



*“Our vision is a responsive housing system in Western Australia, that meets the changing needs, aspirations and choices of all citizens in a sustainable way.”*

# HOUSING STRATEGY WA

## ISSUES PAPER

### YOUTH HOUSING

JUNE 2003

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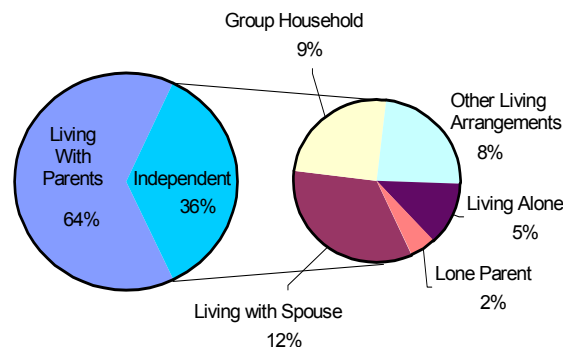
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## EXECUTIVE SUMMARY

### Key Trends

- €# On Census night 2001, 15 to 24 year olds constituted 14.1% (260,272) of all Western Australians (1,851,252), down from 14.9% in 1996, 15.9% in 1991, and 17.0% in 1986. WA has consistently had a slightly higher percentage of 15-24 year olds than the national average which has experienced a similar decline since 1986.
- €# Perth has a greater proportion (14.9%) of 15-24 year olds with all the other regions below the State average (14.1%).
- €# Living with parents is the dominant arrangement (64%) for 15-24 year olds in WA. This figure varies considerably in regions remote from Perth and South West Land Division where residing with parents declines and is replaced by independent living particularly with a spouse.
- €# Of the 36% (84,000) living independently, only 4.5% or 10,500 were recorded as living alone. Private rental (55%) was the dominant tenure for the 39,600 young person households recorded in the 2001 Census. Private rental is no longer a largely transitional tenure; 40 percent of private renters have been renting for more than 10 years. This especially affects the housing careers of the majority of independent WA young people who rent privately as they attempt to make the transition from renting to home ownership.



- €# Of the 21,900 private rental households, 60% are accessing Commonwealth Rent Assistance to assist in meeting rent costs. The majority (85%) of the recipient households are either single persons or sole parents.
- €# The loss of full time entry level employment, a lack of income through falling real youth wages over the last two decades and a number of other contributing factors including reductions in affordable rental stock, increasing rents and house prices have combined to reduce young people's access to appropriate and affordable housing.
- €# The Australian Bureau of Statistics (2001) reports that the unemployment rate for 15-24 year olds in Western Australia rose from 13.7% to 14.1% between the 1996 and 2001 Census years. This is in contrast with a fall on a national level, from 15.7% in 1996 to 13.8% in 2001.
- €# Other barriers to young people accessing affordable accommodation include:
  - €# Many landlords and real estate agents are reluctant for under 18 year olds to sign a lease, and regard them as a financial risk.

- 
- €# discrimination based upon low income, lack of references, and perceived inability to effectively manage a tenancy due to age/ inexperience.
  - €# Inadequate housing appears to be both a cause and a result of the array of problems facing at risk young people including substance abuse, mental health and Indigenous cultural issues.
  - €# AHURI funded national research *Rent Assistance and Young People's Decision-making* presents a contemporary snapshot of youth housing arrangements and support eligibility criteria for those making the transition to independent living. The research highlights the significant role that Rent Assistance provides for those in private rental who struggle with affordability issues associated with low incomes, high rent costs and limited appropriate stock, particularly for tertiary students.
  - €# Declining Commonwealth capital funding for public housing is exacerbating housing opportunities for young people. A declining proportion of public housing has resulted in an increase in the waiting list for public housing for young people.

### **Policy Issues**

- €# The ageing of the West Australian population has led to a perceived lack of policy focus on the needs of young people, as reflected in a medium density public housing construction focus on seniors units. Policy makers must not allow the albeit clear and justified demands of an ageing population to detract from the state's responsibility to all citizens.
- €# Creative and inclusive housing support models (e.g. the Partnership in Housing pilot) need to be implemented to assist young people to access, and succeed in, private rental.
- €# An expansion of programmes like YES and FRESH targeted to youth housing is needed to assist young people to not only succeed in public tenancy, but also to facilitate their transition to private rental and home ownership.
- €# Additional capital funding and securing development sites for appropriate housing is required if public housing is to assist in addressing the unmet needs of young people. The magnitude of the unmet need necessitates additional targeted funds from both the Commonwealth and State Governments.
- €# Means tested rebates and concessions that assist entry-level owner-occupiers and provide incentives for investing in low cost private rentals (eg targeted negative gearing tax provisions) warrant consideration.
- €# Measures to redress the growth in larger family sized dwellings at the expense of a broad range of accommodation options particularly for young people requires immediate attention given the loss in low cost rental housing stock over the past 15 years. State and local government planning strategies and regulations are required to facilitate the development of housing stock capable of addressing the needs of all market segments

**Reference to any Commonwealth Rent Assistance data is based on analysis of constructed unit record files prepared by the Department of Housing and Works and may not be representative of, nor correspond with, official Commonwealth figures.**

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# 1 INTRODUCTION

## 1.1 Overview

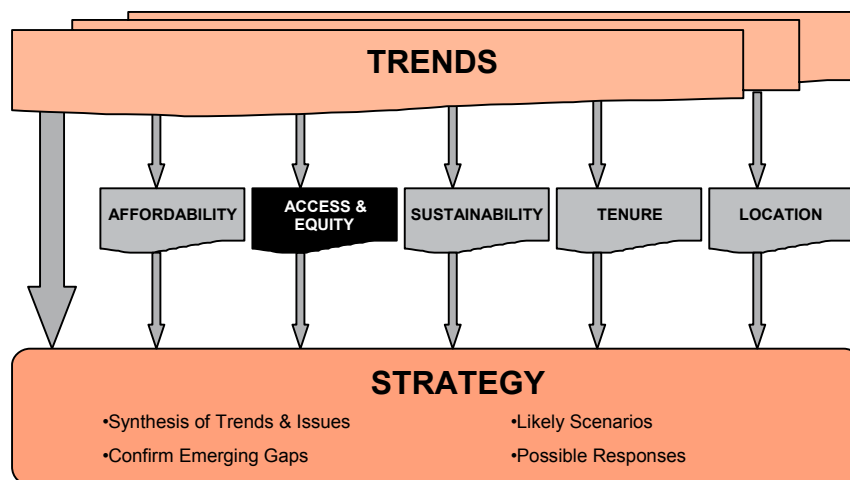
This paper overviews some of the major challenges and opportunities facing young people, policy makers and service providers in attempting to ensure that young people in WA are appropriately housed. The paper was developed by Shelter WA in consultation with stakeholders and a youth housing focus group (see Appendix) convened in October 2002. It builds on research undertaken by Shelter WA and presented in an earlier paper “Youth Housing and Social Exclusion in WA” (May 2002).

The output supports the need for action to provide appropriate, supported accommodation for young people in response to the following goals identified at a Housing Strategy Workshop in September 2001:

- ≠ Government commitment to meeting the needs of disadvantaged people
- ≠ Provide affordable, equitable and accessible housing through a co-ordinated, whole-of-government approach
- ≠ Increase opportunities for young people to purchase their own home

The paper is one of a series of Issues Papers that form part of the WA Housing Strategy and sits within the *Access and Equity* grouping shown in Figure 1.

**Figure 1 – Housing Strategy WA – Trends and Issues**



The following aspects of youth housing are covered in this paper:

- |           |  |
|-----------|--|
| Section 1 | Defining the target group  |
| Section 2 | Current living, employment/education and income arrangements.<br>Barriers to entering and retaining appropriate and affordable housing |
| Section 3 | Key Issues and Questions arising from Sections 1 and 2   |
| Section 4 | A range of possible policy responses to youth housing issues   |

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## 1.2 Who are the Target Group

The 15-24 year old age cohorts are the primary focus of this paper although there is reference to age cohorts as young as 12 in relation to national research on youth homelessness. The 15-24 age range is consistent with and well covered by Census data on the living, employment and income arrangements for 15-19 and 20-24 year old cohorts. Therefore the term youth adopted for this paper includes young adults and reflects the transitional nature of education, employment and living arrangements of the group.

Adopting 15 years as the lower threshold is also consistent with the Australian Bureau of Statistics that broadly groups the community into the following three categories:

# 0-14 years	Children
# 15-64 years	Working population
# 65 and over	Seniors

Including the 15-19 year age cohort in the broader 15-64 working population acknowledges that a portion of this group is potentially less dependent on parents. However for many, this is not the case. Limited entry level employment opportunities and a growing pool of well educated young adults competing for limited jobs are restricting the income earning capacity for many, which in turn limits their capacity for independent living.

The traditional concept of “housing careers” has been brought into question over the last decade as social norms and family formation patterns have been in transition. No longer can we assume a simple sequence of leaving home, renting, marriage, home purchase, and child bearing. An analysis of the 1994 ABS Survey of Rental Tenants demonstrated that, despite an enduring preference for home ownership across all age groups, private rental is no longer a largely short-term, transitional tenure. The study, by Wulff and Maher (in Office of Policy and Planning, 2002 a), identified 40% of private renters as ‘long-term renters’, who had been renting for more than 10 years.

In light of these dynamics, policies are needed that open a number of housing pathways simultaneously. This is especially true for the small, but growing proportion of socially excluded young West Australians.

## 2 WESTERN AUSTRALIAN CONTEXT

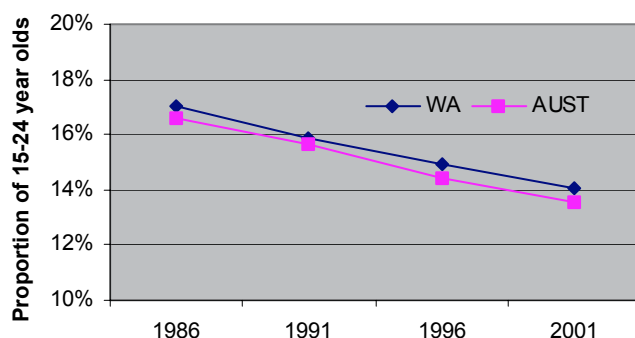
### 2.1 Demographics

On Census night 2001, 15 to 24 year olds constituted 14.1% (260,272) of all Western Australians (1,851,252), down from 14.9% in 1996, 15.9% in 1991, and 17.0% in 1986. As indicated on Figure 2, WA has consistently had a slightly higher percentage of 15-24 year olds than the national average but has experienced a similar decline since 1986.

The higher proportion of 15-24 year olds contributed to WA having a median age (34.8 years) lower than the national average (35.7 years) at the 2001 Census. The Indigenous population of WA, with a median age of 20 years, also influenced WA's overall median age. The low Indigenous median age reflects a relatively high proportion of Indigenous people aged less than 15 years (40%, almost double the State figure) together with relatively low life expectancy (Office of Policy and Planning [OPP], 2002b).

**Figure 2 – Percentage of 15-24 Year Olds – 1986 to 2001**

Source: ABS Census 2001 & CData 96 Table T03



#### 2.1.1 Regional Distribution

As expected, the distribution of 15-24 year olds across Western Australia is dominated by Perth, which has a greater proportion (14.9%) than the State average (14.1%). Given Perth's dominance with 76.7% of the cohort, the proportion of 15-24 year olds in all other regions is below the State average, as indicated on Table 1. The figure varies from as low as 8.0% in the Gascoyne to 13.1% in the Goldfields.

**Table 1 – Distribution of 15-24 Year Olds - 2001**

Source: ABS Census 2001 BCP 3

Region	15-24 Census Count	% of regional population	% of Regional Distribution
Perth	199,498	14.9%	76.7%
Peel	6,795	11.4%	2.6%
South West	15,472	12.7%	5.9%
Great Southern	5,928	11.7%	2.3%
Goldfields	7,346	13.1%	2.8%
Wheatbelt	7,092	10.3%	2.7%
Midwest	6,105	11.9%	2.3%
Gascoyne	1,285	8.0%	0.5%
Pilbara	5,279	12.3%	2.0%
Kimberley	5,332	12.7%	2.0%
<b>WA</b>	<b>260,132</b>	<b>14.1%</b>	

## 2.2 Living Arrangements

Figure 3 and Table 2 present the living arrangements of young Western Australians. Whilst living with parents is the dominant arrangement at 63.8% for WA, this figure varies considerably in regions remote from Perth and South West Land Division. The proportion of 15-24s residing with parents declines in regions more remote from Perth and is replaced by an increase in those living with spouse.

In terms of a national comparison, WA exhibited similar living arrangements for 15-24 year olds as the national averages in the 2001 Census as indicated in Table 2. The two percentage point variation in those living with parents is distributed across the other categories.

**Table 2 – State/National Comparison of Living Arrangements of 15-24 Year Olds - 2001**

Source: ABS Census 2001 BCP 3

		WA	AUST	
Living with Parents	63.8%	147,989	1,518,238	65.9%
Living with Spouse	12.3%	28,478	264,367	11.5%
Group Household	9.1%	21,174	210,410	9.1%
Other Living Arrangements	8.5%	19,694	181,896	7.9%
Living Alone	4.5%	10,480	89,324	3.9%
Lone Parent	1.9%	4,304	40,364	1.8%
		<b>232,119</b>	<b>2,304,599</b>	
Visitors		16,993	148,166	
		<b>249,112</b>	<b>2,452,765</b>	

**Figure 3 – Living Arrangements of WA 15-24 year olds: 2001**

Source: ABS 2001 Census Table B14

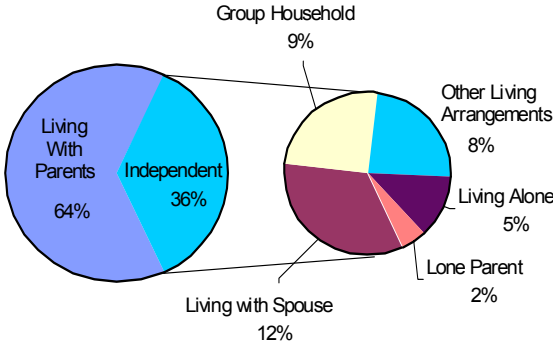


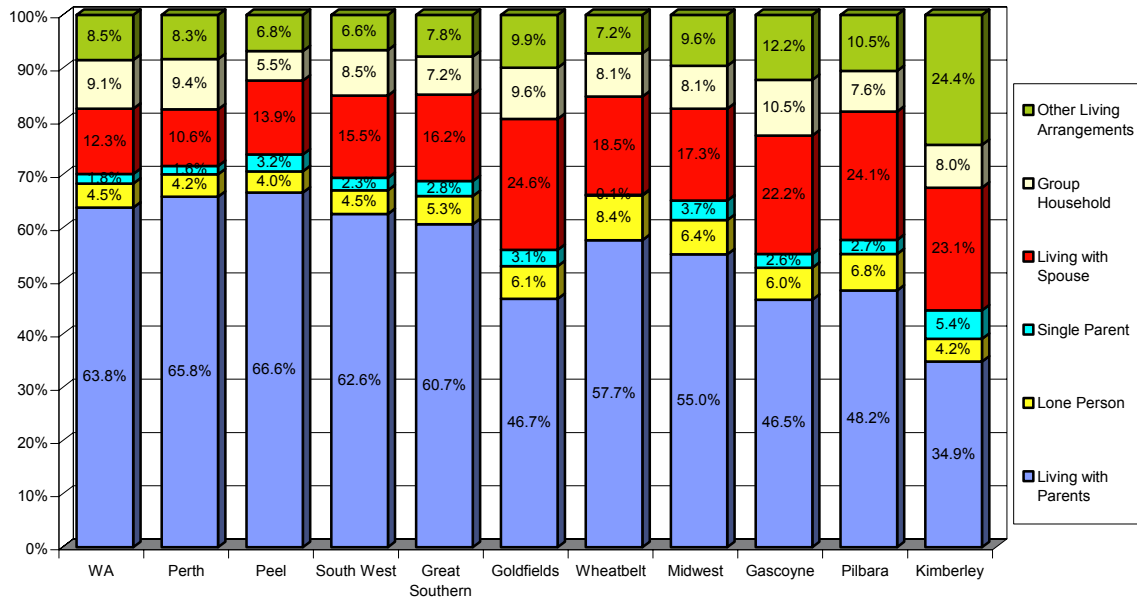
Figure 4 shows some interesting regional variations in living arrangements of young people. Because of its large share of the State's population, living arrangements for young people in Perth are very similar to those for the State as a whole, although in Perth the proportion of young people living with their parents (65.8%) is slightly higher than the State average (63.8%). In all regional areas except Peel, this proportion is lower than the State average. In the Kimberley (34.9%), Gascoyne (46.5%), Goldfields (46.7%) and Pilbara (48.2%) less than half of young people live with their parents.

The proportion of lone person households is highest in the Wheatbelt (8.4%), while the proportion of single parents is highest in the Kimberley (5.4%). Young people outside of Perth are also more likely to live with a spouse; in the Goldfields and Pilbara, this group is almost a quarter of the total, compared to the State average of 12.3%. Finally, the proportion of other living arrangements is particularly high in the Kimberley (24.4% compared to the State average of 8.5%).

This reflects the high proportion of people in this area living with relatives other than their parents, or living in a family household with people with whom they do not have a family connection.

**Figure 4 – Living Arrangements of WA 15-24 year olds by Region: 2001**

Source: ABS 2001 Census Table B03



While Figures 3 and 4 show that most WA 15-24 year olds are living at home with their parents, this masks the national trend noted in Figure 5, that the proportion of young people living independently increases with age. For 17 year olds, less than 15% live independently. This increases rapidly to nearly 40% for 19 year olds, then more gradually to over 70% for 24 year olds.

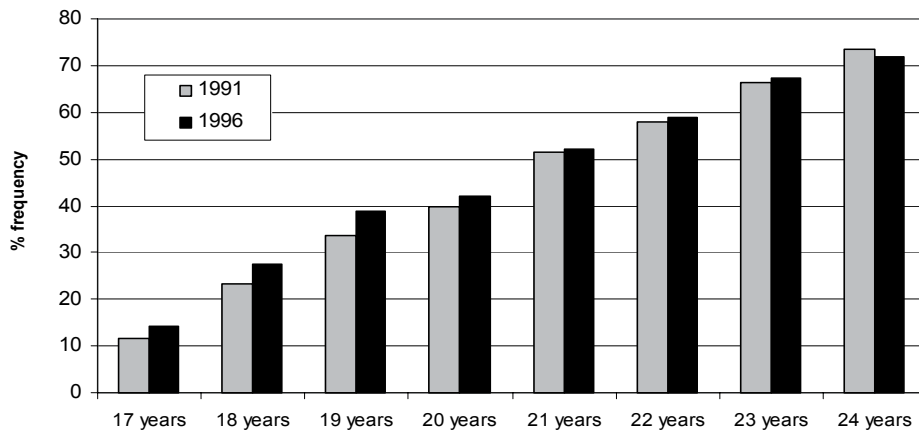
In a national study on rent assistance and youth housing decision-making, Burke (2002) found major changes in the nature of household formation of young people between 1980 to 2000. While the proportion of young people living independently (i.e. away from home) fell during the period, the incidence of shared living rose. In 1980 26 per cent lived alone and 17.5 per cent were in shared arrangements. By 2000 38.8 per cent were in shared arrangements and only 9.3 per cent were living alone. This may in part be due to increases in housing costs, particularly in inner urban areas.

Total WA population trends indicate that one and two person households, which predominantly represent lone and couple household formations are expected to continue to increase dramatically over the medium term to 2016. Projections indicate lone households could reach 35% of all households with couples increasing from 25% in 1996 to around 29% (OPP 2002b).

National data in Figure 5 shows a change in the pattern of leaving home which perhaps explains some parents' perceptions of young people leaving home later. In fact, between the 1991 and 1996 Census years the proportion of persons aged 17 to 20 years who were living independently rose significantly, while for 21-23 year olds this proportion grew marginally. However, the proportion of 24 year olds living independently fell over the five year period.

**Figure 5 – Proportion of young persons living independently by age: 1991 & 1996**

Source: Burke 2002. ABS Labour Force Statistics and other characteristics of Families Cat. No. 6224.0



### 2.3 Tenure Arrangements

Figure 6 indicates that, at least on a national level, there does not appear to be a linear relationship between the proportion of independent young people in private rental and their age. Between the ages of 17 and 20, this proportion grows from 38% to 61%. However, it then decreases to account for 51% for 24 year olds.

Another unexpected feature of Figure 6 is that the proportion of young people living independently in owner occupation starts at the surprisingly high level of 26 per cent for 17 year olds. Contributing factors include:

- ⚡ respondents misunderstanding the question;
- ⚡ since relatively few 17 and 18 year olds have the means to live independently, property inheritance is one of the only ways for someone in this age group to viably leave home;
- ⚡ parents purchasing a flat in the child's name close to place of study; and
- ⚡ the data may be polluted by parents stating their child as the reference person for tax purposes.

After falling to 18% for 20 year olds, the rate of young people living independently in owner occupation slowly rises to 32 per cent for those aged 24.

**Figure 6 – Housing Tenure for young persons living independently by Age: Australia 1996**

Source: Burke 2002 – ABS 1996 CURF

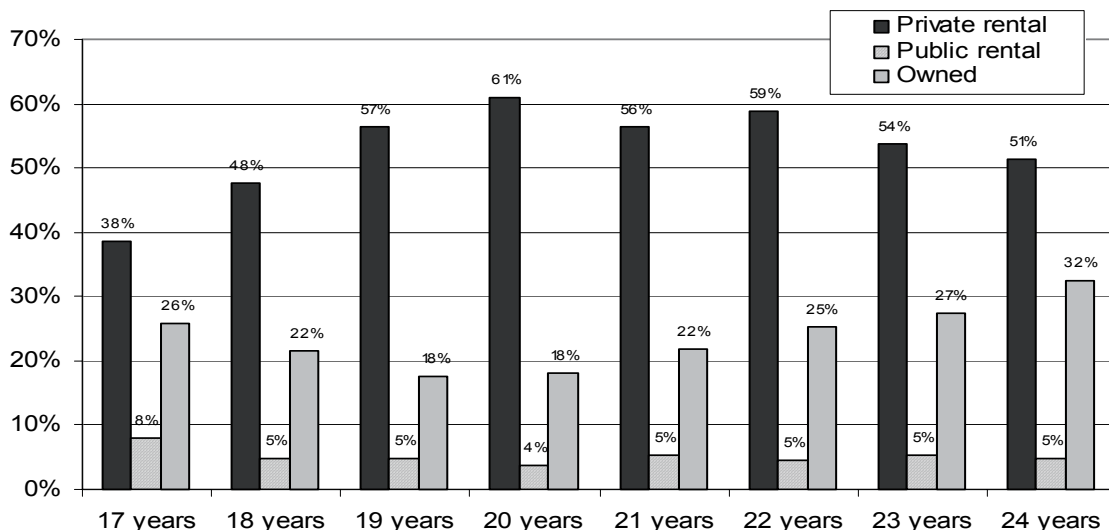
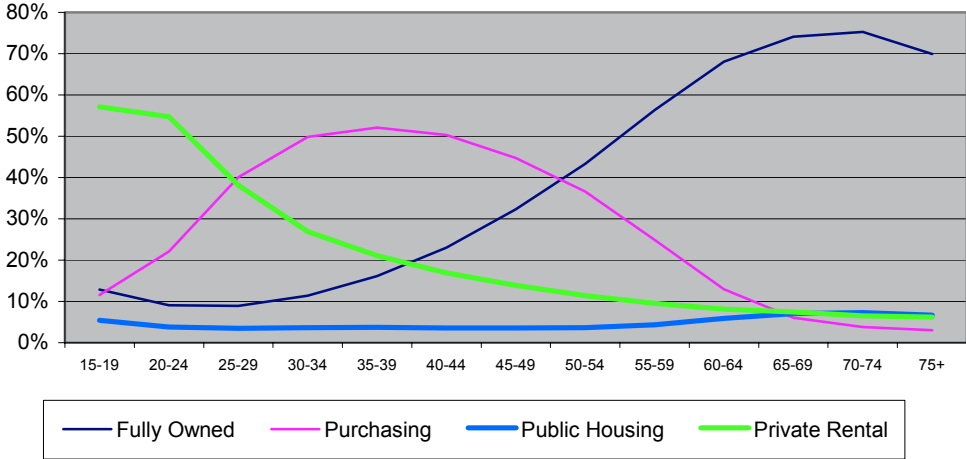


Figure 7 demonstrates how tenure patterns change with age in Western Australia. This Figure echoes the national trend of the falling then rising rate of owner occupation previously identified in Figure 6, at least with regard to fully owned properties. No such trend is evident for home purchasing, although to some extent this may be masked by the broader age categories. Nevertheless, Figure 7 does provide some evidence for the theory that the relatively high rate of home ownership among teenagers occurs without them repaying the traditional mortgage for any extended period of time.

Comparison with 1996 tenure by age data indicates little variation in tenure arrangements for the 15-19 years cohort. However in the 20-24 cohort, the proportion of households purchasing their home has increased from 15% in 1996 to 22% in 2001. Offsetting this increase is a decline in the proportion of 20-24 households renting privately which fell from 62% in 1996 to 55% in 2001.

**Figure 7 – Tenure by Age WA - Census 2001**

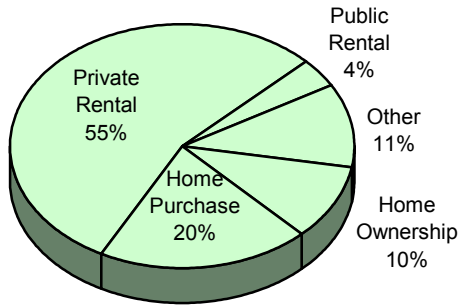
Source: ABS Unpublished Data



Finally, Figure 8 shows the overall picture regarding housing tenure in WA for those households (39,600) where the household reference person was identified in the 15-24 cohort at the 2001 Census. The Figure shows a concentration of young people households in the private rental sector, with 55 % of independent 15-24 year olds in WA renting privately (excluding employer provided housing). 29.9 percent were either buying or had bought their own home, 4.1 percent were public tenants (including community housing) and the remainder were in other forms of accommodation or did not state their housing arrangements.

**Figure 8 – Housing Tenure 15-24 year olds WA 2001**

Source: ABS Unpublished Data



### 2.3.1 Private Rental

Although most independent young people rent privately, this form of tenure is not without its problems for young renters. Table 3 summarises responses of participants in a 1999 national sample survey (Burke 2002) of Youth Allowance and Austudy payment customers in receipt of Commonwealth Rent Assistance (CRA). Respondents were asked what were the main problems they had in their private rental; the most commonly identified problem was high rents.

**Table 3: Aspects of current housing situation that are a problem (percent)**

Source: Burke (2002)

<u>Problem Type</u>	<u>Percent</u>
High rents	35.2
Poor security of dwelling	18.4
Landlord won't/is reluctant to do repairs	17.9
Hours required to work to pay costs	17.4
Household conflict	14.5
Poor security of surrounding area	13.0
Substandard household facilities	10.5
Overcrowding in the household	10.4

A much smaller survey of Western Australian young people by Shelter WA found that there were some major differences in perceptions by support agencies working with young people and the young people themselves. For instance, 85% of agencies but only 23% of young people identified a lack of housing as a major problem. However, both the agencies and the young people agreed with the Burke survey in that the major problem facing young people in accessing housing is that their income is insufficient to meet rental costs.

**Table 4: Agencies and Young People's Views on Housing Issues**

Source: Shelter WA (2002)

Issue	Percentage see as a "major" Issue	
	Youth Perspective %	Agency Perspective %
Lack of Income	54	77
Programme Co-ordination	8	31
Substance abuse	46	54
Program funding/flexibility	23	46
Lack of housing	23	85
Mental health	0*	36
Indigenous needs	8	46
Government policies/procedures	31	69
Lack of Early intervention	23	62
Transitional housing options	Not asked@	80
Disability needs	0	46
Lack of educational/training opportunities	14	31
Age discrimination	Not asked	46

\* 62% of young people surveyed were affected by mental health issues to some extent

@ This question was covered in "Lack of housing"

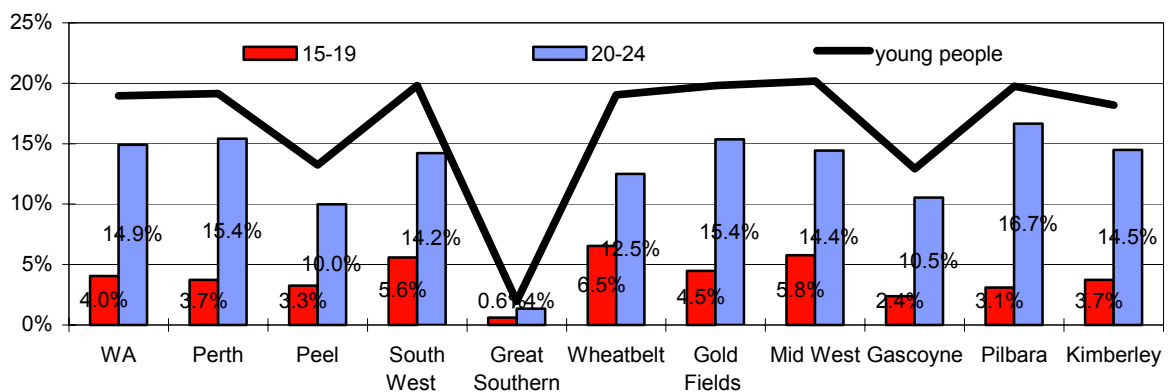
Following on from Burke's survey of CRA recipients, Figure 9 examines the extent and distribution of young CRA recipients across WA at December 2001. Of the 68,800 CRA recipients, 13,000 or 18.9% were young people. Most young CRA recipients are in the 20-24 year cohort, reflecting the higher proportion of people in this cohort that live independently. Figure 9 also indicates that the proportion of young CRA recipients is reasonably consistent between regions, with the exception of the Great Southern region where they make up only 2.0% of CRA recipients. The reasons for this peculiarity are unclear.

Possibly of more significance is the proportion of young private renters that are eligible for and accessing CRA. To be eligible, CRA recipients must be on some form of Government transfer payment which include: income support such as unemployment benefits (Youth Allowance and Newstart), Austudy, a pension or Family Allowance Supplement.

Figure 8 previously indicated 55% (21,900) of young person households were classified as private rental. Figures from the December 2001 CRA dataset suggests 60% of young private rental households were receiving rent assistance. Using June 2001 CRA data which preceded the Census, the number (14,000) and proportion (20%) of young recipients was higher than the December figure, indicating possible seasonality factors associated with tertiary students on Austudy not accessing private rental at the end of the school year.

**Figure 9 – CRA Recipients by Age and Region: December 2001**

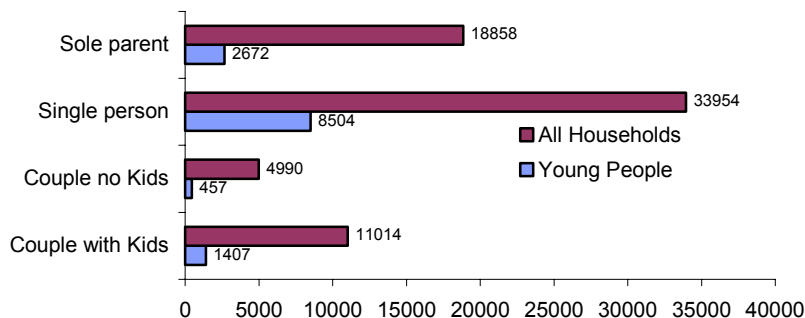
Source: DHW Analysis of Constructed File of CRA Data



Commonwealth Rent Assistance in Western Australia is dominated by single people (50%) with an additional 27% being single parents. Figure 10 shows that this dominance is even more exaggerated for young people: 85% of young West Australians who receive CRA are single persons with or without children.

**Figure 10 – Household Status of 15-24 year old CRA Recipients in WA: 2001**

Source: DHW Analysis of Constructed File of CRA Data



Finally, Table 5 describes the variety of dwelling types of participants in the Burke survey. It was as common for the CRA recipient group to live in a flat, unit or apartment as in a detached house, although this latter dwelling type was more prevalent among jobseekers (40.5 per cent, compared with 32.5 per cent of students). It is however unclear how reflective this distribution of dwelling types is representative of the situation for young persons in WA, given the lower proportion of semi-detached and unit dwellings in WA.

**Table 5: Current Dwelling Type by Student/Job Seeker receiving Rent Assistance**

Source: Burke (2002)

	Student (%)	Job-seeker (%)	Total (%)
Boarding school/residential college	14.0	0.0	11.9
Flat, unit, apartment	34.4	34.9	34.5
Semi-detached, terrace or townhouse	12.4	10.8	12.1
Detached house on individual block	32.5	40.5	33.8
Caravan or mobile home in caravan park	0.1	0.0	0.1
Boarding house, hostel or private hotel	2.6	4.7	2.8
Granny flat, sleep-out, garage etc.	1.4	2.2	1.5
Other	2.6	6.9	3.3
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100</b>
Sample (n=)	1438	232	1728

### 2.3.2 Public Rental

A relatively small proportion of young independent people in WA are public tenants: 4.1% of young people live in public housing compared to 4.8% for the general population.. Under current policy, young people aged under 18 are generally not eligible to be housed in mainstream public housing in WA unless mitigating circumstances, although they are entitled to apply for public housing at 17.

Generally speaking, public housing comprises a relatively small proportion of total housing stock in WA. In addition, changes in the priorities at the Commonwealth level have meant a reduced level of funding. At the same time increased requirements regarding the 'targeting' of people with the highest needs have meant significant reductions in rental income and increases in tenancy management costs for the State Housing Authority, reducing the funds available for the expansion of public housing.

Realistically, the only way in which public housing could become a solution for a substantial proportion of young people in the near future is through sizeable financial injections from either the Commonwealth or the State Government. Nevertheless, it is important that this tenure continue to exist and grow in order to provide a safety net for some young people.

### 2.3.3 Home Purchase

Yates' (2002) work on changes in national home ownership patterns between 1986 and 1996 found that

... for younger households, the household type that has exhibited the greatest propensity to increase its home ownership rates has been single persons and, in particular, single persons in non-metropolitan regions. With the exception of high income sole parents, single person households were the only young households in the 15-24 year old age group who experienced an increase in home ownership. These (relatively small) increases were highest for high income households but were also apparent for lower income households, in marked contrast with the outcomes for all other household types. For high income young single person households, home ownership increased from 24 per cent in 1986 to 33.2 per cent in 1996 and in metropolitan regions from 27.9 per cent in 1986 to 37.2 per cent in 1996.8 Those

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increases that have occurred arise from increases in outright ownership which reflect wealth transfers. Overall, however, home ownership is a relatively insignificant tenure for young people, which declined from 24.7 per cent of all households in 1986 to 19.8 per cent in 1996.

Yates' national home ownership figure for 1996 may be lower than the Census rate of 30 percent because of continuing falls in interest rates over the last three years and better home purchase affordability in WA compared to most eastern state centres. Nevertheless increasing house prices mean that the trend is towards lower affordability in WA and elsewhere in Australia. However, as already indicated, a comparison of tenure by age for 1996 and 2001 indicated there was an increase in the proportion of 20-24 year olds in home purchase.

### 2.3.4 Homeless

Homelessness is a problem that has a housing dimension, but has many causal factors beyond housing. While many issues associated with homelessness therefore fall beyond the scope of a State Housing Strategy, the issue does warrant some consideration. Before discussing the issue, however, it is necessary to define homelessness. For the purposes of this paper, a definition will be used that has been widely accepted nationally, and was also used by the 2002 WA Homelessness Taskforce:

“homelessness is one extreme of a spectrum of disadvantage in terms of access to safe, affordable and secure housing. Homelessness has an implication of lack of options or choice. A person is homeless if he or she has inadequate access to safe and secure housing. Inadequate housing is defined as follows:

- ## Damages, or is likely to damage, the person's health; or
- ## Threatens the persons safety; or
- ## Fails to provide access to adequate personal amenities and the economic and social support that a home normally affords.

There are three broadly accepted categories of homelessness:

- ## Primary homelessness or those that are sleeping rough without a roof over their head;
- ## Secondary homelessness or those in crisis accommodation or staying with friends/relatives; and
- ## Tertiary homelessness where people are living in insecure accommodation such as boarding houses, caravan parks or rooming houses.

The Taskforce found that there is no reliable measure of homelessness, that statistics with regard to homelessness are scarce and those that do exist tend to be unreliable. However, three sources are worth noting.”

Firstly, Chamberlain and McKenzie (2002) estimate that 1.8 percent of 12-24 year olds nationally were homeless in 2001, compared to 1.3 percent in 1996. In WA, they found 6348 independent 12-24 year olds who were unable to access appropriate housing. Homeless people are not necessarily “roofless” (primary homelessness), but may have to move frequently from one form of temporary shelter to another (secondary homelessness) or live in boarding houses on a medium to long-term basis (tertiary homelessness). Ironically their relatively small number exacerbates their situation by limiting their visibility to the general public, thereby impeding reasoned community debate.

Secondly, the Supported Accommodation Assistance Program (SAAP) is the major Commonwealth program aimed at tackling homelessness. A range of agencies are funded under SAAP to provide services to homeless people, and they are required to keep track of

who they assist. Some SAAP figures for WA are presented in Table 6. The table indicates that 31.5% of all WA SAAP clients are young people between 15 and 24 years of age. Most (60%) of young SAAP clients are female.

It should be noted, however, that there are a number of problems with the SAAP data, which make it incomparable with the ABS data. Firstly, in many cases SAAP clients asking an agency for assistance do not stay long enough to fill out the form. It is then up to the agency to provide an estimated age of the client. Secondly, where people do not leave their name they may be counted more than once, either on the same day by different agencies, or on different days by the same agency. Thirdly, there appears to be some confusion regarding the difference between SAAP 'clients' and 'support periods', which may pollute the data. Finally, the proportion of homeless people who seek assistance from SAAP agencies is unclear, as is the frequency with which those who do repeat their requests for assistance. The only thing that is certain is that not all homeless people seek SAAP assistance.

**Table 6: SAAP: Clients by age and population group, 2001-02 (per cent) WA**

Source: SAAP National Data Collection Annual report 2001–02. WA Supp. Table 4.1

SAAP clients, by age and gender, WA 2001-02				
Age	Male	Female	Total	Number
	%	%	%	
Under 15 years	0.7%	0.8%	1.5%	150
15-17 years	2.6%	4.6%	7.2%	650
18-19 years	3.6%	4.6%	8.3%	750
20-24 years	6.2%	9.8%	16.0%	1,450
Over 24 years	25.8%	41.3%	67.0%	5,950
Total	38.9%	61.1%	100.0%	8,950
<b>Total 15-24 years</b>	<b>12.4%</b>	<b>19.0%</b>	<b>31.5%</b>	<b>2,850</b>

Finally, Shelter WA is currently conducting a longitudinal study into the profile of the homeless population in Western Australia based on surveys of support agencies (Shelter WA 2002). While the study is still in progress, the first three surveys roughly match the SAAP data with regard to young people, identifying that around one third of homeless people are between the ages of 15 and 24.

Homelessness requires a coordinated response among all causal factors, including (but not limited to) housing. The WA State Homelessness Taskforce Final Report notes key areas of housing need for young people including increased long-term exit options from supported accommodation, adequate income support, more living skill support appropriate to the needs of young people and assistance to successfully access and maintain private rental.

## 2.4 Barriers to Youth Housing

An array of hurdles face young people attempting to access affordable and appropriate housing, especially in rural and remote areas. These issues were highlighted during a series of public forums run by the Youth Affairs Council of WA (YACWA) in 2001. They are listed below together with supporting data and observations.

### 2.4.1 Affordability

As hinted above, there are several aspects to housing affordability: **income, housing costs and appropriateness of the housing stock**. While facing the same rents and purchasing costs as the general population, young people tend to have relatively low incomes due to their stage in lifecycle, employment and education patterns. This implies that as a general

rule, young people who are not living with parents will face more severe housing affordability problems than their older counterparts.

**Income**

According to Kryger (1998) real wages, or wages after adjustment for inflation, have fallen sharply for young people over the past 20 years. This contrasts with an increase in adult wages over the same period. Real wages for young males have fallen from \$395 in 1976 to \$342 in 1986 to \$322 in 1996. Real wages for young females have also fallen during the same period from \$361 to \$332 to \$316.

Overall, the last 20 years have seen a fall of 18 per cent in real wages for young males and a fall of 12 per cent for young females. Real wages for adult males and females on the other hand have risen 7 and 12 per cent respectively. The net effect is a considerable widening of the gap between adult and junior wages.

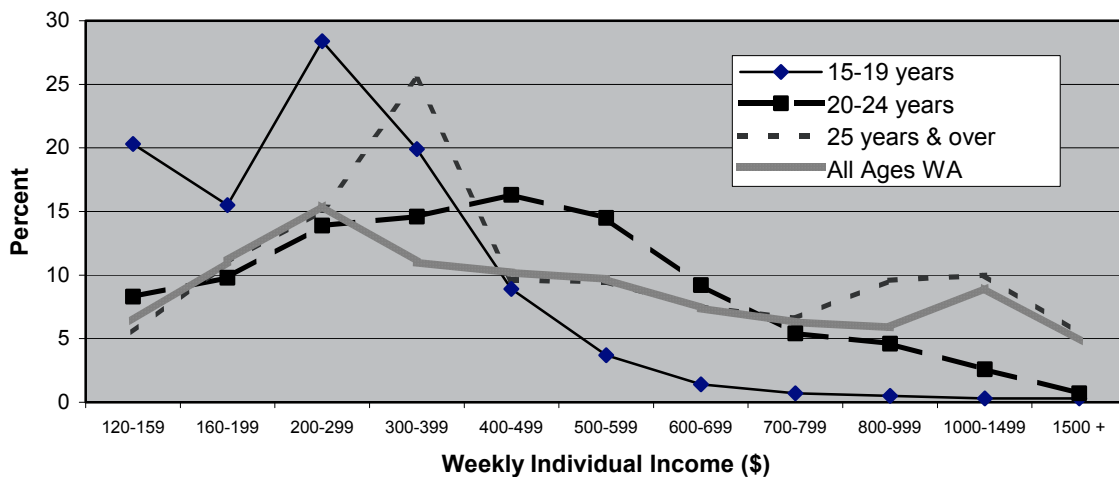
In addition, the Australian Bureau of Statistics (2001) reports that the unemployment rate for 15-24 year olds in Western Australia rose from 13.7% to 14.1% between the 1996 and 2001 Census years. This is in contrast with a fall on a national level, from 15.7% in 1996 to 13.8% in 2001.

These trends should be understood in the context of data that indicate that approximately sixty per cent of Australian working young people aged 15-19 are without parental support (ABS 1997). The majority of this group are trying to manage on incomes below the poverty line, and although they may not be strictly “socially excluded”, would be finding even basic participation very challenging.

As shown in Figure 11, WA youth incomes are skewed towards the lower end of the scale in contrast to the much flatter distributions of the over 25 year olds and the All Age WA figures.

**Figure 11: Income Distribution by Age: WA 2001**

Source: Adapted from ABS 2001 Census Weekly Individual Income by Age



**Housing Costs**

In commenting on national affordability trends, Burke (2002) notes that among young renters living alone, 66 per cent pay more than 25 per cent and 45 per cent pay more than 40 per cent, of income on rents. A third of young renters living alone pay more than half their income in rent. This figure indicates that the major income supplement aimed at housing affordability, Commonwealth Rent Assistance (CRA), is not effective in eliminating housing stress.<sup>1</sup>

<sup>1</sup> Another indication of the ineffectiveness of CRA is that 28.5% of West Australian CRA recipients still experience housing stress (Productivity Commission 2002).

Specifically, the problem is that CRA has a threshold: a rent below which no CRA is payable. In January 2003, this threshold was set at \$81.60 per fortnight for a single person with no children. At the same time, a single young person living away from home received \$310.10 in Youth Allowance. In other words, this person would have to spend 26.3% of his / her income before receiving a single dollar of CRA.

Since 1996, house prices have increased much faster than incomes. For instance, between March 1998 and December 2002, the median house price in Perth rose by 36.4%, from \$140,500 to \$194,400. (REIA Market Facts) As a result, the income required to affordably purchase a median priced home in Perth increased from \$51,435 to \$71,299.

Rents, on the other hand, show a different pattern. An important indicator of what is happening in a market is the change in prices over time. Yates (in OPP 2002a) found that in the ten years to 1996 real rent increases at the lower end of the private rental market were higher than for higher cost properties.

Increases in real rents in the non-metropolitan areas were very large, particularly for the lowest quartile where rents increased by a factor of 2.5 over the ten years to 1996. The increase was such that rents were only just below those in Perth by 1996.

These rent increases have contributed to falls in low cost rental stock in the ten years to 1996. The percentage decrease of nearly 20% in Perth was overshadowed by the 62% decline in the rest of the State (ROS), resulting in a State-wide decline of 39%. During the same period the number of low-income households in private rental accommodation in Perth increased by 79% compared with a 44% increase in total private renters.

**Table 7: Percentage Changes in Quartile weekly rents from 1986 to 1996**

Source: ABS Special Matrix for AHRF Report

	Lowest Quartile % change	Median Quartile % change	Highest Quartile % change
Perth	10.8	6.3	2.1
Rest of State	151.3	73.3	30.4

However, since 1996 rent increases appear to have been of a lesser magnitude than in the preceding period. In Perth, for instance, rents increased from \$136 to \$156 between the December quarters of 1998 and 2002. (REIA Market Facts) This represents a nominal increase of 14.7%, which is only slightly greater than the CPI increase (14.4%) for the period.

When graded by user cost from lowest to highest, it is the properties with a higher mean property value that represent the lowest cost per dollar invested. Hence low cost rentals are less financially attractive to investors (due to relatively lower capital gains tax exemptions) and therefore less likely to be considered, especially in non-metropolitan areas where lower capital gains are likely (AIHW 2001a).

### **Stock of Affordable Housing**

Apart from the ineffective design of the CRA system, another factor impeding young people's access to affordable housing is a reduction in affordable stock. For instance, Judith Yates (2002) found that between 1986 and 1996 the supply of low cost rental stock (<=\$100/week in 1996 dollars) that are affordable for people on low incomes fell by 20% in Perth and by 62% in non-metropolitan WA. In the same period, the number of low-income households

living in private rental accommodation grew by 79.4% in Perth and by 88.8% in the rest of the state. (Yates (2002), cited in OPP 2002a).

Subsequent analysis of 2001 Census data indicates the overall decline in the stock of low cost rental dwellings has been arrested with a 1% increase in the overall stock in WA. However this increase is attributed to a 16.5% increase for the Rest of State whereas Perth recorded a 5.8% decline. Details of the 2001 analysis are presented in the Private Rental Tenure Paper.

Table 8 suggests there was a theoretical shortage of close to 3,000 low cost properties in 1996 in the Perth Metropolitan Region. Although the rest of the State still had a small surplus in 1996, its size had declined by more than 12,000 dwellings in the ten years since 1986. A similar assessment for 2001 has not been done due to some 13% (15,300 households) with insufficient rent and income data.

**Table 8: Estimates of shortages of low cost affordable rental properties - Perth & WA**

Source: OPP 2002a

	Year	No. of households	Affordable Dwelling Stock	Shortage(-)/ Surplus(+)
Perth	1986	10,073	18,850	8,777
	1996	18,069	15,109	-2,959
ROS	1986	2,372	16,088	13,716
	1996	4,479	6,047	+1,568

In 1996, Perth's low-income households (with a household income of less than \$300 per week) only represented 43% of all households in low cost (\$100/week) rental housing. This means that a large number of the low-income households would have been living in low to moderate (\$100 - \$150/week) or even moderate (\$150-\$200) cost rental accommodation and, therefore, paying more than 30% of their income in rent (see Table 9).

**Table 9: Housing Costs as a Proportion of Income for Private Renters in WA, 1999**

Source: Australian Housing Survey 1999, ABS Ref: 4182.5.48.001

	25% or less	More than 25%	More than 30%	More than 40%	More than 50%
All renters	55%	36%	27%	16%	10%
Renters in bottom 2 quintiles	16%	76%	57%	34%	22%

## 2.4.2 Appropriateness of the Housing Stock

Young people's access to appropriate small to medium sized accommodation is severely restricted by the type of housing that is available in WA. In particular, the state continues to be dominated by 4 bedroom single detached dwellings. The 2001 Census has revealed that WA recorded:

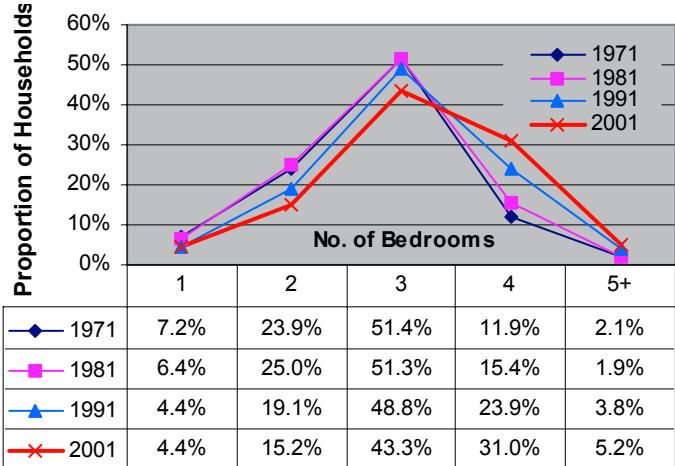
€# A 1% point increase since 1996 in the stock of single detached housing (78%). This is against the national trend of an increasing proportion of multi-residential dwellings that are accommodating the growth in one and two person households

€# A 7% point increase in four bedroom dwellings over the past 10 years at the expense of two and three bedroom stock

The 1999 Australian Housing Survey highlighted WA’s growing excess housing capacity reflected in the burgeoning stock of 4 bedroom detached dwellings; despite declining occupancy rates and the growth of one and two person households (OPP 2002b). This does not reflect or support the needs of many young people, who require smaller units. Figure 12 gives an indication of changing proportion of housing stock by bedrooms over the past 30 years. There has also been minimal change in the proportion of multi-residential dwellings such as duplexes, townhouses, flats and apartments over the same period.

**Figure 12: Housing Stock by No. of Bedrooms – 1971 to 2001**

Source : ABS Census & unpublished data



**2.4.3 Accessibility**

**Private Rental:**

One barrier that young people face in accessing housing is that, on average, they have lower incomes than the general population. Anecdotal evidence suggests that some young people solve this financial problem by sharing housing with other young people – although this is not to say that this lifestyle has no attractions beyond the financial dimension. The problem is that the current housing stock makeup means that group households are likely to have greater difficulty in accessing and keeping appropriate and affordable housing.

Young people also have to deal with entering the private rental market as a first time tenant without references. While it is possible, at least in theory, to use personal rather than rental references, some real estate agents and landlords will not accept this type of reference.

A related problem is that young people are often perceived as a financial risk. There appears to be a stubborn perception among real estate agents and landlords that young people are unable to effectively manage a tenancy due to their age and inexperience.

One final problem that deserves mention is that some landlords and real estate agents appear to reject applications from young people under the age of 18 on the grounds that they cannot sign legally binding documents. This is in fact an incorrect assumption, as under 18 year olds are able to sign legally binding documents that relate to necessities of life.

**Public Housing:**

Table 10 below gives an overview of public housing applicants and tenants between the ages of 15 and 24 years. As at 31 December 2002, there were 2391 public housing

applicants and 1691 tenants aged between 15 and 24 years.<sup>2</sup> The table reveals a number of interesting details.

Firstly, 15-19 year olds make up 28.0% of public housing applicants, but constitute only 17.6% of tenants. This discrepancy can be explained by the fact that in December 2002 the wait time for 1 bedroom singles in the Metropolitan zones ranged from 2¼ years in Thornlie to more than 4½ years in O'Connor, with an average wait time of around 3 years.<sup>3</sup> As a result, at least some young applicants will have moved into the older age bracket before being housed.

Secondly, 21.9% of applicants between the ages of 15-24 identified as Indigenous, while this proportion was 36.8% for tenants of the same age group. This discrepancy is puzzling and further research is needed to establish its cause. However, possible explanations include:

- ≠ Indigenous young people generally have fewer housing options than non-Indigenous people and once housed may stay longer in public housing,
- ≠ Indirect positive discrimination by the Department of Housing and Works for Indigenous young people, although the Department does not have any policies regarding positive discrimination, and
- ≠ Young Indigenous people may be more likely to be removed from wait lists without being housed, for instance because they fail to answer annual surveys.

**Table 10: Public Housing Applicants and Tenants aged 15 to 24 years, 31/12/02**

Source: Department of Housing and Works, Internal Report

Applicants aged 15-24										
Region	Mirrabooka	Fremantle	Cannington	Albany	Bunbury	Kalgoorlie	Geraldton	Hedland	Broome	Total
<b>15-19</b>	210	89	137	24	35	45	19	47	64	<b>670</b>
<b>20-24</b>	526	317	353	49	97	75	55	94	155	<b>1721</b>
<b>Indigenous</b>	88	33	83	13	13	51	32	50	161	<b>524</b>
<b>Non-Indigenous</b>	648	373	407	60	119	69	42	91	58	<b>1867</b>
<b>Female</b>	508	303	361	56	110	88	54	92	177	<b>1749</b>
<b>Male</b>	228	103	129	17	22	32	20	49	42	<b>642</b>

Tenants aged 15-24										
Region	Mirrabooka	Fremantle	Cannington	Albany	Bunbury	Kalgoorlie	Geraldton	Hedland	Broome	Total
<b>15-19</b>	59	28	80	20	8	33	27	25	17	<b>297</b>
<b>20-24</b>	313	120	240	97	67	167	106	143	141	<b>1394</b>
<b>Indigenous</b>	96	30	73	42	20	85	70	76	130	<b>622</b>
<b>Non-Indigenous</b>	276	118	247	75	55	115	63	92	28	<b>1069</b>
<b>Female</b>	289	121	239	88	63	174	115	133	128	<b>1350</b>
<b>Male</b>	83	27	81	29	12	26	18	35	30	<b>341</b>

Thirdly, there was a marked difference between the Metropolitan and Regional zones. In the three Metropolitan zones, Indigenous people made up 12.5% of applicants and 23.7% of tenants between the ages of 15 and 24. In the six Regional zones these proportions were 42.2% (applicants) and 49.7% (tenants). The higher proportion of Indigenous people amongst both applicants and tenants in the Regional zones is due to the greater representation of Indigenous people in regional and remote areas generally.

<sup>2</sup> Department of Housing and Works, *Public Housing Applicants and Tenants Aged 15 to 24 years of age as at 31 December 2002*.

<sup>3</sup> Due to lower stock numbers, the variance was much greater outside the Metropolitan area, ranging from one month in Manjimup to more than 5 years in Albany.

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Finally, there are more than twice as many females as there are males among both applicants and tenants between the ages of 15 and 24. This may be explained by the fact that a relatively high proportion of young people are single mothers, for whom public housing is the only affordable option.

As discussed above, public housing comprises a relatively small proportion of total housing stock in WA, and young people face the same problems accessing public housing as do the general population. However, in a Shelter WA survey, youth housing and support workers identified two additional hurdles for young people trying to access public housing. These were:

- ⌘ For those under 18 years of age who are seeking public housing independently, it is at the discretion of regional Homeswest management whether specific needs or circumstances exist to make accommodation immediately available;
- ⌘ The appeals process can be intimidating and overwhelming for young people who appeal an unfavourable decision.

As discussed above, it is difficult to see public housing as a major solution to youth housing problems in the near future, given the current decline in funding for public housing. To have an effect would require sizeable financial injections from either the Commonwealth or the State Government. The capacity to secure well located development sites for appropriate young persons housing also is a challenge. As stated above, it is important that this tenure continue to exist and grow in order to provide a safety net for at least some young people.

### **Home Ownership**

A key result of low youth wages is the increasing difficulty many young people face in trying to save for a deposit for a home. This is also affecting those who choose to study to supposedly attain higher earning potential. With HECS debts averaging \$20,000 over the course of a degree, current and future generations of potential homebuyers are being significantly disadvantaged compared to older buyers in terms of their capacity to save for, and service, home finance.

In commenting on a federal government proposal to alter HECS arrangements by establishing a tertiary education loan scheme, the Murdoch University Students Guild stated:

*Already the typical graduate faces repaying their study debts until their late thirties and about 1/3 of women will still have a debt at the age of 65. Setting up a government loans scheme will create a lifetime of debt for all but the very rich. Recent studies of a similar scheme in place in New Zealand found that banks take study debts into account when considering graduates' applications for home loans. Not surprisingly home ownership among Generation-Xers has dropped 10% compared with the previous baby boomers (who were not hit with study debt). (Murdoch University Guild 2002).*

Austudy Supplementary Loan repayments in addition to HECS are also causing many students medium to long-term financial hardship.

### **2.4.4 Complex Needs**

Inadequate housing appears to be both a cause and a result of the array of problems facing young people at risk. Participants to the Shelter WA forum on youth housing noted the following concerns:

- ⌘ **Substance Abuse:** SAAP services do not have the funds to deal with young people with active substance abuse issues or other complex needs; an increase in polydrug use is resulting in more young people being excluded from their families.

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# *Mental Health:* Reluctance and/or lack of resourcing of service providers to work with this group, lack of appropriate accommodation for young people with mental health problems. There is a lack of intensive support services for young people with mental health problems and substance abuse problems. There are no appropriate services for young people with dual diagnoses.

# *Cultural Issues:* Indigenous young people staying with extended families form a substantial part of WA's hidden homeless. There is a lack of culturally appropriate policies, services and accommodation for Indigenous young people. Indigenous homelessness is increasing, partly due to many families no longer taking in young people, who are often not welcome anywhere, particularly if they are substance abusers.

#### **2.4.5 Level and Flexibility of Funding for Housing Assistance**

Commonwealth funding for public housing in WA has fallen by 15% in real terms over the last six years. At the same time, increased targeting of public housing to those most in need has reduced the rental income and increased the tenancy management costs of the State Housing Authority. The combination of reduced income and increased costs has reduced the viability of public housing and its ability to grow to meet increasing needs. As a result, public housing stock has fallen below 5% of total housing stock in WA. The waiting list for public housing has grown from 11,799 households in 1996 to 14,194 in 2002 (Department of Housing and Works, Annual Reports 1996 and 2002).

If the trend of falling income and rising costs continues, the capacity of the public housing sector to house low income young people and others excluded from the private housing sector will diminish further. It will also mean that already high turn-away rates from supported accommodation services will grow as exit points into public housing diminish.

#### **2.4.6 Government Policies and Procedures**

An anomaly exists in Government policy as 15 to 17 year olds are eligible for bond assistance, yet in most cases are ineligible for mainstream public housing. This suggests that this group is able to maintain successful private, but not public, tenancies. This compares to the WA Department of Community Development, which recognizes 16 as the age where young people are able to make significant independent life choices.

The problem is further compounded by an under-supply of one and two bedroom public housing suitable for young people, which means comparatively longer wait times for this age group.

#### **2.4.7 Other Barriers**

Workers in community based youth housing and support agencies attending the 2001 YACWA forums voiced the following general concerns:

- # Lack of culturally appropriate policies, services and accommodation for Indigenous young people;
- # Lack of post-institutional accommodation options;
- # Hardening community perceptions toward young people stemming from age discrimination and ignorance of adolescent developmental issues;
- # Lack of cross-metro and regional transport options;
- # Lack of accommodation and exit points from supported accommodation for under 16 years olds;

- 
- ## Case management shortcomings including the need for increased long-term, continuity of care enabling young people to move incrementally to independence;
  - ## Mental health problems exacerbating tenancy problems;
  - ## Lack of responsiveness of supported accommodation service providers;
  - ## Lack of strategic, integrated and consistent responses to youth housing issues.

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## 3 KEY ISSUES AND QUESTIONS

### 3.1 Demographics and Inclusive Housing Policy

The ageing of the West Australian population has prompted some social commentators to highlight a perceived lack of policy focus on the needs of young people. A case in point is the public housing construction program, which is rightly attempting to redress an undersupply of small to medium sized accommodation. However the bulk of the new stock is earmarked for seniors housing while there is a critical shortage of accommodation appropriate for young people. Policy makers must not allow the albeit clear and justified demands of an ageing population to detract from the state's responsibility to *all* citizens.

### 3.2 Accessible and Sustainable Tenancies

#### **Private Rental**

In the light of young people's dependence on, and difficulty in negotiating, the private rental market, it is imperative that creative and inclusive ways be implemented to assist them to access, and succeed in, this tenure. The major barrier facing young prospective tenants is the perception by landlords and real estate agents that this group presents a higher risk of defaulting on rental payments and/or damaging the property. However, there are ways in which the perceived risk of a young tenant can be reduced. A successful example is the *Partnership In Housing* Pilot Project in Busselton, sponsored by Agencies for South West Accommodation Inc (ASWA).

ASWA was funded by the Department of Community Development to implement a pilot project that sought to increase access of young homeless people to the private rental market in Busselton and Bunbury. The project worked through a combination of creating awareness of the needs of young people among real estate agents, and highly individualized support for young people throughout their tenancy, but particularly in the early stages. The project was highly successful: 87 of the 90 tenancies succeeded.

The lessons of the Partnership In Housing project are that real estate agents will take up the challenge of housing young people if the perceived risk that young people represent as a group of tenants is reduced. This can be achieved through individualized support, as happened in the ASWA project. An alternative would be a system of guarantees, where an agency guarantees support should this become necessary. Both should be combined with teaching those young people who need it life skills, including the skills necessary to operate a tenancy.

#### **Public Rental**

Homeswest's current policy of limiting mainstream public housing to persons over 18 years of age stems from a legal requirement to enter a tenancy agreement. For those between 16 and 18, scope exists to enter tenancy agreements on the basis of a service of necessity. The current policy limit appears narrow for an organization auspiced to provide affordable housing to people devoid of other housing options. Under 18 year olds need secure, supported housing in which to develop life-skills necessary for successful independent living.

Two programs have been very successful in this area: YES (Youth Externally Supported) Housing and FRESH (Fremantle Regional Externally Supported Housing). These programs cater for youth in need, including young single mothers, helping them to obtain affordable housing throughout the metropolitan area. The agencies manage the tenancies until the tenants are able to live independently and many of these tenants go on to become mainstream Homeswest tenants. The value of these programs is that they not only assist

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young people to succeed in public tenancy, but also to facilitate their branching out into private rental and home ownership.

An expansion of YES and FRESH, both in the Metropolitan area and in rural and remote parts of the State is needed. However, tied to these support options is the need to redress the current lack of smaller dwellings suitable for young people. This needs to be done sensitively in order to create positive living environments where young tenants have the greatest potential to succeed in, and enjoy their tenancies.

### **3.3 Accessible and Affordable Home Ownership**

The drivers influencing young people's access to home purchase are diverse and far broader than the scope of this paper. However some general points can be made:

- # Policies that favour one generation over subsequent (or previous) ones are generationally inequitable and serve to further entrench social inequality. Examples include:
  - the non-targeted, price inflationary First Home Owner's Grant;
  - the Higher Education Contribution Scheme (HECS) that has influenced housing affordability for all but the most affluent tertiary graduates.
- # Means tested rebates and concessions to assist entry level owner occupiers and give incentives for investing in low cost private rentals warrant attention (eg targeted negative gearing tax provisions)

### **3.4 Demand Sensitive Stock Construction**

Notwithstanding the time-lag between demographic changes, market demand shifts and private sector construction schedules, a move away from 4 bedroom, 2 bathroom single detached dwellings squeezing ever increasing plot ratios on smaller blocks is overdue. Apart from the significant environmental concerns, the resulting narrow range of dwelling types reduces the accommodation options of a number of population subgroups, including young people. Certain regional areas and Perth's northern suburbs are examples of dwelling construction being focused almost exclusively on the needs of medium to large sized families at the expense of housing suitable for young singles and small families.

State and local government planning strategies and regulations are required to facilitate the development of housing stock capable of addressing the needs of all market segments

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## 4 POLICY OPTIONS

### 4.1 Broad Directions

A number of policy directions have been mooted throughout this paper. Broadly speaking, effective policy options fall into four categories: income, stock, support and government policy changes. Some of the policy options discussed are tenure specific; for instance, tenancy support works only in the rental market. However, many options are appropriate across tenure; for instance, increasing Youth Allowance would enhance the housing options of young people regardless of whether they are in private rental, public rental or wanting to purchase their own home.

#### 4.1.1 Income

Throughout this paper, it has been emphasized that the main barriers young people face to appropriate housing is that they generally have significantly lower incomes than the population as a whole. This not only reduces their housing options, but also increases the likelihood of housing stress, tenancy failure and defaulting on mortgage repayments for those who are housed.

Any strategy aimed at improving housing outcomes for young people in Western Australia must therefore take into account incomes. Specific policy options to increase young people's incomes could be to:

- €# increase statutory incomes in line with those for older people,
- €# increase youth minimum wages in line with the adult minimum wage,
- €# reduce or remove the minimum threshold of the Commonwealth Rent Assistance payment, and
- €# redesigning the First Home Owners Grant as an income supplement rather than a one off capital grant.

#### 4.1.2 Stock

Another factor that limits the housing options of young people is the type and cost of housing stock that is currently available. To some extent, the lack of affordable and appropriate stock can be attributed to lack of income. However, there is no doubt that the supply of affordable and appropriate stock has shrunk over the last two decades.

A number of options could be explored to increase the stock of affordable housing in Perth and regional Western Australia. These include (but are not limited to) the following:

- €# increase State and Commonwealth funding to substantially increase public and community housing stock,
- €# partnerships between the private, public and community sectors in order to leverage private funding into social housing,
- €# reforming relevant State and Commonwealth taxes in order to create incentives for individuals and investment funds to invest in affordable housing,
- €# removing or reducing the rental threshold from Commonwealth Rent Assistance,
- €# providing incentives and / or legislation encouraging Local Governments to develop Local Government Affordable Housing Plans aimed at increasing the supply of affordable housing in innovative ways, and
- €# targeting home ownership grants to people on lower incomes.

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One issue that specifically relates to young people is the lack of appropriate stock. In particular, a lack of smaller (1-2 bedroom) houses and units was identified. Again, a number of policy options could be explored, including:

- ≠ further expanding the proportion of 1 and 2 bedroom dwellings in the public housing annual building program given the wider availability of larger family size accommodation in the private rental market,
- ≠ reforming relevant State and Local Government planning legislation in order to create incentives for industry to increase the proportion of 1 and 2 bedroom dwellings,
- ≠ providing financial incentives to educational institutions to provide appropriate accommodation for their students, and
- ≠ reforming relevant State and Commonwealth taxes in order to create incentives for individuals and investment funds to invest in 1 and 2 bedroom dwellings.

### **4.1.3 Support**

Supporting young people to live independently serves a dual purpose. Firstly, supports prevent those young people who do not have the skills to live independently from mortgage or tenancy failure. Secondly, if appropriately implemented it can serve to remove the perception among landlords and real estate agents that young people present a higher risk.

Support agencies agree that support is best given as soon as possible, and should cater for the individual needs of the young person. However, strategies aimed at improving housing outcomes for young people should not rely solely on support; no amount of support is going to be effective if there is simply no appropriate accommodation that is affordable for a young person.

Three promising schemes were highlighted in this paper: the *Partnership In Housing* Pilot Project in Busselton, and YES (Youth Externally Supported) Housing and FRESH (Fremantle Regional Externally Supported Housing) in the Metropolitan area. These programs have in common that they provide assistance tailored to the individual, and are linked to mainstream private rental (Busselton) or public housing (YES and FRESH). In addition, all three programs not only assist young people to succeed in public tenancy, but also to facilitate their branching out into private rental and home ownership.

All three programs have been highly successful and an expansion of these (or similar) schemes is required, both in the Metropolitan area and in rural and remote parts of Western Australia.

One final approach worth mentioning is the “foyer” model of integrated accommodation and support for finding and keeping employment. This model shares some characteristics with the supported housing schemes mentioned above in that it is broader than just housing. The foyer model originated in France, is expanding rapidly in the UK and is currently being trialed at the Miller Live ‘n Learn Campus in Liverpool, Western Sydney. It is aimed at young people who are working or who want to work, and features a combination of affordable rent and a program of social education, counseling, training and employment advice offered to residents as appropriate. In France, the foyer model has been highly successful as foyer residents tend to leave the foyer on a higher income than those entering.

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## **APPENDIX A - Youth Issues Paper Focus Group Contributors**

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