



SACOSS

*South Australian Council
of Social Service*

SACOSS

Cost of Living Update

No. 50

**Rental Affordability
in Regional SA**

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June Quarter 2022



Cost of Living Update No. 50: Rental Affordability in Regional South Australia

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Executive Summary

This report focuses on rental affordability in regional South Australia and is the latest in a series of SACOSS *Cost of Living Updates* tracking changes in living costs for South Australians on low incomes and/or experiencing disadvantage.

While there are fewer rental households in regional South Australia than in Adelaide (both proportionately and absolutely) and while regional rental prices are generally lower than in the capital, there are still significant problems with rental affordability in regional areas. With lower average household incomes in regional areas, the proportion of income going to rent is similar to Adelaide.

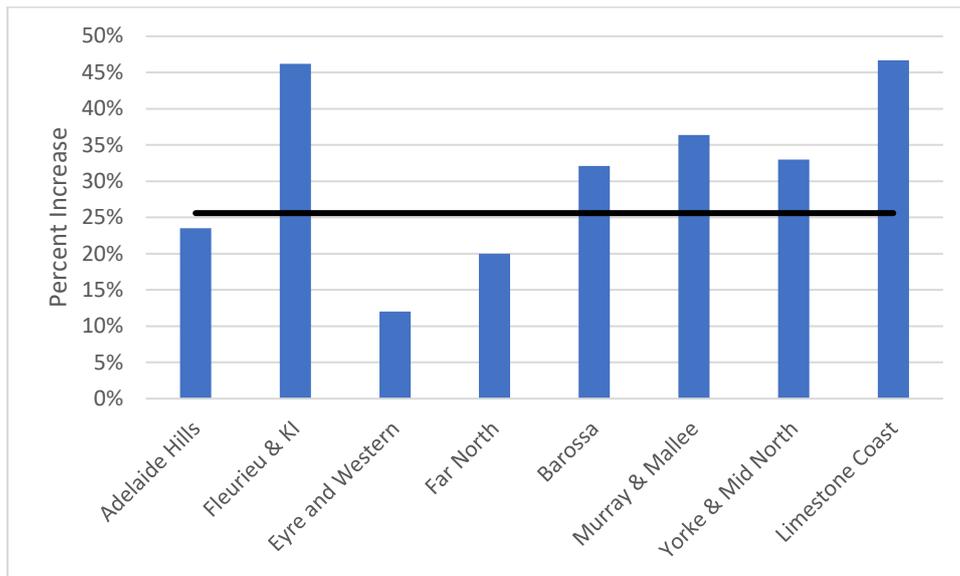
As the tables below show, rents in regional areas are unaffordable for people on very low incomes.

Proportion of income required for median rent properties in regional South Australia

	Single JobSeeker	Single Age Pensioner	Single Parent JobSeeker – 2 children	Single Minimum Wage	Single Parent Minimum Wage – 2 children
Income Levels	\$398.35	\$566.70	\$715.88	\$772.60	\$1135.13
Average Regional Rent – 2 Bedroom Unit	59.0%	41.5%	32.8%	30.4%	20.7%

	3-Bedroom House Ave. Weekly Rental	Single Parent JobSeeker – 2 children	Single Parent Minimum Wage – 2 children
Income Levels		\$715.88	\$1135.13
Adelaide Hills	\$420	58.7%	37.0%
Fleurieu and Kangaroo Is	\$380	53.1%	33.5%
Eyre and Western	\$280	39.1%	24.7%
Far North	\$300	41.9%	26.4%
Barossa	\$370	51.7%	32.6%
Murray and Mallee	\$300	41.9%	26.4%
Yorke and Mid North	\$290	40.5%	25.5%
Limestone Coast	\$308	43.0%	27.1%
Total of Rest of State	\$320	44.7%	28.2%

While there is considerable variation between regions, rents in regional areas have gone up significantly in the last year and over the last decade. The following graph shows the regions where rents for three-bedroom houses have gone up faster than inflation since 2012 (the inflation rate is the black line on the graph).



In many cases regional rents have also gone up faster than key income sources such as the minimum wage, age pension and the JobSeeker allowance. This is highlighted in the following matrix, where the red squares indicate regions where rents have increased at a faster rate than incomes over the last decade (noting that the green squares do not necessarily mean rents are affordable, just that the situation has not worsened).

	Regional Rent Increases %	Single JobSeeker	Single Age Pensioner	Single Parent JobSeeker – 2 kids	Single Minimum Wage	Single Parent Min Wage – 2 kids
Income Increase %		30.8	29.4	24.1	27.4	24.6
2 BR Unit						
SA Regional Total	34.2					
3 BR Houses						
Adelaide Hills	23.5					
Fleurieu and KI	46.2					
Eyre and Western	12.0					
Far North	20.0					
Barossa	32.1					
Murray and Mallee	36.4					
Yorke and Mid North	33.0					
Limestone Coast	46.7					
Regional SA Total	30.6					

These rental affordability challenges are compounded by the lack of availability of rental housing in regional areas, itself exacerbated by insufficient supply of public and social housing rentals. Only one in six renter households in regional South Australia are public housing renters, and social housing in some regions in South Australia is as low as 2% of the housing market.

These problems of rental availability and affordability in regional South Australia need to be addressed by government in order to assist people on low incomes to get safe, stable and

affordable housing. There is no one simple solution, and there are different nuances in each region, but the policies advocated for by SACOSS to improve rental affordability generally also apply to regional areas.

Most importantly, there is a need for a significant increase in the stock of public housing. The state government's commitment of \$177.5 million to its four-year Public Housing Investment Program, including the building of 150 homes in regional South Australia, is a first step in this direction, but more public housing and community housing is still required (in both Adelaide and regional areas).

Reform of Cost of Living and Energy concessions offered by the state government would also assist renters, both in regional areas and in Adelaide, while the current review of the *Residential Tenancies Act 1995* needs to address issues of renters' rights and the current imbalance of power between landlords and renters desperate for housing, including those renters in regional areas.

Ultimately though, with a lack of rental availability and with rents rising faster than incomes, rental affordability requires not just regulation and concessions (although these are important), but bold government intervention in the market to build public housing and new rental stock.

Introduction

About the Report

This report is the latest in a series of SACOSS [Cost of Living Updates](#) tracking changes in living costs for South Australians on low incomes and/or experiencing disadvantage.

This report focuses on rental affordability for those on low incomes in regional South Australia. The term “regional South Australia” here refers to all areas of the state outside of the Greater Adelaide area. It equates to the “Rest of State” category in the Australian Bureau of Statistics (ABS) data and includes regional and remote areas. While there are obvious differences between regional and remote areas, they are not separated in most of the data and so we use the generic descriptor of “regional South Australia”. (See also Appendix - Note 5 on the sub-regional categories within regional SA).

This report is a follow up to the SACOSS (2022) [Cost of Living Update No. 49](#) (December Quarter 2021) which had a focus on rental affordability for those on low incomes in South Australia as a whole, and particularly in Adelaide.

The focus on renting and housing costs is called for because housing is a fundamental human need. It is also the largest expenditure of most Australian households, accounting for 18.4% of average household expenditure in South Australia, and 16.3% of expenditure in regional areas (ABS, 2017, Table 13.5). However, this average is brought down by home-owners with low housing costs.

For those on low incomes who do not own their own home, rent or mortgage payments constitute not just the largest single household expenditure, but one which impacts on the quality of life and the ability to pay for all other goods and services. The consequences of not paying for housing costs – which could result in being evicted, becoming homeless or defaulting on a home loan – invariably mean that people have no choice but to sacrifice other household needs in order to keep up with paying their housing costs. Housing affordability is therefore one of the most critical social policy issues facing South Australians.

The plight of home-owners with mortgages facing interest rate increases grabs many of the headlines, but as argued in our previous Cost of Living report, renters on average have lower incomes and proportionately higher housing costs (SACOSS, 2022). They are also likely to have higher interest rates passed on through rent and are more likely to struggle with housing affordability – hence the focus in our reports on rental affordability.

The Regional Housing Market

In 2019-20 there were 81,714 South Australians living in 36,065 rental households in regional South Australia (ABS, 2022b). These households constituted 23.9% of the regional housing market, but as the following table shows, there were significant differences between regional and Adelaide markets. Most notably, regional SA has proportionately (and absolutely) fewer renters, and a higher proportion of public housing than the Adelaide market.

Table 1: Housing Tenure, SA, 2019-20

	Regional SA	Adelaide
Owner without mortgage	37.6%	28%
Owner with mortgage	36.1%	40%
Total Owners	74%	68.2%
Renting – State Housing	7.2%	4.7%
Renting – Private Landlord	14.3%	22.8%
Renting – Other	2.4%	2.1%
Total Renters	23.9%	29.6%

Source: ABS (2022b), Table 11.3.

Expenditure on housing also differs between regional and metropolitan areas, with households in regional areas generally having lower housing costs. However, regional SA households also have lower household incomes. As the following table shows, the proportion of household income going to rental costs in the regions was similar to Adelaide. Indeed, for private renters in regional areas, housing costs accounted for slightly more of their income than for Adelaide renters.

Table 2: Housing Costs, Regional SA and Adelaide, 2019-20

	Median Housing Costs \$p.w.		Housing Costs as % of Gross H/Hold Income	
	Regional SA	Adelaide	Regional SA	Adelaide
Owner without mortgage	\$ 47	\$ 49	4.8%	4.5%
Owner with mortgage	\$ 311	\$ 436	16.1%	14.8%
Renting – State Housing	\$ 112	\$ 127	21.7%	22.6%
Renting – Private Landlord	\$ 243	\$ 350	22.4%	21.4%

Source: ABS (2022b), Table 11.1, 11.2.

These figures obviously pre-date recent interest rate rises, which would have significantly increased mortgage costs since 2019-20. However, as noted in the previous SACOSS report, these figures also under-estimate the incomes of home-owners as they do not account for imputed rent (housing services provided free to home-owners) or capital gains on those housing assets enjoyed by home owners. Further, mortgagee’s costs also include the ‘compulsory savings’ of capital repayments, so the data isn’t a direct comparison of current housing costs (SACOSS, 2022).

This is not to devalue the affordability concerns of home-owners, particularly those on low incomes, but the focus here remains on rental affordability, and more up to date data will be discussed below. The point here is simply that while there are proportionately fewer renters in regional South Australia, their struggles with rental affordability are potentially as great as those in the Greater Adelaide area – despite lower average rents.

Low-Income Renters

Of the 36,065 renter households in regional SA, some 25,920 or 71% were in the bottom two national income quintiles (equivalised). This was a much higher proportion than in Adelaide, where 54% of renters were in the bottom two income quintiles. However, the comparison is complicated because while 16.1% of regional renters were in “housing stress” (i.e. low income and spending more than 30% of their income on housing), rental stress in Adelaide was more than

double that rate (34.9%) (ABS, 2022b, Table 13.1). These results are a product of lower incomes generally in regional SA creating a higher proportion of renters in the bottom two income brackets, but higher rents in Adelaide forcing proportionately more renters into housing stress.

It is also worth noting that these 2019-20 housing stress figures for both regional areas and Adelaide are significantly below the figures for previous years. In 2017-18, 38% of Adelaide low-income renters and 20.4% of low-income renters in regional SA were in housing stress (ABS, 2022b). This was, at least in significant part, because the 2019-20 data includes part of the period when the Coronavirus Supplement (an extra \$550 per fortnight) was paid to eligible social security recipients and there were legislated restraints on rent increases and evictions. For a period of time this lifted a large number of households out of poverty and therefore out of housing stress (albeit only temporarily).

A different, but more recent picture of housing stress in regional SA can be gained by comparing rental costs from the SA government rental bond data with income levels provided by different income streams. There are some limitations to the rental bond data as it only captures the price of new rentals, not the amount paid on all existing rentals, and it is limited to private rentals. However, the vast majority of renters in housing stress are private renters (as public housing and most community housing cap rent as a proportion of income), and while the price of new rentals is likely to be higher than that paid by existing renters, it does reflect the prices faced by people currently looking to rent.

The rental bond data for the June 2022 Quarter shows that the median weekly rental for a two-bedroom unit in regional SA was \$235, and \$320 for a three-bedroom house (Government of SA, 2022). In previous SACOSS reports, these house types have been used for analysis rather than the averages of all rentals as these overall averages can be impacted by changes in the mix of housing from quarter to quarter (e.g. different proportions of houses/ units, or a greater proportion of bigger or smaller houses in any quarter). However, the two-bedroom unit and three-bedroom house-types also serve as a proxy for appropriate housing for a single person¹ and for a family with children, respectively.

Unfortunately, the data for different regions within regional South Australia is not robust enough to use in relation to two-bedroom units as there were only 285 new rentals in the June Quarter spread across eight regions. Accordingly, only the aggregate data for all of regional SA data is presented here. The data for three-bedroom houses was more robust and is presented for all eight regions.

The following table shows the proportion of income required to pay the average \$235 a week rent for a two-bedroom unit in regional South Australia for people on a range of standard low-incomes. Based on the 30%-of-income benchmark, both the single person on Jobseeker and the single age pensioner would be in significant housing stress. The single parent on JobSeeker and a single person on the minimum wage would also be in housing stress. Only the single parent on the minimum wage would not be in housing stress, but given this is based on a two-bedroom unit, the accommodation would likely be crowded and uncomfortable.

¹ A one-bedroom unit might also be appropriate but there are far fewer available and the data is unreliable.

Table 3: Percent of Income Required for 2-bedroom unit, Regional SA, June 2022

	Single JobSeeker	Single Age Pensioner	Single Parent JobSeeker – 2 children	Single Minimum Wage	Single Parent Minimum Wage – 2 children
Income Levels	\$398.35	\$566.70	\$715.88	\$772.60	\$1135.13
Average Regional Rent	59.0%	41.5%	32.8%	30.4%	20.7%

Income includes, as relevant, Centrelink Supplements, Commonwealth Rent Assistance and Family Tax Benefits based on children 10 & 14 yrs old.

Source: Services Australia (2022); Fair Work Commission (2022); Government of SA (2022).

These figures point to significant housing stress in regional South Australia, and for people on those low incomes seeking to rent a three-bedroom house in regional SA, we also see significant levels of housing stress. However, we can also see differences between regions.

The table below shows the proportion of income required to rent a three-bedroom house in each region. For the single parent on JobSeeker, rent of the average three-bedroom house would not be affordable in any region. For the single parent on a minimum wage, the overall “regional SA” data shows that this accommodation would be affordable, but this is not the case in all areas. The average rent of three-bedroom houses in the Adelaide Hills, Fleurieu Peninsula and Kangaroo Island, and in the Barossa would still put a single parent renting on the minimum wage in housing stress.

Table 4: Percent of Income Required for 3-bedroom house, Regional SA, June 2022

	3-BR House Ave. Weekly Rental	Single Parent JobSeeker – 2 children	Single Parent Minimum Wage – 2 children
Income Levels		\$715.88	\$1135.13
Adelaide Hills	\$420	58.7%	37.0%
Fleurieu and Kangaroo Is	\$380	53.1%	33.5%
Eyre and Western	\$280	39.1%	24.7%
Far North	\$300	41.9%	26.4%
Barossa	\$370	51.7%	32.6%
Murray and Mallee	\$300	41.9%	26.4%
Yorke and Mid North	\$290	40.5%	25.5%
Limestone Coast	\$308	43.0%	27.1%
Total of Rest of State	\$320	44.7%	28.2%

Income and sources as above.

Changes Over Time in Rental Prices

The above is a snapshot of the current data, but the changes over recent years further highlight the rental affordability difficulties facing regional South Australia. Normally, cost of living changes over time are tracked through the ABS Consumer Price Index (2022c), but that data only tracks

price changes in capital cities. Accordingly, the following data relies on the SA Government rental bond data.

The table below shows the change in the last year (June Quarter 2021 to June Quarter 2022) in the median rentals of the same housing types identified above. The rental price of two-bedroom units in regional South Australia showed only a modest increase in the last year and was well below both the equivalent increase in Adelaide of 8.8% and the general inflation rate of 6.1% (nationally). However, as noted above, this regional data was based on a limited number of units.

The data for three-bedroom houses in regional South Australia showed more significant increases. While the overall average increase of 6.7% was just above the general inflation rate, there were significant regional variations, with price increases of over 10% in four of the eight regions. With a 15.4% increase in the price of new three-bedroom rental houses, the Murray and Mallee had the biggest increase – even eclipsing the Adelaide rental hike of 12.5%.

Increases above the national inflation rate are in red, below the inflation rate in green.

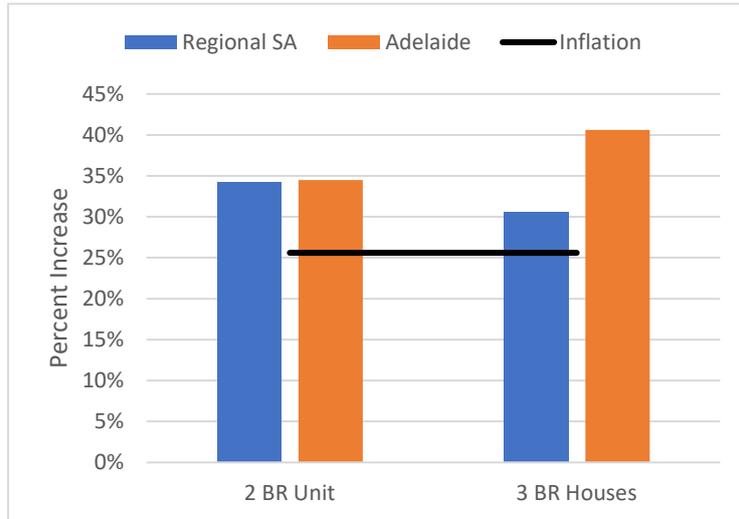
Table 5: Changes in Regional Rent Prices in the Last Year

	Percentage Change Last Year
2 BR Unit	
Regional SA Total	2.2%
3 BR Unit	
Adelaide Hills	4.8%
Fleurieu and KI	8.6%
Eyre and Western	12.0%
Far North	3.4%
Barossa	8.8%
Murray and Mallee	15.4%
Yorke and Mid North	11.5%
Limestone Coast	10.0%
Regional SA Total	6.7%

Source: Government of SA (2011, 2022).

The following graphs extend the analysis to changes in rental prices over the last decade – from the June Quarter 2012 to the June 2020 Quarter. Figure 1 shows that the increase in new rental prices for two-bedroom units in regional South Australia over the decade matched the increases in Adelaide and was significantly above the general inflation rate of 25.6% over the period. The median price of new rental three-bedroom houses in regional South Australia also went up by more than the CPI inflation rate – although the regional rent increase was significantly below the rent increase in Adelaide.

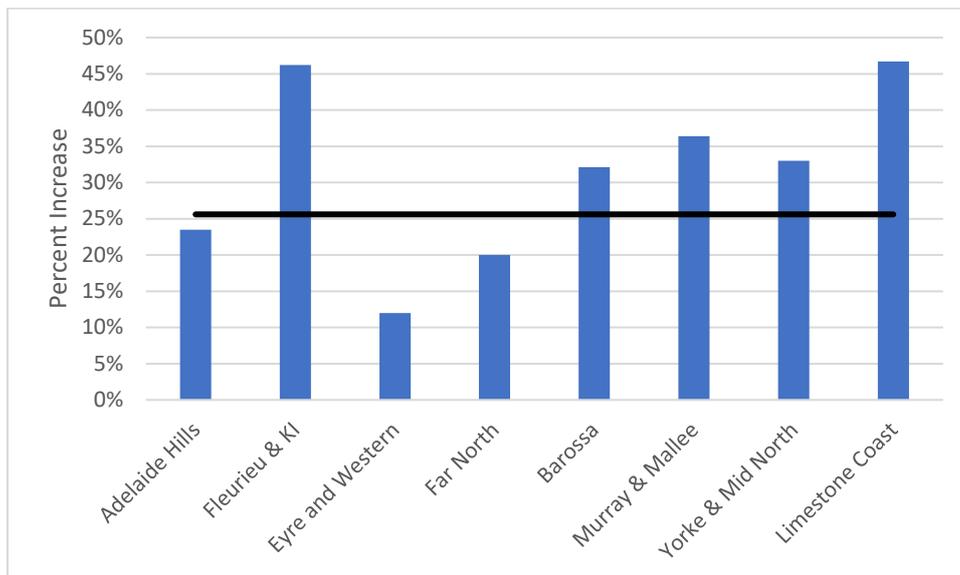
Figure 1: Rent Price Increases, June 2012-2022



Source: Government of SA (2012, 2022); RBA (2022).

Again, there were significant regional variations. As the graph below shows, for three-bedroom houses, these ranged from a relatively flat 12% price rise in the Eyre and Western region, to 46% increases on the Limestone Coast and Fleurieu and Kangaroo Island region. Five of the eight regions had increases in new rental prices greater than the inflation rate (the black line on the graph). Moreover, while the Adelaide Hills data for three-bedroom houses shows below-CPI increases over both the last 12 months and last decade, this was on the highest rent prices in regional South Australia. These base prices still raise issues of affordability for those on low incomes, even if the recorded price increases were lower than elsewhere.

Figure 2: Regional Rent Price Rises, 3-bedroom Houses, 2012-22



Source: Government of SA (2012, 2022). For full data, see Appendix.

Rental Affordability and Income

The other part of the rental affordability equation is income. Whether a household expenditure item is affordable depends not only on price, but also on income, and so concerns about price

increases are relative to income levels and increases in income. The following matrix shows income increases in the categories used above plotted against the increases in rent in regional areas. The red squares indicate where rent went up faster than income by more than five percentage points, the orange indicates where rent increases were within five percentage points of income increases, and the green indicates where income grew faster than regional rent costs by more than five percentage points.

Some caution is required in interpreting the data as quarterly figures are a bit volatile and can exaggerate or diminish changes over time – hence having the fairly wide “orange” area to denote where the rate of change of income and rent was relatively similar. It is perhaps surprising that the single JobSeeker income increased by the biggest margin. This was mainly due to the \$25 per week post-COVID increase (i.e. fairly late in the period), and the relatively flat wage growth (which often governs age pension increases). Income increases for both JobSeeker and Minimum Wage parents was also slowed by general low inflation and wage growth, and because Family Tax Benefit was frozen for a number of years, leading to below-inflation-rate increases overall. Finally, it is important to be clear that the green squares do not mean that rentals are affordable in those areas for people on those incomes (that data is in Tables 3 and 4 above). Green simply means that the situation has not worsened over the last 10 years.

Overall, the mapping shows that the Eyre Peninsula is the only region where income increased faster than rent for all categories of these low-income earners. By contrast, for the Fleurieu and Kangaroo Island, Murray and Mallee, and the Limestone Coast, rents increased significantly faster than income for all these low-income earners. The mix in other areas and income categories shows the importance of considering the nuanced variations across the different regions and for different income categories.

Table 6: Rent and Income Increases, 2012-2020, by region

	Regional Rent Increases %	Single JobSeeker	Single Age Pensioner	Single Parent JobSeeker – 2 kids	Single Minimum Wage	Single Parent Min Wage – 2 kids
Income Increase %		30.8	29.4	24.1	27.4	24.6
2 BR Unit						
SA Regional Total	34.2					
3 BR Houses						
Adelaide Hills	23.5					
Fleurieu and KI	46.2					
Eyre and Western	12.0					
Far North	20.0					
Barossa	32.1					
Murray and Mallee	36.4					
Yorke and Mid North	33.0					
Limestone Coast	46.7					
Regional SA Total	30.6					

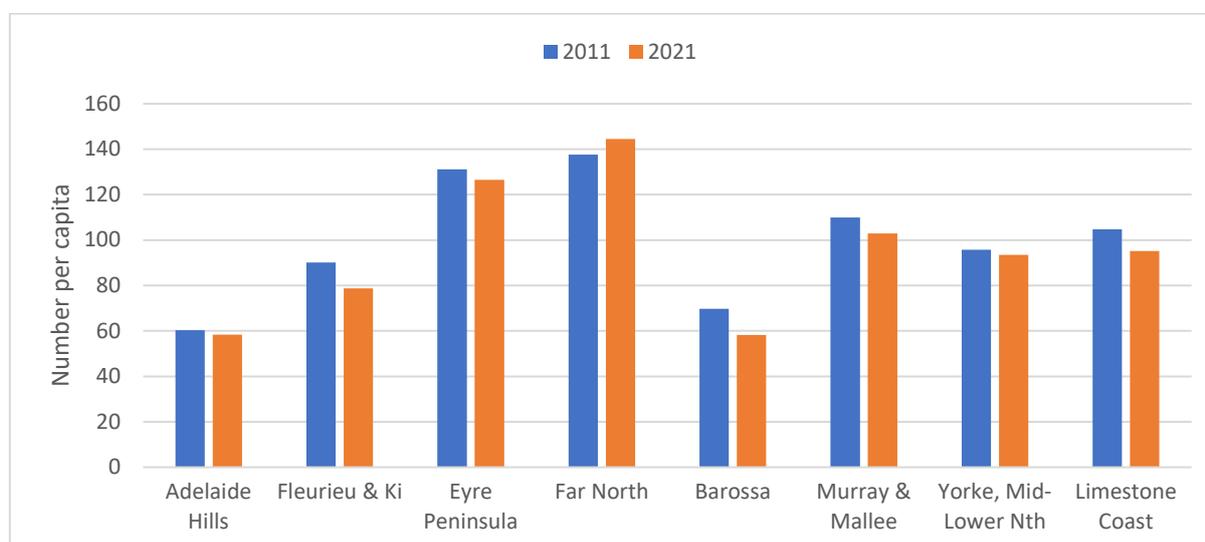
Source: SACOSS calculations from Services Australia (2012, 2022) and Government of SA, *Private Rent Reports*, (2012, 2022).

Availability

All of the data above relates to price and affordability, but SACOSS has long been told by our regional members that a key issue is simply the lack of housing in the regions. This is important both because it puts upward pressure on the price of buying and renting houses when they are available, but also because it is a barrier to attracting employment and development in the regions. Even if regional jobs exist, they can't be filled because prospective employees have nowhere to live.

The following graph shows changes in the quantity of rental properties between the 2011 and 2021 censuses. In all regions except the Far North, there has been a decrease over the decade in the number of rental properties per head of population.

Figure 3: Changes in Rental Properties per 1,000 Population, 2011 to 2021, by region



Source: SACOSS calculations from census data: ABS (2012, 2022a).

Similarly, as the table below shows, in many regions there was a decrease in the number of *new* rentals available-and-filled from the June Quarter in 2012 to the June Quarter this year. Some caution is required as it is only a comparison of one quarter in each year, but six of the eight regions saw a decrease in the number of new rentals – despite an increase in population in those regions.

Table 7: Number of New Rentals, June Quarter 2011 and 2021, by region

	2011	2021	% Change
Adelaide Hills	350	355	1.4%
Fleurieu and KI	365	300	-17.8%
Eyre and Western	480	370	-22.9%
Far North	250	280	12.0%
Barossa	390	340	-12.8%
Murray and Mallee	535	450	-15.9%
Yorke and Mid North	520	380	-26.9%
Limestone Coast	475	450	-5.3%

Source: Government of SA (2022).

The figures for the Far North are something of an anomaly in this data. They indicate that the Far North is the only region where there was an increase over the decade in rental households and new rentals as a proportion of the population. However, this was based on a smaller population base than other regions, and it was the only region where population decreased in absolute terms – making the rental dwelling numbers *proportionately* higher. There are also particular dynamics in the region with it having a larger percentage of social housing, and significant Aboriginal communities in remote areas. These issues are largely beyond the scope of this report, but may be dealt with in separate SACOSS publications.

Overall though, the fact that the number of rental houses per head of population and the number of new rentals decreased in most regions between the June Quarters of 2011 and 2021 confirms the concerns of SACOSS members that the availability of housing, particularly for low-income renters is a pressing problem – alongside affordability issues.

This is not just a matter of statistics. It has real impacts on people's lives. For instance, in July this year [ABC News](#) in Mount Gambier reported on the housing crisis there, noting that:

- there had been a surge in tent sales, for makeshift homes “as desperate homeless families shelter from cold”,
- Anglican Community Care (a homelessness service provider) was “handing out tents daily to people in Mount Gambier needing emergency accommodation”,
- concerns were raised by a regional camping store operator about two-year-old children having to live in a tent, and
- women in their 50s, were living in their cars after being left with nothing after leaving broken marriages (Chave & Morello, 2022).

This speaks not just of affordability concerns, but of a crisis in regional housing.

Social Housing

The chronic unaffordability of and lack of private rental housing in regional South Australia underlines the critical role that social housing (i.e. public and community housing) can play for people on low-incomes, including those in regional areas. Social housing is important because:

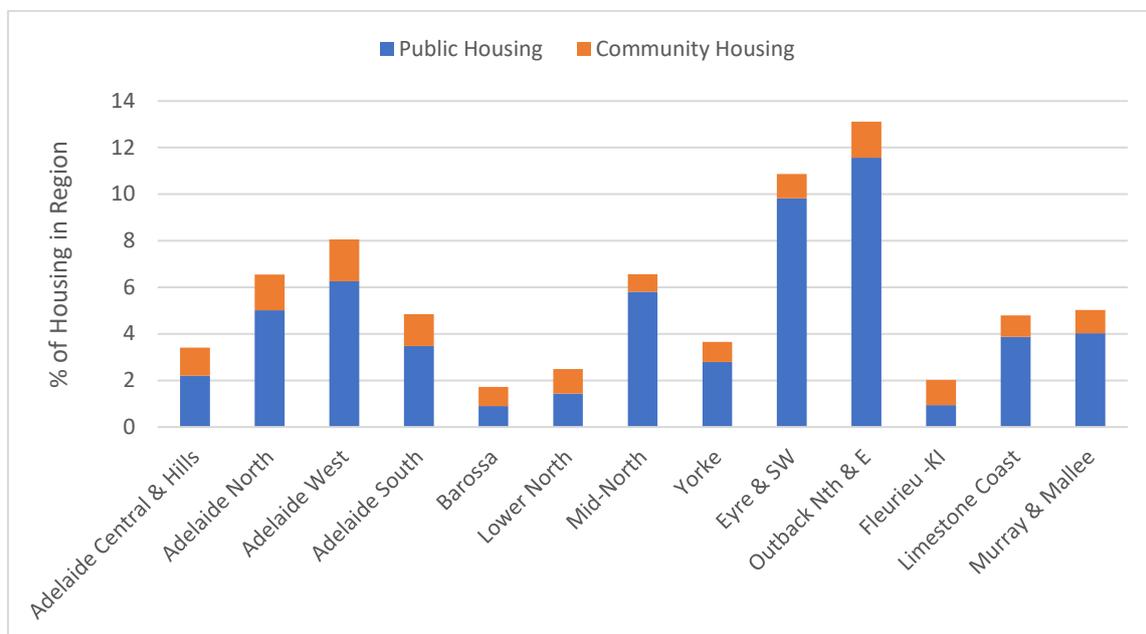
- it is housing targeted at those who can least afford private rentals,
- rents are usually capped at relatively affordable levels – below 30% to remove housing stress, and
- with sufficient quantities, public and community housing can add to the overall supply of housing and put downward pressure on rent prices across the market.

Unfortunately, as was documented in the most recent SACOSS *Cost of Living Update*, there has been a significant decline in social housing stock across South Australia over the past two decades (SACOSS, 2022). Further, the distribution of public and social housing is not uniform across the state. As noted above, regional South Australia has a higher proportion of public housing than metropolitan Adelaide (7.2% in regional areas, 4.7% in the city), but there are also significant differences between and within the regions.

These regional differences are evident in the census data and are summarised in the graph below, reproduced from a recent [political economy commentary](#) piece (Ogle, 2022). As can be seen, Outback North and East (the “Far North” in other data) has the highest proportion of social housing in the state, with Eyre and the South West also well above the state average. These numbers are bolstered by the provision of housing in remote communities, either through public housing, “State Owned and Managed Aboriginal Housing” (SOMIH), or Aboriginal Community housing in those areas. However, despite this, there is still unmet demand with significant overcrowding in the available social housing. Around 10% of Aboriginal and Torres Strait Islander households in public housing in remote and very remote areas are living in over-crowded conditions (which is five times the proportion of overcrowded households in public housing generally across the state). Overcrowding in SOMIH housing is even worse, reaching 18% in very remote areas (Productivity Commission, 2022, Table 18A.25, 30 and 31). Again, a fuller analysis of Aboriginal housing is beyond the scope of this report, but the data suggests that more social housing is required even in regional areas with relatively high proportions of social housing.

The graph below also shows the paucity of social housing in regional areas closest to Adelaide (the Barossa, Lower North, Yorke and Fleurieu-Kangaroo Island). Those areas have both very low levels of public housing, and a higher proportion of community housing in the social housing mix. By contrast, the Limestone Coast and Murray-Mallee have significantly higher rates of public housing, but are still below the state average of 5.6% social housing. (See Appendix – Note 4 for more data).

Figure 4: Distribution of Social Housing, 2021



Source: Reproduced from [After Dinner Political Economy](#), (Ogle, 2022).

It should be noted that the census data, on which the above analysis is based, is different to the ABS *Household Occupancy and Costs* data cited at the top of this report. The census data shows lower levels of social housing overall and less of a gap between Adelaide and the regions. Indeed, the census data shows that while regional South Australia has a higher proportion of public housing (4.4% by comparison with 4.2% in Adelaide), when community housing is included,

regional South Australia actually has proportionately less social housing (5.4%, by comparison with 5.6% in Adelaide) (ABS, 2022a).

In both data sets though, it is clear that social housing is a relatively small part of the regional housing market and the majority of regional renters are in the private market, with many facing the significant price rises and affordability challenges noted in this report.

Conclusion

The evidence in this report clearly shows that, while there are fewer rental households in regional South Australia than in Adelaide, and that regional rental prices are generally lower than in the capital, there are still significant problems with rental affordability in regional areas. The data shows that:

- with lower household income in regional areas, the proportion of income going on rental costs was similar to Adelaide;
- rents in regional areas are still unaffordable for people on very low incomes;
- regional rents have gone up significantly in the last year and over the last decade, and while there is considerable variation between regions, in many cases regional rents have gone up faster than both inflation and key income sources such as the age pension and the JobSeeker allowance; and
- this situation has been compounded by the lack of availability of rental housing in regional areas, itself exacerbated by an insufficient supply of public and social housing rentals.

These problems need to be addressed by government in order to assist people on low incomes to get safe, stable and affordable housing. There is no one simple solution, and in that context, SACOSS welcomes the Local Government Association's call for a taskforce to address the regional housing crisis (Ward, 2022).

That said, and while there are different nuances in each region, in broad terms the policies advocated for by SACOSS to improve rental affordability generally also apply to regional areas. Most importantly, SACOSS has highlighted the need for a significant commitment to increasing the stock of public housing. In the lead up to the last South Australian election, SACOSS called for an investment of around \$1bn over four years in public housing (based [pro rata] on what the Victorian government had announced as part of its COVID response). In South Australia, that investment would build an estimated 3,270 public housing dwellings across the state (SACOSS, 2022b). If this was done in proportion to population, this would have seen approximately 650 extra public houses in regional South Australia.

The South Australian Labor government has responded to the advocacy of SACOSS and others, and the obvious need to address the housing crisis. In the 2022 state election campaign, the then Opposition Leader, Peter Malinauskas, committed to no further net reductions of public housing under a Labor government (Malinauskas, 2022), and in the budget this year the government committed \$177.5 million to its four-year Public Housing Investment Program. This included 400 new home builds, an upgrade of 350 vacant properties in need of major works and an intensive maintenance blitz on another 3,000 properties to improve their condition. Of the 400 new homes, 150 homes will be in regional South Australia (Government of SA, 2022b). This is above the population share and will add to regional housing stock, but is still less than a quarter of the regional target SACOSS has been calling for.

Accordingly, while SACOSS acknowledges and welcomes the new investment in regional public housing, it can only be seen as a first step toward rebuilding the public housing estate and addressing rental affordability for South Australians. More public housing and community housing is still required (in both Adelaide and regional areas) as a priority. Further support is also needed to assist people on very low incomes with the costs of living in houses. Specifically, in its [State of Concessions](#) report released last year, SACOSS called for a review of the concessions system and highlighted several proposals to assist renters, including:

- increasing the payment rate of the Cost of Living Concession for renters to the level paid to homeowners, and lifting the income cap for low-income eligibility;
- better targeting energy concessions, and reducing barriers for share-householders; and
- creating purpose-built eligibility criteria for asylum seekers on low-incomes to access concessions (Marks & Ogle, 2021).

SACOSS welcomes the Government's response in promising to review the concessions system, and we are hopeful that this can assist renters both in Adelaide and regional areas.

Finally, the Government has also commenced a review of the *Residential Tenancies Act 1995*. This will be an important process for potentially addressing issues of renters' rights and the current imbalance of power between landlords and renters desperate for housing, including those renters in regional areas.

Ultimately though, with a lack of rental availability and with rents rising faster than incomes, rental affordability requires not just regulation and concessions (although these are important), but also bold government intervention in the market to build the rental stock. As the data above shows, with only one in six renter households in regional South Australia being in public housing (see Table 1 above) and social housing in some regions in South Australia as low as 2% of the housing market (Figure 4), there is still a long way to go.

Appendix: Additional Data and Technical Notes

1. Data for Table 5: Changes in Regional Rent Prices in the Last Year

	June Quarter 2021	June Quarter 2022	Percentage Change	Number of New Dwellings 2021 -> 2022
2 BR Unit				
Regional SA Total	\$230	\$235	2.2%	364 -> 285
Adelaide	\$340	\$370	8.8%	
3 BR Houses				
Adelaide Hills	\$400	\$420	4.8%	149 -> 103
Fleurieu and KI	\$350	\$380	8.6%	140 -> 118
Eyre and Western	\$250	\$280	12.0%	162 -> 201
Far North	\$290	\$300	3.4%	119 -> 137
Barossa	\$340	\$370	8.8%	181 -> 158
Murray and Mallee	\$260	\$300	15.4%	185 -> 171
Yorke and Mid North	\$260	\$290	11.5%	190 -> 179
Limestone Coast	\$280	\$308	10.0%	204 -> 200
Regional SA Total	\$300	\$320	6.7%	1271
Adelaide	\$400	\$450	12.5%	

Source: Rental Bond Data, Government of SA (2021, 2022).

2. Data for Figures 1 and 2: Changes in Regional Rent Prices over the last 10 years

	June Quarter 2012	June Quarter 2022	Percentage Change
2 BR Unit			
SA Regional Total	\$175	\$235	34.2%
Adelaide	\$275	\$370	34.5%
3 BR Houses			
Adelaide Hills	\$340	\$420	23.5%
Fleurieu and KI	\$260	\$380	46.2%
Eyre and Western	\$250	\$280	12.0%
Far North	\$250	\$300	20.0%
Barossa	\$280	\$370	32.1%
Murray and Mallee	\$220	\$300	36.4%
Yorke and Mid North	\$218	\$290	33.0%
Limestone Coast	\$210	\$308	46.7%
Regional SA Total	\$245	\$320	30.6%
Adelaide	\$320	\$450	40.6%

Source: Rental Bond Data, Government of SA (2021, 2022).

3. Data for Figure 3 and Table 7: Population and Number of Rental Properties, by region

	Population		Private Dwellings Rented		Rental Properties per 1,000 Population		New Dwellings Available for Rent		% Change
	2011	2021	2011	2021	2011	2021	2011	2021	
Adelaide Hills	68,057	79,273	4,104	4,625	60.3	58.3	350	355	1.4
Fleurieu & KI	46,350	55,593	4,175	4,380	90.1	78.8	365	300	-17.8
Eyre Peninsula	56,396	57,092	7,396	7,225	131.1	126.6	480	370	-22.9
Far North	29,880	25,560	4,113	3,695	137.7	144.6	250	280	12.0
Barossa	33,199	39,975	2,317	2,326	69.8	58.2	390	340	-12.8
Murray & Mallee	67,698	71,259	7,445	7,333	110.0	102.9	535	450	-15.9
Yorke, Mid-Lower Nth	73,315	75,969	7,017	7,100	95.7	93.5	520	380	-26.9
Limestone Coast	63,077	66,851	6,606	6,363	104.7	95.2	475	450	-5.3
Rest of State Total	437,972	449,869	38,841	41,056	88.7	91.3	3,365	2,920	-13.2

Source: Census Data, ABS (2022a).

Source: Government of SA, (2022).

4. Data for Figure 4: Census Data - Social Housing by Region, 2021

	Total Number Occupied Dwellings	Number of Public Housing Dwellings	Public Housing % of All Housing	Number of Community Housing Dwellings	Community Housing % of All Housing	Total Social Housing	Social Housing % of All Housing
Summary							
Greater Adelaide	536,048	22,401	4.2	7,835	1.5	30,236	5.6
Rest of SA	155,264	6,861	4.4	1,535	1.0	8,396	5.4
All SA	691,313	29,263	4.2	9,378	1.4	38,641	5.6
By Region							
<i>Greater Adelaide</i>							
Adelaide Central & Hills	122,507	2,702	2.2	1,479	1.2	4,181	3.4
Adelaide North	167,280	8,385	5.0	2,569	1.5	10,954	6.5
Adelaide West	98,750	6,184	6.3	1,764	1.8	7,948	8.0
Adelaide South	147,512	5,126	3.5	2,030	1.4	7,156	4.9
<i>Barossa-Yorke</i>							
Barossa	14,362	130	0.9	117	0.8	247	1.7
Lower North	9,180	132	1.4	97	1.1	229	2.5
Mid-North	11,249	653	5.8	85	0.8	738	6.6
Yorke	11,231	313	2.8	97	0.9	410	3.7
<i>Outback</i>							
Eyre & SW	22,710	2,230	9.8	239	1.1	2,469	10.9
Outback Nth & E	8,952	1,035	11.6	139	1.6	1,174	13.1
<i>South East</i>							
Fleurieu -KI	23,282	220	0.9	250	1.1	470	2.0
Limestone Coast	25,897	1,005	3.9	236	0.9	1,241	4.8
Murray & Mallee	28,403	1,144	4.0	282	1.0	1,426	5.0

Source: Reproduced from [After Dinner Political Economy](#), Ogle (2022).

5. Alignment of Government of SA Private Rental Data with ABS Census data for Table 7

The Government of SA Private Rental Data has eight regional areas for the areas outside of greater Adelaide (i.e. the 'Rest of South Australia'); while the ABS Census data has ten Statistical Local Area (SLA) categories.

There are also some slight differences in the regional names used, but an examination of the [maps used by the SA Government](#) and the [maps used by the ABS](#) shows that regional boundaries are very similar (if not identical), and every effort has been made to align the two sets of data as closely as possible:

- 'Eyre and Western' in the SA Government Private Rental Data is aligned with the Statistical Local Area (SLA) 3 region 'Eyre Peninsula and South West' in the census data;
- 'Far North' in the Government of SA Private Rental Data is aligned with the SLA 3 region 'Outback North and East' in the census data;
- 'Yorke and Mid North' in the Government of SA Private Rental Data is aligned with three ABS SLA 3 regions combined – namely 'Yorke Peninsula', 'Lower North' and 'Mid North' in the census data.

SACOSS believes that any discrepancies in data as a result of the differences in regional boundaries would be very minor.

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