers needed for agriculture, hospitality, retail and social care/ health care industries. Governance and regulation of the peer to peer accommodation market is fragmented in Australia resulting in the sector lacking consistent standards and is largely unregulated⁴⁶. The increase in Airbnb style accommodation is also influencing local property governance, local economies and neighbourhoods.

Availability of Social, Public, and Community Housing

Public housing is a form of housing tenure in which property is owned by a government authority-state or territory or local government. Community housing is housing that is managed by a Community Housing Organisations (CHO) or a Community Housing Provider (CHP). These are not-for-profits organisations that build and manage affordable housing.

Social housing relates to affordable housing or any rental housing that can be owned by government or a non-profit organisation. It is a generic term that is commonly interchanged with public housing and community. Therefore, when the term social housing is used, it can refer to public housing provided by the states, as well as community housing provided by not for profit companies and Indigenous community housing providers. To access social housing the applicant must meet certain criteria. There are different criteria in each State and Territory and CHOs or CHPs. However, they all work on the same premise that the housing is for people in need of affordable housing and the rent is usually about 25% of the tenant's income.

The Australian Institute of Health and Welfare (AIHW) estimate that in 2021 there were 436,000 social housing dwellings in Australia. The housing was a mix of 300,400 (69%) public housing dwellings, 103,900 (24%) community housing dwellings, 14,600 (3%) state owned and managed Indigenous housing (SOMIH), and 17,400 (4%) Indigenous community housing. The majority of social housing (69%) is located major cities. The figures showed there has been small increase of just over 3% (an increase of 4399 dwellings) in social housing in regional areas, from 129,009 dwellings in 2016 to 133,408 in 2020. However, when you look at each category individually and compare them from 2016 and 2020 the figures show there has been increases in some social housing programs but not all. For example, SOMIH in remote and very remote areas and remote Indigenous housing increased the most compared to other programs. But all other areas have seen a decrease in investment at a time when homelessness is increasing and there are over 200,00 people nationally

waiting for housing. Figure 2 demonstrates how social housing programs are dispersed across Australia.

In 2020, NSW Council of Social Services (NCOSS) estimated that in New South Wales alone there is a shortfall of more than 200,000 social and affordable homes in NSW and almost 50,000 households waiting for social housing, with waiting times in certain regions of the state over 10 years.^{47,48}

The AIHW estimate there are over 500 Community Housing Providers in Australia that have range of housing from large single houses to apartment blocks⁴⁹. NSW has 153, the largest number of CHPs in Australia, Queensland has 112, Victoria 89, Tasmania 51, Northern Territory 37, Western Australia 35, South Australia 34 and the ACT has 7 CHPs. The number of community housing dwellings more than tripled (from 32,300 in 2006, to 100,200 dwellings in 2019, a 210% increase (or 67,900 dwellings), partly due to the transfer of ownership or management of public housing dwellings to community housing organisations⁵⁰.

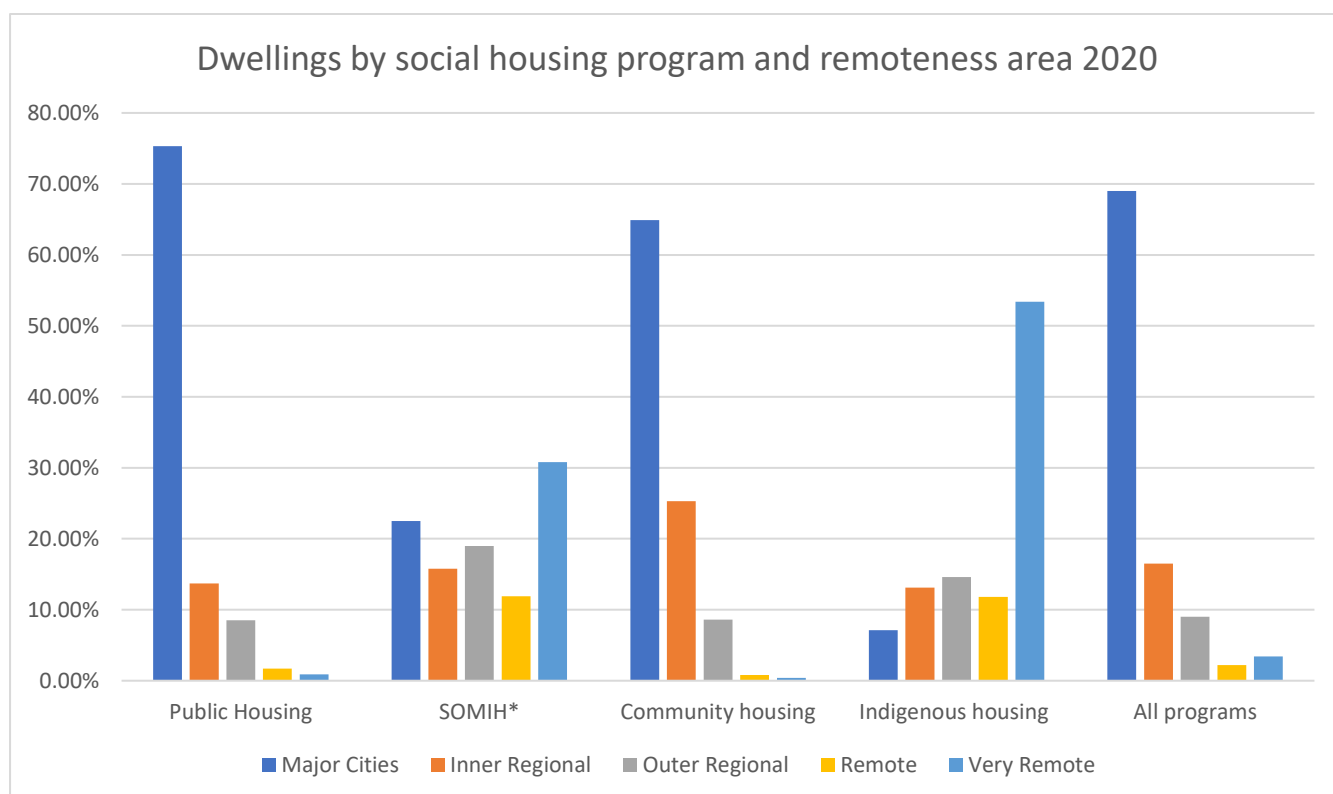


Figure 2

*SOMIH- State Owned and Managed Indigenous Housing. Data Sourced from: Housing Assistance 2021 Social housing data tables- Table 3 Dwellings by social program and remoteness area at 30 June 2014-2020

Specialist Homelessness Services

The demand for specialist homelessness services (SHS) in regional Australia is increasing at a faster rate than in major cities. Forty per cent of people who access SHS are living outside of major cities, which is disproportionate the number of services that are available⁵¹. The AIHW Specialist Homelessness Services report consistently shows that remote and very remote have the highest rate of clients, 3.9 times higher than in Major cities.

Although there is a need for accommodation across Australia, the need for short-term or emergency accommodation remains highest in remote areas and the need for long-term housing is higher in Inner regional areas, compared with Major cities.

The most common main reasons clients sought assistance are:

1. Family and domestic violence. Major cities 30%, Inner regional 27%, Outer regional 26%, Remote and Very remote 34% of SHS Clients
2. Housing crisis. Inner regional 20%, Outer regional 19%, Major Cities 18%
3. Inadequate or inappropriate dwelling conditions (9.3%)⁵².

Affordability

Women were nearly 40% more likely to be in unaffordable housing than men⁵³.

Australian mainland capitals are among 20 most expensive in the world, Sydney is the second most unaffordable city in the world.⁵⁴ Housing is considered affordable if it costs less than 30% of gross household income. Affordable housing is also a term referring to housing that has been developed with some assistance from the State, Territory or Commonwealth Governments⁵⁵.

Housing Affordability

In 2019-20, 66% of Australians owned their own home with or without a mortgage⁵⁶. The Australian Bureau of Statistics Residential Property Index estimates that Australian residential property prices have grown an average of 23.7% in the last 12 months⁵⁷ and regional housing price growth has accelerated faster than many capital cities⁵⁸. From the end of September 2020, through to the end of March 2022 the CoreLogic Housing Affordability Report showed increases in the Residential Property Index ranged from gains of 14.7% across regional Northern Territory to 42.4% in regional NSW, making regional housing unaffordable for low-income earners and pricing first home buyers out of the market⁵⁹.

House prices have increased more steeply than the average wages, and the number of people that have outright home ownership (home owners with no mortgage) has declining. As the property prices increase, it is becoming harder to save a deposit for a first home. Housing deposits have become less affordable over recent decades, with the typical time it takes to save for a home deposit increasing from 6.6 years in 1995-96 to 11.5 years in 2019-20⁶⁰. There are also more people retiring with housing debt. For home owners aged 55 to 64 years, the proportion owing money on mortgages has tripled from 14% to 47% and among home owners aged 45 to 54 years, it has doubled⁶¹.

All this a time when interest rates are low and there are tax incentives to encourage people to buy and invest in property. The Federal Government policy to support first home buyers by enabling them to access up 40% or \$50,000 of their superannuation is also out of reach for many young people that do not have superannuation to tap into, nor do they have their 5% contribution to the deposit to enable them to take advantage of this housing policy.

Rental Affordability

Approximately 31% of Australian rent their home. Half of all renters are paying over 30% of their income on rent, this increases to 63% for older people who are 55+more⁶². Just under 50% of renters have a personal income of less than \$35,000⁶³. The Productivity Commission found that more than 60% of low income renters were experiencing rental stress (spending more than 30 per cent of their income on rent) and 12.5% were spending more than half their income in rental payments⁶⁴.

The latest Rental Affordability Snapshot report released by Anglicare shows that:

- only five rentals were affordable for a single person on JobSeeker out of more than 45,000 listings.
- Just one is affordable for a person on Youth Allowance. All are rooms in share houses.
- Couples out of work, single parents on Centrelink payments, and people on the
- Disability Support Pension all face a market where 0.1 percent of rentals are affordable,
- A person on the Age Pension can afford 0.1 percent of listings.
- A person on the minimum wage is barely better off, as wages fail to keep up with spiralling rents⁶⁵.

The largest changes in portion of income required to service rent were outside of major cities with the Sunshine Coast and Gold coast increasing rents by an average of \$167 per week ⁶⁶. The lack of affordable rentals is impacting households across the board but particularly low income earners as the minimum wage has not kept up⁶⁷. Housing will also become more affordable if more homes are built. The Grattan Institute estimate that building an extra 50,000 homes a year for a decade could result in Australian house prices and rents being up to 20 per cent lower than they would have been otherwise⁶⁸.

Summary

The housing crisis in RRR is characterised by the decrease in availability and affordability of housing for those that want to buy or rent. This report shows that there are serious issues within the private rental sector, particularly for availability and affordability, and availability of social housing. Homelessness is on the rise. Liveability of RRR Australia is being challenged by climate events and poor housing conditions.

At the same time as there are government incentives aimed at stimulating the property market encouraging property investors and with first home load buyers with grants, low loan interest rates and tax incentives, the COVID-19 pandemic increased the migration to RRR areas as city residents could relocate to RRR areas and work from home.

Platforms offering short term accommodation, such as Airbnb increased in RRR, have increased number of short term rentals in the rental market, significantly decreasing the availability of affordable long term rentals. The decreased availability of affordable long term rentals means that people are relocating to places further away from their work and community to access affordable housing, assuming there are properties available.

Commonwealth Rental Assistance has not kept pace with rental prices and low income earners are now spending more on their rent putting over 60% of renters into housing rental stress. The decreasing numbers of affordable properties available has led to a significant increase in the number of people on a waiting list for social housing and a workforce shortage of key workers in RRR. The homelessness sector is also under strain. There is not enough emergency, short or long term accommodation for those who are seeking assistance in RRR.

The macro-economic and population shifts are also occurring on top of the existing social and health inequalities in RRR communities. Prior to the pandemic some RRR towns were already struggling to recover after drought, bushfires, storms and floods. Climate change is forecast to increase the number and severity of extreme weather events, this will lead to more damage to land and infrastructure and health and wellbeing.

Seven Policy Action Areas To Address The RRR Housing Crisis

The following policy action areas are synthesis of recommendations being proposed by housing and homelessness advocates that can improve the housing crisis; and liveability, affordability and availability safe and secure housing in RRR.

- 1. National Housing and Homelessness Plan** – This plan will shift the paradigm of housing as a commodity to housing as a human right and as a fundamental requirement for health and wellbeing and incorporate specific gendered analysis of the housing needs of RRR women. The plan also needs to ensure that there is increased commitment to address the housing crisis from all levels of government, decrease fragmentation and provide clarification of the roles and responsibilities for housing across the three levels of government. The plan also needs to support local decision making and management of strategies at the grass roots.
- 2. Regional Liveability, Infrastructure and Housing Action Plan** – RRR needs support to build liveable communities now and in the future. A Commonwealth Government funded program to increase the liveability of RRR towns can include:
 - local liveability planning and decision making
 - strategies to support the recruitment and retention of key workers
 - building more and diverse range of housing options to meet demand and plan for inclusion of integrated mixed use developments, cooperative housing, tiny homes, build to rent models
 - strategies to prepare RRR communities for future impacts of climate change such as making changes to planning regulations e.g. to change planning decisions that allow building on flood plains and amending building codes to ensure housing and urban design are fit for purpose in a changing climate; and increasing emergency response to prepare and recover from extreme climate events.
- 3. Commonwealth Social and Affordable Housing Fund**- RRR needs more social and affordable housing. Establish a Commonwealth Social and Affordable Housing Fund to complement and bolster state initiatives for social and affordable housing and address the social housing shortfall of 500,000 homes.
- 4. Tax reform for negative gearing and capital gains** – The Commonwealth Government can limit negative gearing and reduce the capital gains tax discount and alternatively incentives could be introduced to increase the number of long-term leases with discounted rents. Tax incentives could be reformed to improve housing equality not further inequality.
- 5. Commonwealth Rent Assistance.** 60% of renters cannot afford the rent. They need help. Increase the CRA to give low-income renters more help to meet the high and growing cost of rents.
- 6. Eradicate Rheumatic Fever and Rheumatic Heart Disease.** It is a national disgrace that this disease is still present in the 21st century. The Federal Government can take the lead and invest to eradicate this preventable disease, as well as providing ongoing support to families that are already suffering from the impacts of rheumatic fever.
- 7. Prevention and early intervention for family and domestic violence**- The main reason people seek Specialist Homelessness Services is to escape violence. A commitment to increase service to prevent and intervene early is urgently needed.

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