



Commonwealth Rent Assistance, June 2002

A profile of recipients

Introduction

Commonwealth Rent Assistance (CRA) is a non-taxable income supplement paid through Centrelink to individuals and families who rent in the private rental market. It aims to address basic living costs by reducing the proportion of an income unit's budget that has to be spent on housing. In 2001–02, the Commonwealth Rent Assistance program provided \$1.8 billion of assistance to private renters (DFaCS 2003).

Recipients of a Centrelink pension or allowance, or an amount of Family Tax Benefit over the base rate of Family Tax Benefit Part A (FTB A), who are also paying private rent above minimum thresholds, may be eligible for CRA (DFaCS 2002). CRA is generally not paid to home owners/purchasers, people living in public housing, or people living in residential aged care services with government-funded beds.

CRA is paid at a rate of 75 cents for every dollar paid by the income unit above the thresholds until a maximum rate is reached. The maximum rates and thresholds vary according to a client's family situation, the number of dependent children they have and amount of rent paid. For single people without children, the rent threshold and maximum rate also vary according to whether or not accommodation is shared with others (see Box 1). Rent thresholds and maximum rates are indexed twice each year (March and September) to reflect changes in the consumer price index (DFaCS 2002).

More information on CRA eligibility rules including minimum rent amounts and maximum amounts of CRA payable for various income unit types can be obtained from Centrelink's website at www.centrelink.gov.au.

Funding is also provided under the Commonwealth–State Housing Agreement (CSHA) to enable people to access and maintain accommodation in the private rental market. The types of assistance include bond loans; assistance with rent payments, including advance rent payments and cash assistance additional to CRA; and relocation expenses,

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Box 1: Maximum weekly rates of CRA, by income unit type, June 2002

<i>Income unit type</i>	<i>Maximum CRA</i>	<i>No payment if rent is less than</i>
<i>Single, no children, sharer</i>	\$30.20	\$40.20
<i>Single, no children, non-sharer</i>	\$45.30	\$40.20
<i>Single, 1 or 2 children</i>	\$53.13	\$52.92
<i>Single, 3 or more children</i>	\$60.06	\$52.92
<i>Partnered, no children</i>	\$42.70	\$65.50
<i>Partnered, 1 or 2 children</i>	\$53.13	\$78.33
<i>Partnered, 3 or more children</i>	\$60.06	\$78.33
<i>Partnered, no children, separated due to illness</i>	\$45.30	\$40.20
<i>Partnered, no children, temporarily separated</i>	\$42.70	\$40.20

Source: DFACS 2002.

other one-off grants such as housing establishment grants, and advice and information. In 2001–02, the states and territories provided almost \$80 million of CSHA-funded private rent assistance to over 153,000 households in Australia. More than half of this assistance was in the form of bond loans (AIHW 2003:187).

The results presented in this bulletin are derived using data on income units who were in receipt of a Centrelink pension or allowance, or an amount of Family Tax Benefit over the base rate of FTB A, for the fortnight ending 14 June 2002. The source for all data presented in this bulletin is the Department of Family and Community Services (FaCS) Housing data set.

The bulletin is divided into five sections addressing: characteristics of CRA recipients; the accommodation used by CRA recipients; the Centrelink client groups receiving CRA; comparison of CRA recipients with Centrelink clients living in public housing; and the effect of CRA on housing affordability.

More detailed data will be presented in *Commonwealth Rent Assistance June 2002: A statistical overview* produced by the Institute (AIHW 2004).

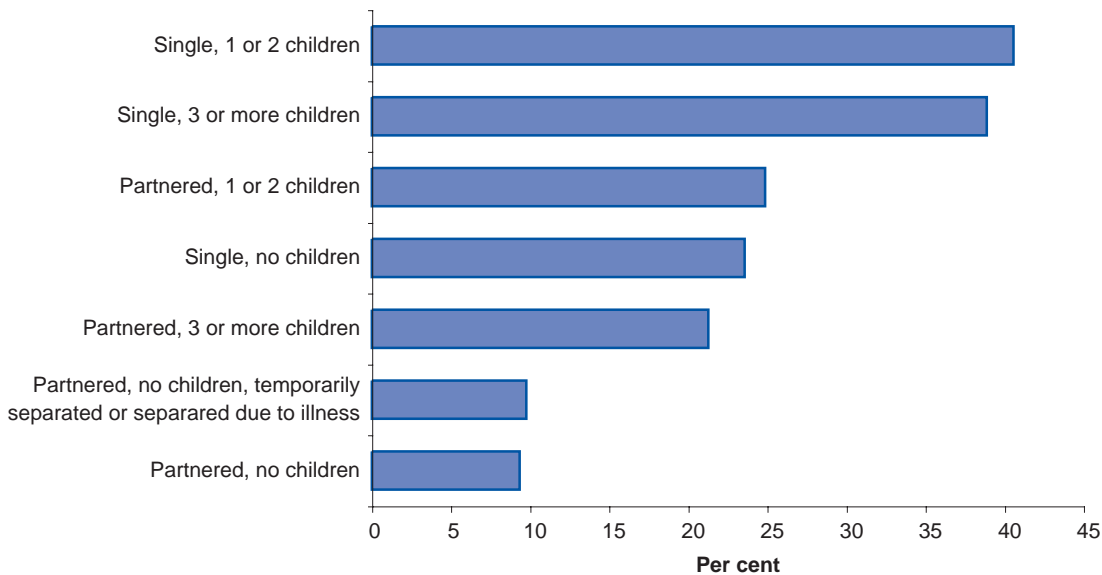
Who is receiving CRA?

Type of income unit

Of the 3,975,782 Centrelink clients, 909,062 had an ongoing entitlement to and were receiving CRA in June 2002. This sub-group of income units is hereafter referred to as 'CRA recipients'. They represented approximately 23% of Centrelink clients and Figure 1 shows the significant differences in CRA recipient rates between income unit types, ranging from 41% for single parents with 1 or 2 children to 9% for couples without children. The proportion of people in different groups (e.g. age, income unit type, Indigenous status etc.) who are eligible for CRA depends on a number of factors including the level of homeownership, availability of public housing, the proportion of young people living with parents and rental obligations.¹

The proportion of Centrelink clients in receipt of CRA varies between states and territories (Table A1). Queensland had the highest rate of CRA recipients (29%) and this pattern was consistent across all income unit types. Victoria, Tasmania and South

Figure 1: Centrelink clients, proportion receiving CRA, by income unit type, June 2002



Notes

1. CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.
2. The category 'Single, no children' includes single people in shared accommodation.

Source: Table A1.

Australia all had a lower overall rate than the national figure (20% for Victoria and 18% for Tasmania and South Australia respectively) and this pattern was maintained across all income unit types. The rate of CRA recipients was similar to the national distribution for New South Wales and Western Australia and this was found to hold across all income unit types. The Northern Territory had the lowest overall rate (15%) and for couples with children this rate is one-half of that found at the national level (11% compared with 24%).

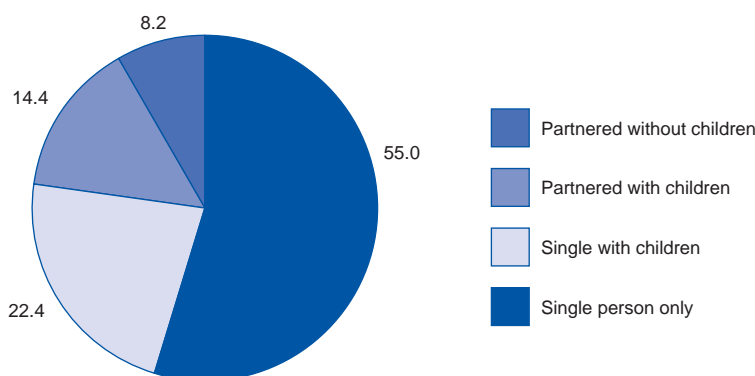
Among Centrelink clients, single parents with children had the highest rate of receiving CRA (40%). This rate varied substantially across jurisdictions. In Queensland and New South Wales, CRA recipient rates were comparatively high (48% and 42% respectively). In the Australian Capital Territory and the Northern Territory, conversely, the rates were much lower at 22% and 18% respectively.

While single parents with children who are Centrelink clients were most likely to access CRA, they were not the largest income unit group in absolute numbers (Figure 2). This is because 55% of CRA recipients were single person only income units—either 'Single, no children, sharer' or 'Single, no children, non-sharer'. Single parents with children accounted for only 22% of CRA recipients (Table A2).

1 Separate analysis of the CRA entitlement rate based on these variables is difficult to undertake as the rental circumstances of income units not entitled to CRA may not be verified or updated.

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Figure 2: Distribution of CRA recipients, by income unit type, June 2002



Notes

1. CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.
2. The category 'Partnered without children' includes the partnered without children temporarily separated or separated due to illness.

Source: Table A2.

Indigenous status

Nationally, 2% of income units in receipt of CRA were identified as Indigenous (Table 1).² The proportion varied between 1% and 3% for all jurisdictions with the exception of the Northern Territory where 15% of CRA recipients were Indigenous.

Table 1: CRA recipients, by Indigenous status and state/territory, June 2002

Indigenous status	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
	(per cent)								
Indigenous	2.3	0.6	3.2	2.4	1.3	2.7	1.1	15.3	2.2
Non-Indigenous	97.7	99.4	96.8	97.6	98.7	97.3	98.9	84.7	97.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total CRA recipients	305,804	194,521	227,852	83,635	62,164	21,897	7,631	5,558	909,062

Note: CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.

Table 2 shows the proportion of Indigenous and non-Indigenous Centrelink clients receiving CRA. Indigenous Centrelink clients had a lower rate of receiving CRA than non-Indigenous Centrelink clients nationally (18% and 23% respectively). This difference is at its largest in Western Australia and the Northern Territory. Compared to the national figure of 18%, Western Australia and the Northern Territory also had the lowest CRA recipient rates among Indigenous Centrelink clients at 12% and 4% respectively. The national pattern was not, however, observed in all states and territories. In Victoria, Tasmania and the Australian Capital Territory, Indigenous clients had higher rates, while in New South Wales there was virtually no difference between Indigenous and non-Indigenous clients.

In addition to the factors noted above that affect CRA recipient rates, including availability of public housing, the proportion of young people living with parents and rental obligations, there are other factors that may influence Indigenous income units' use of CRA. These include above average use of community housing which may be attributable to the low rents charged, geographic location and possible discrimination in accessing private rental dwellings (AIHW 2003).

Table 2: Centrelink clients, proportion receiving CRA, by Indigenous status and state/territory, June 2002

Indigenous status	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
(per cent)									
Indigenous	24.0	22.0	25.0	11.6	13.8	21.2	19.1	4.3	18.0
Non-Indigenous	23.5	19.9	29.3	23.3	17.8	18.0	17.8	26.3	23.0
Total	23.5	19.9	29.1	22.7	17.8	18.1	17.8	14.7	22.9
(number)									
Indigenous	28,700	5,194	29,226	17,492	5,676	2,747	445	19,931	109,411
Non-Indigenous	1,270,341	970,198	752,651	350,502	344,110	118,196	42,478	17,895	3,866,371
Total Centrelink clients	1,299,041	975,392	781,877	367,994	349,786	120,943	42,923	37,826	3,975,782

Note: CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.

Type of accommodation rented

CRA recipients live in a variety of accommodation types including private rental, board and lodgings, lodgings only, caravan sites, boat marinas and retirement villages.³ The most common type of accommodation was private rental, which includes income units renting a dwelling in the private rental market or part of a dwelling and paying rent to a private landlord who may also live in the dwelling.⁴ Four-fifths of CRA recipients paid private rent in Australia. A further 9% of CRA recipients paid for board and lodgings; these recipients were unable to distinguish the component of their payment that related to accommodation rather than meals and other services, and as a consequence two-thirds of their payment was treated as rent (Table 3).

All jurisdictions showed similar distributions of accommodation types with the exception of the Northern Territory, where the proportion of CRA recipients who paid maintenance fees for nursing homes or retirement villages and other miscellaneous fees was significantly lower and the proportion of CRA recipients who paid caravan site and boat mooring fees was significantly higher than the corresponding national figures.

2 The FaCS Housing data set defines income units as Indigenous if the client and/or partner identify themselves as being of Aboriginal or Torres Strait Islander descent. At June 2002, the Indigenous identifier collected by Centrelink was optional and the overall numbers and proportions of Indigenous income units in receipt of CRA may therefore be underestimated.

3 See *Rent* in 'Abbreviations and definitions'.

4 This includes income units who pay rent to another family member who is part of a separate income unit. While these income units are classified as private renters the tenure of the household or dwelling may not be. Homeowners often sublet their dwellings to income units who are eligible for CRA.

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Table 3: CRA recipients, by type of rent paid and state/territory, June 2002

Type of rent paid	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
	(per cent)								
Private rent	78.3	79.0	81.9	80.8	79.6	85.6	79.8	76.1	79.8
Board and lodgings	9.7	10.2	7.2	8.3	9.8	8.4	9.5	8.8	9.0
Lodgings only	6.7	6.9	5.6	5.6	4.7	4.2	8.8	9.2	6.2
Site and mooring fees	4.0	1.9	4.3	3.1	1.8	0.7	1.0	5.5	3.3
Maintenance and other fees	1.4	1.9	1.0	2.2	4.0	1.1	1.0	0.4	1.6
Total	100.0	100	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total CRA recipients	305,804	194,521	227,852	83,635	62,164	21,897	7,631	5,558	909,062

Note: CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.

Table 4: CRA recipients, by income unit type and type of rent paid, June 2002

Income unit type	Type of rent paid						Total	Total CRA recipients
	Private rent	Board & lodgings	Lodgings only	Site & mooring fees	Maintenance & other fees	Total		
	(per cent)							(number)
Single, no children ^(a)	69.8	14.4	9.0	4.1	2.7	100.0	499,976	
Single, 1 or 2 children	91.3	3.6	4.4	0.5	0.1	100.0	171,461	
Single, 3 or more children	95.0	2.0	2.4	0.4	0.1	100.0	32,097	
<i>Single with children income units</i>	91.9	3.4	4.1	0.5	0.1	100.0	203,558	
Partnered, no children	83.1	2.3	2.8	10.8	1.0	100.0	72,865	
Partnered, 1 or 2 children	97.9	0.6	1.0	0.4	0.1	100.0	92,867	
Partnered, 3 or more children	98.7	0.4	0.5	0.3	0.1	100.0	38,325	
<i>Partnered with children income units</i>	98.2	0.6	0.9	0.3	0.1	100.0	131,192	
Partnered, no children, temporarily separated or separated due to illness	44.6	33.4	3.1	4.1	14.8	100.0	1,471	
Total	79.8	9.0	6.2	3.3	1.6	100.0	909,062	

(a) The category 'Single, no children' includes single people in shared accommodation.

Note: CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.

The type of accommodation rented varied substantially according to the income unit type of CRA recipients (Table 4). Single parents and couples with children were more likely than other income units (92% and 98% respectively) to be paying private rent. Single people without children (70%) were among the least likely to be paying private rent.

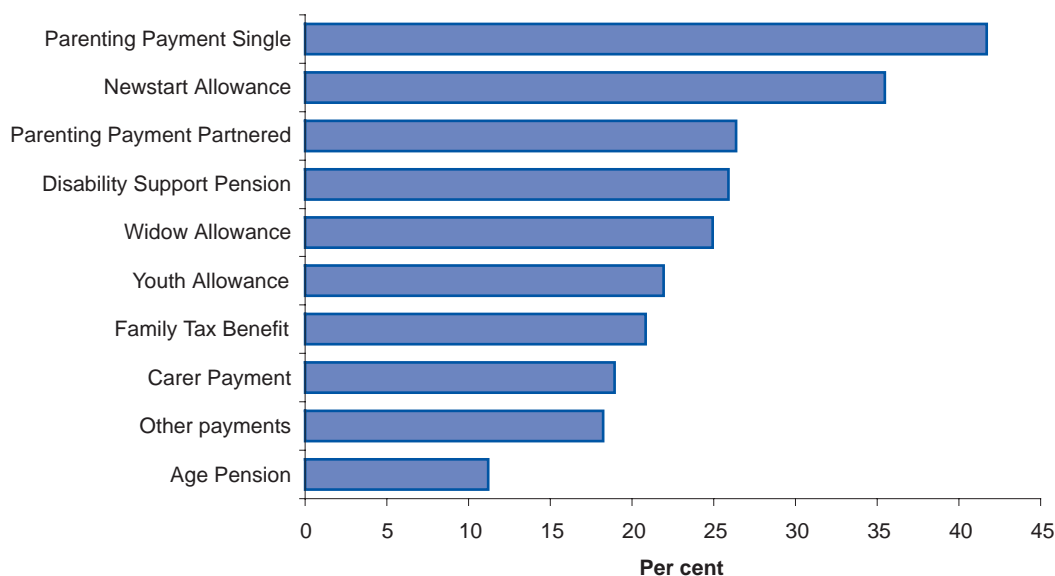
This group was more commonly found in the board and lodgings category (14%) than any other income unit type except the 'Partnered, no children, temporarily separated or separated due to illness'. One in three of those separated couples paid for board and lodgings. A further 15% paid maintenance fees for nursing homes or retirement villages and other miscellaneous fees. Couples without children had the highest proportion of CRA recipients paying caravan site and boat mooring fees (11%).

Centrelink client groups

Single parents (i.e. people receiving Parenting Payment Single) were most likely to receive CRA (43%) (Figure 3). This was followed by recipients of Newstart Allowance (36%), Parenting Payment Partnered and Disability Support Pension (both 26%) and the Widow Allowance (25%). The lowest proportion of Centrelink clients receiving CRA was among Age Pensioners (11%), undoubtedly associated with the high rates of homeownership in this age group (Table A3).

Among jurisdictions, the Northern Territory generally had markedly lower CRA recipient rates for all Centrelink client groups. This was most pronounced with the Newstart Allowance and the Parenting Payment Single payment where national CRA

Figure 3: Centrelink clients, proportion receiving CRA, by primary Centrelink payment type, June 2002



Notes

1. CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.
2. Parenting Payment Partnered includes Parenting Allowance Low Income Earner.
3. Youth Allowance recipients may be undercounted because those living with parents are not necessarily recorded as being in public housing.

Source: Table A3.

5 Most social security payments qualify Centrelink clients for CRA provided they pay more than a minimum amount for rent (see Box 1). The most notable exception is Austudy for clients without children (those with children will receive payment with Family Tax Benefit).

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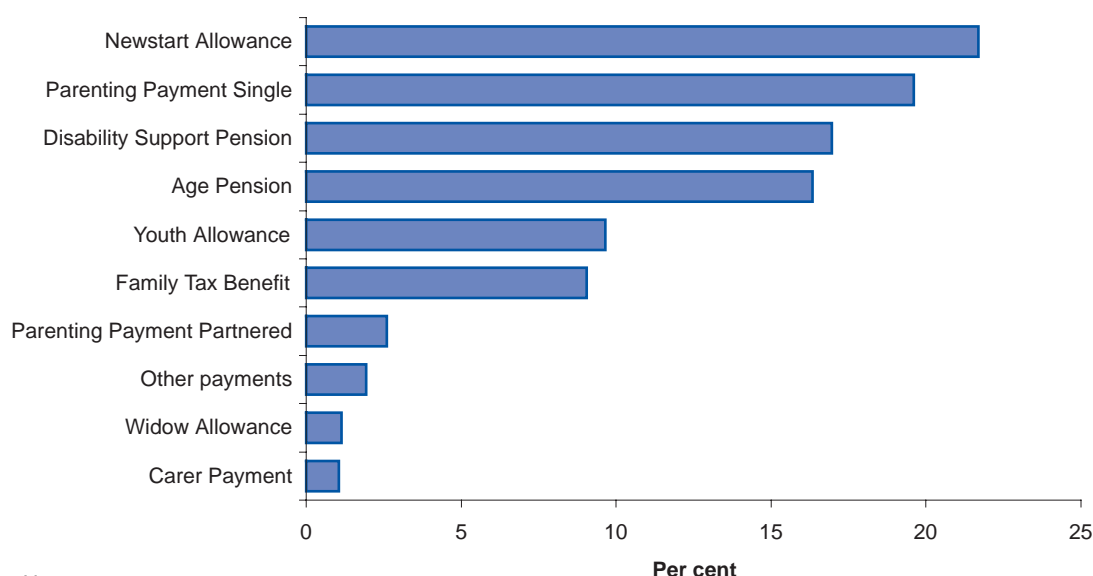
recipient rates were 36% and 42% respectively, while those for the Northern Territory were 13% and 18% respectively. Queensland, conversely, showed CRA recipient rates above the national recipient rates for all nine payment types (Table A3).

Figure 4 shows the proportion of CRA recipients among the nine major Centrelink client groups⁵—these nine major categories accounted for 98% of CRA recipients with the remainder grouped into the ‘Other payments’ category (Table A4).

About 22% of CRA recipients were Newstart Allowance recipients, representing the largest group, followed by Parenting Payment Single recipients (20%). The Disability Support Pension and Age Pension were the next most common Centrelink client groups receiving CRA (17% and 16% respectively). These four types of payment accounted for three-quarters of the Centrelink clients receiving CRA. Youth Allowance was the next largest group (10%) while only 3% of CRA recipients received the Parenting Payment Partnered payment (Table A4).

Similar distributions of Centrelink payment type were evident across jurisdictions with the exception of the Northern Territory and the Australian Capital Territory (Table A4). In the Northern Territory, the proportion of CRA recipients receiving Newstart Allowance was higher (30% compared to 22% nationally) and the proportion receiving the Age Pension was lower (8% compared to 16% nationally). In the Australian Capital Territory, the proportion receiving the Youth Allowance was markedly higher (25% compared to 10% nationally), while the proportion receiving the Age Pension (10% compared to 16% nationally) and the Parenting Payment Single (15% compared to 20% nationally) were somewhat lower.

Figure 4: Distribution of CRA recipients, by primary Centrelink payment type, June 2002



Notes

1. CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.
2. Parenting Payment Partnered includes Parenting Allowance Low Income Earner.
3. Youth Allowance recipients may be undercounted because those living with parents are not necessarily recorded as being in public housing.

Source: Table A4.

Comparing CRA recipients to Centrelink clients in public rental housing

At June 2002, approximately 331,800 income units receiving Centrelink payments were living in public housing (Table 5). Of these income units, the Age Pension and Disability Support Pension were the most common primary Centrelink payments received (29% and 28% respectively), followed by Parenting Payment Single (22%). For CRA recipients, the most common payment types were Newstart Allowance (22%), Parenting Payment Single (20%) and Disability Support Pension (17%) followed by the Age Pension (16%). Taken together, clients receiving the Age Pension or Disability Support Pension accounted for 56% of public housing tenants receiving a Centrelink payment, but only 33% of CRA recipients.

Table 5: Centrelink clients in public rental housing, by primary Centrelink payment type and state/territory, June 2002

Primary payment type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
	(per cent)								
Age Pension	29.8	28.4	24.8	29.9	33.2	21.9	24.3	19.8	28.6
Carer Payment	2.2	1.9	2.0	1.6	1.6	2.0	1.1	1.0	1.9
Disability Support Pension	29.1	26.6	26.8	25.1	30.6	29.9	23.5	20.9	27.8
Family Tax Benefit	2.9	2.7	5.0	3.5	2.7	2.6	6.2	7.4	3.4
Newstart Allowance	10.9	11.1	10.5	12.2	11.6	15.1	12.4	17.5	11.4
Parenting Payment Partnered ^(a)	1.2	1.3	1.7	1.7	0.9	1.2	1.8	2.2	1.3
Parenting Payment Single	20.6	23.8	25.4	22.0	15.6	22.1	24.5	27.6	21.6
Widow Allowance	1.3	1.4	1.6	1.5	1.1	1.0	1.1	0.7	1.3
Youth Allowance ^(b)	0.6	0.9	0.5	0.8	1.0	2.7	2.5	1.5	0.8
Other payments	1.5	1.9	1.7	1.6	1.7	1.5	2.6	1.3	1.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total Centrelink clients in public rental housing	120,163	60,917	47,778	31,786	43,381	12,434	9,282	6,099	331,840

(a) Parenting Payment Partnered includes Parenting Allowance Low Income Earner.

(b) Youth Allowance recipients may be undercounted because those living with parents are not necessarily recorded as being in public housing.

Note: Total Centrelink clients in public rental housing exclude 281 income units that are resident overseas.

With regard to type of income unit, there were some similarities and some differences between public housing tenants receiving Centrelink payments and CRA recipients (Tables 6 and A2). Over half of both groups were single person only income units (54% and 55% respectively). A slightly smaller proportion of couples with children paid rent for public housing accommodation than received CRA (10% compared to 14%).

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Table 6: Centrelink clients in public rental housing, by income unit type and state/territory, June 2002

Income unit type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
	(per cent)								
Single, no children ^(a)	55.7	54.0	48.8	53.0	60.3	53.5	50.7	42.8	54.3
Single, 1 or 2 children	17.8	21.0	22.3	18.9	15.0	20.2	23.0	24.1	19.1
Single, 3 or more children	5.5	6.1	6.5	6.2	3.5	4.9	5.1	8.0	5.6
<i>Single with children income units</i>	23.2	27.1	28.8	25.2	18.5	25.1	28.0	32.1	24.7
Partnered, no children	11.8	9.6	9.3	11.5	13.1	10.4	10.1	8.5	11.0
Partnered, 1 or 2 children	5.3	5.5	7.4	5.9	5.2	6.8	6.8	9.5	5.9
Partnered, 3 or more children	3.7	3.6	5.5	4.2	2.7	4.2	4.2	6.8	4.0
<i>Partnered with children income units</i>	9.0	9.1	12.9	10.1	7.9	11.0	11.1	16.2	9.8
Partnered, no children, temporarily separated or separated due to illness	0.2	0.2	0.1	0.2	0.2	0.1	0.2	0.4	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total Centrelink clients in public rental housing	120,163	60,917	47,778	31,786	43,381	12,434	9,282	6,099	331,840

(a) The category 'Single, no children' includes single people in shared accommodation.

Note: Total Centrelink clients in public rental housing exclude 281 income units that are resident overseas.

Impact on housing affordability

The aim of CRA is to assist low income families with meeting their private housing rental costs. It is not intended to meet a specific benchmark for housing affordability but rather to improve affordability. This section examines the impact CRA has on housing affordability by comparing the proportion of income that recipients would spend on rent both before and after CRA is received. CRA has been treated as a housing subsidy, and deducted from rent, to calculate affordability after CRA is received.⁶

Table 7 shows the distribution of CRA recipients by the proportion of income spent on rent before and after CRA is received. Before CRA payments, 28% of income units paid more than half of their income on rent; after CRA payments the proportion fell to 9%. This pattern was mirrored in the consequent increase in the proportion paying 30% or less of their income on rent, up from 30% before CRA to 65% after.

State/territory comparisons reveal that the Australian Capital Territory, the Northern Territory and New South Wales were the least affordable jurisdictions in which to live, with the smallest proportions of CRA recipients spending 30% or less of their income on rent before CRA is received (28% for both territories and 27% for New South Wales). This is a reflection of the high market rents in these jurisdictions. After CRA is received, affordability improved substantially with the proportions spending 30% or less doubling (56%, 61% and 60% respectively).

Concomitantly, the Australian Capital Territory and New South Wales had the largest and third largest proportion of CRA recipients paying more than half of their income on rent before CRA is received (34% and 32% respectively). After receiving CRA,

however, the Australian Capital Territory remained the jurisdiction with the highest proportion of recipients paying more than 50% of their income on rent (over 12%), followed very closely by New South Wales (12%).

Table 7: CRA recipients, by proportion of income spent on rent without and with CRA payment and state/territory, June 2002

Proportion of income spent on rent	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
Without CRA									
	(per cent)								
30% or less	27.2	29.7	32.0	32.4	35.8	37.6	28.4	27.8	30.3
More than 30% to 50%	41.1	42.1	42.7	43.0	40.2	43.1	38.0	40.0	41.8
More than 50%	31.7	28.2	25.3	24.6	24.0	19.3	33.6	32.2	27.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
With CRA									
	(per cent)								
30% or less	59.9	65.5	68.1	70.3	71.5	77.8	56.3	61.0	65.3
More than 30% to 50%	28.1	25.2	24.6	23.2	22.4	18.2	31.2	29.2	25.6
More than 50%	12.0	9.2	7.3	6.4	6.1	4.0	12.4	9.8	9.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total CRA recipients	305,773	194,507	227,827	83,626	62,161	21,891	7,631	5,558	908,974

Notes

1. CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.
2. Total CRA recipients exclude 88 income units for which total income is nil.

Table 8 shows the different effects of CRA on the proportion of income recipients spend on rent across income unit types. There were large differences both before and after CRA payments reflecting the varying accommodation needs facing different income unit types.

Private rental housing was found to be least affordable for single person only income units, with only 15% spending 30% or less of their income on rent before CRA is received. The proportion increased to 55% after CRA, making private rental housing more affordable.

Single parents and couples with children spent a smaller proportion of their income on rent than other income unit types. About 43% of single parents paid 30% or less of their income on rent before receipt of CRA; after CRA the proportion increased to 80%. Improvement in affordability after CRA is received was not as marked among couples with children (63% before CRA compared to 84% after).

6 See *Affordability* in 'Abbreviations and definitions'. Other approaches to calculating affordability can be used (National Shelter & Australian Council of Social Service 2003). The approach used here follows the convention used in national reporting by FaCS and the Productivity Commission (SCRCSSP 2003).

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Table 8: CRA recipients, by income unit type and proportion of income spent on rent without and with CRA payment, June 2002

Income unit type	Proportion of income spent on rent			Total	Total CRA recipients
	30% or less	More than 30% to 50%	More than 50%		
Without CRA		(per cent)			(number)
Single, no children ^(a)	15.4	42.8	41.8	100.0	499,889
Single, 1 or 2 children	40.6	48.3	11.1	100.0	171,461
Single, 3 or more children	57.1	39.0	3.8	100.0	32,097
Single with children income units	43.2	46.9	10.0	100.0	203,558
Partnered, no children	37.4	44.8	17.8	100.0	72,864
Partnered, 1 or 2 children	57.1	32.4	10.5	100.0	92,867
Partnered, 3 or more children	76.6	20.0	3.5	100.0	38,325
<i>Partnered with children income units</i>	<i>62.8</i>	<i>28.8</i>	<i>8.5</i>	<i>100.0</i>	<i>131,192</i>
Partnered, no children, temporarily separated or separated due to illness	44.9	31.7	23.5	100.0	1,471
Total	30.3	41.8	27.9	100.0	908,974
With CRA		(per cent)			(number)
Single, no children ^(a)	54.8	32.1	13.1	100.0	499,889
Single, 1 or 2 children	77.0	19.8	3.2	100.0	171,461
Single, 3 or more children	88.3	10.6	1.1	100.0	32,097
Single with children income units	78.8	18.3	2.9	100.0	203,558
Partnered, no children	67.3	24.4	8.3	100.0	72,864
Partnered, 1 or 2 children	80.3	14.7	5.0	100.0	92,867
Partnered, 3 or more children	91.6	7.0	1.4	100.0	38,325
<i>Partnered with children income units</i>	<i>83.6</i>	<i>12.5</i>	<i>3.9</i>	<i>100.0</i>	<i>131,192</i>
Partnered, no children, temporarily separated or separated due to illness	65.0	21.5	13.5	100.0	1,471
Total	65.3	25.6	9.1	100.0	908,974

(a) The category 'Single, no children' includes single people in shared accommodation.

Notes

1. CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.
2. Total CRA recipients exclude 88 income units for which total income is nil.

Table 9 shows the impact of CRA on affordability across different age groups, where age is defined according to the age of the principal client. The payment of CRA resulted in improvements in housing affordability which was more pronounced at older ages (excluding only the 70 and over age group). The youngest age group, under 25 years, had only 22% paying 30% or less of their income on rent before CRA is received and increased to 52% after CRA, an increase of 30 percentage points. Among those aged 65–69 years, the comparable figures were 27% before CRA and 68% after CRA (an increase of 41 percentage points).

The youngest age group spent the largest proportion of their income on rent before and after CRA is received. The proportions paying more than half of their income on rent decreased from 38% to 14%, a difference of 23 percentage points.

Table 9: CRA recipients, by age of principal client and proportion of income spent on rent without and with CRA payment, June 2002

Age group of principal client (years)	Proportion of income spent on rent			Total	Total CRA recipients
	30% or less	More than 30% to 50%	More than 50%		
Without CRA	(per cent)				(number)
Under 25	22.4	40.1	37.5	100.0	162,695
25–34	38.3	40.0	21.7	100.0	229,230
35–44 189,734	36.3	40.7	23.0	100.0	
45–54	21.3	43.5	35.2	100.0	104,482
55–64	18.7	46.1	35.2	100.0	80,044
65–69	26.8	48.1	25.2	100.0	42,740
70+	33.2	43.3	23.5	100.0	100,049
Total	30.3	41.8	27.9	100.0	908,974
With CRA	(per cent)				(number)
Under 25	52.1	33.7	14.2	100.0	162,695
25–34	71.7	21.2	7.0	100.0	229,230
35–44 189,734	70.3	22.3	7.4	100.0	189,734
45–54	60.2	28.2	11.5	100.0	104,482
55–64	60.0	29.9	10.0	100.0	80,044
65–69	67.5	26.2	6.3	100.0	42,740
70+	71.4	22.0	6.6	100.0	100,049
Total	65.3	25.6	9.1	100.0	908,974

Notes

1. CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.
2. Total CRA recipients exclude 88 income units for which total income is nil.

Across the different Centrelink client groups, private rental housing was least affordable for CRA recipients receiving the Youth Allowance and Widow Allowance, a situation that persisted even after CRA payments were received. Around half paid more than 50% of their income on rent before CRA (50% and 54% respectively). These proportions decreased to 21% and 20%, respectively, after receiving CRA. Those receiving the Disability Support Pension and Newstart Allowance also had comparatively low levels of housing affordability, with relatively small proportions paying 30% or less of their income on rent before receiving CRA (22% and 14% respectively). After CRA, the proportions increased to 68% and 53% respectively (Table 10).

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Table 10: CRA recipients, by primary Centrelink payment type and proportion of income spent on rent without and with CRA payment, June 2002

Income unit type	Proportion of income spent on rent			Total	Total CRA recipients
	30% or less	More than 30% to 50%	More than 50%		
Without CRA	(per cent)				(number)
Age Pension	30.9	44.3	24.8	100.0	148,528
Carer Payment	40.8	43.7	15.5	100.0	9,538
Disability Support Pension	22.1	49.0	28.9	100.0	154,256
Family Tax Benefit	77.8	15.7	6.5	100.0	82,189
Newstart Allowance	14.2	41.2	44.5	100.0	197,152
Parenting Payment Partnered ^(a)	46.7	36.1	17.2	100.0	23,550
Parenting Payment Single	40.7	49.6	9.7	100.0	178,253
Widow Allowance	8.6	37.3	54.2	100.0	10,371
Youth Allowance ^(b)	13.8	35.9	50.3	100.0	87,605
Other payments	15.0	47.9	37.1	100.0	17,532
Total	30.3	41.8	27.9	100.0	908,974
With CRA	(per cent)				(number)
Age Pension	69.6	23.8	6.7	100.0	148,528
Carer Payment	76.9	18.0	5.1	100.0	9,538
Disability Support Pension	68.0	26.1	5.9	100.0	154,256
Family Tax Benefit	87.7	8.1	4.1	100.0	82,189
Newstart Allowance	52.8	31.6	15.7	100.0	197,152
Parenting Payment Partnered ^(a)	72.2	20.5	7.4	100.0	23,550
Parenting Payment Single	78.4	19.1	2.5	100.0	178,253
Widow Allowance	45.8	34.4	19.8	100.0	10,371
Youth Allowance ^(b)	35.4	43.7	20.9	100.0	87,605
Other payments	55.2	31.4	13.4	100.0	17,532
Total	65.3	25.6	9.1	100.0	908,974

(a) Parenting Payment Partnered includes Parenting Allowance Low Income Earner.

(b) Youth Allowance recipients may be undercounted because those living with parents are not necessarily recorded as being in public housing.

Notes

1. CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.
2. Total CRA recipients exclude 88 income units for which total income is nil.

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Abbreviations and definitions

Affordability A measure of the burden of rent in relation to income earned. The higher the ratio, the greater the burden of rent and therefore the lower the affordability.

This bulletin evaluates housing affordability before CRA and after CRA is received. The measure 'Affordability without CRA' is the ratio of rent to total income (excluding CRA), and expressed as a proportion. It is calculated by

$$\text{Affordability without CRA} = \text{rent} / (\text{total income excluding CRA}) * 100.$$

The 'Affordability with CRA' measure is calculated by subtracting CRA from the actual rent paid, then divide this by total income (excluding CRA), and expressed as a proportion. That is,

$$\text{Affordability with CRA} = (\text{rent less CRA}) / (\text{total income excluding CRA}) * 100.$$

AIHW Australian Institute of Health and Welfare.

Centrelink client Income unit in receipt of a pension or allowance, or an amount of Family Tax Benefit over the base rate of FTB A, delivered by Centrelink.

Centrelink payment type (primary) The highest level of payment on the hierarchy of payment types adopted by FaCS. Centrelink clients may be eligible for more than one type of payment. In general, precedence is given to pensions, then other income support payments that attract CRA, and then the Family Tax Benefit.

CRA Commonwealth Rent Assistance. The CRA rate payable to clients varies with the type of income unit (defined by conjugal status, sharing arrangements and number of dependent children) and amount of rent paid.

CRA recipient Income unit in receipt of a Centrelink pension or allowance, or an amount of Family Tax Benefit over the base rate of FTB A, and received CRA during the reference period and has an ongoing entitlement to CRA at the end of the reference period.

CRA recipient rate Proportion of Centrelink clients who received CRA during the reference period and have an ongoing entitlement to CRA at the end of the reference period. Centrelink clients are entitled to CRA under various rental arrangements. Some exceptions or special rules include:

- Cases where the tenant has a rental agreement with a state/territory housing authority are not entitled to CRA. Sub-tenants of such tenants, however, may be entitled to CRA.

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- Clients living in retirement villages may be entitled to CRA provided the entry contribution was below the level at which they are treated as homeowners.
- Clients living in residential aged care facilities and not in a government-funded aged care bed may be entitled to CRA.
- Clients who pay for board and lodgings, that is for a combination of accommodation and meals and unable to separately identify the costs, may be entitled to CRA, however a two-thirds rule is applied to determine the amount of rent payable. For example, someone paying board and lodgings of \$180 per fortnight who does not separate the components of board and lodgings is assessed as paying \$120 rent.
- Income units renting in community housing accommodation may be entitled to CRA.
- Owners of caravans and boats used as a principal home are regarded as homeowners but may be entitled to CRA if they have to pay site or mooring fees.

The Centrelink website, referred to in the introduction, has a number of fact sheets that describe in more detail factors relating to the rental type and their effect on CRA eligibility.

Dwelling A structure or a discrete place within a structure intended for people to live in or where a person or group of people live. A dwelling may include one or more rooms used as an office or workshop provided the dwelling is in residential use.

FaCS Australian Government Department of Family and Community Services.

FTB Family Tax Benefit. The benefit is designed to provide income support to families to help with the costs of raising children, including newborns, in a way that recognises the needs and choices of both single- and dual-income families. FTB is made up of FTB Part A and FTB Part B. FTB Part A helps families with the costs of raising children. FTB Part B provides extra help for families with one main income, including single parents with children.

FTB A Family Tax Benefit Part A. Income units are eligible to receive the benefit if they:

- have a dependent child aged under 21 years, or a dependent full-time student aged 21 to 24 years; and
- are Australian residents or satisfy residential requirements; and
- have income under a certain amount (amount varies depending on number and age of children).

Income unit Basic unit used to determine eligibility for social security payments. Income units are analogous to family units with the distinction that non-dependent children and other adults living in the same household are treated as separate income units. Children receiving an income support payment, for example Youth Allowance, are also treated as a separate income unit even though they may not be regarded as independent. The categories of income unit used in this bulletin are:

- Single, no children—includes single people in shared accommodation
- Single, 1 or 2 children
- Single, 3 or more children
- Partnered, no children
- Partnered, 1 or 2 children
- Partnered, 3 or more children
- Partnered, no children, temporarily separated or separated due to illness.

Indigenous status of income unit Income unit is identified as Indigenous if the principal client and/or partner have identified themselves as being of Aboriginal or Torres Strait Islander descent.

Ongoing entitlement for CRA Income unit has an ongoing entitlement for CRA if it is entitled to CRA at the end of the reference period, thus excluding cases where clients may have merely received a back payment during the reference period or for a period ending during the reference period.

Principal client Status is determined using the hierarchy of payment types adopted by FaCS (see Centrelink payment type (primary)). If both members of a couple receive a payment of the same rating, the male is regarded as the principal client. The amount paid to the person is not a factor in determining principal client status, and may not necessarily be the person receiving CRA. For example, the husband may receive Newstart Allowance while the wife (who receives CRA) may receive Sickness Allowance; as both payments have the same priority ranking then the husband will be deemed as the principal client.

Private landlord An entity other than a state/territory housing authority or community housing provider with which the income unit obtains the contractual right to occupy the dwelling. It is the legal entity to whom rent is paid or with whom the tenure contract or arrangement is made.

Private rent Amount payable by an income unit to rent a dwelling in the private rental market or part of a dwelling and paying rent to a private landlord who may also live in the dwelling. Private rent includes both formal tenancy agreements and informal arrangements such as board and/or lodgings or payment of rent to another family member who is part of a separate income unit. It also includes mooring and site fees (for boats and caravans) and payments for retirement village services. (See Rent.)

Public rental housing Dwellings where the tenancy is covered by the Commonwealth–State Housing Agreement (see Dwelling). Included are dwellings either:

- owned by a state/territory housing authority, or
- leased from the private rental market or other housing program and used for the provision of public housing.

Reference period The fortnight ending 14 June 2002.

Rent Amount payable by an income unit as a condition for occupying their principal home and includes amounts paid for:

- board and lodgings (includes meals and accommodation), or
- lodgings (accommodation), or
- site fees for a caravan, tent, mobile or other structure, or
- mooring fees for a vessel, or
- service and maintenance fees provided in a retirement village, hostel or aged care facility.

SCRCSPP Steering Committee for the Review of Commonwealth/State Service Provision.

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Martin Burgess of the Department of Family and Community Services refereed this bulletin. His valuable comments are gratefully acknowledged. The authors also thank Diane Gibson, Hongyan Wang and David Wilson for their input.

Appendix: Detailed tables

Table A1: Centrelink clients, proportion receiving CRA, by income unit type and state/territory, June 2002

Income unit type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
	(per cent)								
Single, no children ^(a)	23.3	21.9	29.1	24.6	18.9	19.6	19.2	16.5	23.6
Single, 1 or 2 children	42.4	36.1	48.1	39.2	36.5	33.3	22.9	18.4	40.6
Single, 3 or more children	40.3	33.5	48.4	34.8	35.1	34.6	18.6	14.9	38.9
<i>Single with children income units</i>	<i>42.0</i>	<i>35.7</i>	<i>48.2</i>	<i>38.5</i>	<i>36.3</i>	<i>33.5</i>	<i>22.2</i>	<i>17.7</i>	<i>40.3</i>
Partnered, no children	10.3	7.2	13.5	8.9	5.6	6.6	5.8	7.7	9.3
Partnered, 1 or 2 children	28.4	20.0	31.7	20.5	17.8	16.9	23.4	11.0	24.9
Partnered, 3 or more children	24.0	15.9	28.9	16.3	15.4	15.0	17.7	9.7	21.3
<i>Partnered with children income units</i>	<i>27.0</i>	<i>18.7</i>	<i>30.8</i>	<i>19.1</i>	<i>17.1</i>	<i>16.3</i>	<i>21.4</i>	<i>10.5</i>	<i>23.7</i>
Partnered, no children, temporarily separated or separated due to illness	8.5	7.7	14.2	11.5	10.3	8.5	4.7	7.3	9.8
Total	23.5	19.9	29.1	22.7	17.8	18.1	17.8	14.7	22.9
Total Centrelink clients	1,299,041	975,392	781,877	367,994	349,786	120,943	42,923	37,826	3,975,782

(a) The category 'Single, no children' includes single people in shared accommodation.

Note: CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.

Table A2: CRA recipients, by income unit type and state/territory, June 2002

Income unit type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
	(per cent)								
Single, no children ^(a)	53.2	59.5	52.1	56.5	56.9	56.8	61.7	57.3	55.0
Single, 1 or 2 children	18.8	17.3	19.4	20.0	20.6	19.2	16.4	19.9	18.9
Single, 3 or more children	3.6	3.0	3.9	3.5	3.3	3.6	2.5	3.6	3.5
<i>Single with children income units</i>	<i>22.5</i>	<i>20.3</i>	<i>23.3</i>	<i>23.5</i>	<i>23.9</i>	<i>22.9</i>	<i>18.8</i>	<i>23.5</i>	<i>22.4</i>
Partnered, no children	8.6	7.5	8.5	7.4	6.9	7.6	5.1	5.0	8.0
Partnered, 1 or 2 children	11.2	9.2	10.9	9.0	8.7	8.9	10.2	9.4	10.2
Partnered, 3 or more children	4.5	3.4	5.1	3.5	3.3	3.7	4.0	4.6	4.2
<i>Partnered with children income units</i>	<i>15.7</i>	<i>12.6</i>	<i>15.9</i>	<i>12.5</i>	<i>12.0</i>	<i>12.6</i>	<i>14.2</i>	<i>14.1</i>	<i>14.4</i>
Partnered, no children, temporarily separated or separated due to illness	0.1	0.2	0.2	0.2	0.3	0.2	0.1	0.3	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total CRA recipients	305,804	194,521	227,852	83,635	62,164	21,897	7,631	5,558	909,062

(a) The category 'Single, no children' includes single people in shared accommodation.

Note: CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.

Table A3: Centrelink clients, proportion receiving CRA, by primary Centrelink payment type and state/territory, June 2002

Primary payment type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
(per cent)									
Age Pension	11.2	9.7	15.3	11.8	8.5	8.5	6.2	9.2	11.2
Carer Payment	19.9	16.4	24.8	16.3	13.4	14.0	10.8	12.7	18.9
Disability Support Pension	26.1	24.1	33.2	25.7	19.5	18.8	15.5	18.9	25.9
Family Tax Benefit	24.1	16.5	26.5	15.9	14.5	12.5	21.7	20.5	20.8
Newstart Allowance	37.9	33.5	41.2	35.1	29.1	25.6	28.0	12.6	35.5
Parenting Payment Partnered ^(a)	29.1	20.6	35.1	22.7	19.9	18.7	22.9	11.5	26.4
Parenting Payment Single	43.3	37.0	49.8	39.9	37.8	34.9	21.6	18.2	41.7
Widow Allowance	27.2	22.2	30.0	22.6	18.7	16.8	10.3	16.8	24.9
Youth Allowance ^(b)	20.9	20.1	26.7	22.2	17.6	24.5	30.4	14.8	21.9
Other payments	24.3	17.1	16.9	14.1	12.3	8.7	10.0	9.3	18.2
Total	23.5	19.9	29.1	22.7	17.8	18.1	17.8	14.7	22.9
Total Centrelink clients	1,299,041	975,392	781,877	367,994	349,786	120,943	42,923	37,826	3,975,782

(a) Parenting Payment Partnered includes Parenting Allowance Low Income Earner.

(b) Youth Allowance recipients may be undercounted because those living with parents are not necessarily recorded as being in public housing.

Note: CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.

Table A4: CRA recipients, by primary Centrelink payment type and state/territory, June 2002

Primary payment type	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust.
(per cent)									
Age Pension	16.7	17.2	15.6	16.0	17.2	14.3	10.2	8.1	16.3
Carer Payment	1.1	1.1	1.1	0.7	0.8	1.1	0.5	0.6	1.0
Disability Support Pension	17.0	17.5	16.8	15.6	18.0	17.9	12.6	16.6	17.0
Family Tax Benefit	9.9	8.1	9.9	7.3	7.2	6.0	13.1	12.5	9.0
Newstart Allowance	20.9	22.0	21.4	24.1	21.8	22.0	19.0	29.5	21.7
Parenting Payment Partnered ^(a)	2.9	2.3	2.8	2.4	2.2	2.2	2.2	1.8	2.6
Parenting Payment Single	19.6	17.8	20.4	21.1	21.0	20.0	14.8	18.8	19.6
Widow Allowance	1.2	1.2	1.2	1.0	1.0	0.8	0.5	0.6	1.1
Youth Allowance ^(b)	8.3	10.7	9.5	10.2	9.2	14.3	25.3	10.4	9.6
Other payments	2.4	2.1	1.5	1.6	1.6	1.2	1.7	1.1	1.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total CRA recipients	305,804	194,521	227,852	83,635	62,164	21,897	7,631	5,558	909,062

(a) Parenting Payment Partnered includes Parenting Allowance Low Income Earner.

(b) Youth Allowance recipients may be undercounted because those living with parents are not necessarily recorded as being in public housing.

Note: CRA recipients are income units in receipt of a Centrelink payment and received CRA during the fortnight ending 14 June 2002 and have an ongoing entitlement to CRA at the end of this period.



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