Children & young people’s housing disadvantage

*Childhood exposure to unaffordable private rental (2003 – 2014)*

Wendy Stone & Margaret Reynolds

Swinburne University of Technology
December 2016
Swinburne University of Technology

Our research addresses some of Australia’s most significant social, economic and environmental problems. We have strong links with researchers and policymakers around the world and our staff work across disciplines including economics, statistics, sociology, history, media studies and political science.

We work closely with industry, government and community partners to extend the evidence base, identify solutions to complex problems and contribute to public debate.

Any opinions, findings, conclusions, or recommendations expressed in this material are those of the authors and do not necessarily reflect the views of the University nor funding body.

Acknowledgement

This Report has been generously supported by the Lord Mayor’s Charitable Foundation via an Exploration Grant.

Suggested citation


DOI/URL/location: https://doi.org/10.4225/50/5859e352c3d44

Contact details

A/Professor Wendy Stone
wmstone@swin.edu.au

Copyright

© Swinburne University of Technology 2016

This work is licensed under a Creative Commons Attribution-Non Commercial 4.0 International License, see http://creativecommons.org/licenses/by-nc/4.0/.
## Contents

**LIST OF TABLES** ........................................................................................................................................... I

**LIST OF FIGURES** ........................................................................................................................................ II

**EXECUTIVE SUMMARY** ................................................................................................................................. 1

AIMS OF THIS RESEARCH ........................................................................................................................................ 1
DATA AND METHOD ................................................................................................................................................. 1
SUMMARY FINDINGS ............................................................................................................................................... 2
IN VICTORIA: .......................................................................................................................................................... 4
IMPLICATIONS OF KEY FINDINGS ............................................................................................................................. 5

1. **INTRODUCTION** ........................................................................................................................................... 6

HOUSING AND HOME MATTER FOR CHILDREN’S OUTCOMES ............................................................................ 7
CRITICAL GAPS IN OUR EVIDENCE-BASE .................................................................................................................. 8
STRUCTURE OF THIS REPORT .................................................................................................................................. 8

2. **CHILD-FOCUSED HOUSING RESEARCH: A NEW APPROACH** ................................................................. 9

WHAT DO WE MEAN BY ‘CHILDREN’ IN THIS REPORT? .......................................................................................... 9
HOW DO WE EXAMINE CHILDREN’S ‘HOUSING’ IN THIS REPORT? ........................................................................ 11
Private rental housing ............................................................................................................................................. 11
DATA USED IN THIS REPORT ................................................................................................................................ 11
Survey of Income and Housing ............................................................................................................................... 11
Australian Census of Population and Housing ........................................................................................................ 11
ANALYTICAL APPROACH: TOWARD A CHILD-FOCUSED METHODOLOGY ...................................................... 12

3. **FAMILY TENURE RESTRUCTURING: DECLINING HOUSING OPTIONS FOR LOWER INCOME FAMILIES** ................................................................................................................................. 13

PRIVATE RENTAL IS AUSTRALIA’S MAJOR GROWTH TENURE ................................................................................. 13
LOW INCOME FAMILY HOUSING OPTIONS ARE CONTRACTING .......................................................................... 14
LOWER INCOME FAMILIES OVER-REPRESENTED AMONG FAMILIES LIVING IN PRIVATE RENTAL DWELLINGS: 2003-4 – 2013-14 ...................................................................................................................... 14
FAMILIES WITH CHILDREN LIVING IN AFFORDABLE AND UNAFFORDABLE PRIVATE RENTAL DWELLINGS: 2003-4 – 2013-14 ................................................................................................................................... 16
Couple head ed families living in affordable and unaffordable private rental dwellings .......................................... 16
One parent head ed families living in affordable and unaffordable private rental dwellings ................................... 17

4. **CHILDREN AND YOUNG PEOPLE LIVING IN AFFORDABLE AND UNAFFORDABLE PRIVATE RENTAL HOUSING** .................................................................................................................................. 18

CHILDREN LIVING IN COUPLE PARENT HEADED FAMILIES PAYING UNAFFORDABLE LEVELS OF PRIVATE RENT .................................................. 18
CHILDREN IN ONE PARENT FAMILIES ARE AT INCREASED RISK OF LIVING IN PRIVATE RENTAL THAT IS UNAFFORDABLE .................................................................................................................. 19
AGE RELATED RISK OF LIVING IN UNAFFORDABLE PRIVATE RENTAL DURING CHILDHOOD ............................................. 20
PROPORTIONS OF CHILDREN LIVING IN UNAFFORDABLE PRIVATE RENTAL ARE INCREASING OVER TIME .......... 22
HOW BIRTHPLACE AND YEAR OF ARRIVAL AFFECTS CHILDHOOD RISK OF LIVING IN UNAFFordable PRIVATE RENTAL ............................................................. 24
Australian born and overseas born private renters: households ............................................................................. 24
Australian and overseas born private renters: children and young people ......................................................... 26

5. **CHILDREN’S HOUSING DISADVANTAGE: SPATIAL DISTRIBUTION & CHANGE OVER TIME (VICTORIA)** ............................................................................................................................... 28

HOUSEHOLDS LIVING IN PRIVATE RENTAL DWELLINGS IN VICTORIA: 2006 - 2011 ........................................ 28
CHILDREN AND YOUNG PEOPLE LIVING IN PRIVATE RENTAL DWELLINGS IN VICTORIA: 2006 - 2011 ................. 29

LOCATION OF LOWER INCOME CHILDREN AND YOUNG PEOPLE LIVING IN PRIVATE RENTAL DWELLINGS:

METROPOLITAN MELBOURNE ........................................................................................................... 30
  Children in lowest income (quintile 1): Metropolitan Melbourne ............................................. 30
  Children in low income (quintile 2): Metropolitan Melbourne .................................................. 32

LOCATION OF LOWER INCOME CHILDREN AND YOUNG PEOPLE LIVING IN PRIVATE RENTAL DWELLINGS: REGIONAL VICTORIA ........................................................................................................ 34
  Children in lowest income (quintile 1): regional Victoria ............................................................ 34
  Children in low income (quintile 2): regional Victoria ............................................................... 36

SUMMARY: CHILDREN AND YOUNG PEOPLE LIVING IN UNAFFORDABLE PRIVATE RENTAL IN METROPOLITAN AND REGIONAL VICTORIA ......................................................................................... 37

6. DISCUSSION & IMPLICATIONS: HOUSING BETTER FUTURES ................................................. 39

THE PRIVATE RENTAL SECTOR IS HOME TO INCREASING PROPORTION OF CHILDREN, YOUNG PEOPLE AND FAMILIES .................................................................................................................. 39

POLICY AND PROGRAM IMPLICATIONS OF THE EVIDENCE ..................................................... 40
  Valuing children, young people and families within policy settings .......................................... 40
  Reducing competition for low rent dwellings: new supply & access to existing dwellings ...... 40
  Creating a private rental sector that is good to live in: tenancy legislation reform & cultural change ................................ ................................ ................................................................. 41
  Housing assistance within the private rental sector: children, young people and families in need ................................ ................................ ................................................................. 41

A COORDINATED APPROACH TO HOUSING CHILDREN, YOUNG PEOPLE AND THEIR FAMILIES WELL ................................................................................................................................. 42

REFERENCES .................................................................................................................................. 44

APPENDIX 1: EQUIVALENT FAMILY INCOME ............................................................................. 47

APPENDIX 2: SPATIAL REGIONS USED IN THIS REPORT .......................................................... 48
List of tables

TABLE 1. AUSTRALIAN HOUSEHOLD TENURE STRUCTURE 2003-04 AND 2013-14 ......................... 13
TABLE 2. FAMILY HOUSING TENURE CHANGE, 2003-04 – 2013-14, AUSTRALIA .................. 14
TABLE 3. PRIVATE RENTAL HOUSING AFFORDABILITY FOR COUPLE HEADED FAMILIES WITH CHILDREN HOUSEHOLDS, AUSTRALIA, 2003-04 AND 2013-14 ........................................ 17
TABLE 4. PRIVATE RENTAL HOUSING AFFORDABILITY FOR ONE PARENT HEADED FAMILIES WITH CHILDREN HOUSEHOLDS, AUSTRALIA, 2003-04 AND 2013-14 ........................................ 17
TABLE 5. CHILDREN AGED 0-14 YEARS IN LOWEST-INCOME (QUINTILE 1) AND LOW-INCOME (QUINTILE 2) FAMILY PRIVATE RENTAL DWELLINGS THAT ARE UNAFFORDABLE, IN METROPOLITAN MELBOURNE AND REGIONAL VICTORIA, 2006 AND 2011 ......................................................... 38
List of figures

FIGURE 1. SELECT ATTRIBUTES OF HOUSING AND HOME
FIGURE 3. DUAL PROCESSES AFFECTING HOUSING OPTIONS AND OPPORTUNITIES FOR FAMILIES WITH DEPENDENT CHILDREN
FIGURE 4. FAMILY INCOME RESTRUCTURING: COUPLE AND ONE PARENT FAMILIES LIVING IN PRIVATELY RENTED DWELLINGS, 2003-04 – 2013-14
Executive Summary

Many households exposed to unaffordable housing include dependent children and young people (Rowley and Ong 2012; Stone et al 2013). We know remarkably little, however, about the magnitude of this problem, and are only beginning to understand some of the ways these trends affect the childhoods and teen years of Australia’s children and their likely impact on children’s futures.

This Report is one of the first of its type in Australia that seeks to chart the nature of housing change, and specific forms of housing disadvantage, experienced by children within mainstream parts of the housing system. Focusing on national change over time in children’s housing experience, as well as a more detailed investigation of how these changes have manifested spatially in the state of Victoria, the Report presents evidence about numbers of children and young people themselves who are affected by affordability disadvantage in Australia’s fastest housing tenure: private rental.

Aims of this research

The broad aims of this Report and the research underpinning it are four-fold:

- To enumerate numbers of children and young people affected by housing disadvantage within mainstream housing contexts, particularly exposure to rental affordability stress, and contribute to an emerging body of evidence in support of responses to children and young people’s housing needs;
- To examine change over time in incidence and risk factors associated with childhood exposure to housing disadvantage, particularly rental affordability stress;
- To map the spatial distribution of children and young people’s exposure to rental affordability stress, including differences between metropolitan and regional areas and change over time;
- To highlight the ways in which changing family opportunities across the housing system, including spatially, are affecting next generation Australians and Victorians.

Finally, perhaps most importantly, to contribute to the as yet very small body of evidence that focuses explicitly on children’s housing – and in doing so raise awareness of the importance of children’s visibility in policy, practice and research in to the future.

Data and Method

- Rental affordability stress is measured using standard rent to income ratio measures, whereby households in the lowest 40 per cent of national income distribution who are paying more than 30 per cent of their income on rent, are considered to have inadequate income to make ends meet.
Child-focused methods are used to enumerate numbers of children at ages 0 – 14 and 15 – 18 living in rental affordability stress and identify key risk factors, nationally.

Focusing on Victoria, spatial analysis of the locational distribution of children and young people exposed to rental affordability stress is presented, including changes over time.

**Summary findings**

**Low income families in an unaffordable housing system**

- Over a thirty-year period, Australia has experienced a wide-reaching tenure restructuring. Australia’s fastest growth tenure is private rental: a housing tenure that grew by 4.5 percentage change points between 2003-4 and 2013-14;
- Low income family housing options are contracting with fewer families with lower incomes able to afford home purchase, and a decline in social housing accessibility for many;
- In 2013-14 the private rental sector was home to 1,037,802 family households that included dependent children or young people.
- Between 2003-4 and 2013-14 the percentage of lower income couple headed families with dependent children living private rental that were paying unaffordable rent levels, measured using a 30:40 equivalised disposable income affordability ratio, increased from 40 to 46 per cent nationally – a total of 113,900 additional households;
- Among lower income one parent headed families living in private rental, the proportion paying unaffordable rent levels and living in financial rental stress, using the same measure, increased from 63 to 67 per cent – a total of 104,900 households.

**Children and young people exposed to rental affordability stress**

Using a child-focused method to enumerate numbers and proportions of children exposed to unaffordable private rental in the 2003-4 and 2013-14 periods, key findings include:

- 42 per cent of lower income children aged 0 – 14 years living in couple headed families residing in private rental dwellings are in housing affordability stress, using an income to rent ratio measure;
- The percentage of 0 – 14 year olds with couple headed families living in rental affordability stress has increased over time, from 37 per cent a decade earlier;
- In sum total there has been close to a -5 percentage point change in the likelihood of this population of children living in affordable rental between 2003-4 and 2013-14.

Nationally, 183,500 or approximately 2 in 5 children aged 0-14 years in lower income couple headed families living in private rental paying unaffordable rent levels.

Living with one rather than two parents in lower income families in private rental exposes children to far greater risk of living with rental affordability stress:
• 67 per cent of lower income children living in one parent headed families residing in private rental dwellings are in rental affordability stress;

• The percentage of 0 – 14 year olds with one parent headed families living in rental affordability stress has increased over time, from 64 per cent a decade earlier;

• In sum there has been close to a -3 percentage point change in the likelihood of this population of children living in affordable rental between 2003-4 and 2013-14.

158,300, or 2 in 3 of all Australian children living in lower income one parent headed families residing in private rental are living with housing affordability stress.

**Children’s age** is a risk factor for exposure to rental affordability stress, reflecting life stage and early career employment stages of their parents:

• Younger children aged 0 – 14 years are at greater risk of living with rental affordability stress than older (15 – 18 years) young people;

• 29 per cent of 15 – 18 year old young people living in lower income couple parent headed families and 40 per cent in one person headed families residing in private rental dwellings are in housing affordability stress.

Children aged 0 – 14 years are at higher risk of living in rental affordability stress than older children and young people.

**Country of birth** of an adult reference person in a child or young persons’ family also affects risk of exposure to private rental affordability stress during childhood:

• 48 per cent of children aged 0 – 14 years living in lower income families residing in private rental dwellings in which the household adult reference person is born in Australia are in housing affordability stress; 51 per cent of children aged 0 – 14 years living in lower income families residing in private rental dwellings in which the household adult reference person is born overseas and arrived in Australia recently (since 2006); and 60 per cent of those arriving before 2006 are in housing affordability stress.

Children living with adult parent/s who were born overseas are at increased risk of living in private rental affordability stress.

**Where children live** affects risk of exposure to living in unaffordable rental housing among children and young people living in lower income families. Census data from 2006 and 2011 are used to map the spatial distribution of numbers and percentages of children aged 0 – 14 years living in families paying unaffordable private rental costs. Incidence is examined separately for children living in families the lowest 20% of incomes (quintile 1) and the next lowest 20% (quintile 2).
In Victoria:

**For lowest income children aged 0 – 14 years (quintile 1) in Metropolitan Melbourne:**

- A threshold of unaffordable private rental appears to have been met across Metropolitan Melbourne, whereby only one in ten children aged 0 – 14 years living in the lowest income families in private rental dwellings are living with affordable rents;
- In 2011, proportions of lowest income 0 – 14 year old children living in private rental and exposed to rental affordability stress range from a best scenario of 89 per cent in Western and Inner regions of Metropolitan Melbourne, to a worst scenario of 92 per cent in Outer Western and Outer South East regions.

1 in 10 children aged 0 – 14 years living in lowest income families in Metropolitan Melbourne are living with affordable rent levels: 9 in 10 are not.

**For low income children aged 0 – 14 years (quintile 2) in Metropolitan Melbourne:**

- Proportions of children aged 0 – 14 years living in families with quintile 2 incomes and paying unaffordable private rent range from a best scenario of 30 per cent in Outer Western suburbs of the Melbourne Metropolitan area, to a worst scenario of 70 per cent in the inner Eastern area;
- Outer Metropolitan areas that appeared relatively affordable based on the proportion of children exposed to unaffordable rents in these areas in 2006 no longer provide the same degree of rent relief they appear to have done in 2006 for low income families.

**Affordability outcomes for 0 – 14 year old children living in low income families (income quintile 2) in Metropolitan Melbourne deteriorated markedly between 2006 – 2011.**

**For lowest income children aged 0 – 14 years (quintile 1) in regional Victoria:**

- Relative to Metropolitan Melbourne, above, proportions of children living in the lowest income families (quintile 1) are more likely to live in affordable private rental in regional Victoria;
- Proportions of 0 – 14 year olds living in lowest income families exposed to private rental affordability stress vary quite markedly between regional areas, ranging from best (lowest) scenario of 49 per cent of children in North West Victoria to worst (highest) scenario of 85 per cent of children living in unaffordable private rental in Geelong;
- There have been substantial increases in numbers of children in lowest income families (quintile 1) living in unaffordable private rental in regional Victoria between 2006 and 2011;
- Regional areas showing most growth in exposure to unaffordable rental for children aged 0 – 14 years in lowest income families between 2006 and 2011 are LaTrobe Gippsland to the east of Melbourne (26% increase) and Hume, to the north east (18% increase).
For low income children aged 0 – 14 years (quintile 2) in regional Victoria:

- Numbers of children aged 0 – 14 years living in families in income quintile 2 in unaffordable private rental in regional Victoria in 2006 and 2011 are small overall. In future years it is likely that affordability problems for children and young people in families with low incomes (income quintile 2) living in regional areas of Victoria will more closely reflect the situation found for lowest income (income quintile 1) children and families in 2006 – 2011, as affordability of both home purchase and rental has declined in regional Victoria in the 2011 – 2016 period.

Implications of Key Findings

Findings presented in this Report are stark and show that private rental policy settings are not set for children, young people or their families, particularly among those living with low income. Four types of policy implications arise (details are in the full Report):

- Children, young people and families need to be explicitly valued in broad social policy settings including housing policy;
- Delivery of new housing supply of affordable and appropriate housing and access to appropriate rental dwellings for children, young people and their families need to be addressed via national and state and territory policy settings;
- Legislative reform to change the experience of living in private rental dwellings in Australia is warranted – Victoria and NSW tenancy reviews underway present opportunities for positive family-oriented reform; and
- Evaluation of the supports needed to enhance the lives of the most disadvantaged children, young people and families living in private rental housing is needed.

Finally, these findings imply that no single solution will resolve the extent of rental affordability stress facing Australia’s children, young people and families. A coordinated, child-focused housing and public policy response is required.
1. Introduction

Secure and affordable housing is fundamental to the wellbeing of all Australians. It provides a platform for many of life’s benefits, including stable employment, connection to the community and a sense of home. Unfortunately, many Australians are not able to access affordable, suitable housing with their own economic and social resources. (AIHW 2016: 1)

A growing body of evidence suggests that far-reaching changes that have occurred over a thirty-year period in Australia have led to deepening and widening divisions between households able to enjoy and benefit from affordable, secure housing and those who are not (Burke et al 2007; Saunders & Naidoo 2007; Yates 2008; Hulse et al 2012; Rowley & Ong 2012). Within the last decade, these trends have continued and intensified in many parts of the country (Pawson et al 2015).

Many households that are ‘missing out’ include dependent children and young people (Rowley and Ong 2012; Stone et al 2013). We know remarkably little, however, about the magnitude of this problem, and are only beginning to understand some of the ways these trends affect the childhoods and teen years of Australia’s children and their likely impact on children’s futures (Dockery et al 2010, 2012; Taylor & Edwards 2012).

Recent evidence indicating growing wealth divides between metropolitan and regional Victoria (Vinson and Rawsthorne 2015; SGS Economics 2016) raises questions about the role of housing can play nationally and state-wide in ensuring that children and young people in all communities have the material infrastructure necessary to develop in the healthiest, most engaged ways they can during childhood and teen years and to make satisfying transitions into adult life.

This Report is one of the first of its type in Australia that seeks to chart the nature of housing change, and specific forms of housing disadvantage, experienced by children within mainstream parts of the housing system. Focusing on national change over time in children’s housing experience, as well as a more detailed investigation of how these changes have manifested spatially in the state of Victoria, the Report presents evidence about numbers of children and young people themselves who are affected by affordability disadvantage in Australia’s fastest housing tenure: private rental.

The broad aims of this Report and the research underpinning it are four-fold:

- To enumerate numbers of children and young people affected by housing disadvantage within mainstream housing contexts, particularly exposure to rental affordability stress, as part of an evidence body to support responses to children and young people’s housing needs;
- To examine change over time in incidence and risk factors associated with childhood exposure to housing disadvantage, particularly rental affordability stress;
- To map the spatial distribution of children and young people’s exposure to housing disadvantage and rental affordability stress, including differences between metropolitan and regional areas and change over time;
- To highlight the ways in which changing family opportunities across the housing system, including spatially, are affecting next generation Australians and Victorians.
Finally, perhaps most importantly, to contribute to the as yet very small body of evidence that focuses explicitly on children’s housing – and in doing so raise awareness of the importance of children’s visibility in policy, practice and research in to the future.

**Housing and home matter for children’s outcomes**

Housing matters for children’s short-, medium- and longer-term outcomes.

Emerging evidence suggests that secure and affordable housing is fundamental for optimal child development, children’s ability to fully participate and benefit from education, for children’s deep-seated sense of ontological security – or ‘being at home in the world’, as well as to longer term outcomes such as partnering, education and employment in early adult life. Lack of affordable, appropriate housing is linked with a host of negative outcomes, including risk of homelessness – a housing failure that compounds all other problems for many children and young people exposed to it.

A number of international studies indicate links between poor housing conditions and poor health among children and young people including increased incidence of asthma (Free et al 2010) and psychological health and wellbeing (Gifford & Locombe 2006; Evans et al 2001).

In Australia remarkably little child-focused housing evidence exists. Two recent significant national studies use national longitudinal panel data of children to explore the relationships between a range of types of housing factors with various child outcomes, including at specific developmental ages Taylor and Edwards (2012) and Dockery et al (2010, 2013). In each case, evidence points to small independent effects between unaffordable housing and unstable housing, as well as living in private rental – with aspects of child development and wellbeing. In each study poor housing circumstances, such as financial stress, insecurity in the form of high rates of residential mobility, as well as renting in comparison with owning, are identified as contributing more broadly to a suite of material conditions that affect children more significantly across a suite of child wellbeing outcome measures.

In other research specifically evaluating the impact of housing insecurity and overcrowding on children’s development and educational outcomes, Phibbs and Young (2005) find evidence to indicate that stable and appropriately sized housing play important roles in providing optimal conditions in which children can develop well and achieve well at school. In this study public housing was identified as providing financial stress relief, housing stability as well as adequate space in which children and their families could function well.

Housing affordability conditions have also been associated with the rise of children and young people experiencing family violence and homelessness. Families with dependent children are now among the largest populations experiencing homelessness (AIHW 2014). This includes contexts of family violence in which children, young people and family members (usually mothers) leaving violent circumstances are unable to access affordable housing – with dire outcomes. Qualitative evidence shows that a shortage of affordable and accessible housing forces (primarily) women and children back into precarious and violent circumstances in order to remain housed (Spinney 2012; Champion et al 2009).

Exposure to homelessness can have long-lasting impacts across whole of life. Bevitt et al (2015), using longitudinal analyses of a panel data designed to examine the short and medium term trajectories of highly vulnerable Australians (via Journeys Home panel data), find that the cumulative outcomes of exposure to homelessness during childhood and teen years are long lasting. This includes well after immediate housing crises are resolved.
Critical gaps in our evidence-base

Studies that examine links between various forms of housing circumstances and children and young people’s outcomes indicate significant impacts and point to the need to house children well. In international context, Australia is only in the very early stages of building an evidence-based understanding of the relationships between children and young people’s immediate and longer term outcomes with their experiences of housing and home.

Notably lacking from existing evidence is a broad account of:

- The nature, prevalence or change in children and young people’s housing experiences over time;
- Information about how the housing experiences of children and young people are changing spatially in the context of large scale urban and regional housing market restructuring (Pawson et al 2015; Hulse et al 2014); and
- How children and young people are affected by shifting generational housing opportunity during childhood, particularly the increasing precarity of lower-income family housing nationwide (Wilkins 2016; Burke et al 2014).

Related to these points is one of increasingly critical importance – and which this report responds to:

- There is a dearth of knowledge about how children and young people are faring in the private rental sector – Australia’s largest growth tenure and a part of the Australian housing system that is increasing in metropolitan, regional and national significance annually.

Structure of this report

Following this Introduction (Section 1), the report is set out in 6 main sections:

- **Section 2** outlines the data, data definitions and method used in the research presented here with additional information presented in Appendix 1 and 2;
- **Section 3** presents original analysis of family housing opportunity change, as context for the analysis of children and young people’s housing to follow;
- **Section 4** presents original findings about the scale, distribution and select risk factors associated with children and young people’s exposure to unaffordable housing;
- **Section 5** presents an account of how the patterns of childhood exposure to unaffordable housing manifest spatially, and how these have changed over time; and
- **Section 6** discusses key findings of the research presented in this report and outlines implications of these findings for policy, practice and research.
2. Child-focused housing research: a new approach

To address key knowledge gaps in our understanding of children’s housing experiences, this report uses national data in established and new ways. In this section we outline the conceptual definitions guiding our research, as well as the data sources and approaches we use to examine these empirically.

What do we mean by ‘children’ in this report?

For the purposes of this report, ‘children’ refers to all children between the ages of birth and 14 years (0 – 14 year olds), living within family home situations with either two or one parent usually present in the household. Children 0-14 years living with another relative (e.g. grandparents) are also included.

At some stages in the report we also examine the housing circumstances of older children aged 15 – 18 years who are either living with their parents (couple or one parent families) or independently from their parental home (e.g. in lone person or group households). Children 15-18 years living with other relatives are also included.

Included in the analysis for each of these age cohorts are children who are living with biological, adopted or step families.

Excluded from the analysis are children living in out-of-home care situations (private or institutional), or young people aged 15 – 18 who themselves are parents or are in a couple relationship. In each case, it is likely these children or young people have different sets of needs and experiences than dependent children of these ages, and dedicated research investigating their specific needs is warranted.

What do we mean by housing ‘disadvantage’ in this report?

As set out above, housing disadvantage not only reflects income and labour force disadvantage, it can also act as a form of disadvantaging system or set of circumstances in its own right. Key indicators of housing disadvantage relate primarily to the socio-legal rights of occupants, to the physical quality of dwellings, to the safety and security of home, and to housing adequacy in terms of dwelling size and sometimes including locational amenity.

Existing evidence from Australia and in like-countries internationally suggests that underpinning all such aspects of housing to some degree, are household options and opportunities related to housing affordability (Yates 2008).

Burke et al (2011) discuss the meaning of housing affordability and ‘the housing affordability’ problem. Housing affordability is the experience of not having sufficient income at a household level either to pay housing costs and/or other living costs once housing costs have been paid for (depending on how this is measured). The affordability problem is broader and relates to cohorts of population groups being unable to access desirable or required parts of the housing system. In Australia this typically relates to home ownership but can also relate to rental housing.

In this research, it is housing affordability at the unit of a family household that we focus on. Aggregate findings from the research provide increased understandings, from a macro perspective, of some of the consequences for children of the Australian, and Victorian, housing affordability problem.

Figure 1 shows key housing attributes typically used to understand various aspects of housing experience, at a household level. As shown, these are wide-ranging and include the financial, social as
well as legal and emotional aspects of housing and home. Each concept is operationalised in a variety of ways.\(^1\)

In the account of children’s housing disadvantage presented in this report we focus primarily on housing affordability. Housing affordability itself is also a concept that can be measured in a range of key ways. This includes proportion of income spent on regular rent, whether households have sufficient income to meet housing costs and have enough money to meet standard living costs once these are met, as well as indicators of hardship, or ‘going without’, in order to meet housing costs (Burke et al 2011).

**FIGURE 1. SELECT ATTRIBUTES OF HOUSING AND HOME**

In this report we use the most commonly applied measure of housing affordability stress: the income to housing cost ratio measure. In particular, we focus on affordability for households in the private rental sector. Such households are considered to be experiencing housing affordability stress if: their household income is within the lowest two quintiles of the Australia-wide equivalised disposable income distribution, and; they spend 30 per cent or more of their gross household income on private rent payments.

\(^1\) For a detailed contemporary account of the way these and related housing indicators are often defined and operationalised in the Australian context, see AIHW 2016.
How do we examine children’s ‘housing’ in this report?

As described above, one of the most rapidly growing parts of the Australian and Victorian housing systems is the private rental sector. Increasingly, as shown, this tenure is home to families with dependent children, particularly lower income families (Hulse et al 2015). It is also a place many lower income families will call ‘home’ for many years (Stone et al 2013).

For the purposes of this report we highlight children’s housing disadvantage, by focusing primarily on children, young people and their families living with lower incomes, in private rental dwellings.

Private rental housing

- Those households that pay rent to a real estate agent or a person not living in the same household (related or unrelated) are considered to be residing in the private rental sector (PRS).
- Analyses of private rental affordability, however, exclude those households paying rent to a person in another dwelling that is a parent or relative because rents paid in these cases are commonly below market rates.

Data used in this report

Two sources of large national data are used in this report. Each is examined at multiple time points.

Survey of Income and Housing

The Survey of Income and Housing (SIH) is conducted by personal interview by the ABS every two years. The survey collects household information from a sample of residents that usually reside in private dwellings and covers items such as: sources and amounts of income, household net worth, housing circumstances and other household and personal characteristics (see ABS SIH User Guide 2013-14 for greater detail). The final SIH sample in 2013-14 consisted of 14,162 households containing 27,339 persons aged 15 years and over. Sample results are weighted to infer results for all Australians who usually reside in private dwellings (but excluding those in Very Remote areas). Data for this report was sourced from both the 2013-14 SIH and the 2003-04 SIH.

Australian Census of Population and Housing

The Australian Census of Population and Housing is undertaken by the ABS every five years and aims to collect key demographic and dwelling information for all people in Australia on Census night. The Census is self-administered and although it does not collect information at the same degree of detail as the SIH, it does collect information for all areas across Australia and, therefore, provides a rich source of small area data.

---

2 Analysis of the 2013-14 ABS SIH, for example, shows that the median weekly rent for private renter households paying rent to a relative in another household is $300 compared with $385 for those paying rent to an unrelated person.
For analysis of Census data, households in the lowest two quintiles of the Australia-wide gross household income distribution are used, as it is not possible to calculate ‘equivalised disposable’ household income using Census data (general access).

**Analytical approach: toward a child-focused methodology**

In analyses of each of these data sources, we use traditional as well as child-focused methods.

By traditional we mean analyses that focus on the household, or family, as the key unit of analysis. By child-focused, we mean that children themselves are presented in data tables and figures as the unit of analysis that is counted. In these cases we take an innovative approach, to present real numbers of children in various income and housing circumstances, and ‘attach’ the observed characteristics of family households, local areas, and housing, to them in our analyses.

Interpretation of household and child-focused results differs. Household figures presented in original analyses within this report refer to actual or estimated numbers of households in which families or children might experience, for example, paying unaffordable amounts of private rent. These numbers reflect population counts and estimates at a household level.

Within the child-focused analyses presented here:

- Findings refer to actual numbers of children with any given set of characteristics described in the analysis, such as paying affordable rent.
- Within these results, it is possible that more than one child lives in a household, and hence findings do not directly correlate with household estimates of disadvantage that are more typically presented in applied social research.

The advantages of counting numbers of children living in various housing circumstances, and assessing changes over time in these results, is the ability to plan for and begin to understand children’s housing and related needs.
3. Family tenure restructuring: declining housing options for lower income families

Housing opportunities have been reshaped by affordability pressures for families over recent decades with substantial impacts on children, young people, and families. As context for the analysis of children and young people’s housing that follows, we briefly examine changing housing opportunities of families living with dependent children.

Private rental is Australia’s major growth tenure

Recent research Burke et al (2014) charts shifting home purchase opportunity for single persons and couples in prime home purchase and family formation years, contributing to a range of studies investigating decline in home ownership in Australia in recent decades (McDonald & Baxter 2005; Yates 2007). They find that among households in prime child-rearing years (ages 25 – 34 and 35 – 44 years), those most likely to ‘miss out’ on home ownership are low income and single income households (Burke et al 2014). Hulse et al (2012) find that, as a consequence, the private rental sector is increasing in significance; a tenure form that is increasingly likely to be a long-term home for many, with 30 per cent of all households that have lived in private rental for ten years or more including dependent children (Stone et al 2013). Housing supply relative to demand within the private rental sector is uneven: most acute housing shortages are disproportionately affecting lowest income private renter households Hulse et al (2015).

Our analysis is consistent with these findings. Table 1 shows that between 2003-4 – 2013-14 there has been wide-scale change in the composition of housing tenures across all households in Australia. This includes a decline in outright ownership of housing (without mortgage debt) bewteen 2003-4 and 2013-14 and a decline in overall overall proportions of households living in public housing in the same period. Most notable is a 4.5 percentage point change increase in overall rates of private rental in this decade – and a real increase of 612,000 households living in private rental dwellings nationally.

Table 1. Australian household tenure structure 2003-04 and 2013-14.

<table>
<thead>
<tr>
<th></th>
<th>2003/04</th>
<th>2013/14</th>
<th>Change 03/04 to 13/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>Outright owner</td>
<td>2,703,000</td>
<td>35</td>
<td>2,755,000</td>
</tr>
<tr>
<td>Home purchaser</td>
<td>2,714,000</td>
<td>35</td>
<td>3,134,000</td>
</tr>
<tr>
<td>Private renter</td>
<td>1,638,000</td>
<td>21</td>
<td>2,250,000</td>
</tr>
<tr>
<td>Public renter</td>
<td>376,000</td>
<td>5</td>
<td>312,000</td>
</tr>
<tr>
<td>Other renter*</td>
<td>119,000</td>
<td>2</td>
<td>157,000</td>
</tr>
<tr>
<td>Other tenure^</td>
<td>186,000</td>
<td>2</td>
<td>158,000</td>
</tr>
<tr>
<td>Total</td>
<td>7,736,000</td>
<td>100</td>
<td>8,766,000</td>
</tr>
</tbody>
</table>

* ‘Other renter’ includes those households with the following landlord types: owner/manager of caravan park; employer (Defence Housing Authority, government or other employer); housing co-operative / community / church group; the institution that a student attends (student housing) and; ‘other’ landlords.
^ ‘Other tenure’ includes: rent-free; shared equity scheme; life tenure scheme, and; other.
Low income family housing options are contracting

Focusing on families with children aged 0 – 18 years only, this trend is even more pronounced. Among low income families, those in the lowest 40 per cent of the equivalised disposable income distribution nationally, the increase in overall percentage point change in the 10 year period 2003-04 to 2013-14 is 8.2. This amounts to an actual increase in numbers of low income families living in private rental in this decade of 174,178.

**Table 2. Family housing tenure change, 2003-04 – 2013-14, Australia.**

<table>
<thead>
<tr>
<th>Tenure structure: low income families</th>
<th>% chg over 10 yrs: low income family h'holds</th>
<th>%pt. chg over 10 yrs: low income family h'holds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>260,523</td>
<td>520,304</td>
</tr>
<tr>
<td>Purchaser</td>
<td>499,099</td>
<td>1,547,044</td>
</tr>
<tr>
<td>Private renter</td>
<td>480,218</td>
<td>557,584</td>
</tr>
<tr>
<td>Public renter</td>
<td>93,320</td>
<td>20,277</td>
</tr>
<tr>
<td>Renter other</td>
<td>35,340</td>
<td>32,404</td>
</tr>
<tr>
<td>Other</td>
<td>28,011</td>
<td>26,320</td>
</tr>
<tr>
<td>Total households</td>
<td>1,396,511</td>
<td>2,703,933</td>
</tr>
</tbody>
</table>

Notes: * 'Other renter' includes those households with the following landlord types: owner/manager of caravan park; employer (Defence Housing Authority, government or other employer); housing co-operative / community / church group; the institution that a student attends (student housing) and; ‘other’ landlords.

^'Other tenure’ includes: rent-free; shared equity scheme; life tenure scheme, and; other.


In overall numbers the private rental sector, rather than home purchase or public rental, houses a large percentage point change in the percentage of lower income families with dependent children. There has been an 8.2 percentage point change in the percentage of lower income families with dependent children living in private rental between 2003-04 and 2013-14. At the same time are declines in the overall percentage of lower income families with dependent children who own their homes outright, as well as a marked decline in the overall proportions of lower income families able to access public housing in 2013-14 relative to a decade earlier (Table 2).

**Lower income families over-represented among families living in private rental dwellings: 2003-4 – 2013-14**

One of the significant factors affecting family housing opportunity – as well as the extent to which children, young people and their parents/kin are exposed to housing related disadvantage – is a slippage in family income over the same period.
Factors affecting incomes of families include access to labour market, wage rates as well as eligibility and receipt of income support. At a broad-brush level of analysis, Figure 2 shows the proportion of Australian households that are couple headed families with children, and one parent headed families with children living in the private rental sector at two points in time; 2003-04 and 2013-14. For each type of family household at these two time points, household income quintile is also shown.

Comparing families in different income quintiles over time, Figure 2 shows that increasing proportions families have lower income (quintiles 1 & 2) – and that most increase has occurred among lower income one parent families in this period.

**Figure 2. Family income restructuring: couple and one parent families living in privately rented dwellings, 2003-04 – 2013-14.**

Notes: *Total 'in-scope' households only: figures exclude those households paying more than 90 per cent of their gross income in rent along with those with a gross household income under $80 (including negative incomes)


Figure 2 shows that while couple headed families with dependent children in equivalised disposable income quintile 1 (those in the lowest fifth of incomes among this population group) and quintile 2 (those in the second lowest fifth of incomes) accounted for 40 per cent of all couple with children households living in privately rented dwellings in 2003-04, this proportion had become over-represented in 2013-14, increasing to 46 per cent of all couples with dependent children living in private rental.
For one parent headed families with children, an over-representation within the lowest equivalised disposable income quintiles that was evident in 2003-04 has worsened slightly over the course of a decade, with 60 per cent of one parent headed families now living with incomes equivalent to the lowest 40 per cent of incomes nationally (equivalised disposable income quintiles 1 & 2).

**Families with children living in affordable and unaffordable private rental dwellings: 2003-4 – 2013-14**

Examining the slippage of family income in combination with declining housing opportunity and increased incidence of families living in private rental housing via a housing affordability lens, there is further evidence that housing experience for many families has declined in the 2003-4 – 2013-14 period.

**Couple headed families living in affordable and unaffordable private rental dwellings**

Results of analysis presented at Table 3 show the proportion of couple headed family households living in affordable and unaffordable private rental dwellings at each time point. As set out at Section 2, affordability is measured using a rent to income ratio approach, whereby households in the lowest 40 per cent of incomes paying more than 30 per cent of their income on rent are deemed to be living in unaffordable housing.³

Most striking in this table are the overall rates of couple headed lower income families living with rental housing stress in 2013-14. Forty-six per cent – close to half – of all couple headed lower income families living in private rental pay unaffordable rent levels by conventional, and arguably conservative⁴, measures of affordability.

Among lower income couple headed families these levels of unaffordable rental reflect a decline in overall proportions of families paying affordable rent in the 2003-4 – 2013-14 period that is equal to the increase in couple headed families in private rental paying unaffordable rent levels. For this group a 6.2 percentage point change affordability decline is evident. This amounts to an additional 62,500 couple headed family households living in the lowest 40 per cent of the income distribution paying unaffordable rent levels in this 10-year period. In terms of percentage increase based on numbers alone, not taking account of population growth, this is an increase of 121.8 per cent.

³ Affordability analyses presented throughout this report exclude payments of rent to family members/relatives, as these are likely to be less than market rent on average.

⁴ For a discussion of alternative measurement methods, including the benefits of using a residual ‘after housing costs’ measure, see Burke et al 2007.
Table 3. Private rental housing affordability for couple headed families with children households, Australia, 2003-04 and 2013-14.

<table>
<thead>
<tr>
<th>Low income PRS couple with children households</th>
<th>Change 03/04 to 13/14: low income PRS couple with children households</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>2013-14</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Paying affordable rent</td>
<td>76,300</td>
</tr>
<tr>
<td>Paying unaffordable rent</td>
<td>51,400</td>
</tr>
<tr>
<td>Total*</td>
<td>127,700</td>
</tr>
</tbody>
</table>

*Total ’in-scope’ households only: figures exclude those households paying more than 90 per cent of their gross income in rent along with those with a gross household income under $80 (including negative incomes)


One parent headed families living in affordable and unaffordable private rental dwellings

Among one parent headed low income families living in private rental, rates of unaffordable rental are event higher than those seen above for couple headed families, and have also worsened in the decade to 2014. In 2003-04 more than half (63 per cent) of one parent families living in private rental housing in Australia were living with unaffordable rental levels, based on the standard ratio affordability measure, adjusted for year as well as for household size.

Table 4. Private rental housing affordability for one parent headed families with children households, Australia, 2003-04 and 2013-14.

<table>
<thead>
<tr>
<th>Low income PRS one parent family households</th>
<th>Change 03/04 to 13/14: low income PRS one parent families</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>2013-14</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Paying affordable rent</td>
<td>47,200</td>
</tr>
<tr>
<td>Paying unaffordable rent</td>
<td>80,300</td>
</tr>
<tr>
<td>Total*</td>
<td>127,500</td>
</tr>
</tbody>
</table>

*Total ’in-scope’ households only: figures exclude those households paying more than 90 per cent of their gross income in rent along with those with a gross household income under $80 (including negative incomes)


An increase in the proportion of one parent headed families paying unaffordable rental in this period sees two thirds (67 per cent) of all lower income one parent headed families living in private rental living with unaffordable rent settings. Rates for one parent families did not decline as steeply as those for couple headed families – in part because they were already so high. In total numbers, in 2013/14 104,900 one parent lower income families living in private rental were living in rental affordability stress, after all income supplements including Commonwealth Rental Assistance are factored in.
4. Children and young people living in affordable and unaffordable private rental housing

Findings at Section 3 showed that increased proportions of families are living in private rental, and that of these, increasing numbers are low to moderate income.

Our focus now turns to analysis of children and young people. In this section we examine how many children experience rental affordability problems, their age and family characteristics, how many children are exposed to unaffordable private rental over time and which population groups are most at risk of exposure to housing affordability stress during their childhood and teen years.

We examine the impact of family structure, age of children, country of birth and also examine changing incidence over time – focusing on the past decade in which rent and mortgage costs have risen sharply across all state and territory jurisdictions.

Children living in couple parent headed families paying unaffordable levels of private rent

Using Survey of Income and Housing data, we first examine family structure and its relationship to the likelihood of children living in affordable or unaffordable housing. We identify the number and overall proportion of children aged 0 – 14 years living in low income families in private rental dwellings paying affordable and unaffordable rent and explore what these figures for children in equivalent family, housing and income settings who are aged 15 – 18 years. In each case findings for 2003-03 are compared with the more recent results from 2013-14.

Table 5 shows numbers and percentages of children aged 0 – 14 years living in couple headed family households, in years 2003-04 and 2013-14. Focusing on children in the lowest two income quintiles of the family household income distribution (bottom 40% of incomes nationally), we compare real numbers and percentages as well as examine percentage point change increase in unaffordable rental among this cohort at the two time points.

<table>
<thead>
<tr>
<th>0-14 yrs in couple with children households</th>
<th>2003-04</th>
<th>2013-14</th>
<th>Change 03/04 to 13/14: 0-14 yrs cple w children</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>Paying affordable rent</td>
<td>146,500</td>
<td>63</td>
<td>249,400</td>
</tr>
<tr>
<td>Paying unaffordable rent</td>
<td>87,800</td>
<td>37</td>
<td>183,500</td>
</tr>
<tr>
<td>Total*</td>
<td>234,300</td>
<td>100</td>
<td>432,900</td>
</tr>
</tbody>
</table>

*2013-14 figures exclude a small number of ‘not applicable’ cases.

A simple comparison over time (Table 5) indicates striking results:

- 42 per cent of lower income children living in couple headed families residing in private rental dwellings are in housing affordability stress according to normative measures of rental affordability (the 30:40 rule, using an income to rent ratio measure);
- The percentage of 0 – 14 year olds with couple headed families living in rental affordability stress has increased over time, from 37 per cent a decade earlier;
- In sum total there has been close to a 5 percentage point decrease in the likelihood of this population of children living in affordable rental between 2003-4 and 2013-14.
- This equates to a national average of approximately 2 in 5 children aged 0-14 years in lower income couple headed families living in private rental paying unaffordable rent levels.

**Children in one parent families are at increased risk of living in private rental that is unaffordable**

Compared with equivalent children in couple headed family households, 0 - 14 year old children living in lower income families in private rental are at substantially increased exposure to living in unaffordable rental dwellings. Table 6, below, indicates the risk of living in rental affordability stress among children of equivalent ages and income levels headed by one parent families is far higher than rates for an equivalent cohort of children living in one person headed households.

**TABLE 6. Children aged 0-14 years in PRS one parent households paying affordable/unaffordable rents, Australia, 2003-04 and 2013-14**

<table>
<thead>
<tr>
<th></th>
<th>0-14 yrs in one parent family households</th>
<th>Change 03/04 to 13/14: 0-14 yrs one parent family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003-04</td>
<td>2013-14</td>
</tr>
<tr>
<td>Paying affordable rent</td>
<td>67,400</td>
<td>36</td>
</tr>
<tr>
<td>Paying unaffordable rent</td>
<td>121,400</td>
<td>64</td>
</tr>
<tr>
<td>Total*</td>
<td>188,800</td>
<td>100</td>
</tr>
</tbody>
</table>

*2013-14 figures exclude a small number of ‘not applicable’ cases.

Findings indicate concerning results for this cohort:

- 67 per cent of lower income children living in one parent headed families residing in private rental dwellings are exposed to rental affordability stress;
- The percentage of 0 – 14 year olds with one parent headed families living in rental affordability stress has increased over time, from 64 per cent a decade earlier;
- In sum total there has been close to a -3 percentage point change in the likelihood of this population of children living in affordable rental between 2003-4 and 2013-14.
- Two in three of all Australian children living in lower income one parent headed families residing in private rental are exposed to rental affordability stress;
• Children in one parent headed family households living in private rental dwellings are 1.6 times more likely than equivalent children in couple headed family households to live with affordability pressures.

**Age related risk of living in unaffordable private rental during childhood**

We also compare the risk of exposure to unaffordable rental housing between younger dependent children (aged 0 – 14 years) with that experienced by older teens (aged 15 – 18 years) as they transition toward adult life. It might be expected that some of the factors influencing the likelihood of families having very low incomes when they have young children include time taken out of the labour force to parent young children (foregone earnings) as well as differences between starting wages of parents with young children, who are more likely to be young-mid life adults, compared with ages of parents when children reach late teen years, approximately 15 years later.

Table 7 presents affordability results for 15 -18 year olds living in low income couple headed family households residing in private rental dwellings.

**Overall**, these affordability results for 15 -18 year olds living in low income couple headed family households residing in private rental dwellings are counter-directional to those presented for young children. Several key findings emerge:

- 29 per cent of lower income 15 – 18 year old young people living in couple parent headed families residing in private rental dwellings are in housing affordability stress;
- Interestingly, the overall percentage of 15 – 18 year old young people living in couple parent headed families residing in private rental dwellings exposed to rental affordability stress has declined in the 2003-04 – 2013-14 period, with those living in affordable rental dwellings increasing by 4.8 percentage change points;
- The overall number of 15 – 18 year old young people living in couple parent headed families residing in private rental dwellings at each time point is relatively small, indicating that a large majority of families with children and young people of these ages live in other tenure types, or have attained higher incomes (quintiles 3 or above) and, by definition, are not included in our analysis of rental affordability.

**Table 7. Children aged 15-18 years in PRS couple with children households paying affordable/unaffordable rents, Australia, 2003-04 and 2013-14**

<table>
<thead>
<tr>
<th>15-18 yrs in couple with children households</th>
<th>Change 03/04 to 13/14: 15-18 yrs cple w children</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003-04</td>
</tr>
<tr>
<td>Paying affordable rent</td>
<td>21,800</td>
</tr>
<tr>
<td>Paying unaffordable rent</td>
<td>11,300</td>
</tr>
<tr>
<td>Total*</td>
<td>33,100</td>
</tr>
</tbody>
</table>

*2013-14 figures exclude a small number of ‘not applicable’ cases.
Table 8 presents affordability results for 15 -18 year olds living in low income one parent headed family households residing in private rental dwellings. Results for this group differ to those found for young people aged 15 - 18 living in couple headed family households, and follow more closely trends for younger aged children, above.

Table 8. Children aged 15-18 years in PRS one parent households paying affordable/unaffordable rents, Australia, 2003-04 and 2013-14

<table>
<thead>
<tr>
<th>15-18 yrs in one parent family households</th>
<th>Change 03/04 to 13/14: 15-18 yrs one parent family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003-04</td>
</tr>
<tr>
<td>Paying affordable rent</td>
<td>17,500</td>
</tr>
<tr>
<td>Paying unaffordable rent</td>
<td>9,600</td>
</tr>
<tr>
<td>Total*</td>
<td>27,000</td>
</tr>
</tbody>
</table>

*2013-14 figures exclude a small number of ‘not applicable’ cases.

Findings at Table 8 show:

- 40 per cent of lower income 15 – 18 year old young people living in one parent headed families residing in private rental dwellings are in housing affordability stress;
- The overall percentage of 15 – 18 year old young people living in one parent headed families residing in private rental dwellings are in housing affordability stress has increased in the 2003-04 – 2013-14 period, by 4.7 percentage change points;
- The risk of exposure to unaffordable rental at this age is 1.37 times higher for 15 – 18 years living in one parent families in unaffordable private rental is higher than for equivalent aged young people living in couple headed families, at an overall rate of 2 in 5;
- Young people aged 15 – 18 years in one parent headed families residing in private rental are at reduced likelihood of living with rental affordable stress relative to equivalent children aged 9 – 14 years (above);

Using broad averages, these findings indicate that affordability problems in the private rental sector are far more likely to be experienced by children aged 0 - 14 years than older children and young people aged 15 – 18 years. While rental affordability problems are far less pronounced for those aged 15 – 18 years than for younger children aged 0 – 14 years living in private rental, these findings do not in and of themselves indicate that young people’s housing is adequate for their needs at these ages. Differences between younger children and young people cohorts and older age groups indicate that it is important for future research to explore the types of housing and life transitions for 15 -18 year old young people living in private rental, including whether their housing circumstances adequately support the types of education and training transitions many make during these years. Clearly, this is
in addition to responses to rental-related disadvantage that we find affects increasing numbers and proportions of 0 – 14 year old Australians and which is most acute among children aged 0 – 14 living in one parent family households.

**Proportions of children living in unaffordable private rental are increasing over time**

In visual form, the information presented in table form above is presented in Figures 3 and 4. Viewed in this way, increases in overall proportions of lower income children who are living in families paying unaffordable amounts of private rent is stark.

What also becomes apparent is that although overall rates of rental affordability stress are highest for children living in one parent family households in the private rental sector compared with those living in couple headed family households, in overall numbers, each group is substantial. While higher proportions of children and young people who live in one parent headed families experience private rental affordability stress compared with those in couple headed family households with equivalent income and rental characteristics, overall there are greater *numbers* of children living in couple headed lower income families than in one parent lower income families in the rental sector.

Figure 3 also shows that for each group numbers are also increasing:

- In 2013-14, 183,500 children aged 0 – 14 years living in couple parent headed families residing in private rental dwellings in Australia were in housing affordability stress – a number that increased in real terms by 95,700 children over the preceding decade;
- In 2013-14, 158,300 children aged 0 – 14 years living in one parent headed families residing in private rental dwellings in Australia were in housing affordability stress – a number that increased in real terms by 95,700 children over the preceding decade.
What also becomes apparent is the size differential between younger cohorts of children and older children/young people living in lower income family households in private rental, in terms of numbers of children and young people affected.

Figure 4 also shows that for each group numbers are increasing:

- In 2013-14, 16,400 young people aged 15 - 18 years living in couple parent headed families residing in private rental dwellings nationally, were in housing affordability stress;
- In 2013-14, 15,900 young people aged 15 - 18 years living in one parent headed families residing in private rental dwellings nationally, were in housing affordability stress.
How birthplace and year of arrival affects childhood risk of living in unaffordable private rental

Using the same data, we examine the question of whether children born overseas are at more or less risk of living in families paying unaffordable rent than children of similar ages who are born in Australia. We find the answer is yes – and no – and that at least in broad terms of averages, it depends when children’s parent/s (or relatives they live with as guardians) arrived in Australia, if born elsewhere.

**Australian born and overseas born private renters: households**

We begin by examining affordability pressures among households, before presenting child-focused results.

Interestingly, comparing recently arrived *households* in the private rental sector with those who were born in Australia, we find that in both 2003-04 and 2013-14, it is households with an Australian born head of house (survey reference person) who are at slightly more risk of living in unaffordable rental than their overseas born counterparts.
Table 9 shows that between 2003-04 and 2013-14, the overall rate of 63 per cent of lower income Australian born households living in unaffordable rental remained constant during this 10-year period. However, in the same period, 2003-04 and 2013-14, the risk of living in unaffordable private rental increased among recently arrived households who rent privately, from 55 per cent in 2003-04 to 60 per cent in 2013-14.


<table>
<thead>
<tr>
<th></th>
<th>2003-04</th>
<th></th>
<th>2013-14*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Paying</td>
<td>Paying</td>
<td>Total</td>
<td>Paying</td>
</tr>
<tr>
<td></td>
<td>affordable</td>
<td>unaffordable</td>
<td></td>
<td>affordable</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Born in Aust</td>
<td>136,000</td>
<td>37</td>
<td>229,000</td>
<td>63</td>
</tr>
<tr>
<td>Recent arrival</td>
<td>26,000</td>
<td>45</td>
<td>33,000</td>
<td>55</td>
</tr>
<tr>
<td>Longer-term arrival</td>
<td>30,000</td>
<td>30</td>
<td>69,000</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>193,000</td>
<td>37</td>
<td>331,000</td>
<td>63</td>
</tr>
</tbody>
</table>

^Period of arrival relates to the household reference person
*2013-14 figures exclude a small number of ‘not applicable’ cases.


Notable in these figures, too, is the fact that households who arrived in Australia at an earlier period (2006 or earlier) are more likely than either Australian born or recently arrived households to live in unaffordable private rental, of all private renter households living with low incomes (equivalised disposable income quintiles 1 & 2). For these households, a decline in affordability outcomes has occurred recently, such that 70 per cent of lower income households who are longer-term arrival migrants and living in private rental housing in 2003-04 were paying unaffordable rent, compared with 75 per cent of this same population group in 2013-14.

It is possible that the differences between groups can be accounted for to some degree by migration eligibility criteria that in most recent years tends to favour highly skilled migrants and screens out those likely to be at risk of low/unemployment. Additionally, it may be that those migrants who have not been able to achieve home purchase over time, having been longer-term arrival families, are most disadvantaged. This population group has had sufficient time living in Australia to experience some of the types of critical life events that can place incomes and housing at risk, and effectively catch up with the Australian born population (Stone et al 2015).

The broad-brush analysis presented here does not distinguish households who have arrived on humanitarian grounds, who are likely to be most disadvantaged in the housing system, from other migrant households who have arrived in Australia via other forms of visa and entry category. The situation among the most disadvantaged migrants living in private rental could be expected to be far worse than overall group averages.
Australian and overseas born private renters: children and young people

Tables 10 and 11 report findings about numbers and percentages of children aged 0 – 14 years (Table 10) and young people aged 15 – 18 years (Table 11) living in either couple or one parent headed family households living in private rental dwellings, and who have low family incomes (income quintiles 1 and 2). Looking first at the youngest cohort of children, Table 10 compares the number and percentage of 0 – 14 year olds living in affordable or unaffordable rental, showing whether the main adult reference person in the family household was born in Australia, or whether this person was born overseas and arrived recently (since 2006) or arrived earlier (2006 or earlier).

Findings mirror those found above for households overall, and show:

- 48 per cent of children living in lower income families residing in private rental dwellings in which the household adult reference person is born in Australia are in housing affordability stress;
- 51 per cent of children living in lower income families residing in private rental dwellings in which the household adult reference person is born overseas and arrived in Australia recently (since 2006) are in housing affordability stress;
- 60 per cent of children living in lower income families residing in private rental dwellings in which the household adult reference person is born overseas and arrived in Australia longer ago (2006 or earlier) are in housing affordability stress;
- All of these rates have increased in the decade 2003-03 – 2013-14 with the minor exception of relatively flat figures for children living with a reference adult who arrived longer ago (a decline from 62 per cent to 60 per cent in this period, with overall percentages still high).

**Table 10. Private rental affordability for children aged 0-14 years by period of arrival in Australia^, 2003-04 and 2013-14.**

<table>
<thead>
<tr>
<th></th>
<th>2003-04</th>
<th></th>
<th>2013-14*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Paying affordable rent</td>
<td>Paying unaffordable rent</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>Born in Aust</td>
<td>171,000</td>
<td>54</td>
<td>145,000</td>
</tr>
<tr>
<td>Recent arrival</td>
<td>29,000</td>
<td>55</td>
<td>24,000</td>
</tr>
<tr>
<td>Longer-term arrival</td>
<td>25,000</td>
<td>38</td>
<td>40,000</td>
</tr>
<tr>
<td>Total</td>
<td>225,000</td>
<td>52</td>
<td>209,000</td>
</tr>
</tbody>
</table>

^Period of arrival relates to the household reference person
*2013-14 figures exclude a small number of ‘not applicable’ cases.

The picture for young people aged 15 – 18 years resembles the findings for 15 – 18 year old people living in couple and one parent headed family households living with lower incomes in private rental dwellings, above. Numbers overall are small, related to (i) the relatively higher incomes of parents of these young people in comparison with those of parents with younger children and (ii) the associated increased likelihood that families with older children are living in tenures other than private rental.

Even so, we find a similar birth-country effect for this cohort, as for younger aged children living in low income families in private rental dwellings such that young people living in a household with an adult reference person who arrived before 2006 are at most risk of living in unaffordable private rental dwellings. Interestingly, among the most recently arrived 15 – 18 year olds, rates are far better than for either this group or those living with an Australian born reference adult:

- 36 per cent of young people aged 15 – 18 years living in lower income families residing in private rental dwellings in which the household adult reference person is born in Australia are in housing affordability stress;
- 16 per cent of young people aged 15 – 18 years living in lower income families residing in private rental dwellings in which the household adult reference person is born overseas and arrived in Australia recently (since 2006) are in housing affordability stress;
- 64 per cent of young people aged 15 – 18 years children living in lower income families residing in private rental dwellings in which the household adult reference person is born overseas and arrived in Australia longer ago (2006 or earlier) are in housing affordability stress.

<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2003-04</strong></td>
</tr>
<tr>
<td>Paying affordable rent</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td><strong>N</strong></td>
</tr>
<tr>
<td>Born in Aust Recent arrival</td>
</tr>
<tr>
<td>Longer-term arrival</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

^Period of arrival relates to the household reference person

*2013-14 figures exclude a small number of ‘not applicable’ cases.

5. Children’s housing disadvantage: Spatial distribution & change over time (Victoria)

In this Section we focus on the state of Victoria, and use Australian Bureau of Statistics Census of Population and Housing (Census) data from Census years 2006 and 2011. This focus extends the analysis of children and young people living in lower income families paying unaffordable private rental (Section 4) in four ways. Census data are used to:

(i) Identify differences in the exposure of children and young people to unaffordable rental costs in metropolitan and regional areas;

(ii) Highlight clusters of local areas in which problems of affordability among these population groups are most pronounced;

(iii) Examine how trends in childhood experiences of living with unaffordable private rental manifest spatially;

(iv) Examine how these vary between children and young people living in the lowest income quintile (quintile 1 of equivalised disposable household income) and the next lowest income quintile (quintile 2) – which, combined, account for children and young people living in the lowest 40 per cent of household incomes in the state of Victoria.

Households living in private rental dwellings in Victoria: 2006 - 2011

Before examining the affordability circumstances experienced by children and young people, Census data are used to provide an overview of the scope and significance of private rental housing in Victoria. As Table 12 shows, at the time of the 2011 Census, 415,000 Victorian households were renting privately, a figure that had increased by 72,900 or 21.3 per cent in percentage change terms, since the 2006 Census. Taking account of population change, private rental increased by 2.1 percentage change points in this period.

<table>
<thead>
<tr>
<th>Table 12. Victorian household tenure structure 2006 and 2011.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>2006</td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Outright owner</td>
</tr>
<tr>
<td>Home purchaser</td>
</tr>
<tr>
<td>Private renter</td>
</tr>
<tr>
<td>Public renter</td>
</tr>
<tr>
<td>Other renter*</td>
</tr>
<tr>
<td>Other tenure^</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

* 'Other renter' includes the landlord types: owner/manager of caravan park/marina; employer (government/other); housing co-operative/community/church group; and landlord type 'not stated'.

^'Other tenure' includes: being purchased under rent/buy scheme; being occupied rent-free; being occupied under a life tenure scheme; 'other' tenure types, and; tenure type 'not stated'.

Source: ABS Census of Population and Housing data, 2006 and 2011 (TableBuilder).
Children and young people living in private rental dwellings in Victoria: 2006 - 2011

Table 13 shows how many children aged 0 – 14 years and how many young people aged 15 – 18 years were included in the 21.3 per cent of households renting privately in Victoria in 2011.

At the time of the 2011 Census:

- Metropolitan Melbourne was home to 181,200 children and young people aged 0 – 18 years living in private rental housing;
- Of these, 34,300 were aged 0 – 14 years and 5,400 were aged 15 – 18 years;
- A total of 68,600 children and young people lived in the private rental sector in regional Victoria in 2011, with 9,900 of these aged 0 – 14 years and 2,300 aged 15 – 18 years residing in private rental housing outside of Metropolitan Melbourne;
- In both Metropolitan Melbourne and regional Victoria, numbers of children and young people living in private rental dwellings increased in the period 2006 - 2011.

| Table 13. Children aged 0-14 years and 15-18 years in private rental dwellings in Victoria, 2006 and 2011. |
|---|---|---|---|---|---|---|---|
| | 2006 | | 2011 | | Change 06-11 | |
| | 0-14 yrs | 15-18 yrs | Total (0-18yrs) | 0-14 yrs | 15-18 yrs | Total (0-18yrs) | 0-14 yrs | 15-18 yrs | 0-18 yrs |
| | N | % | N | % | N | % | N | % |
| Melbourne | 116,100 | 25,500 | 141,600 | 150,300 | 30,900 | 181,200 | 34,300 | 29.5 | 5,400 | 21.2 | 39,700 | 28.0 |
| Regional Victoria | 47,000 | 9,400 | 56,500 | 56,900 | 11,700 | 68,600 | 9,900 | 21.0 | 2,300 | 24.3 | 12,200 | 21.5 |
| Victoria | 163,100 | 34,900 | 198,000 | 207,200 | 42,600 | 249,800 | 44,100 | 27.1 | 7,700 | 22.0 | 51,800 | 26.2 |

Source: ABS Census of Population and Housing data, 2006 and 2011 (TableBuilder).

Table 14 presents overall counts and percentages of children and young people living in lower income families in the private rental sector, in Metropolitan Melbourne as well as regional Victoria, at the time of the 2011 Census. Lower income includes those living in families with incomes in the quintile one (lowest 20% of incomes) and income quintile 2 (next lowest 20% of incomes) of equivalised disposable income – an an income distribution adjusted to take account of family size (see Appendix 1 for details):

- Metropolitan Melbourne was home to 61,400 children and young people aged 0 – 18 years living in low income families residing in private rental housing in 2011;
- Of these, almost 5 times as many were aged 0 – 14 as were aged 15 – 18 years;
- Regional Victoria was home to half the number of children and young people living in low income families in private rental dwellings than Metropolitan Melbourne, with a total of 31,600 children and young people aged 0 – 18 years in this group;
Of regional children and young people living in lower income families in private rental, a large majority, 78,800, were aged 0 – 14 years with a further 14,200 aged 15 – 18 years.

**Table 14. Children aged 0-14 years and 15-18 years in lower-income private rental dwellings in Victoria, 2006 and 2011.**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2011</th>
<th>Change 06-11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-14 yrs</td>
<td>15-18 yrs</td>
<td>Total (0-18yrs)</td>
</tr>
<tr>
<td>Melbourne</td>
<td>43,200</td>
<td>7,700</td>
<td>50,900</td>
</tr>
<tr>
<td>Regional Victoria</td>
<td>21,700</td>
<td>3,700</td>
<td>25,400</td>
</tr>
<tr>
<td>Victoria</td>
<td>65,000</td>
<td>11,400</td>
<td>76,300</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
<th>N</th>
<th>%</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melbourne</td>
<td>8,700</td>
<td>20.1</td>
<td>1,800</td>
<td>23.5</td>
<td>10,500</td>
<td>20.6</td>
</tr>
<tr>
<td>Regional Victoria</td>
<td>5,200</td>
<td>24.0</td>
<td>1,000</td>
<td>27.4</td>
<td>6,200</td>
<td>24.5</td>
</tr>
<tr>
<td>Victoria</td>
<td>13,900</td>
<td>21.4</td>
<td>2,800</td>
<td>24.8</td>
<td>16,700</td>
<td>21.9</td>
</tr>
</tbody>
</table>

Source: ABS Census of Population and Housing data, 2006 and 2011 (TableBuilder).

**Location of lower income children and young people living in private rental dwellings: Metropolitan Melbourne**

The large numbers of Census observations enable us to map regions in which children and young people reside in private rental in both Metropolitan Melbourne and in regional Victoria.

To examine the spatial distribution of children and young people exposed to rental affordability stress in Melbourne, we use 8 regional groupings of areas, denoted by boundaries on the maps, below. Local areas included within each, and the ABS areas from which these are derived, are listed in full at Appendix 2.

**Children in lowest income (quintile 1): Metropolitan Melbourne**

Map 1 sets out the 8 main regions we have created to capture the major areas and growth corridors of Metropolitan Melbourne (see details at Appendix 2).

Within this Map, only those children aged 0 – 14 years living in lowest income families (equivalised disposable household income quintile 1) who live in private rental dwelling and whose families pay more than 30 per cent of their income on rent are included.

As well as spatial data, Map 1 also presents change over time data showing the number and percentage of this lowest income cohort of 0 -14 year old children living in private rental who are exposed to unaffordable rent levels in both 2006 (blue) and in 2011 (red).
Map 1. Children aged 0–14 years in lowest-income (quintile 1) family private rental dwellings that are unaffordable, in eight regions of Metropolitan Melbourne, 2006 and 2011.

Source: Original analysis of ABS Census of Population and Housing 2006 and 2011 (TableBuilder).
Notes: Children 0 – 14 years in quintile 1 private renter family households paying unaffordable rent; 2006 (blue) and 2011 (red); 5 = proportion of all 0 – 14 year olds in quintile 1 private renter households in that year and spatial unit.

Map 1 includes striking findings indicating very poor affordability outcomes for this lowest income population group of children living in the Melbourne area:

- Proportions of lowest income 0 – 14 year olds living in unaffordable private rental have increased in the 2006 – 2011 period; affordability for this lowest income group of children has deteriorated across the board in the period;
• In 2011, proportions of lowest income 0 – 14 year old children living in private rental and exposed to rental affordability stress range from a best scenario of 89 per cent in Western and Inner regions of Metropolitan Melbourne, to a worst scenario of 92 per cent in Outer Western and Outer South East regions. These high rates are remarkably uniform across the city boundaries;

• A threshold of unaffordable private rental appears to have been met across Metropolitan Melbourne, whereby only one in ten children aged 0 – 14 years living in the lowest income families in private rental dwellings are living with affordable rents.

It is important to note that these figures are based on 2011 Census data. Home purchase and rent price increases between 2011 and 2016 (at the time of this research) (DHHS 2016) suggest these figures will have worsened in the 2001 - 2016 5 year period.

**Children in low income (quintile 2): Metropolitan Melbourne**

We present results separately for the two lowest income populations of 0 -14 year old children living in private rental housing within the Metropolitan Melbourne boundary to examine differences in affordability levels, and to begin to examine how well income/rent relief payments for each group offset affordability problems.

Map 2 sets out the same eight main area groupings, capturing major areas and growth corridors of Metropolitan Melbourne. Within this map, only those children aged 0 – 14 years living in low income families (equivalised disposable household income quintile 2) who live in private rental dwelling and whose families pay more than 30 per cent of their income on rent are included. Once again, the number and percentage of this income cohort of 0 -14 year old children living in private rental who are exposed to unaffordable rent levels in both 2006 (blue) and in 2011 (red) is presented.

The picture painted by findings in Map 2 differs quite markedly than that shown at Map 1, for lowest income children aged 0 – 14 living in private rental and unaffordable rent circumstances. To some degree, this is a good and bad news story.

The good news in relation to children aged 0 – 14 years living in families with quintile 2 incomes in private rental is that a lower proportion of this income segment live in affordability stress compared with equivalent aged children living in families in income quintel 1 (the lowest income children). The bad news is that overall, percentages of children aged 0 – 14 years living in income quintile 2 families in private rental in Metropolitan Melbourne are still high (although not as high), and have shown considerable deteriation between 2006 and 2011.
MAP 2. CHILDREN AGED 0-14 YEARS IN LOW-INCOME (QUINTILE 2) FAMILY PRIVATE RENTAL DWELLINGS THAT ARE UNAFFORDABLE, IN EIGHT REGIONS OF METROPOLITAN MELBOURNE, 2006 AND 2011.

Source: Original analysis of ABS Census of Population and Housing 2006 and 2011 (TableBuilder).

Notes: Children 0 – 14 years in quintile 2 private renter family households paying unaffordable rent; 2006 (blue) and 2011 (red); 5 = proportion of all 0 – 14 year olds in quintile 2 private renter households in that year and spatial unit.

Figures presented at Map 2 are once again striking and indicate:

- Proportions of lowest income 0 – 14 year olds living in unaffordable private rental have increased in the 2006 – 2011 period; affordability for this lowest income group of children has deteriorated considerably;

- Proportions of children aged 0 – 14 years living in families with quintile 2 incomes and paying unaffordable private rent range from a best scenario of 30 per cent in Outer Western suburbs...
of the Melbourne Metropolitan area, to a worst scenario of 70 per cent in the inner Eastern area;

- Outer Metropolitan areas that appeared relatively affordable based on the proportion of children exposed to unaffordable rents in these areas in 2006 no longer provide the same degree of rent relief they appear to have done in 2006 for low income families;

- Actual growth in numbers of children living in unaffordable rental in outer metropolitan areas have overwhelmingly shown most extensive change, with large overall increases in numbers of children living in private rental affordability stress seen in Outer Western and Outer Northern regions in which numbers of children living in unaffordable rental between 2006 – 2011 have increased by 3.7 and 3.9 times respectively.

These findings indicate different types of housing market processes at work affecting low income children in private rental housing in inner/middle ring areas of Melbourne, in comparison with the major growth corridors in outer metropolitan areas:

- Increases in proportions of children living with private rental disadvantage in inner/middle Western Melbourne, for example, is associated with investor based gentrification of these suburbs in the period 2006 – 2011 rather than owner-occupier based gentrification of inner suburbs;

- Growth in proportions of children living with private rental disadvantage in the growth of corridors of rental disadvantage (outer metropolitan growth) are also associated with relatively lower transport amenity and access to jobs – and hence additional costs or foregone earnings for the families of the children and young people growing up in outer metropolitan corridors.

Location of lower income children and young people living in private rental dwellings: regional Victoria

Using a similar approach as for the analysis of Metropolitan Melbourne, above, Census data in 2006 and 2011 are also used to examine the extent to which children and young people living in regional Victoria are exposed to unaffordable rent levels and rental affordability stress.

Eight local regional areas, in addition to the Melbourne Metropolitan area, are based on groupings of local areas, denoted on the maps below. Local areas included within each, and the ABS areas from which these are derived, are listed in full at Appendix 2.

Once again, affordability outcomes for children aged 0 – 14 are examined separately for those living in families with lowest family incomes (quintile 1) and low family incomes (quintile 2).

An important question is how well children living in private rental are housed in regional areas of Victoria, given the very poor affordability outcomes for children in low income families residing in private rental within the Metropolitan Melbourne boundary.

Children in lowest income (quintile 1): regional Victoria

Map 3 shows children aged 0 – 14 years living in lowest income families (equivalised disposable household income quintile 1) residing in private rental dwelling, whose families pay more than 30 per cent of their income on rent. The number and percentage of this lowest income cohort of 0 -14 year
old children living in private rental who are exposed to unaffordable rent levels in both 2006 (blue) and in 2011 (red) are shown.

MAP 3. CHILDREN AGED 0-14 YEARS IN LOWEST-INCOME (QUINTILE 1) FAMILY PRIVATE RENTAL DWELLINGS THAT ARE UNAFFORDABLE, IN EIGHT REGIONS OF REGIONAL VICTORIA, 2006 AND 2011.

Source: Original analysis of ABS Census of Population and Housing 2006 and 2011 (TableBuilder).
Notes: Children 0 – 14 years in quintile 1 private renter family households paying unaffordable rent; 2006 (blue) and 2011 (red); S = proportion of all 0 – 14 year olds in quintile 1 private renter households in that year and spatial unit.

There are some clear differences between the housing affordability outcomes of lowest income (quintile 1) children aged 0 – 14 years in regional private rental with those living in private rental within Melbourne metropolitan areas:

- Relative to Metropolitan Melbourne, above, proportions of children living in the lowest income families (quintile 1) are more likely to live in affordable private rental in regional Victoria than in Metropolitan Melbourne;
- Proportions of this age and income cohort of children exposed to private rental affordability stress vary quite markedly between regional areas, ranging from best (lowest) scenario of 49 per cent of children aged 0 – 14 years living in unaffordable private rental in in North West
Victoria to worst (highest) scenario of 85 per cent of children living in unaffordable private rental in Geelong;  
- Unlike the relatively small growth in overall proportions of lower income children within Metropolitan Melbourne, there have been substantial increases in numbers of children living in unaffordable private rental between 2006 and 2011;  
- Highest growth areas in proportions of children who live in private rental in lowest income families within regions between 2006 and 2011 have been seen in LaTrobe Gippsland to the east of Melbourne (26% increase), and in Hume, to the north east (18% increase).  

**Children in low income (quintile 2): regional Victoria**  
Map 4 shows children aged 0 – 14 years living in low income families (equivalised disposable household income quintile 2) residing in private rental dwelling, whose families pay more than 30 per cent of their income on rent. The number and percentage of this lowest income cohort of 0 -14 year old children living in private rental who are exposed to unaffordable rent levels in both 2006 (blue) and in 2011 (red) are shown.  
An interesting and significant difference between children in lowest and low income families living in private rental in regional Victoria in the 2006 – 2011 Census collection periods, relate to overall numbers and proportions. There are relatively few children living in income quintile 2 families residing in private rental dwellings in regional Victoria in comparison with children living in income quintile 1 households.  
This difference is likely to be accounted for by the relative affordability of home ownership for families with income quintile 2 incomes within regional Victoria in years 2006 and 2011, relative to purchase opportunities for lowest income families and their children. Given house price increases and associated rises in rental costs that have been seen since 2011 (DHHS 2016) it is likely that the situation of children living in families with income quintile 2 levels will more closely reflect that of children in the lowest income families, income quintile 1, in future years.  
Most striking in findings for children in income quintile 2 family households living in private rental in regional Victoria in the 2006 – 2011 period is that:  
- Overall numbers of children aged 0 – 14 years living in unaffordable private rental in regional Victoria in 2006 and 2011 are small overall;  
- Increases that have occurred in all regional areas of Victoria in proportions of children aged 0 – 14 years living in unaffordable private rental are therefore also relatively small in overall impact (size of population groups affected);  
- Regional cities, such as Geelong, show most signs of affordability for children living in low income families in 2006 – 2011 and act as an indicator of the differences in affordability opportunity for low income families between regional cities and smaller regional townships in this period.  
In future years it is likely that affordability problems for children and young people in families with low incomes (income quintile 2) living in regional areas of Victoria will more closely reflect the situation found for lowest income (income quintile 1) children and families in 2006 – 2011, as affordability of both home purchase and rental has declined in regional Victoria in the 2011 – 2016 period.
SUMMARY: CHILDREN AND YOUNG PEOPLE LIVING IN UNAFFORDABLE PRIVATE RENTAL IN METROPOLITAN AND REGIONAL VICTORIA

Overall, rates of rental disadvantage among children living in lower income families (lowest 40% of the income distribution) are high to extreme. They are most extreme within Metropolitan Melbourne, and most acute for children aged 0 – 14 years living in families with lowest incomes (lowest 20% of the income distribution) in both Melbourne and regional Victoria.

Rental housing stress, measured using the rent to income measures we have reported on in this Report, indicates that within Metropolitan Melbourne, a threshold of unaffordability has been reached for children in lowest income families renting privately, and that for those with low incomes (income quintel 2) there has been a more notable decline in the 2006 – 2011 period, indicating a ‘catch up’ or slippage - of these poor affordability outcomes.

Source: Original analysis of ABS Census of Population and Housing 2006 and 2011 (TableBuilder).
Notes: Children 0 – 14 years in quintile 2 private renter family households paying unaffordable rent; 2006 (blue) and 2011 (red); 5 = proportion of all 0 – 14 year olds in quintile 2 private renter households in that year and spatial unit.
In 2006 the relatively lower rental costs of outer Metropolitan Melbourne and regional areas appeared to provide some relief to children and their families living with low incomes and in private rental, however this, too, has diminished in this 5 year period. Our findings indicate that on average it is only in regional Victoria (and outside of regional cities such as Geelong) that levels of rental housing disadvantage among children living in low income families living in private rental are relatively low.

Table 15 summarises these trends for children aged 0 – 14 years living in families with the lowest and next lowest incomes residing in private rental in terms of averages for Metropolitan Melbourne and regional Victoria.

**Table 15. Children aged 0-14 years in lowest-income (quintile 1) and low-income (quintile 2) family private rental dwellings that are unaffordable, in Metropolitan Melbourne and Regional Victoria, 2006 and 2011.**

<table>
<thead>
<tr>
<th>Region</th>
<th>0 - 14 in Private Renter households paying unaffordable rent</th>
<th>% 0 - 14 in Private Renter households paying unaffordable rent</th>
<th>0 - 14 years in Private Renter households paying unaffordable rent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In Q1 households</td>
<td>In Q2 households</td>
<td>No. of Q1 + Q2 % of Q1 + Q2</td>
</tr>
<tr>
<td>Melbourne Metropolitan</td>
<td>20,385</td>
<td>13,656</td>
<td>34,041</td>
</tr>
<tr>
<td>Regional Victoria</td>
<td>8,524</td>
<td>1,732</td>
<td>10,256</td>
</tr>
<tr>
<td>Total Victoria</td>
<td>28,909</td>
<td>15,383</td>
<td>44,297</td>
</tr>
</tbody>
</table>

Source: Original analysis of ABS Census of Population and Housing 2011 (TableBuilder).

When viewed in this way, findings are stark. Eighty-three per cent of 0 – 14 year olds living in the lowest income family households in private rental (income quintile 1) were living in rental affordability stress in 2011. Thirty-five per cent of equivalent aged children in the next income quintile (quintile 2) family households were similarly living with rental affordability stress at this time.

For these children in the lowest income households, regional Victorian rental affordability relative to metropolitan centres provides little relief – with two thirds (69%) of children aged 0 – 14 years in the lowest income families living in regional Victoria exposed to rental affordability stress.

It is anticipated, given house price and rental cost increases in the period since 2011, that the figures presented here have deteriorated for 0-14 year old Victorians. Certainly, there is no reason to believe, based on evidence explored and presented in this Report, that increasing levels of exposure to rental stress among 0 – 14 year old children reported here have reduced, nor that the circumstances of 15 – 18 year olds in rental housing have improved – and neither that affordability conditions in which lower income children, young people and families live within either metropolitan or regional areas have improved. As discussed in Section 6, next, in contrast there is urgent need and broad opportunity, to begin to improve children and young people’s housing experiences in Australia via effective application of current policy levers, and investment in new approaches.
6. Discussion & Implications: Housing better futures

There is a growing evidence base internationally, and emerging in Australia, about the types of urban environments in which children can thrive, what the relationship between home and neighbourhood context is with various aspects of child wellbeing and longer term outcomes, as well as about children’s pathways into and out of homelessness and various forms of out of home care (Dockery et al 2013; Taylor & Edwards 2012; Bevitt et al 2015). There is relatively little known about the situation of children within the mainstream parts of the housing system, and of children’s housing spatially.

This Report begins to address this critical knowledge gap. It presents one of the first large-scale child-focused accounts of the magnitude of children and young people’s housing disadvantage within mainstream housing tenures in Australia. Specifically, this report has focused on children and young people living in low income family households within the private rental sector.

The Report includes a child-focused methodology that enumerates numbers and percentages of children with a range of characteristics (income, family type, location, country of birth, age) exposed to private rental affordability stress and how this is changing over time and place. Children and young people are typically included within housing policy and research as part of families, households or communities – but are rarely identified as occupants in their own right.

Outside the scope of this report is a focus on marginal housing and homelessness. The rationale for this being that in addition to building an evidence base around child, youth and family homelessness, it is critical that we begin to better understanding some of the housing system contextual factors in child and young people’s terms. These form the ‘up stream’ context and barriers that can lead to more entrenched housing-related disadvantage, resulting in crises and/or entrenched disadvantage.

The private rental sector is home to increasing proportion of children, young people and families

Private rental is arguably the section of Australia’s housing system that is most precarious, under-regulated and disadvantaging (Hulse et al 2013; Hulse and Burke 2015; Hulse et al 2015). Problems of affordability, access, safety, security, low stability as well as poor housing conditions are increasingly well-evidenced within this tenure. At the time of writing, two of Australia’s largest states – Victoria and New South Wales – are mid-way through wide ranging review of tenancy legislation that might lead to change to address some of these fundamental problems. It is anticipated other state and territory jurisdictions will follow.

The evidence presented in this Report points to a clear need for such reviews, and for a suite of policy development measures to establish the private rental sector as a tenure in which children, young people and their families, from all backgrounds and locations, are able to thrive.

Fundamentally, in addition to the need for secure housing, this will involve access to affordable rental dwellings, that are well and appropriately located to meet the needs of children, young people and families through family formation years, primary and secondary education, as well as in transitions to early adult life.

Specific findings presented in this Report are stark, and indicate that without explicit policy development geared toward improving the lives of children, young people and their families in the
most ‘affordable’ segments of the housing system, affordability stress and additional forms of housing disadvantage underpinned by this, will increase – and with increasingly widespread effect.

Private rental policy settings are not set for children, young people and their families.

Policy and program implications of the evidence

The policy and program implications of the research findings presented in this report are grouped into four types of implication priority areas:

- Broad social policy settings and national values about children, young people and families;
- Housing supply policy including delivery of new supply and access to appropriate rental dwellings for children, young people and their families;
- Legislative reform to change the experience of living in private rental dwellings in Australia; and
- Types of supports needed to enhance the lives of the most disadvantaged children, young people and families living in private rental housing.

Valuing children, young people and families within policy settings

Findings presented in this Report indicate there is a clear gap between policy and program settings that seek to foster optimal living conditions for children and young people, and housing policy.

- One of the overarching implications of these findings is that housing policy development ought to include a child, young people and family assessment as part of ongoing policy development;
- In practical terms this can also include evaluation of the effectiveness of Commonwealth Rent Assistance and other forms of Private Rental Assistance to enable a coordinated appraisal of how well housing policy can address problems such as rental affordability stress experienced during childhood, reported on here;
- Future settings need to more effectively respond to differential circumstances of families of different types. In our analysis, for example, we find considerable affordability risk profiles based on parental structure alone. Children living in one parent family households are at far greater risk than lower income children of similar ages living in couple headed families who also rent privately.

Reducing competition for low rent dwellings: new supply & access to existing dwellings

Reducing competition for low cost rental dwellings can take affordability pressures out of the rental market for tenants. This can be achieved via increased supply of new dwellings and/or making more
of the current rental stock available and affordable for lower income households, including families with dependent children and young people.

Implications include:

- Evidence in this report suggests that programs such as the National Rental Affordability Scheme are warranted (see Wulff et al 2011), and that evaluation of how the implementation of new types of NRAS-style schemes can act as important policy levers to improve housing children, young people and their families is warranted;
- Findings indicate that investigation and modelling/evaluation of the impact of taxation policy reform that includes targeted negative gearing benefits to rental investors that invest in new supply of quality dwellings in particular locations is warranted;
- Also implicated is an investigation of a coordinated approach to national and regionally specific new supply via negative gearing or other supply mechanisms to increase effectiveness of more targeted housing supply policy. This implies a new role for government in the supply of new affordable rental housing nationally;
- Finding suggest policies and practices that positively discriminate in favour of lower income families with dependent children and young people, such as via taxation advantages, may be worth investigating as part of current and future taxation reform and state/territory tenancy legislation review.

### Creating a private rental sector that is good to live in: tenancy legislation reform & cultural change

Findings of this Report suggest that wide-reaching reviews of tenancy legislation across all state and territory jurisdictions in Australia are warranted. At the time of writing, Victoria and New South Wales are undertaking such reviews.

Findings suggest review and reform of tenancy legislation could take specific account of:

- An evaluation of the efficacy of transferring policy around reducing unregulated rental increases from international jurisdictions to the Australian context – such that families with dependent children and young people (as well as other tenants) would experience predictable, regulated rental costs;
- An evaluation of practices and policy settings that would contribute to access to affordable housing in appropriate locations, potentially involving positive discrimination in favour of lower income families with dependent children and young people as well as other vulnerable tenant groups;
- Wide-reaching review of other aspects of private rental that can be adversely affected by the affordability pressures reported on in this Report such as security, safety, housing conditions, leasing terms, bond administration and administrative record keeping including tenancy and landlord data bases.
Housing assistance within the private rental sector: children, young people and families in need

In addition to wider structural implications about the need for targeted private rental supply at affordable rent levels, improvement of tenancy legislation to safeguard rental dwellings as ‘homes’ for children, young people and their families, are implications of the findings presented in this research for development of housing assistance to households in need of support in the private rental sector.

Rent assistance

Rent assistance in the form of cash payments via Commonwealth Rent Assistance form part of an income support framework available to eligible families. These payments act to reduce both the breadth and depth of rental affordability stress experienced by Australian households (Melhuish et al 2004), yet have inbuilt problems that are important to address if this major form of demand-side response to rental affordability by the Australian government is to have more effect (Burke et al 2007).

Implications of findings of this Report include:

- An evaluation of the effectiveness of Commonwealth Rent Assistance to be undertaken to assess the financial implications of more effective delivery of rental assistance payments;
- This could include an assessment of the efficacy of tailoring rental affordability targets to regions and local housing markets;
- Findings indicate that a wide ranging evaluation of the effectiveness of rental assistance be part of a broader evaluation of the adequacy and effectiveness of income support payments, including for families of varied structures (notably one parent families and couple headed families with children), to lift lower income families living in the private rental sector out of housing-related poverty.

Additional private rental assistance forms

The implications of findings of this research, read in conjunction with emerging evidence around access and discrimination in the private rental sector, also suggest that a suite of state and territory based family-specific measures may be warranted, geared to assist families with dependent children to access and sustain private tenancies. This includes:

- Greater utilisation of the suite of Private Rental Assistance (PRA) mechanisms available at state and territory jurisdictional levels to support family access of affordable rental housing;
- Exploration of the types of program development options that might assist lower income families access and sustain tenancies in particular local sub-markets of the private rental sector (such as metropolitan and regional differences);
- Housing programs that assist the skills and capabilities of lower rent families with dependant children and young people to navigate what can be a highly unaffordable, complex housing system. It is important to note, however, that programs to support capability building of tenants will not be sufficient to off-set the extent of affordability problems reported on in this Report.
A coordinated approach to housing children, young people and their families well

Finally, it is important to note in concluding discussion of the implications of the findings presented in this Report, that there is no single response that will be effective to solve the extent, depth and growth of the private rental affordability pressures facing growing numbers of children, young people and their families nationally, in Victoria, and in metropolitan and regional areas.

Perhaps the most important implication of the findings presented here is that a coordinated national and jurisdictional approach is warranted if Australia, Victoria, and other states and territories, are to offer children and young people the types of housing and home contexts they require to thrive.

Levels of rental affordability stress reported in this study suggest problems have reached a point of crisis and that housing policy reform must include a dedicated and explicit focus on housing outcomes and opportunities for children, young people, and the families in which they live.
References


Phibbs, P. and Young, P. (2005) Housing assistance and non-shelter outcomes, Australian Housing and Urban Research Institute, Melbourne.


Stone, W., et al. (2016) Housing assistance need and provision in Australia: a household-based policy analysis, Australian Housing and Urban Research Institute, Melbourne.


Appendix 1: Equivalised family income

Table A1 - Equivalised household income structure (quintiles) of privately renting couple with children households and one parent family households in 2003-04 and 2013-14, Australia.

<table>
<thead>
<tr>
<th></th>
<th>Couple with children families</th>
<th>One parent families</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Quintile 1 (equiv dispos)</td>
<td>54,000</td>
<td>14.8</td>
</tr>
<tr>
<td>Quintile 2 (equiv dispos)</td>
<td>90,000</td>
<td>24.8</td>
</tr>
<tr>
<td>Quintile 3 (equiv dispos)</td>
<td>108,000</td>
<td>29.9</td>
</tr>
<tr>
<td>Quintile 4 (equiv dispos)</td>
<td>69,000</td>
<td>18.9</td>
</tr>
<tr>
<td>Quintile 5 (equiv dispos)</td>
<td>42,000</td>
<td>11.6</td>
</tr>
<tr>
<td>Total households</td>
<td>363,000</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Tables A2/A3 – Gross unequivalised household income quintiles (approximate) and corresponding affordable rent categories, Australia, 2011 (and 2006)

<table>
<thead>
<tr>
<th>Gross household income segment ($2011)</th>
<th>Affordable private rent segment ($2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly</td>
<td>Annual (approx.)</td>
</tr>
<tr>
<td>Quintile 1 (Q1)</td>
<td>$1 - $599</td>
</tr>
<tr>
<td>Quintile 2 (Q2)</td>
<td>$600 - $999</td>
</tr>
<tr>
<td>Quintile 3 (Q3)</td>
<td>$1,000 - $1,499</td>
</tr>
<tr>
<td>Quintile 4+ (Q4)</td>
<td>$1,500+</td>
</tr>
</tbody>
</table>

Note 1: Household income refers to gross unequivalised income ranges (weekly) that represent the sum of the individual incomes reported by all household members aged 15 years and over. Household income categories are restricted by the ranges that are available in ABS TableBuilder and thus income quintiles are approximate.

Note 2: The affordable rent segments were defined by calculating 30 per cent of the upper value of the income quintile range. For example, $599*0.3=$180 (rounded up to nearest dollar). It is possible to create user-defined rent categories in TableBuilder for 2011 Census data.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly</td>
<td>Annual (approx.)</td>
</tr>
<tr>
<td>Quintile 1 (Q1)</td>
<td>$1 - $499</td>
</tr>
<tr>
<td>Quintile 2 (Q2)</td>
<td>$500 - $799</td>
</tr>
<tr>
<td>Quintile 3+ (Q3+)</td>
<td>$800 - $1,199</td>
</tr>
</tbody>
</table>

NB: In TableBuilder for 2006 it is not possible to create user-defined rent categories and thus those in the above table are as close as possible to 30 per cent of the upper value of the income quintile. Furthermore, it was not possible to identify household income quintiles 4 or 5 using the income ranges supplied in the 2006 TableBuilder product.
### Appendix 2: Spatial regions used in this report

<table>
<thead>
<tr>
<th>ABS 2011 Spatial unit</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayside (C)</td>
<td>Eastern Melbourne</td>
</tr>
<tr>
<td>Boroondara (C)</td>
<td></td>
</tr>
<tr>
<td>Glen Eira (C)</td>
<td></td>
</tr>
<tr>
<td>Kingston (C)</td>
<td></td>
</tr>
<tr>
<td>Manningham (C)</td>
<td></td>
</tr>
<tr>
<td>Monash (C)</td>
<td></td>
</tr>
<tr>
<td>Stonnington (C)</td>
<td></td>
</tr>
<tr>
<td>Whitehorse (C)</td>
<td></td>
</tr>
<tr>
<td>Melbourne (C)</td>
<td>Inner Melbourne</td>
</tr>
<tr>
<td>Port Phillip (C)</td>
<td></td>
</tr>
<tr>
<td>Yarra (C)</td>
<td></td>
</tr>
<tr>
<td>Banyule (C)</td>
<td>Northern Melbourne</td>
</tr>
<tr>
<td>Darebin (C)</td>
<td></td>
</tr>
<tr>
<td>Moonee Valley (C)</td>
<td></td>
</tr>
<tr>
<td>Moreland (C)</td>
<td></td>
</tr>
<tr>
<td>Nillumbik (S)</td>
<td></td>
</tr>
<tr>
<td>Knox (C)</td>
<td>Outer eastern Melbourne</td>
</tr>
<tr>
<td>Maroondah (C)</td>
<td></td>
</tr>
<tr>
<td>Yarra Ranges (S)</td>
<td></td>
</tr>
<tr>
<td>Hume (C)</td>
<td>Outer northern Melbourne</td>
</tr>
<tr>
<td>Whittlesea (C)</td>
<td></td>
</tr>
<tr>
<td>Cardinia (S)</td>
<td>Outer south east Melbourne</td>
</tr>
<tr>
<td>Casey (C)</td>
<td></td>
</tr>
<tr>
<td>Frankston (C)</td>
<td></td>
</tr>
<tr>
<td>Greater Dandenong (C)</td>
<td></td>
</tr>
<tr>
<td>Mornington Peninsula (S)</td>
<td></td>
</tr>
<tr>
<td>Melton (S)</td>
<td>Outer western Melbourne</td>
</tr>
<tr>
<td>Wyndham (C)</td>
<td></td>
</tr>
<tr>
<td>Brimbank (C)</td>
<td>Western Melbourne</td>
</tr>
<tr>
<td>Hobsons Bay (C)</td>
<td></td>
</tr>
<tr>
<td>Maribyrnong (C)</td>
<td></td>
</tr>
<tr>
<td>Geelong SA4</td>
<td>Geelong</td>
</tr>
<tr>
<td>Ballarat SA4 and</td>
<td>Ballarat</td>
</tr>
<tr>
<td>Bacchus Marsh (SA2)</td>
<td></td>
</tr>
<tr>
<td>Bendigo SA4 and</td>
<td>Bendigo</td>
</tr>
<tr>
<td>Gisborne (SA2)</td>
<td></td>
</tr>
<tr>
<td>Macedon (SA2)</td>
<td></td>
</tr>
<tr>
<td>Riddells Creek (SA2)</td>
<td></td>
</tr>
<tr>
<td>Romsey (SA2)</td>
<td></td>
</tr>
<tr>
<td>Hume SA4 and</td>
<td>Hume</td>
</tr>
<tr>
<td>Wallan (SA2)</td>
<td></td>
</tr>
<tr>
<td>Kinglake (SA2)</td>
<td></td>
</tr>
<tr>
<td>Minus Upper Yarra Valley (SA2)</td>
<td><em>(Included in Yarra Ranges LGA for 'Outer Eastern Melbourne')</em></td>
</tr>
<tr>
<td>Latrobe - Gippsland SA4</td>
<td>Latrobe - Gippsland</td>
</tr>
<tr>
<td>North West SA4</td>
<td>North West</td>
</tr>
<tr>
<td>Shepparton SA4</td>
<td>Shepparton</td>
</tr>
<tr>
<td>Warrnambool and South West SA4</td>
<td>Warrnambool</td>
</tr>
</tbody>
</table>