



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2024-2025

Ms Nicole Lawder MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),
Miss Laura Nuttall MLA

ANSWER TO QUESTION ON NOTICE

Asked By: Mr Mark Parton MLA

Addressed to: Minister for Homelessness and Housing Services

Redirected to: Minister for Housing and Suburban Development

Reference: Community housing

Hearing Date: 24 July 2024

In relation to: Housing stress

QON lodgement Date: 26 July 2024

Answer Due date: 6 August 2024

Between 2022 and 2023, the proportion of low-income households in community housing that were in housing stress (i.e. paying more than 30% of their income on rent) in the ACT more than doubled, from 4.6% to 10.2%. This makes the level of housing stress in the ACT's community housing sector much higher in 2023 in the ACT compared to any other jurisdiction, and more than three times the national rate for community housing households in housing (the nation rate is 3.1%).

Can you please indicate:

- (1) Why the rate of housing stress in community housing more than doubled within one year?
- (2) Why one in ten households in community housing in the ACT are in housing stress, and why the proportion in housing stress is comparatively higher compared to other jurisdictions?

YVETTE BERRY MLA: The answer to the Member's question is as follows:

Response to Question 1:

The Report on Government Services 2024 housing data at Table 18A.25 includes the *Proportion of household income spent on rent – low income households in community housing, at 30 June*, for each jurisdiction (included below).

Table 18A.25 **Proportion of household income spent on rent – low income households in community housing, at 30 June (a), (b), (c)**

	<i>Unit</i>	<i>NSW (d)</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA (e)</i>	<i>Tas</i>	<i>ACT (f)</i>	<i>NT</i>	<i>Total (g)</i>
Less than or equal to 20%										
2023	%	17.3	28.8	30.9	30.6	22.5	30.4	35.1	na	22.8
2022	%	18.6	25.1	26.3	24.1	26.2	33.9	49.4	na	22.8
2021 (h)	%	17.1	24.8	26.7	28.8	22.3	36.6	52.1	na	21.9
2020 (h)	%	15.7	28.1	27.0	28.1	22.0	38.2	24.7	na	21.3
2019 (h)	%	13.2	23.7	25.3	21.4	17.1	38.0	37.7	na	18.5
More than 20% but not more than 25%										
2023	%	77.0	37.0	44.1	55.2	62.4	57.9	40.8	na	63.6
2022	%	76.6	44.8	48.0	49.2	62.9	54.8	42.6	na	64.7
2021 (h)	%	73.5	41.7	47.7	55.1	58.7	46.2	38.1	na	62.0
2020 (h)	%	75.4	45.4	50.9	55.2	61.8	48.8	70.2	na	64.5
2019 (h)	%	75.2	42.1	49.9	60.4	59.8	45.1	42.4	na	62.8
More than 25% but not more than 30%										
2023	%	2.5	34.1	18.6	10.2	12.7	7.6	13.8	na	10.5
2022	%	0.2	30.1	19.0	18.2	10.2	7.1	3.4	na	8.7
2021 (h)	%	2.5	33.4	20.9	11.4	9.1	9.7	6.3	na	10.2
2020 (h)	%	2.2	26.5	19.0	12.9	10.2	9.1	2.1	na	9.3
2019 (h)	%	2.6	34.0	19.7	14.5	11.2	10.9	8.5	na	11.6
More than 30%										
2023	%	3.1	–	6.4	4.0	2.5	4.1	10.2	na	3.1
2022	%	4.6	–	6.7	8.5	0.7	4.2	4.6	na	3.9
2021 (h)	%	6.9	–	4.7	4.7	9.8	7.5	3.5	na	6.0
2020 (h)	%	6.7	–	3.1	3.8	6.1	3.9	3.0	na	4.9
2019 (h)	%	9.1	0.2	5.1	3.7	11.9	6.1	11.4	na	7.1

As per the explanatory statement within Table 18A.4 of this dataset, the ACT’s increase in community housing households in 2023 ‘is due to the inclusion of additional organisations in the data collection.’ The inclusion of two community housing providers in the ACT for the annual data collection for the first time in June 2023 is likely to be a significant factor in changes to the data reported from 2022 to 2023.

Due to population size, the ACT has a smaller number of community housing properties than other jurisdictions (except for the Northern Territory). As a smaller dataset, the ACT data may be more sensitive to income and rental price changes between years.

Response to Question 2:

The ROGS dataset provides the following information regarding the data:

- Table 18A.4: Data may not be comparable across jurisdictions and over time and comparisons could be misleading.
- Table 18A.25: Some community housing organisations may have included Commonwealth Rent Assistance as part of rent and income in their survey returns, which can affect the comparability of the results. In addition, other out of scope charges such as those for utilities may have also been included in rent charged amounts. This may result in a higher proportion of households that appear to be paying more than 30% of their income in rent.

Community housing includes both long-term social and affordable rental housing which cater to a broad range of income levels. The income distribution of community housing tenants at a state and territory level can therefore influence the vulnerability of community housing households to housing stress.

Some community housing sectors will have a greater focus on social housing where households are insulated from housing stress as their rent is a fixed portion of income (usually around 25 per cent), whereas some sectors will have a greater focus on affordable housing where household rent is more impacted by market prices.

The ACT has a higher per capita share of public housing to deliver social housing. The ROGS community housing dataset does not include the experience of public housing where almost all households pay less than 25 per cent of their income (as per Table 18A.23).

The ABS Household Income and Wealth reports on rental stress for lower income households across private and social housing. In 2019-20 (the last year for which relevant data are currently available), 27.7% of low-income rental households in the ACT were in rental stress. This was the lowest across states and territories and lower than the national rate of 42%.

The rental vacancy rate is also a good measure of rental market health across different housing tenures. As of May 2024, the ACT had the highest rental vacancy rate of any capital city at 1.8 per cent, higher than the national vacancy rate at 1.2 per cent.

Approved for circulation to the Select Committee on Estimates 2024-2025

Signature:



Date:

14/08/24

By the Minister for Housing and Suburban Development, Yvette Berry MLA