



Housing solutions
for all Australians

PRICED OUT

An Index of
Affordable Rentals
for People on the
Lowest Incomes

Second Edition September 2024

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Everybody's Home is a national campaign to fix the housing crisis. It was launched in 2018 by a coalition of housing, homelessness and welfare organisations to achieve the change needed so everybody has a safe, affordable and decent place to live. The campaign is now supported by more than 500 organisations, businesses and councils, and more than 43,000 individuals across Australia.

Priced Out was first produced in 2023. Our first edition focused on Australia's essential workers by looking at 15 industries and analysing how affordable rents are across the country based on their incomes. This year's report was developed by comparing data on median asking rents against payment rates for households on low incomes.

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Introduction

Across Australia, the cost of housing has never been higher. Much commentary has been written about Australia's historic housing affordability crisis, with costs rising across the board. The heaviest burden has been placed on those with the lowest incomes, as rents surge far beyond what they can afford.

This report delves into their experiences by looking at 12 household types on low incomes and analyses how affordable rents are across the country based on their incomes. The results show that there is virtually no region of Australia that is affordable for a person living on the Age Pension, Disability Support Pension, JobSeeker, or the Parenting Payment. Those working full-time on the minimum wage are also likely to be in severe rental stress in almost every part of the country.

Nationally, every household type that we profile is in rental stress. Households living primarily on Centrelink payments would need to spend at least half of their income to afford the median asking rent. In some cases, rents outstrip incomes altogether. This report goes beyond highlighting the impacts of the rental crisis on people with low incomes, offering solutions that match the scale of the problem.

This report offers proposals to make renting more secure and more affordable. The recommendations proposed in this report would make renting more secure and more affordable. They would reform our tax and policy settings to fund homes, instead of subsidising investments. Most importantly, they would transform social housing from a safety net for people at the margins to a real option for more Australians, giving them access to secure homes that they can afford.

The need for drastic reform has become urgent. Without change, the situation facing renters on the lowest incomes will only worsen. It's time for the Federal Government to step up and ensure there are affordable homes for those who need them most.

Findings

Methodology

This analysis compares data on rents against payment rates for households on low incomes. Weekly rents are sourced from the SQM Research Weekly Rents Index for the week ending 4 September 2024.¹ Our analysis uses the data on weekly unit rents, rather than the weekly house rents. National, capital city, and regional data from SQM are used in our data tables.

We then assess the proportion of income that households need to spend to afford asking rents in each region. The households we assess are:

- single people living on the Disability Support Pension, JobSeeker, the Age Pension, or the minimum wage
- single parents living on the Parenting Payment, JobSeeker, or the minimum wage
- couples without children on the Age Pension, and
- couples with children living on JobSeeker, the Parenting Payment, the minimum wage, or a combination of these income sources.

In calculating incomes for these households, this report uses net income, taking into account the maximum rate of Centrelink payments, allowances or net minimum wage combined with the maximum rates of Commonwealth Rent Assistance (CRA), Energy Supplement, and Family Tax Benefits (FTB) where applicable. Payment rates apply from 20 September 2024, accounting for the latest round of payment increases. Our assumptions are outlined at Table 1 on next page.

¹ SQM Research (2024) [Weekly Rents](#). Data utilised for this report looks at results for capital cities and non-capital regions.

Table 1. Household types and income assumptions

Household type	Payment type	Fortnightly income	Fortnightly CRA payment	Weekly income
Couple with two children, on JobSeeker and Parenting Payment	JobSeeker and Parenting Payment (partnered) (includes Family Tax Benefit A and B)	\$1,983	\$248	\$1,116
Single, two children, on Parenting Payment	Parenting Payment (single) (includes Family Tax Benefit A and B)	\$1,652	\$248	\$950
Couple, both on the Age Pension	Age Pension	\$1,725	\$199	\$962
Single, one child, on Parenting Payment	Parenting Payment (single) (includes Family Tax Benefit A and B)	\$1,430	\$248	\$839
Single, one child, on JobSeeker	JobSeeker (includes Family Tax Benefit A and B)	\$1,263	\$248	\$756
Single, on the Age Pension	Age Pension	\$1,144	\$211	\$678
Single, on the Disability Support Pension	Disability Support Pension	\$1,144	\$211	\$678
Single, on JobSeeker	JobSeeker	\$787	\$211	\$499
Couple, two children, both on Minimum Wage	Minimum Wage (both adults) (includes Family Tax Benefit A)	\$3,413	\$248	\$1,830
Single, two children, on Minimum Wage and Parenting Payment	Minimum Wage and Parenting Payment (single) (includes Family Tax Benefit A and B)	\$2,498	\$248	\$1,373
Single, on the Minimum Wage	Minimum Wage	\$1,600	\$0	\$800
Couple, two children, on Minimum Wage and Parenting Payment	Minimum Wage and Parenting Payment (partnered) (includes Family Tax Benefit A and B)	\$2,628	\$248	\$1,438

Results: National findings

For many people, rent needs to be no more than 30 percent of a household budget to avoid financial stress and difficult choices.² This is an internationally accepted benchmark based on many years of study into the impact of the cost of living and how it affects people. Based on this benchmark, our findings show that rents are out of reach for households on low incomes across the country (Table 2).

Table 2. National average results, Australia-wide

Household type	Weekly income	Average weekly unit rent	Percentage of income
Couple with two children, on JobSeeker and Parenting Payment	\$1,116	\$547	49%
Single, two children, on Parenting Payment	\$950	\$547	58%
Couple, both on the Age Pension	\$962	\$547	57%
Single, one child, on Parenting Payment	\$839	\$547	65%
Single, one child, on JobSeeker	\$756	\$547	72%
Single, on the Age Pension	\$678	\$547	81%
Single, on the Disability Support Pension	\$678	\$547	81%
Single, on JobSeeker	\$499	\$547	110%
Couple, two children, both on Minimum Wage	\$1,830	\$547	30%
Single, two children, on Minimum Wage and Parenting Payment	\$1,373	\$547	40%
Single, on the Minimum Wage	\$800	\$547	68%
Couple, two children, on Minimum Wage and Parenting Payment	\$1,438	\$547	38%

These results show that rents are severely unaffordable for households living on Centrelink payments or the minimum wage as their primary source of income, with unit rents leaving every household we studied in deep rental stress. These results become even more grim when looking at the average across capital cities, where rents are higher and rental stress is even more severe (Table 3).

2 Australian Housing and Urban Research Institute (2019) [Understanding the 30:40 indicator of housing affordability stress](#).

Table 3. National average results, capital cities

Household type	Weekly income	Average weekly unit rent	Percentage of income
Couple with two children, on JobSeeker and Parenting Payment	\$1,116	\$621	56%
Single, two children, on Parenting Payment	\$950	\$621	65%
Couple, both on the Age Pension	\$962	\$621	65%
Single, one child, on Parenting Payment	\$839	\$621	74%
Single, one child, on JobSeeker	\$756	\$621	82%
Single, on the Age Pension	\$678	\$621	92%
Single, on the Disability Support Pension	\$678	\$621	92%
Single, on JobSeeker	\$499	\$621	124%
Couple, two children, both on Minimum Wage	\$1,830	\$621	34%
Single, two children, on Minimum Wage and Parenting Payment	\$1,373	\$621	45%
Single, on the Minimum Wage	\$800	\$621	78%
Couple, two children, on Minimum Wage and Parenting Payment	\$1,438	\$621	43%

In considering these results, it is important to remember that rents continue to rise at prodigious rates. Over the past three years typical unit rents across the country have gone from \$372 per week in March 2020, before the onset of the COVID-19 pandemic, to \$547 in September 2024. That is an increase of 47 percent, far outstripping increases to Centrelink payments or the minimum wage.

Looking across all states, territories, and local regions, it is clear that this dire lack of affordable homes is a national problem. Virtually no region of Australia is affordable for households on low incomes, even when incorporating the highest rates of Commonwealth Rent Assistance and Family Tax Benefit.

Results: New South Wales

Tables 4 and 5 present the results across NSW. They highlight that Sydney continues to be Australia's most expensive capital city, with every household we studied in severe rental stress. Single people on the Age Pension or Disability Support Pension cannot meet the average asking rent, while those on JobSeeker would have to spend almost one and a half times their income. Others on higher payments or in coupled households can still expect to be spending a large portion of their income on rent with dangerously little left over to meet other essential costs.

In looking at the results across NSW more broadly, there are virtually no regions where rentals are affordable for any household living on Centrelink payments. In every region across the state, these households would be in severe rental stress to pay a typical rent. Affordability is particularly poor for coastal areas, and for commuter areas with transport links to Sydney. Only households on the minimum wage, who receive the highest rates of Commonwealth Rent Assistance and Family Tax Benefit, can afford rents without falling into housing stress in certain regions of the state.

Table 4. New South Wales results

Household type	Percentage of income on rent					
	Sydney	Blue Mountains	Broken Hill / Dubbo	Central Coast	Central Tablelands	Hunter Region
Couple with two children, on JobSeeker and Parenting Payment	62%	32%	29%	49%	36%	45%
Single, two children, on Parenting Payment	73%	37%	34%	58%	42%	52%
Couple, both on the Age Pension	72%	37%	34%	57%	42%	52%
Single, one child, on Parenting Payment	82%	42%	39%	65%	48%	59%
Single, one child, on JobSeeker	92%	47%	43%	72%	53%	66%
Single, on the Age Pension	102%	52%	48%	81%	59%	73%
Single, on the Disability Support Pension	102%	52%	48%	81%	59%	73%
Single, on JobSeeker	139%	71%	65%	110%	81%	100%
Couple, two children, both on Minimum Wage	38%	19%	18%	30%	22%	27%
Single, two children, on Minimum Wage and Parenting Payment	50%	26%	24%	40%	29%	36%
Single, on the Minimum Wage	87%	44%	41%	69%	50%	62%
Couple, two children, on Minimum Wage and Parenting Payment	48%	25%	23%	38%	28%	35%

Table 5. New South Wales results (continued)

Household type	Percentage of income on rent					
	Murray Region	North Coast	Riverina Region	South Coast	Tamworth	Wollongong
Couple with two children, on JobSeeker and Parenting Payment	32%	48%	33%	45%	27%	50%
Single, two children, on Parenting Payment	37%	57%	38%	53%	32%	58%
Couple, both on the Age Pension	37%	56%	38%	52%	32%	58%
Single, one child, on Parenting Payment	42%	64%	43%	60%	36%	66%
Single, one child, on JobSeeker	47%	71%	48%	67%	40%	73%
Single, on the Age Pension	52%	80%	54%	74%	45%	82%
Single, on the Disability Support Pension	52%	80%	54%	74%	45%	82%
Single, on JobSeeker	71%	108%	73%	101%	61%	111%
Couple, two children, both on Minimum Wage	19%	30%	20%	28%	17%	30%
Single, two children, on Minimum Wage and Parenting Payment	26%	39%	27%	37%	22%	40%
Single, on the Minimum Wage	44%	68%	46%	63%	38%	69%
Couple, two children, on Minimum Wage and Parenting Payment	25%	38%	25%	35%	21%	39%

Results: Victoria

Across Victoria, there are no affordable regions for any of the household types we profiled on Centrelink payments, as shown at Tables 6 and 7. Consistent with trends across other states and capital cities, Melbourne has the least affordable rents in Victoria leaving each household type we profiled in rental stress, including those working full-time on the minimum wage. Most would be spending at least half of their income on housing, with asking rents outstripping incomes altogether for those on JobSeeker.

Even in Victoria's most affordable regions, Gippsland and North East Victoria, rents are so high that all profiled households relying primarily on Centrelink payments would be left in rental stress. It is worth noting that rental availability is a major issue in regional Victoria, with Anglicare Victoria reporting difficulties in the availability of rental properties. They also report that there are many people living in hotels waiting for secure long-term accommodation.³

Table 6. Victorian results

Household type	Percentage of income on rent				
	Melbourne	Bellarine Peninsula	Gippsland	North East Victoria	Northern Victoria
Couple with two children, on JobSeeker and Parenting Payment	50%	40%	32%	32%	40%
Single, two children, on Parenting Payment	59%	47%	38%	38%	47%
Couple, both on the Age Pension	58%	46%	38%	37%	46%
Single, one child, on Parenting Payment	67%	53%	43%	43%	53%
Single, one child, on JobSeeker	74%	58%	48%	48%	59%
Single, on the Age Pension	82%	65%	53%	53%	66%
Single, on the Disability Support Pension	82%	65%	53%	53%	66%
Single, on JobSeeker	112%	89%	72%	72%	89%
Couple, two children, both on Minimum Wage	31%	24%	20%	20%	24%
Single, two children, on Minimum Wage and Parenting Payment	41%	32%	26%	26%	32%
Single, on the Minimum Wage	70%	55%	45%	45%	56%
Couple, two children, on Minimum Wage and Parenting Payment	39%	31%	25%	25%	31%

³ Anglicare Victoria (2022) [Rental Affordability Snapshot: Victoria](#).

Table 7. Victorian results (continued)

Household type	Percentage of income on rent	
	South West Victoria	Western Victoria
Couple with two children, on JobSeeker and Parenting Payment	39%	33%
Single, two children, on Parenting Payment	46%	39%
Couple, both on the Age Pension	45%	39%
Single, one child, on Parenting Payment	52%	44%
Single, one child, on JobSeeker	57%	49%
Single, on the Age Pension	64%	55%
Single, on the Disability Support Pension	64%	55%
Single, on JobSeeker	87%	75%
Couple, two children, both on Minimum Wage	24%	20%
Single, two children, on Minimum Wage and Parenting Payment	32%	27%
Single, on the Minimum Wage	54%	47%
Couple, two children, on Minimum Wage and Parenting Payment	30%	26%

Results: Queensland

Our results show that Queensland has become one of the least affordable states for renters (Tables 8, 9 and 10). Brisbane's rental affordability is particularly low, with even a full-time worker on the minimum wage spending almost three quarters of their incomes on rent. This rises to 115 percent for single people living on the JobSeeker payment.

The Gold Coast easily ranks as the least affordable region anywhere in the country, outstripping every capital city including Sydney. Even the most generous payments and incomes we profiled would still see households spend a large portion of their income on a typical rent on the Gold Coast, while several others would simply be unable to rent. Rents have outstripped payments and wages, meaning that those living in the region would either be forced into permanent sharehousing or pushed to move to reduce their levels of rental stress.

The most affordable region in the state, and indeed in this study, is West Queensland but it is important to note that the rental vacancy rate is extremely low at 0.5 percent. This study also only looks at unit rents while the cost of renting a house has soared.⁴

Table 8. Queensland results

Household type	Percentage of income on rent				
	Brisbane	Beenleigh Corridor	Cairns	Central Queensland	Gold Coast
Couple with two children, on JobSeeker and Parenting Payment	51%	52%	42%	27%	70%
Single, two children, on Parenting Payment	60%	61%	49%	31%	82%
Couple, both on the Age Pension	60%	60%	48%	31%	81%
Single, one child, on Parenting Payment	68%	69%	55%	36%	93%
Single, one child, on JobSeeker	76%	77%	62%	39%	103%
Single, on the Age Pension	85%	86%	69%	44%	115%
Single, on the Disability Support Pension	85%	86%	69%	44%	115%
Single, on JobSeeker	115%	117%	93%	60%	157%
Couple, two children, both on Minimum Wage	31%	32%	25%	16%	43%
Single, two children, on Minimum Wage and Parenting Payment	42%	42%	34%	22%	57%
Single, on the Minimum Wage	72%	73%	58%	37%	98%
Couple, two children, on Minimum Wage and Parenting Payment	40%	40%	32%	21%	54%

4 SQM Research (2024) [Weekly Rents: West Queensland](#).

Table 9. Queensland results (continued)

Household type	Percentage of income on rent				
	Ipswich	North Queensland	Queensland Central Coast	Queensland Far North Coast	Queensland North Coast
Couple with two children, on JobSeeker and Parenting Payment	38%	26%	36%	38%	41%
Single, two children, on Parenting Payment	44%	30%	43%	45%	48%
Couple, both on the Age Pension	44%	30%	42%	44%	47%
Single, one child, on Parenting Payment	50%	34%	48%	51%	54%
Single, one child, on JobSeeker	56%	38%	54%	56%	60%
Single, on the Age Pension	62%	42%	60%	63%	67%
Single, on the Disability Support Pension	62%	42%	60%	63%	67%
Single, on JobSeeker	85%	57%	81%	85%	91%
Couple, two children, both on Minimum Wage	23%	16%	22%	23%	25%
Single, two children, on Minimum Wage and Parenting Payment	31%	21%	29%	31%	33%
Single, on the Minimum Wage	53%	36%	51%	53%	57%
Couple, two children, on Minimum Wage and Parenting Payment	29%	20%	28%	29%	32%

Table 10. Queensland results (continued)

Household type	Percentage of income on rent			
	Southern Queensland	Sunshine Coast	Toowoomba	West Queensland
Couple with two children, on JobSeeker and Parenting Payment	33%	58%	37%	14%
Single, two children, on Parenting Payment	39%	68%	43%	17%
Couple, both on the Age Pension	38%	67%	43%	17%
Single, one child, on Parenting Payment	44%	77%	49%	19%
Single, one child, on JobSeeker	49%	86%	54%	21%
Single, on the Age Pension	55%	95%	60%	24%
Single, on the Disability Support Pension	55%	95%	60%	24%
Single, on JobSeeker	74%	130%	82%	32%
Couple, two children, both on Minimum Wage	20%	35%	22%	9%
Single, two children, on Minimum Wage and Parenting Payment	27%	47%	30%	12%
Single, on the Minimum Wage	46%	81%	51%	20%
Couple, two children, on Minimum Wage and Parenting Payment	26%	45%	29%	11%

Results: Western Australia

Rental affordability for households on low incomes is consistently poor across Western Australia (Table 11). Rents in Perth have surged, positioning the city as the second most expensive capital for unit rents after Sydney. Northern WA is easily the least affordable region across the state, outstripping Perth and far surpassing the national average result. This highlights the difficulties facing those who are competing for rentals in a market with very high-income earners. In the case of Northern WA, the mining industry is a major employer with highly paid industry workers skewing the rental market for others.

Table 11. Western Australia results

Household type	Percentage of income on rent				
	Perth	Central Coast WA	Goldfields Region	Northern WA	South West WA
Couple with two children, on JobSeeker and Parenting Payment	55%	30%	44%	68%	47%
Single, two children, on Parenting Payment	64%	35%	52%	79%	55%
Couple, both on the Age Pension	64%	35%	52%	78%	54%
Single, one child, on Parenting Payment	73%	40%	59%	90%	62%
Single, one child, on JobSeeker	81%	44%	66%	100%	69%
Single, on the Age Pension	90%	49%	73%	111%	77%
Single, on the Disability Support Pension	90%	49%	73%	111%	77%
Single, on JobSeeker	122%	67%	99%	151%	105%
Couple, two children, both on Minimum Wage	33%	18%	27%	41%	29%
Single, two children, on Minimum Wage and Parenting Payment	45%	24%	36%	55%	38%
Single, on the Minimum Wage	76%	42%	62%	94%	65%
Couple, two children, on Minimum Wage and Parenting Payment	42%	23%	34%	53%	36%

Results: South Australia

In spite of South Australia's status as the most affordable state in this study (Table 12), Adelaide remains a very unaffordable rental market for households on low incomes in line with other capital cities. Most households in our study would find themselves spending at least half of their weekly income on rent in Adelaide. Only double-income households on the full-time minimum wage drawing Family Tax Benefits A and B and Commonwealth Rent Assistance could avoid rental stress, and even these households are on the cusp of it.

The most affordable region in the state is Kangaroo Island. However, it is important to note that its rental vacancy rate is extremely low at 0.9 percent.⁵ All other regions in South Australia would either see households on Centrelink payments in rental stress or on the verge of it.

Table 12. South Australia results

Household type	Percentage of income on rent					
	Adelaide	Kangaroo Island	Murray-lands	Northern SA	Southern SA	Yorke and Lower North SA
Couple with two children, on JobSeeker and Parenting Payment	45%	18%	30%	25%	30%	26%
Single, two children, on Parenting Payment	53%	21%	35%	29%	35%	31%
Couple, both on the Age Pension	52%	21%	34%	29%	35%	30%
Single, one child, on Parenting Payment	60%	24%	39%	33%	40%	35%
Single, one child, on JobSeeker	67%	27%	44%	37%	44%	38%
Single, on the Age Pension	74%	30%	49%	41%	49%	43%
Single, on the Disability Support Pension	74%	30%	49%	41%	49%	43%
Single, on JobSeeker	101%	41%	66%	56%	67%	58%
Couple, two children, both on Minimum Wage	28%	11%	18%	15%	18%	16%
Single, two children, on Minimum Wage and Parenting Payment	37%	15%	24%	20%	24%	21%
Single, on the Minimum Wage	63%	25%	41%	35%	42%	36%
Couple, two children, on Minimum Wage and Parenting Payment	35%	14%	23%	19%	23%	20%

⁵ SQM Research (2024) [Residential Vacancy Rates: Kangaroo Island](#).

Results: Tasmania

Over the years, Tasmania has become one of Australia's most unaffordable rental markets relative to income and need. This is reinforced by our results (Table 13). As is typical of all capital cities, rents in Hobart would see all of the households we profiled in rental stress. The only exception is double-income households on the minimum wage.

This phenomenon is not restricted to Hobart, with rents out of reach across all of Tasmania's five regions for all households relying primarily on Centrelink payments. It is important to remember that average incomes in Tasmania are the lowest of any Australian state or territory,⁶ which means that demand and competition for affordable rentals is likely to be fiercer in Tasmania than on the mainland.

Table 13. Tasmania results

Household type	Percentage of income on rent				
	Hobart	Burnie	East Coast	Launceston	West Coast
Couple with two children, on JobSeeker and Parenting Payment	41%	33%	33%	38%	34%
Single, two children, on Parenting Payment	48%	39%	39%	45%	40%
Couple, both on the Age Pension	48%	38%	38%	45%	40%
Single, one child, on Parenting Payment	54%	44%	44%	51%	45%
Single, one child, on JobSeeker	60%	48%	49%	57%	50%
Single, on the Age Pension	67%	54%	54%	63%	56%
Single, on the Disability Support Pension	67%	54%	54%	63%	56%
Single, on JobSeeker	92%	73%	74%	86%	76%
Couple, two children, both on Minimum Wage	25%	20%	20%	23%	21%
Single, two children, on Minimum Wage and Parenting Payment	33%	27%	27%	31%	28%
Single, on the Minimum Wage	57%	46%	46%	54%	48%
Couple, two children, on Minimum Wage and Parenting Payment	32%	25%	26%	30%	26%

6 Australian Bureau of Statistics (2022) [Personal Income in Australia](#).

Results: Northern Territory

Rents across the Northern Territory are unaffordable for almost all the households we profiled (Table 14). In addition, there are several unique factors across the Northern Territory which combine to exacerbate rental unaffordability. Darwin has a high proportion of skilled professional workers on high incomes skewing the average upwards. At the same time, rural, regional, and remote parts of the Northern Territory have much lower incomes, high rates of disadvantage, and competition for rentals at the affordable end of the market. Combined with a systematic underinvestment in social housing over many years, all these factors have culminated in major issues with remote housing, a huge social housing shortfall, and issues with overcrowding in homes.⁷

Table 14. Northern Territory results

Household types	Percentage of income on rent		
	Darwin	Northern NT	Southern NT
Couple with two children, on JobSeeker and Parenting Payment	44%	28%	44%
Single, two children, on Parenting Payment	52%	33%	52%
Couple, both on the Age Pension	52%	32%	51%
Single, one child, on Parenting Payment	59%	37%	59%
Single, one child, on JobSeeker	66%	41%	65%
Single, on the Age Pension	73%	46%	73%
Single, on the Disability Support Pension	73%	46%	73%
Single, on JobSeeker	99%	62%	99%
Couple, two children, both on Minimum Wage	27%	17%	27%
Single, two children, on Minimum Wage and Parenting Payment	36%	23%	36%
Single, on the Minimum Wage	62%	39%	62%
Couple, two children, on Minimum Wage and Parenting Payment	34%	22%	34%

7 Australian National Audit Office (2022) [Remote Housing in the Northern Territory](#).

Results: Australian Capital Territory

Canberra's rental affordability problem for households on low incomes outstrips the national average results (Table 15). Canberra has some of Australia's highest income earners, driving up rents and adding to unaffordability for each of the households we've studied. In reality, this could mean that many households on the minimum wage could be forced to live in surrounding regions in NSW, commuting into Canberra.

Table 15. Australian Capital Territory results

Household type	Percentage of income on rent
	Canberra
Couple with two children, on JobSeeker and Parenting Payment	50%
Single, two children, on Parenting Payment	59%
Couple, both on the Age Pension	58%
Single, one child, on Parenting Payment	66%
Single, one child, on JobSeeker	74%
Single, on the Age Pension	82%
Single, on the Disability Support Pension	82%
Single, on JobSeeker	111%
Couple, two children, both on Minimum Wage	30%
Single, two children, on Minimum Wage and Parenting Payment	40%
Single, on the Minimum Wage	70%
Couple, two children, on Minimum Wage and Parenting Payment	39%

Major trends from our findings

Our calculations suggest that single households on low incomes are likely to be in serious financial stress with little or no savings buffer, while those in coupled households are likely to be in varying degrees of rental stress or on the cusp of it.

The results reinforce concerns that our major cities and regional centres are becoming places where people on low incomes simply cannot afford to live. Based on the internationally accepted benchmark that rent needs to be no more than 30 percent of a household budget to be affordable, each of the households we modelled who are primarily relying on Centrelink payments would be in severe rental stress in the capital cities. This is likely to be even more severe in the case of single households.

Even those earning the minimum wage and supplementary Centrelink payments would still find themselves in rental stress across many parts of the country. Any remaining income after housing costs would need to cover transport, groceries, utilities, monthly and quarterly bills, and incidental household expenses. Those with children, particularly single parents in full-time work, would need to factor in childcare costs and may need to pay rent on a larger unit or house. This would significantly worsen their financial stress.

In considering these findings, it is important to note that our models cannot tell the whole story. Although we assume the minimum wage workers we profile are in full-time employment, we know that more and more people are working casually and part-time.⁸ Their plight is likely to be much worse than these results show. Nor can this study consider the competition for each rental property. In an overheated market, an affordable property can attract dozens of applications.

8 Gilfillan, G. (2021) [Recent and long-term trends in the use of casual employment.](#)



Policy implications

The problem: Renters on the lowest incomes are barely getting by

Of the 12 household types profiled in this report, eight rely on Centrelink payments as their main source of income. Our results show that rates of housing stress are likely to be exceptionally high among this cohort. Poverty and housing are inextricably linked because housing is the largest fixed cost for most Australian households. As we face a housing market that has never been less affordable or more volatile, Australians are spending record amounts on housing, impacting financial security and driving hardship across the nation.

Over one million Australians currently live on JobSeeker or Youth Allowance.⁹ This does not include other working age payments, such as the Parenting Payment or the Disability Support Pension. Many are likely to be renting, yet modest increases to the rates of these payments haven't made a dent in affordability. The weekly rate of JobSeeker is barely above half of the Henderson poverty line.¹⁰ With so many Australians living on income support, the pace and size of rent increases are far outstripping these payments and pushing more Australians into poverty and housing stress.

In the decades since the JobSeeker payment was developed, then called Newstart, advertised rents in capital cities have been rising sharply, especially over the past ten years.¹¹ Income support payments and Commonwealth Rent Assistance are both linked to the general Consumer Price Index (CPI) rather than to housing costs, and have failed to keep up in spite of recent one-off increases. It's important to remember that essential living costs like food, education, health, transport, petrol, and electricity have also been rising since the early nineties, outstripping CPI.

Finally, it is clear that Commonwealth Rent Assistance payments are leaving behind the people who need them most. Only one in four people on working age payments, such as JobSeeker and the Disability Support Pension, are eligible for help.¹² The payment is also poorly structured for people on low payments, such as Youth Allowance, and those who are sharehousing or in informal housing arrangements. The payment needs to be reformed to ensure it helps those who need it most, and more urgently, there must be an increase to the base rate of income payments.

The solution: Raise the rate of income support payments

For renters on the lowest incomes, the Federal Government must raise the rate of JobSeeker and other income support payments to the poverty line. There are many ways to achieve this. One option is to increase the rate of JobSeeker and other working wage payments, as was done temporarily in 2020-21.

According to the Parliamentary Budget Office, raising the rate of key payments to the Henderson Poverty Line would cost:

- \$128.1 billion over ten years for the JobSeeker Payment
- \$39.35 billion over ten years for the Parenting Payment
- \$30.57 billion over ten years for the Carer Payment.¹³

These changes would cost \$198 billion over ten years, less than the cost of the recently enacted tax cuts. Around 1.5 million Australian adults would benefit from this change.¹⁴ In addition to the adult recipients, almost 840,000 children have a parent receiving one of these payments. The overwhelming majority of these households are renters in need of relief and financial security.

Recommended actions

Everybody's Home calls on the Federal Government to ensure renters on the lowest incomes can count on decent incomes, by raising the rate of working age payments to the poverty line, and establishing an independent Social Security Commission to set the rates of payments in the longer term. This body would ensure that payments do not fall below the poverty line, reflect the real cost of living, and incorporate the cost of housing.

9 Australian Government (2023) [JobSeeker Payment and Youth Allowance recipients: Monthly profile, May 2023](#).

10 Melbourne Institute: Applied Economic & Social Research (2024) [Poverty Lines: Australia](#)

11 Op cit: SQM Research.

12 Department of Social Services (2024) [DSS Demographics, June 2024](#).

13 Parliamentary Budget Office (2022) [Appendix G](#). See page 412.

14 Op cit: Department of Social Services.

The problem: Renters are exposed to unfair rent increases and evictions

In recent decades, renting has gone from being a largely temporary form of housing to a more permanent one. Record numbers of Australians will now rent for life, and that number is growing. In spite of these changes, laws and regulations across the country continue to treat renting as temporary, failing to reflect the fact that many people will now spend their entire working lives and their retirement in the private rental market. An increasing number of Australians face retirement without enough savings or assets, meaning they will rely entirely on the Age Pension. Without owning their own home, they struggle to get by on the fixed Age Pension payment which is being outstripped by rent increases. Our results show that people on the Age Pension are in rental stress in almost every region, even in coupled households with two pension incomes. This means that a significant portion of retired renters are likely to be experiencing housing stress and living in poverty.

Other issues include the churn of short-term leases, the widespread legality of no-cause evictions across the country, and the scarcity of affordable homes. These factors have combined to create fierce competition for rentals. This is forcing people into properties that don't meet basic standards. It also leaves them vulnerable to unscrupulous behaviour by some landlords. As more Australians are set to become lifelong renters, it is important to ensure protections so that everyone can obtain and maintain tenancies in the private rental market. Setting the balance in the market is critical to building a system that is stable, and affordable. Renters should be entitled to stronger protections, more security, and more choice.

Depending on which state or territory they live in, renters are afforded very different levels and types of protections. In some states, renters can be evicted for no reason at all, are disempowered in disputes with landlords, and vulnerable to poor housing conditions that make people sick or send energy bills sky-high. People cannot create a home if they can be evicted with little notice and no cause, if they can't ask for repairs, and if they don't have the flexibility to deal with changing life circumstances. They are also unlikely to be able to retrofit their homes and age in place as they get older. Even small changes are difficult to plan for if tenants are constantly worrying about the possibility of a rent increase.

There are almost no limits on the size of rent increases in most parts of the country, making

it difficult for people to plan for their future or maintain an affordable tenancy. There have been reforms in Victoria and the ACT, restricting no-cause evictions, limiting the regularity of rental increases, and requiring rental properties to meet minimum standards. Yet even in the ACT, which has touted its limits on rent increases, reforms have been modest. Rent increases in the ACT are limited to 10 percent above the CPI, although landlords can still increase rents beyond this if they enter into a new lease.¹⁵ Queensland and WA have also embarked on reform of its residential tenancies legislation and restricted the frequency of rent increases, although it is important to note that this does not reduce the size of the increases. NSW is now embarking on limits to no-cause evictions, although these reforms are again modest. Across the country, tenants can be subjected to large rent increases and arbitrary evictions relatively easily.

The solution: Nationally consistent protections for renters

Everybody's Home calls on the Federal Government to coordinate nationally consistent protections for renters with their State and Territory counterparts. The aim of these changes would be to protect the rights of all renters by limiting rent increases, requiring longer and more stable tenancy agreements, and introducing minimum living standards. These protections should be complemented by independent enforcement, so that tenants do not need to take their landlords to a tribunal to enforce their rights.

Limiting rent increases is a step that would have immediate benefits for renters, and coupled with moves to make tenancies more secure, would provide immediate relief from the constant increases.

Recommended actions

Everybody's Home calls on the Federal Government to coordinate a process of rental reform. As part of this process, each state and territory should be asked to commit to four principles:

- Limits to unfair rent increases;
- An end to no-cause evictions;
- Minimum standards for rental homes, including accessibility standards; and
- Independent enforcement of rental rules and regulations.

15 ACT Civil and Administrative Tribunal (2023) [Rent increases](#).

The problem: The private rental market is failing to deliver affordable homes

The past three decades have seen a major shift in how the Federal Government approaches housing. As the Federal Government began stepping back providing social housing, it began relying on the private market to deliver homes and the focus of social housing shifted. Instead of providing homes to people on low and middle incomes, the focus of social housing changed to people in dire or special circumstances.

As Everybody's Home has previously shown, the Federal Government used to strongly invest in social housing for Australians in many demographics – older people, professionals such as teachers and public servants, as well as low- and middle-income earners.¹⁶ Yet over the last three decades, governments have withdrawn from this responsibility. Social housing stock has simply not kept pace with the growth in population, with demand now far outweighing supply. Housing has become less and less affordable over that same period.¹⁷

It is useful to contrast this approach to the provision of housing with that of other countries. Housing systems in nations as varied as Austria, France, the Netherlands, and Singapore¹⁸ are characterised by much more proactive Government involvement in housing supply and distribution. This helps stabilise housing costs by directly influencing supply and affordability, and is complemented with regulation of the private rental market. This can help ensure a broader segment of the population can access affordable housing and reduce the overall housing cost burden.

By failing to invest in social housing, governments have assumed that the private rental market would provide enough affordable housing. That has been shown to be false. Everybody's Home has previously shown how governments' move away from directly supplying housing to a reliance on 'demand-side assistance,' such as Commonwealth Rent Assistance, has led to a housing market that has never been less affordable.¹⁹ The shortage of affordable rentals for low-income households grew between 1996 and

2011,²⁰ contradicting the theory that housing supply in the private market would 'trickle-down' and create affordable rentals over time. Australia now has more dwellings per adult than at any other time in our history,²¹ and yet affordability is the lowest it has ever been. These patterns are critical to understand as current efforts to focus on local planning levers and build more homes are less likely to improve affordability unless they are complemented by efforts to ensure those homes are distributed more equitably.

The amount that the Federal Government spends on social housing through agreements with the states over the last four decades has gone backwards from \$2.5 billion in 1982, compared with \$1.6 billion in 2022.²² In that time, Australia's population has increased from 15.2 million people in 1982 to 26.1 million. This means that in 1982, the government spent about \$164 per person on social housing. In 2022, that number shrunk to \$61.

The growing support for the private housing market and investors is in stark contrast to the provision of social housing. Private rental housing now receives five times more support than social housing.²³ Even in response to the Global Financial Crisis, where social housing investments were made as a form of stimulus, support for the private market has far outstripped support for social housing in recent decades.²⁴

The solution: Making social housing an option for more Australians

The results of this report show the abject failure of the private market to provide affordable homes. Competition for affordable rental homes is so fierce that thousands of Australians are missing out every week. This scarcity is driving homelessness, rental bidding, and overcrowding. Governments can relieve this pressure with a program to deliver more social housing. More low-cost properties would mean more choices for all renters, making it cheaper and easier to find a home. It is past time for governments to invest in the development of social housing. This is the only way that every Australian can have a safe and secure place to call home.

16 Everybody's Home (2024) [Written Off: The high cost of Australia's unfair tax system](#).

17 Ibid.

18 The Urbed Trust (2018) [Learning from International examples of affordable housing](#).

19 Op cit: Everybody's Home.

20 Australian Housing and Urban Research Institute (2015) [Supply shortages and affordability outcomes in the private rental sector: short and longer term trends](#).

21 See the [Census of Population and Housing](#).

22 Op cit: Everybody's Home.

23 Ibid.

24 Ibid.

More and more Australians are coming to understand the relationship between the growing social housing shortfall and market-wide unaffordability, with public opinion being consistently positive over the years. Most recently, the campaign released polling by RedBridge Group in 2024 showing that 69 percent of Australians want the government to create more social housing, with 67 percent saying they want the Government to build, rent and sell affordable housing to workers.²⁵ This is supported by previous research conducted for Everybody's Home by the Australia Institute in 2023²⁶ and Essential Research in 2018,²⁷ as well as numerous other polls conducted on housing issues over recent years. While the exact numbers vary, they all show overwhelming support for social housing and an expectation that government must play a greater role.

In spite of the appetite for action, there is no plan to end the shortfall and expand social housing. The Federal Government's Housing Australia Future Fund, enacted in 2023, would create 'off budget' funding for 30,000 social and affordable housing dwellings over the next five years. Everybody's Home supports this fund as a welcome first step, but it will not come close to meeting the social housing shortfall.

Ending Australia's housing crisis will require a major capital investment, and a plan to sustainably fund and maintain social housing. Without action, many Australians, including the households profiled in this report, will continue to be left to the mercy of the private rental market as they endure severe rental stress and insecurity. An ongoing investment program is needed to end the social housing shortfall.

If the Federal Government does create a serious program to end the shortfall and expand social housing, it will leave a legacy of tackling the housing crisis and transforming hundreds of thousands of lives. State and Local Governments can play a key role in achieving this goal through measures such as mandatory inclusionary zoning, requiring developers to contribute to social housing stock and return a benefit to the public.

The design of this new social housing must reflect changing population needs and demographics. It is vital to work with future tenants to develop modern social housing that reflects the needs of those who will live there. Governments must embrace their responsibility for the design of public infrastructure that supports healthy communities. This includes the development of a diverse social housing stock with accessibility to services.²⁸

Recommended actions

Everybody's Home proposes a program to begin building social housing to reach a goal of 940,000 homes over the next two decades. This is based on estimates of social housing need prepared by the University of NSW City Futures Research Centre.²⁹

Over the longer-term, Australia should aim for a target of at least 10 percent of all housing stock to be social housing. This should be accompanied by a plan to sustainably fund and maintain social housing. This could be funded by tax and policy reforms proposed below.

State, Territory and Local Governments should also introduce incentives and requirements for new developments to include affordable and low-cost housing. Levers such as concessions and rate caps can also be leveraged to promote the supply of affordable and low-cost housing.

25 Everybody's Home (2024) [Most Aussie voters want house prices to drop.](#)

26 The Australia Institute (2023) [Polling: Affordable housing.](#)

27 Essential Research (2018) [The Essential Report: Homelessness questions - 31 July 2018.](#)

28 Australian Housing and Urban Research Institute (2017) [Public housing renewal and social mix: Policy brief.](#)

29 University of NSW City Futures Research Centre (2022) [Quantifying Australia's unmet housing need.](#)

The problem: Homes have been commodified and distributed unfairly

Recent decades have seen a major expansion in the uptake of tax concessions for investors who earn incomes as landlords. The most well-known of these tax concessions relate to negative gearing. Negative gearing describes a situation where expenses associated with an investment property, including interest expenses, are greater than the income earned from the property. These losses can be deducted from other income, such as salary and wages. Negative gearing tax deductions were formalised in Australia in 1987.

Capital gains tax exemptions have also promoted speculative investment in housing. When an investor sells their investment property for more than they paid for it, the investor has experienced a capital gain. Capital gains are subject to capital gains tax. Since 1999, Australia has had a 50 percent discount on capital gains tax if the asset was held for more than 12 months. This means that if a \$100,000 capital gain was recorded, only \$50,000 is subject to tax.

Together, these concessions have fuelled the commodification of housing, which in turn has been shaped by tax concessions that encourage speculative investment and disadvantage first homebuyers.³⁰

This change in approach has coincided with a major increase in the cost of renting. Data from the Australian Bureau of Statistics shows a 62 percent increase in average weekly housing costs for renters in the decades coinciding with the tax changes,³¹ as the majority of landlords have gone from being positively geared to negatively geared and more highly leveraged. Although increases have been far higher for private renters, housing costs have increased across the board with a 42 percent increase for owners with a mortgage.³² As a result of these concessions which incentivise investment

and underwrite the losses of landlords, the rental market is now geared towards encouraging private investors being able to make profit, rather than towards providing secure and affordable homes to Australians.

In addition to driving up rents and house prices, these tax concessions cost billions each year, resources that would be much better spent directly delivering more affordable rental housing.

The cost of negative gearing exemptions from forgone revenue has been growing steadily. In 1993-94 the cost was \$850 million, fluctuating around the \$1 billion mark over the next several years.³³ From 1998-99 onwards, the cost rapidly escalated coinciding with changes to capital gains tax exemptions, and reached an estimated high of \$4.16 billion in 2017-18.³⁴ The cost of revenue forgone from capital gains tax exemptions is estimated to have cost more than \$38 billion over the last decade.³⁵

Together these policies have a dual perverse effect of both reducing housing affordability and increasing wealth inequality. Findings from Per Capita's Centre for Equitable Housing found a distinct generational divide. Negative gearing effectively acts 'as an intergenerational transfer of wealth from young to old', with those over 40 taking 71 percent of the benefits and those under 30 just 29 percent.³⁶ Data from the Australia Institute also shows half of the benefit of those concessions went to the top 20 percent of income earners, while only six percent went to the bottom 20 percent.³⁷

Finally, it is important to note that the cost of these arrangements are expected to grow even more exponentially over the coming decade. The Parliamentary Budget Office has projected that the cost of capital gains tax exemptions for investors will rise to over \$7.6 billion per year by 2032-33, at a total cost of \$60 billion over the preceding decade. Negative gearing deductions are set to grow to \$11.3 billion per year, costing the Federal Budget \$86 billion in the decade to 2032-33.³⁸

30 Eslake, S. (2021) [Housing affordability and home ownership](#).

31 Australian Bureau of Statistics (2015) [Housing Occupancy and Costs](#).

32 Ibid.

33 Op cit: Everybody's Home.

34 Ibid.

35 Ibid.

36 Per Capita (2022) [Housing Affordability in Australia: Tackling a wicked problem](#).

37 The Australia Institute (2018) [Who really benefits from negative gearing?](#)

38 These figures are based on a conservative cash rate assumption from the 2022-23 Federal Budget.

The solution: Funding for homes, not investments

It is clear investor tax breaks have incentivised property speculation by design, and driven the financialisation of the housing market. This has led to perverse and unfair outcomes for the majority of Australians. Unwinding these policy settings will take time, making it urgent to begin the process of reform.

Everybody's Home calls for a phasing in a regime of tax reform. As part of these reforms, the capital gains tax discount would be incrementally reduced for property investors over the next ten years. This incremental approach would guard against concerns about the impact of the reform on housing markets. The current negative gearing arrangements for investors would also be phased out over the coming decade.

Phasing out negative gearing and capital gains tax exemptions would provide significant and immediate funds for homes for social housing. It would also reduce house price inflation, encourage investment in new builds to add to the affordable housing supply, and reduce price pressure in the rental market.

Recommendation actions

Everybody's Home proposes phasing in a regime of tax reform.

As part of these reforms, the capital gains tax discount for investment properties would be incrementally reduced over the next ten years. This incremental approach would guard against concerns about the impact of the reform on housing markets. The current negative gearing arrangements would also be phased out.

The revenue savings from these reforms would be used for investment to boost social housing.



Conclusion

The findings of this report ought to be shocking. Instead, they are the latest in a seemingly endless series of reports and studies showing the extent of Australia's housing affordability crisis.

We find all capital cities are completely unaffordable for a person living on any major income support payment. There are few non-metro, regional areas in Australia that are affordable and even then, people are likely teetering on the edge of housing stress and competing for a limited number of affordable rentals. Single people on JobSeeker, in particular, are experiencing acute rental stress right across the country. Those receiving the Age Pension, Disability Support Pension or working full-time on the minimum wage are also likely to be in severe rental stress.

The escalating scale of this crisis highlights the need for drastic change, as current government policies fail to provide the stability and affordability that Australians desperately need.

This report calls for action to make renting more secure and more affordable. It calls for reform to Australia's tax and policy settings to fund homes, instead of subsidising investments. Most importantly, it calls for a major boost to social housing, taking it from a safety net for people at the margins to a real option for more Australians.

These changes would not only provide immediate relief, but also set the stage for a fairer, more affordable, and more stable housing market in the years to come. It is time for action to transform our rental and housing systems, ensuring that every Australian has a secure home they can afford.





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