



**Australian Government**

**Australian Institute of  
Health and Welfare**

# The distributional effect of CRA and public housing rent rebate for low income people

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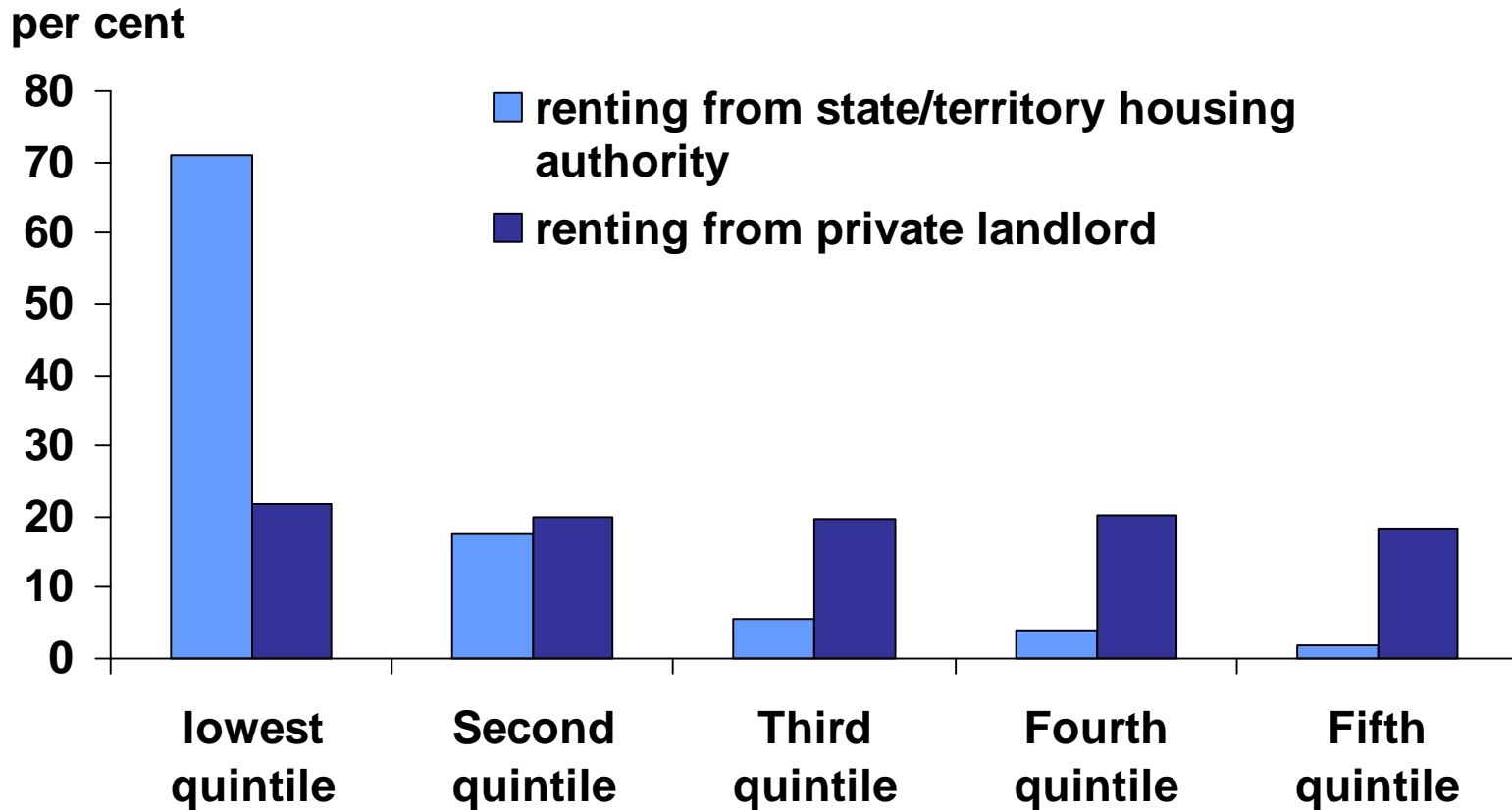
# Outline

- The two major rental assistances (CSHA PH and CRA)
- Profile of rental assistance recipients
- The distributional impact of two major rental assistances
- The current financial situation of PH

# Distribution of renters in 2006

- Over 2 million households (27%) are renting
- 4.0% public housing tenants
- 23% renting from private landlords

# Income distribution of renters



The Survey of Income and Housing, ABS, 2005-06

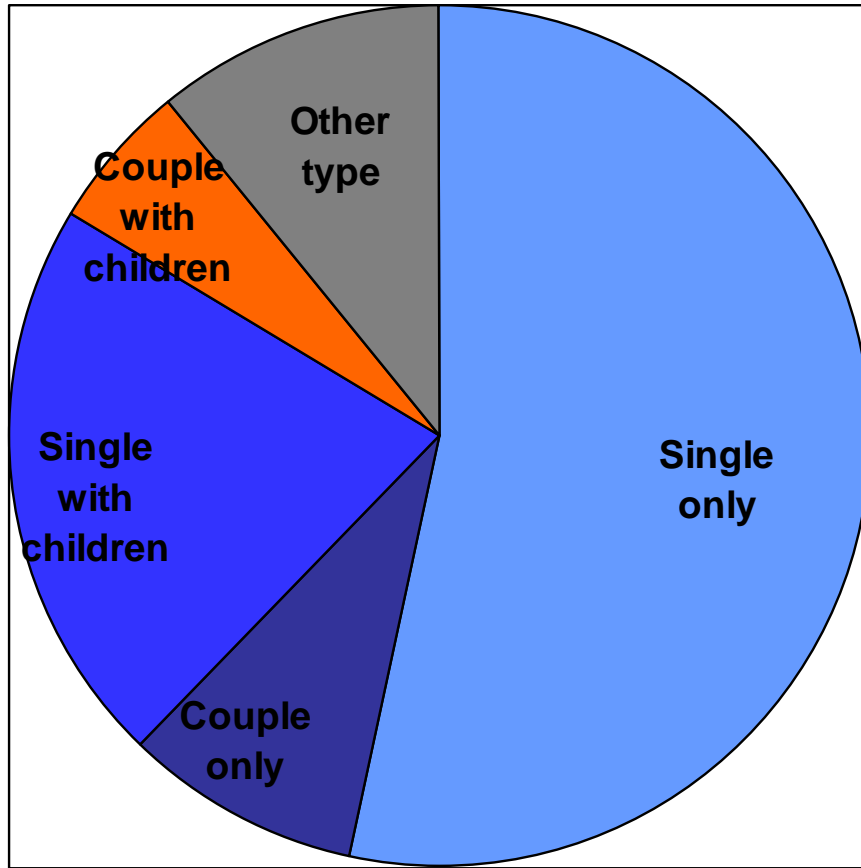
# How much rental assistance from government in 2005-06?

- Public housing—\$1.3 billion
- CRA—\$2.1 billion

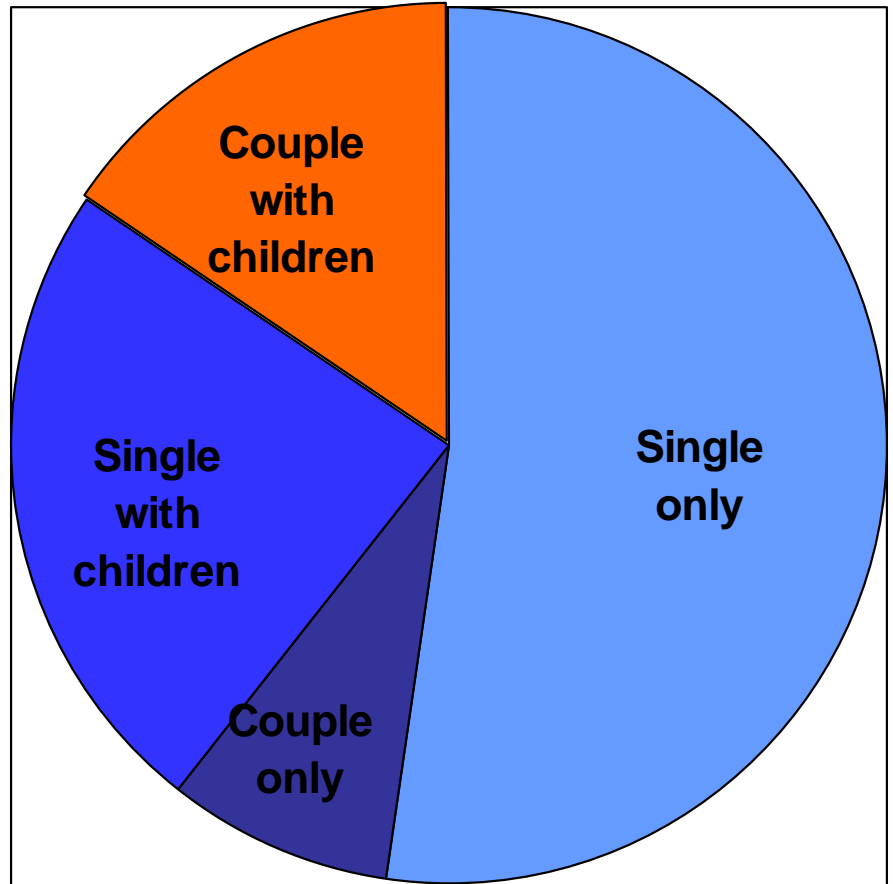
# Who is getting it and how much?

	PH (at 30 June 06)	CRA (June 06)
Number of recipients	333,968 households	947,000 Income units
Average benefit amount	\$81 per week \$4,214 per year	\$41 per week \$2,132 per year
Affordability outcome	Nil	35% >30% Over 83,000 >50%

# Who are they?

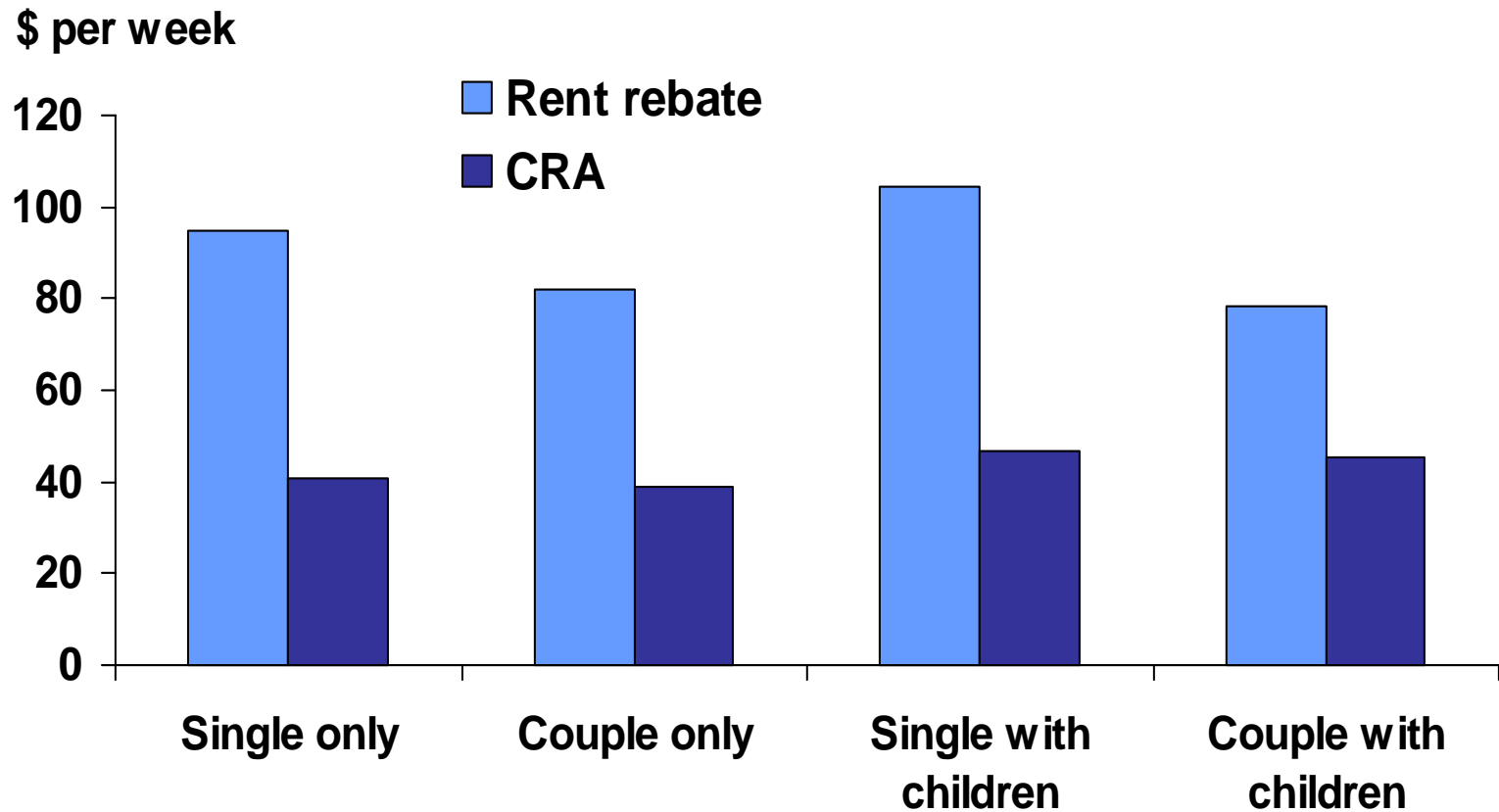


Public housing tenants

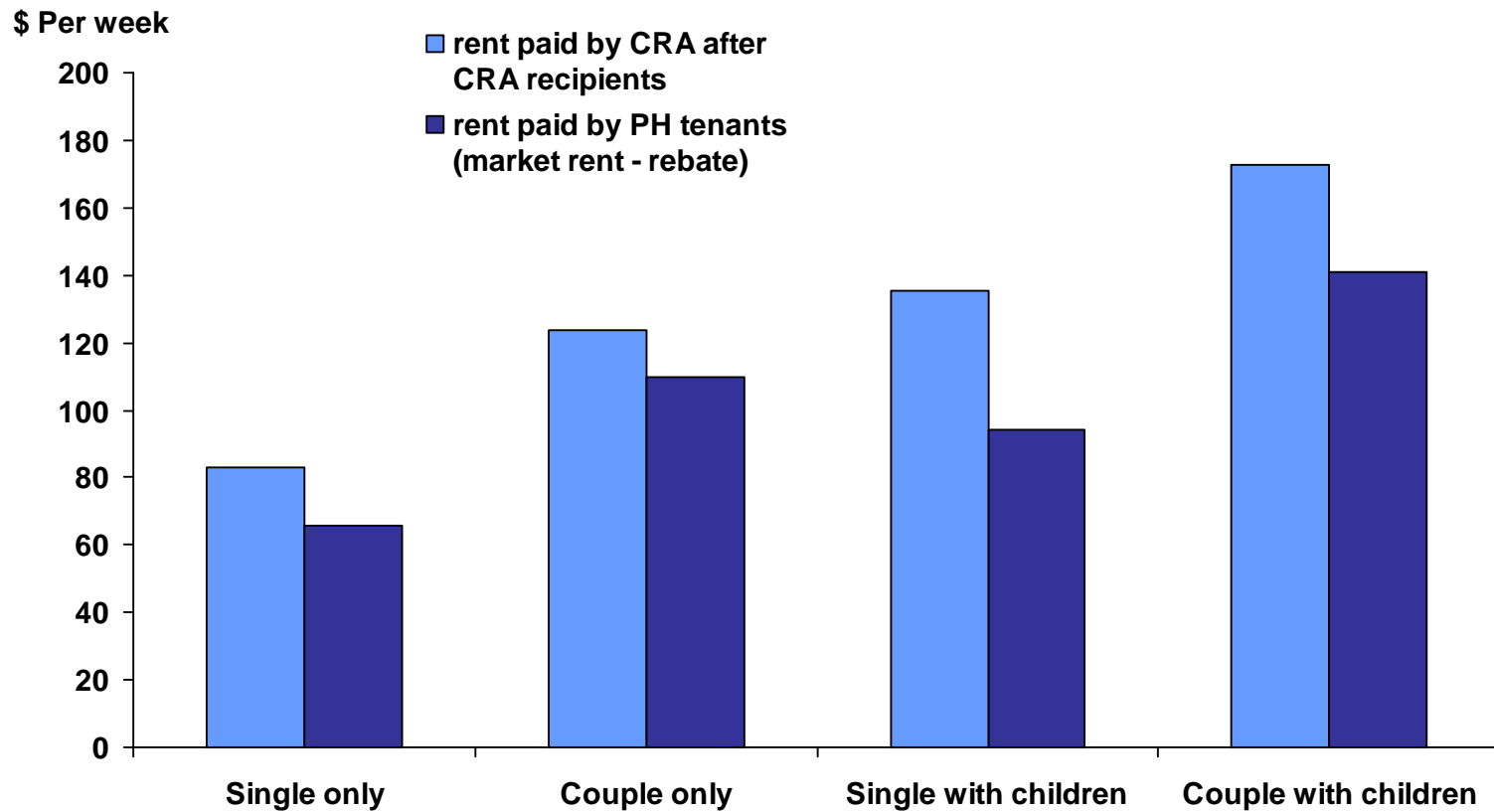


CRA recipients

# Which group gets more benefit?



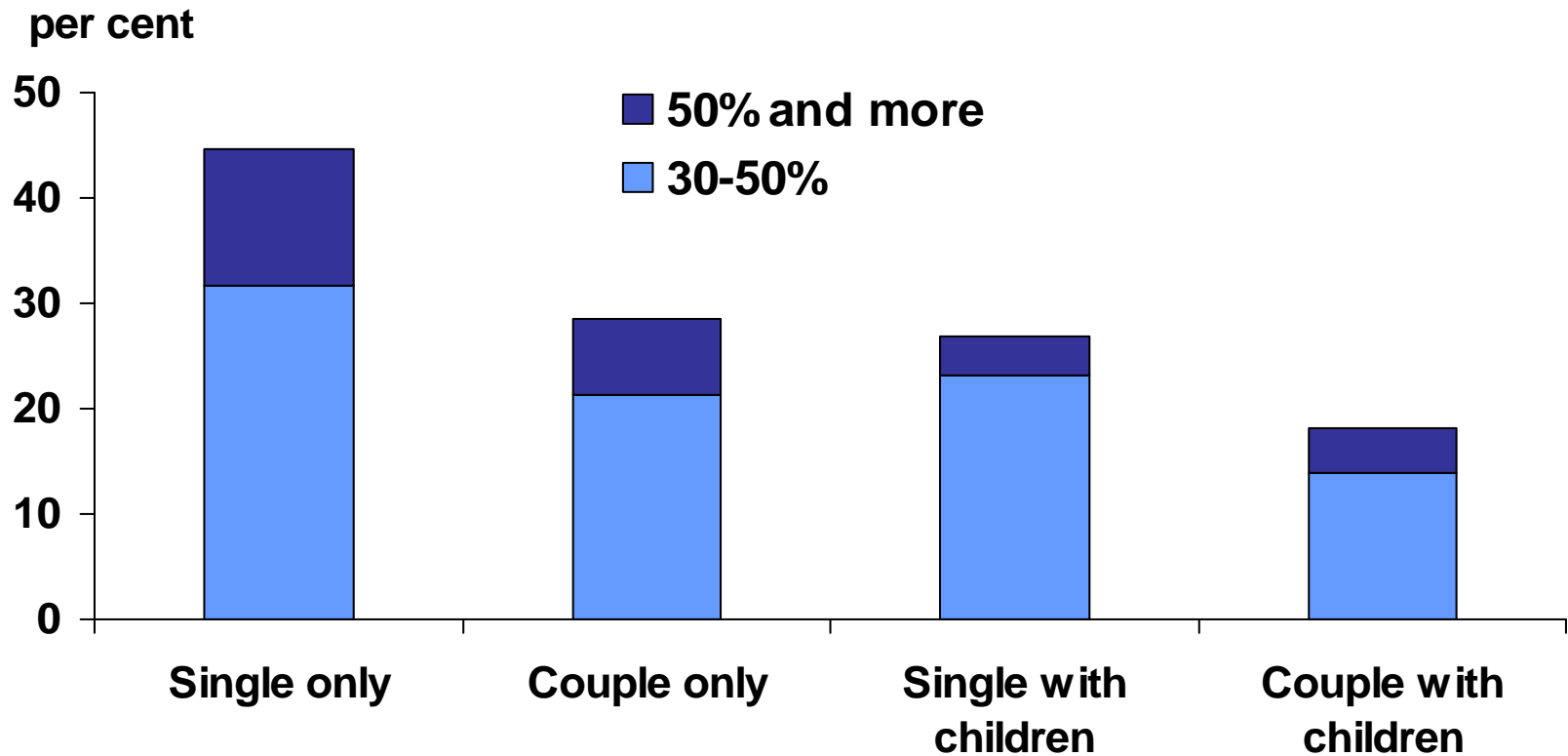
# Rent after assistance



# Comparison of two housing programs

<b>Public housing</b>	<b>Private rental market</b>
Affordable — no more than 25% of income on rent	Flexible choice of location
Security of tenure	Affordability problems
Dwelling modification and support services	Discrimination

# Affordability by family type



Source: Australian Government Housing Data Set , June 2006

# The current financial state of public housing



# Annual rent revenue does not meet the expenditures

At 30 June 2006:

1. Average rent paid by tenants was \$91 a week
2. Direct cost excluding capital to the housing authorities is \$99 a week

# State housing authority operating with increasing deficits

- Increasing the percentage of rebated households and amount of rent rebate in public housing due to targeting the most needy
- Ageing stock of public housing needing major upgrade or replacement

# Costs likely to increase due to anti-social behaviour ...



...and more tenants with high and complex needs

# Public housing dwellings declining

# Key data sources used

- Australian government housing data set June 2006;
- National public rental housing data set, 30 June 2006.

# Summary

Currently there is a range of issues in rental assistance:

- Sustainability of public housing
- Affordability outcome of CRA recipients
- Further researches are needed