

Urban Research Centre



DETERMINING
THE FINANCIAL
BARRIERS
MOVING
FROM
WELFARE
TO WORK

Michael Darcy
and Hazel Blunden



PACIFIC LINK
HOUSING

Home & Community

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1

EXECUTIVE SUMMARY

BACKGROUND AND METHODS

Over the last twenty years social housing in Australia has been increasingly targeted to the highest need households so that low income alone does not qualify a household for access. The vast majority of dwellings are allocated to individuals and households experiencing multiple disadvantages in the housing market such as disabilities (including mental health issues), caring responsibilities, or chronic homelessness. At the same time the income security system moved to implement the principle of 'activation' whereby those in receipt of income support – with the exception of age pensions – are strongly encouraged to enter or re-enter the workforce and thus to remove or reduce their dependence on government payments.

Pacific Link Housing commissioned this study in order to better understand the barriers that exist that may prevent or dissuade their tenants from taking on paid work. The research involved analysis of the income sources, work engagement and aspirations of Pacific Link tenants through:

- i. examination of the tenant data base
- ii. a sample survey of tenants of working age
- iii. interviews with selected tenants, both working and not working.

The findings of the study will assist Pacific Link to understand the barriers tenants may face to moving into employment.

The study consists of five main elements:

- » Review of relevant research into the disincentives faced by social housing tenants moving into employment
- » Analysis of Pacific Link tenant data.
- » Household income and housing cost modelling.
- » A sample survey of working-eligible tenant households.
- » Structured face-to-face interviews with a sample of working-age of Pacific Link tenants.

PREVIOUS RESEARCH

A review of previous research indicates that from 2006, a central feature of the fixed-term lease policy of government has been a desire to move tenants from public and social housing into the private rental market within the term of their leases (Burke et al., 2004; Fitzpatrick and Pawson, 2011; Jacobs, 2004; Jacobs et al., 2005; Lewis, 2006; Milligan et al., 2004). The logic of this policy is that living in social housing traps people in welfare dependency, and that since social housing is a welfare service, it should be targeted to the most needy households and hence a mechanism is needed to transition into other tenures those whose circumstances improve (Fitzpatrick and Pawson, 2011: 1).

An alternative view is that social housing could house a broader spectrum of tenant groups including those who are working; that income and social mix in social housing is a positive thing; and that market rent paying tenants can contribute greater revenue to the community housing, contributing to financial sustainability (for example along the lines of Germany, Sweden, and Hong Kong – see Fitzpatrick and Pawson 2011).

In summary, previous research indicates that social housing tenants:

- » face significantly high Effective Marginal Tax Rates due to 'income test stacking';
- » are less likely to have been previously employed;
- » are less educated and feel they lack skills; and
- » are more likely to limit their own employment in order to maximise earnings and retain social housing eligibility.

SUMMARY OF FINDINGS

- » Pacific Link households total 969. Of all households, 90 per cent are in receipt of Centrelink income support. Only 7 per cent rely on employment for income.
- » Of those who participated in this study, around 20 per cent are in employment.
- » Household modelling shows that in nearly every scenario and income point, community housing tenants are subject to a higher EMTR than private tenants. EMTR measures the cumulative effect of income tax, tapering of Centrelink benefits and income related rent adjustments, to demonstrate the financial impact on community housing tenants as they earn income from working;
- » the real return from working can vary greatly, as effective withdrawal of income can be as high as 93% depending on how many hours are worked and the household and payment type(s). For single parents, it can exceed 100% after childcare rebate is lost.
- » Pacific Link tenants face as much as 40%-60% EMTRs for as few as 4 hours work a week.

83 surveys were completed and 24 interviews were carried out with tenants. Key findings from these are:

- » Tenants face a range of barriers preventing them from working – many health-related
- » Tenants are aware of the financial disincentives built into the system
- » Tenants may overestimate financial penalties associated with working
- » Tenants were able to reflect on eligibility and were happy to pay market rent when working but not to relinquish housing security
- » The advantages of Pacific Link tenancy were strongly identified as affordability and security of tenure. In addition Pacific Link is seen as good housing manager and the extra programs offered are highly valued.

Unsurprisingly, most tenants are aware of the interaction of various rules on earned income, and just like other consumers, make rational calculations when weighing up the comparative advantages of employment, income and tenure choices. If the return from working is marginal, and employment leads to either a real or feared loss of eligibility for social housing, some tenants may reasonably choose not to pursue employment, not to take on extra hours if they are working and ensure social housing eligibility is maintained. For those who may otherwise be able to work, this effective 'poverty trap' is the most important barrier preventing them from doing so. Tenants generally expect that any work they do take on is most likely to be intermittent and insecure and so the income related rent and security of tenure offered by social housing takes on much greater importance.

Other tenure options such as home ownership are of interest but financially beyond most tenants, as they cannot save enough and/or afford to buy. No tenants interviewed or surveyed indicated they were in a position to think about buying a home unless income improved or they 'won the Lotto'. However many tenants expressed interest in affordable home ownership, should it be available.

2

BACKGROUND

Over the last twenty years social housing in Australia has been increasingly targeted to the highest need households so that low income alone does not qualify a household for access. The vast majority of dwellings are allocated to individuals and households experiencing multiple disadvantages in the housing market such as disabilities (including mental health issues), caring responsibilities, or chronic homelessness. At the same time the income security system moved to implement the principle of 'activation' whereby those in receipt of income support – with the exception of age pensions – are strongly encouraged to enter or re-enter the workforce and thus to remove or reduce their dependence on government payments. This is pursued through a combination of incentives and disincentives, including access to training and work experience opportunities, but mostly takes the form of financial penalties (such as temporary loss of benefits) for those who do not comply with conditions requiring them to demonstrate their intention to seek work or engage in training. On the other hand, when income support recipients do undertake paid work, benefits are progressively reduced as income increases. As social housing rents are also income related, working tenants also pay higher rents up to the point where market equivalence is reached.

Finding the optimal balance between welfare and work is not only a problem for tenants. When the supply of dwellings falls below the number of disadvantaged households in need of housing, housing managers must find ways to free housing stock for the neediest applicants. One way of achieving this might be if tenants can be assisted or encouraged to support themselves through work so that they either pay market rent or move to the private housing market.

Pacific Link Housing commissioned this study in order to better understand the barriers that exist that may prevent or dissuade their tenants from taking on paid work. The research involved analysis of the income sources, work engagement and aspirations of Pacific Link tenants through:

1. examination of the tenant data base
2. a sample survey of tenants of working age
3. interviews with selected tenants, both working and not working.

The study examines the incentives and disincentives to employment built into income support and community housing rent setting policies. The effect on incomes and rents of gaining paid employment may influence tenants' decisions about entering into work and how many hours they work (assuming full time work is available). In addition, household-based factors are also examined – what personal barriers tenants face in seeking, and moving into employment such as education levels, ability and skills, health, childcare and other caring responsibilities. Tenants' experience and perception of local labour market conditions are also explored.

The findings of the study will assist Pacific Link to understand the barriers tenants may face to moving into employment. It has the potential to allow Pacific Link to better understand how its rent-setting policies interact with Centrelink rules, taxation and other benefits such as health care card, transport and other concessions via household modelling. In addition, it allows tenants to express their views directly and explain what barriers they face.

3

AIM AND RESEARCH QUESTIONS

The aim of the research was to examine barriers that may prevent or dissuade tenants from moving into paid work. Some specific questions which flow from this aim are:

- » Which tenants are working and which are not? Why?
- » What is tenants' experience of work?
- » What financial, social or other barriers do tenants face moving into paid work?
- » To what extent do tenants base decisions about work on financial disincentives such as withdrawal of housing and other benefits?
- » To what extent do local labour market conditions affect work prospects and behaviour?
- » What are tenants' views of Pacific Link work programs such as the Tenant Employment Program?

4

METHODS

The study consists of four main elements:

- » Review of relevant research into the disincentives in moving from welfare to work for people on Centrelink benefits, with an additional focus on social housing tenants.
- » Analysis of Pacific Link tenant data including income, household structure and rent levels. This data is used to analyse disincentives in rent setting and eligibility policies, particularly in the way these interact with Centrelink rules on earned income. It is also used to model real-life scenarios based on 'typical' household types showing the interaction of Centrelink and Pacific Link rules on income and rent. The data has been modelled in a linear fashion (based on incremental earnings). The analysis was performed by the National Centre for Social and Economic Modelling (NATSEM) at the University of Canberra using their STINMOD application.
- » A survey of work-eligible households. The survey's questions were primarily closed questions with some open ended, and included questions about their household, income, attitudes to work including reasons for having stopped working, and if working, about the industry, journey to work and location of work. 704 surveys were distributed and 83 valid surveys were returned. The survey was used to recruit a subset of tenants for in-depth interviews.
- » Structured face-to-face interviews were undertaken with a sample (24) of working-age tenants. Approximately half of those interviewed were not working, and half were working (full-time, part-time or casually).

Ethics approval was obtained from the UWS Human Ethics Committee. In order to protect tenant anonymity, UWS contacted tenants independently of Pacific Link via mail out and interviewees were invited to identify themselves to the researchers. This is in order to avoid any perception that participation is linked to their future Pacific Link tenancy or that any tenant was obliged to participate in the research.

UWS met with Pacific Link in order to clarify aims, and examine the existing database in order to focus the research.

Pacific Link has 969 tenancies under its management located in the Central Coast, Newcastle, Cessnock, Maitland and Port Stephens areas. Some properties are in clusters while others, mainly head-lease, are scattered.

SURVEYS

Pacific Link assisted UWS by providing data on households that contain residents that are undertaking, or could, undertake paid work¹. The total number of households that included at least one resident in this category was 704 out of a total of 969 households, which constituted 73 per cent of Pacific Link households. UWS supplied written material including the survey in blank envelopes that Pacific Link mailed out to the identified tenants. 83 valid surveys were returned directly to UWS, a response rate of 11 per cent. This was despite the incentive of a \$50 shopping voucher for those tenants who were picked for interview.

¹ This was all tenants who were either working or on Centrelink payment other than the Aged Pension. DSP recipients were included as DSP recipients are assessed on ability to work (but are not subject to the stringent Newstart activity tests).

The survey data was analysed using Qualtrics survey software.

In addition, the survey was used to identify households for possible in depth interview, where the respondent provided their contact details.

INTERVIEWS

The surveys were used to recruit for interviews. An incentive of a \$50 shopping voucher was included for the first 40 respondents. The target for interview numbers was 20 tenants – 10 working, and 10 non-working. Interviews actually numbered 24 in an effort to ensure a balance between the two sub-groups.

Eight of those interviewed were in paid work (part time, casually or full time) and 16 were not working at all.

Interviews took place in December 2013 and January 2014 in a number of locations in the Central Coast and Port Stephens. The majority of interviewees are resident in the Central Coast. Due to the sampling targets for working tenants and time limitations, no Hunter region tenants were interviewed.

The UWS researchers provided participants with a verbal briefing on the project, and obtained informed written consent. Interviews were audio-recorded and were between 15 and 45 minutes in duration.

Privacy has been protected by providing confidentiality, de-identifying participants and removing demographic information that could be used to identify them. None of the participants are referred to by their name or identified in this report.

5

LITERATURE REVIEW

From 2006, a central feature of the fixed-term lease policy of government has been a desire to move tenants from public and social housing into the private rental market within the term of their leases (Burke et al., 2004; Fitzpatrick and Pawson, 2011; Jacobs, 2004; Jacobs et al., 2005; Lewis, 2006; Milligan et al., 2004). The logic of this policy is that living in social housing traps people in welfare dependency, and that since social housing is a welfare service, it should be targeted to the most needy households and hence a mechanism is needed to transition into other tenures those whose circumstances improve (Fitzpatrick and Pawson 2011: 1).

An alternative view is that social housing could house a broader spectrum of tenant groups including those who are working; that income and social mix in social housing is a positive thing; and that market rent paying tenants can contribute greater revenue to the community housing, contributing to financial sustainability (for example along the lines of Germany, Sweden, and Hong Kong – see Fitzpatrick and Pawson 2011).

Work disincentives are a feature of Australia's benefits system. Although there have been efforts to make changes to reduce disincentive effects, these have not been successful (Beer, 2003). Disincentive effects have been researched for unemployed persons. While various studies have examined disincentive effects for low income households generally, the effects of social housing rent setting have often not been included (Beer 2003). Only a handful of studies have actually measured the effect of income-related rents in addition to withdrawal of Centrelink incomes (Hulse and Randolph 2003; Martin and Dockery et al 2011). These are discussed below.

FINANCIAL DISINCENTIVES

Disincentives to work are an effect of the withdrawal of payments and subsidies and increase in costs. Community housing tenants who enter into paid work face adjustments in income-related rent, Centrelink payments, tax, and the loss of transport and health care concessions. Child care costs also impact on parents.

Research has shown that using various measures, social housing tenants are at a relative disadvantage compared to other household types. This is due to 'income test stacking' whereby benefits from various sources are withdrawn concurrently, creating a cumulative effect. Income-related rents means social housing tenants face deeper poverty traps due to losing 25 or 30 cents in each additional dollar earned in higher rents (Dockery et al 2008; Hulse et al. 2003; Hulse and Randolph 2004; Hulse and Saugeres, 2008a).

The Effective Marginal Tax Rate (EMTR) is the percentage of income lost due to taxation and due to withdrawal of means tested benefits of every extra dollar earned by an individual or household. If this rate becomes too high, or approaches (or exceeds) 100%, the returns from working, or working more hours, become less attractive or may even incur a net cost. Most employed persons face a tax rate of 29 per cent (over the tax-free threshold), rising to a tax rate of 47 per cent for high income earners. However for households on statutory incomes EMTRs can be as high as 65-85 per cent, meaning that for every extra dollar earned, the tenant will keep as little as 15 or 35 cents (Hulse 2003). High EMTRs are particularly pertinent for persons working casually or part-time which social housing tenants are more likely to be doing (Hulse and Randolph 2003).

Dockery et al similarly found that using a variety of measures, those living in public housing face lower financial returns to employment (as do sole parents) (2011: 273) compared with other unemployed persons not living in social housing. The main reason for this disadvantage is income lost due to rent-related incomes layering on top of the withdrawal of other benefits, creating a greater withdrawal of benefits overall: "the main reason for people facing high EMTRs is because of income test stacking" (Beer 2003: 19).

The Tenants Union of NSW (2008) undertook modelling using three hypothetical public housing households under moderate income rent levels (set by Housing NSW). The paper found severe EMTRs for households seeking to increase income from work. In some scenarios, EMTRs exceeded 100%, meaning that someone increasing work hours would actually *be worse off had they not performed those extra hours of work* (Tenants Union of NSW 2008: 4).

Apart from modelling exercises such as performed by Dockery et al (2011) and the Tenants Union, other research has included qualitative data from tenant surveys and interviews. Hulse and Randolph (2005) surveyed over 400 tenants (in both public and private rental) who were jobseekers. They found that public housing tenants were “well aware of the impact on their housing assistance of moving into paid work” (Hulse and Randolph 2005: 17). A quarter of those surveyed nominated rent increase as an additional cost they would face. 41 per cent agreed with the statement that ‘there’s no point getting a job or working more hours if my rent goes up’. This contrasted to private renters who were not concerned about the effect of moving into paid work on their rent or loss of Rental Assistance payments (only 13 per cent were ‘slightly concerned’ concerned by this (Hulse and Randolph 2005: 156-157).

In a similar study, Hulse and Saugeres interviewed privately renting and public housing tenants. Both groups were aware of the effect of working and “[weighed] up the pros and the cons of each situation” as a privately renting tenant stated (2008a: 50). That is when faced with the chance to work, or to work more hours, many tenants performed calculations on the relative costs and benefits of this for their own situation.

The researchers found that income-related rent featured heavily in these calculations:

Employment decisions were more affected by the prospect of having to pay increased rent, even market rent, and possibly losing their housing. Most of those interviewed did assess whether paid work was financially worthwhile before they considered it. They were usually financially better off by either not being in paid work or by taking up casual or part-time work that gave them an extra income without affecting their rent (Hulse and Saugeres 2008a: 53).

The research also found that tenants were aware of the possibility that taking on paid work could mean a loss of eligibility for public housing (Hulse and Saugeres 2008a: 53).

In addition to rent increases and loss of eligibility, travel costs were a key concern for social housing renters (Hulse and Randolph 2003: 13).

As Hulse and Randolph et al note, for social housing tenants:

decisions about moving into paid employment typically involve tradeoffs between the financial, personal and family benefits expected from participation in paid employment relative to costs in terms of loss of income support payments and impact on personal and family well-being (2003: 4).

A minority still wished to work despite low or no financial advantage however, this attitude was more prevalent amongst private renters than social housing tenants (Hulse and Randolph 2003: 11).

Despite periodic government inquiries into work disincentive effects created by income test stacking, the problem has not been solved. Beer (2003) showed that high EMTRs for lower income groups stayed the same or became more prevalent in between 1997 – 2002 despite changes to the taxation system in 2002. Dockery et al (2008: 2) found that EMTRs have changed very little between 2000-01 and 2003-04, and are particularly high for recipients of Newstart Allowance.

5

SECURITY OF TENURE

Various researchers have examined the often overlooked factor of security of tenure. Assuming tenants are rational consumers, those paying market rents could be expected to move out of social housing as there are supposedly disadvantages to living in it such as stigma, and the presence of disadvantaged people (Fitzpatrick and Pawson 2011: 21). However many do not, which means there must be benefits to living in social housing.

Social housing offers affordability, security and a sense of 'home' fulfilling a deep psychological need for a sense of constancy:

... public housing can provide ontological security for tenants, which is attributed to security of tenure which enables constancy and to affordable rents which enable predictability (Hulse and Saugeres 2008b: 1).

Because of security of tenure, home-making can occur. As one Indigenous Central Coast tenant stated, "[t]o long-term Department of Housing people these aren't houses, these are our homes, we make improvements to them" (Hulse and Saugeres 2008a: 54).

Hulse and Randolph found that security of tenure may help people look for work – in their study 51 per cent of tenants in social housing agreed this was the case. On the other hand and in seeming contradiction, 60 per cent agreed that living in social housing made it difficult to move to areas with more work (2003: 17).

Research by Stone et al notes the benefits of social housing vis-a-vis private rental. Mobility is greater amongst privately renting tenants compared to social housing tenants: 39.5% of private tenants surveyed moved three or more times in previous five years compared with 7.8 % among other tenures (Stone et al 2011). The research also found that private rental housing is not necessarily a stepping stone to homeownership; it is increasingly a permanent tenure form for lower income people. The percentage of private renters that have spent 10 years or more in private rental increased from 27% in 1994 to 33% in 2007/8 (Stone et al 2011).

A national survey of public housing tenants conducted in 2004 indicated that tenants "would be prepared to pay market rents because they saw security of tenure as the main benefit of their social housing" (Lewis, 2006: 2; Burke et al., 2004). Hulse and Saugeres interviews with private rental tenants showed that many had been evicted or experienced rent increases in the private market. A 50 year old single mother with two children who was evicted from her rental house (due to sale) highlighted this feeling of insecurity: "when you're in private rental, you can be evicted at any time" (2008a: 50).

There are other benefits of social housing cited by tenants such as quality tenancy management. As one woman who had moved into a community housing said "The maintenance gets done [by the co-op]. When you're in private rent you can't get them to do anything" (Hulse and Saugeres 2008a: p.57). Private renters can be treated with a lack of respect by agents and landlords (Grattan Institute 2013).

Private rental's main benefit over social housing is greater location and dwelling choice. However, private rental housing subject to market forces and low income people especially those on Centrelink may not be able to afford private rental in certain areas (Tenants Union 2008). For those working or moving into work, private rental can provide an escape route from dysfunctional communities, but Hulse and Saugeres (2008a) found a minority of persons who wanted to move into private rental due to wanting to escape undesirable public housing 'problem areas'. Some renters struggling in the private rental market were found to prefer it to social housing: "There's too much of a stigma attached to that [public housing]. I couldn't do it ... No, I wouldn't feel safe in those areas" (Hulse and Saugeres 2008a: 55). However this attitude was noticeably absent amongst the community housing tenants interviewed who reported fewer conflicts between tenants, better maintenance and better service from their community housing manager (Hulse and Saugeres 2008a).

AFFORDABILITY

Private rental can be relatively unaffordable. In 2009-10, 67 per cent of capital city renters in the bottom two income quintiles paid more than 30 per cent of their gross income in rent, and 31 per cent paid more than half their gross income in rent (NHCS 2013, cited by Grattan Institute 2013: 19).

Using median incomes, median rent data and affordability measures, Tenants Union research (2008) showed that few Sydney Local Government Areas would be affordable (rent less than 30% of income) if a former social housing tenant had to pay private rent (based on likely median earnings).

Anglicare's Snapshot of Rental Affordability report for 2013 indicates that affordability problems are severe nationally. The survey of over 56,000 properties for rent found that less than 1% of listed properties were rated as suitable for single person households. A single with two children and living on the minimum wage would have access to 2.2% of the listed rentals (Anglicare 2013: 11). Working households on the minimum wage were slightly better off but only if both parents were working would such households have access to 8.5 per cent of advertised properties (Anglicare 2013: 11).

Anglicare's regional figures indicated a very low level of appropriate² and affordable housing available in the Greater Sydney and Illawarra area. In relation to the Central Coast the report notes that:

Within Greater Sydney, the largest number of affordable and appropriate rental properties for households dependent upon income support payments was found in the Central Coast Statistical Area (n=11), about two hours from the Sydney CBD... Despite the relatively high number of suitable properties on the Central Coast, only one was affordable and appropriate for household types other than couples on the Aged Pension. This indicates that even the Central Coast does not represent a viable option for most households on income support without placing them into rental stress (Anglicare 2013: 50-51).

EDUCATION, SKILLS AND ACCESSING EMPLOYMENT

Education and skill levels are also important in relation to employment opportunities. Previous research indicates that social housing tenants are more likely to have lower levels of education (completion of year 10, 12 and University) than privately renting unemployed persons (Hulse and Randolph 2003 7-8). A higher percentage of social housing tenants (56 per cent) had been out of work for a year or more and the longer out of work, the less confidence and skills they felt they had (Hulse and Randolph 2003 7-8).

Hulse and Saugerres found that in the past, social housing tenants had worked mainly, and often episodically, in low-skill and low-paid jobs, as had their parents. Many also had a history of disruption and multiple moves (2008a: 40).

Despite these barriers, surveys of social housing tenants show that the perceived advantages of work included 'getting ahead financially' (Hulse and Randolph 2003) as well as the social aspects of work, being needed, having responsibility, having a routine, and having something to do (Hulse and Saugerres 2008a: pp. 43-44).

Tenants identified the barriers to work as being (in order of nomination), age discrimination by employers (either because they were too young and too old), personal difficulties in getting a job (low level of skills, low educational levels, and poor health), and location relative to jobs (Hulse and Randolph 2003: 12).

2 For Anglicare's definition of the methodology used and what is an appropriate dwelling for a specific household type, see the Appendix in the report.

5

There is some evidence that the location of social housing may make it harder to access employment. Hulse and Randolph found that 60 per cent of public housing tenants agreed that 'this type of rental makes it more difficult to move to areas with more work'. However location was ranked as third out of four reasons given: age discrimination (first), personal difficulties (low skills, low educational levels, poor health) (2nd) and jobs being too low paid (4th) (Hulse and Randolph 2005: 159).

SUMMARY OF PREVIOUS RESEARCH

In summary, previous research indicates that social housing tenants:

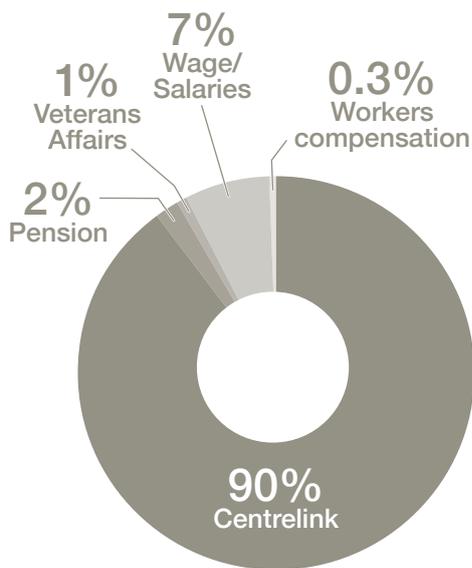
- » face significantly high Effective Marginal Tax Rates due to 'income test stacking';
- » are less likely to have been previously employed;
- » are less educated and feel they lack skills; and
- » are more likely to limit their own employment in order to maximise earnings and retain social housing eligibility.

6

PACIFIC LINK HOUSEHOLDS

Pacific Link households total 969. Of all households, 90 per cent are on Centrelink incomes. Only 7 per cent rely on employment for income.

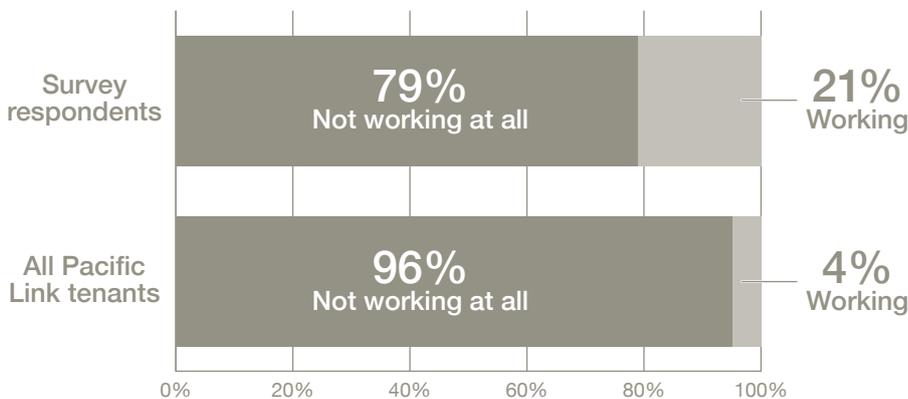
Figure 1: Pacific Link Households – main source of income



SURVEYED HOUSEHOLDS

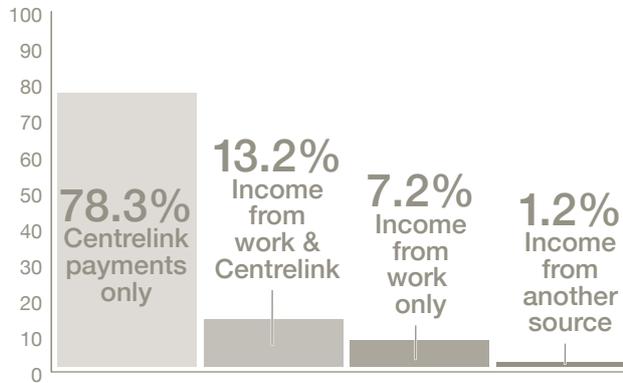
How did the survey respondents compare with the total Pacific Link tenant population? Generally they were more likely to be working, and not on an Aged Pension (as most of these persons were excluded).

Figure 2: Employment status of all Pacific Link households and surveyed tenants



6

Figure 3: Employment status of survey respondents



HOUSEHOLD MODELLING

Modelling has been carried out for three typical households in both Community Housing and private rental leading to a total of five scenarios:

- 1: Single parent with two dependents under 8 years (Single Parenting Payment + wages income)
- 2A: Single person (DSP + wages income), rent \$150 a week
- 2B: Single person (DSP + wages income), rent \$300 a week
- 3A: Couple with two teenage dependents (Newstart + wages income), rent \$395 a week
- 3B: Couple with two teenage dependents (DSP + wages income), rent \$395 a week

Modelling below is based on real Pacific Link household scenarios (however not on specific individuals or households).

When calculating returns from working and effective tax rates we compared a Pacific Link household with a private renting household to determine the effective marginal tax rate for each tenure type.

Modelling Method:

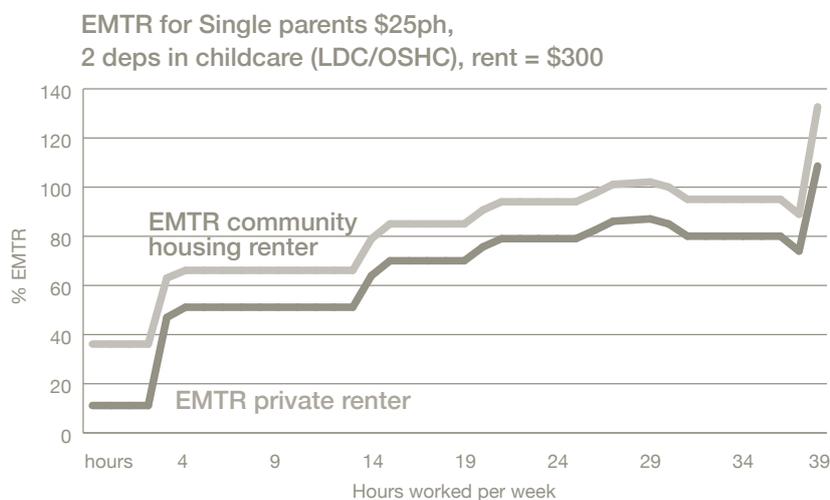
To develop income levels and associated effective marginal tax rates for a range of family types NATSEM used its STINMOD model of the Australian tax and transfer system. The model is current up to and including the 2013-14 Federal Budget. Due to continued uncertainty over the 2014-15 Federal Budget NATSEM continues to use the 2013-14 model. For each household STINMOD increments the private income in line with an additional hours work by the spouse where partnered or by a single person where unpartnered. Where both partners are working STINMOD increases both partners hours worked by one hour. As private income increases government benefits, such as pensions and allowances, are means tested away while personal income taxation increases. Where a family has young children child care costs and child care payments are also included as part of disposable income. All households are assumed to rent. For each scenario comparisons are made of the household under the Commonwealth Rent Assistance arrangement and under community housing where rents are set equal to 25 per cent of taxable income plus 15 per cent of FTB and all of any rent assistance. The effective marginal tax rate is calculated based on one minus the share of private income from an additional hour of work that is retained by the family.

Centrelink rules are as follows:

- » earning of up to \$100 a fortnight – no reduction in income;
- » earnings of \$100-\$250 a fortnight – minus 50c for every dollar earned;
- » earnings of over \$250 a fortnight – minus \$75 and minus 60 cents for each dollar over \$250 (Centrelink 2013).

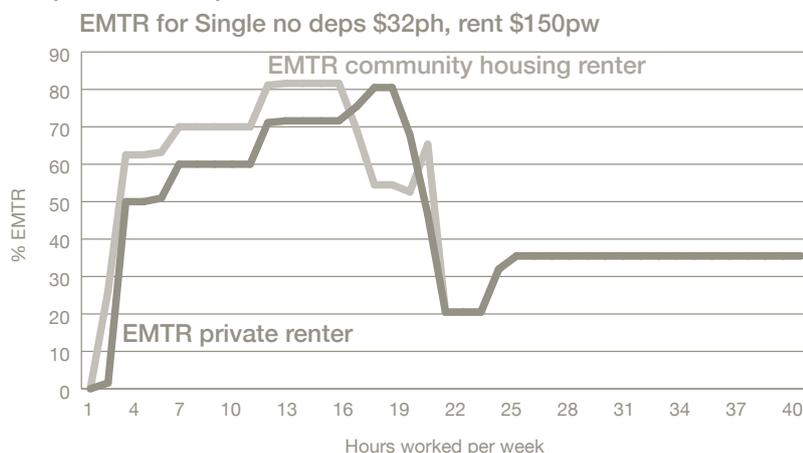
The following graphs compare a community housing rental household with an imagined private rental household.

Figure 4: Household 1 – EMTR for single parent, \$25 an hour, 2 dependants in childcare



Household 1 (Figure 4): Single mother, 2 children under 8 years in childcare, three bedroom townhouse, Gosford. Market Rent \$300. This chart compares the outcomes for a Pacific Link tenant versus a tenant renting privately. The community housing tenant was penalised at a slightly higher rate than a privately renting tenant. At all points, the privately renting tenant was able to retain more of their earnings than the Pacific Link tenant. This is due to the income-related rent that Pacific Link tenants pay. The line trends upwards past 35 hours work a week as childcare benefits are lost at this point. EMTR exceeds 100% after the childcare rebate is lost.

Figure 5: Household 2A – EMTR for single person, no dependants, \$32ph, rent \$150pw.

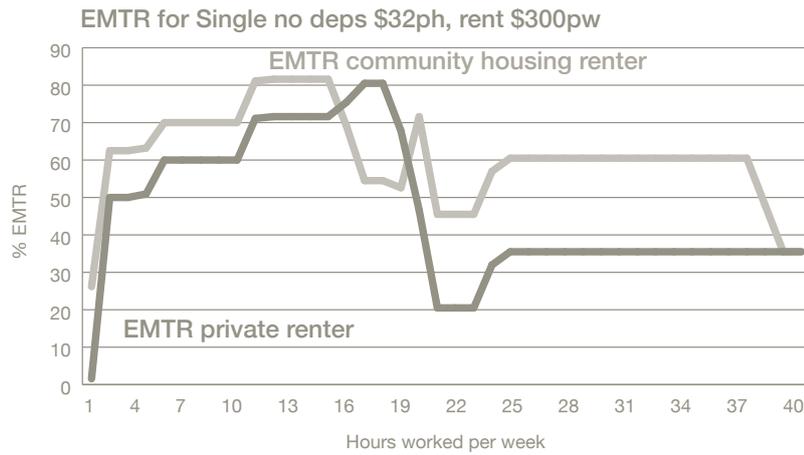


Household 2A (Figure 5): Single man, living in a 1 bedroom flat in Gosford, working casually in shift work. In this scenario, where market rent is a nominal \$150 a week, the community housing tenant who is single actually has an advantage when compared to

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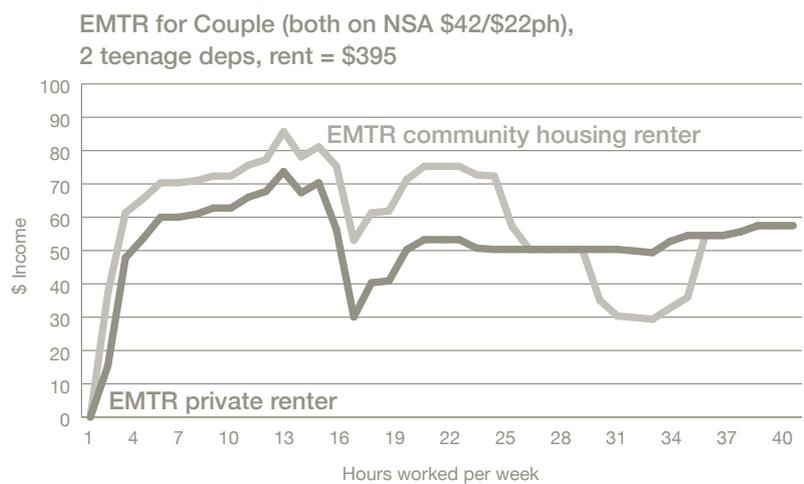
a privately renting household, until 14 hours work a week is reached. After this point, the privately renting household pays an effective tax rate that is higher (80%). However for 19+ hours of work a week, both households EMTRs converge, and they are now both paying the same rent and the same taxation. This shows that at a certain income point and after when market rent rates are reached, differences in EMTRs disappear.

Figure 6: Household 2B – EMTR for Single no dependants \$32ph, rent \$300pw



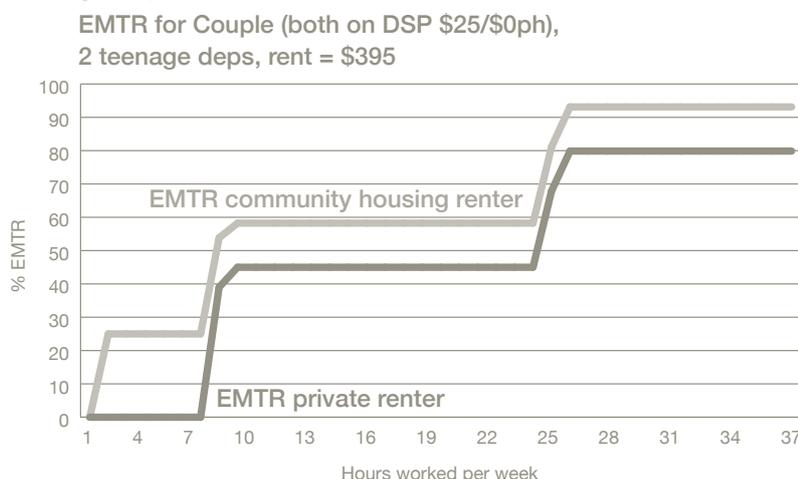
Household 2B (Figure 6): Single man, living in a 1 bedroom flat in Gosford, working casually in shift work. In this scenario where market rent is \$300, the community housing tenant who is single has an advantage when compared to a privately renting household, until 14 hours work a week is reached (as with the previous scenario in Figure 5). However after this point due to the higher nominal market rent (\$300) the community housing tenant's income related rent means they are worse off, until the point that the rent caps at market (at 35 hours per week work). After this point, differences in EMTRs disappear.

Figure 7: Household 3A – EMTR for Couple (both on Newstart Allowance \$42/\$22ph), 2 teenage dependants, rent = \$395



Household 3A (Figure 7): Couple, both on Newstart Allowance, two teenage dependent children, with a nominal market rent of \$395 per week, 3 bedroom house, Umina. In this scenario, it's assumed one adult is working for \$42 an hour in retail management, and the other at \$22 an hour, as a council cleaner. Again, the community housing tenants pay about 10% more than a similar household that is renting privately, when they start earning income (primarily due to their income-related rent). However at a certain point (between 29-34 hours work) the EMTR falls below that of a similar private renting household, before converging (where rent paid and taxation rates are the same). Both households face EMTRs for 70-80% at some points (around the ten hour work week).

Figure 8: Household 3B – EMTR for Couple (both on DSP \$25/\$0ph), 2 teenage dependants, rent = \$395



Household 3B (Figure 8): Couple, both on Newstart Allowance, two teenage dependent children, with a nominal market rent of \$395 per week, 3 bedroom house, Umina. In this scenario, it's assumed one adult is working for \$25 an hour as a Council cleaner, and the other is on DSP. The community housing tenants pay about 10-18% more than a similar household that is renting privately, when one adult starts earning income (primarily due to their income-related rent). Under this scenario neither household can 'break free' of the EMTRs of up to 93%. Both households face a similar pattern of EMTR.

What is evident from the modelling is that

- » in nearly every scenario and income point, community housing tenants are subject to a higher EMTR than private tenants,
- » the real return from working can vary greatly, as effective withdrawal of income can be as high as 93% depending on how many hours are worked and the household and payment type(s). For single parents, EMTR exceeds 100% after the childcare rebate is lost.
- » Pacific Link tenants face as much as 40%-60% EMTRs for as few as 4 hours work a week.

All working tenants experience medium to high effective rates – that is, even after tax. If calculated on an hourly basis, some Pacific Link tenants who are working retain as little as 7 cents of every dollar they earn under the worst case scenarios. The best case scenario was an EMTR of 25%, that is, retention of 75c for every dollar earned (however this was the case only for the first four hours of work in some household scenarios).

We also calculated the combined impact of Centrelink tapering, income tax and income-related rent on some example households directly using the calculators provided by the relevant agencies, with the following results:

Household 1: Single mother, 2 children under 8 years, three bedroom townhouse, Gosford. Market Rent \$380. Four permutations were modelled – where the single parent did not work at all, then three employment scenarios where the single mother worked in retail for 7.44, 10 and 20.1 hours a week, at \$25 an hour. For this tenant, the best return was to only work 7.44 hours a week as she would get to keep \$13.14 an hour (an effective tax rate of 47%). As hours increased, the returns from work diminished, from \$11.48 an hour (for 10 hours work) to \$6.49 an hour (for 20.1 hours work). Under the final permutation the effective tax rate is 74%.

Household 2: Couple, two teenage children, 16 and 17, three bedroom house, Umina. Market Rent \$395. This household was modelled using a variety of Centrelink payment as well as one or both partners working. Unsurprisingly, the household was slightly better

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off if both partners were on DSP, than if one was on Newstart. Rent as a percentage of net income was above 30% in all permutations. For this imaginary couple, if one partner worked casually 7 hours a week, the returns were only \$4.60 an hour. If one was working 6.6 hours a week and the other full time, the outcome was even worse – the return from working is only \$2 an hour. This permutation scored the highest overall effective tax rate of 89%.

Household 3: Couple, 4 children (all under 8). Four bedroom house, Wyong. Market Rent \$440. This household scored well in terms of rent as a percentage of net income – under 30% for all permutations. However, when one partner worked 14 hours a week, the return from working was \$9.70. If both worked, with one working 12 hours and the other full time, this return deteriorated to \$7.20 – an effective tax rate of 68%. However rent as a percentage of net income remained below 30%.

Household 4: Single female, 18 year old adult child, two bedroom house, Narara. Market Rent \$330. Where a single parent does not work and an adult child works for 16 hours a week for \$16 an hour, the return from working to the household is \$7.89 – a 50 per cent effective tax rate. If both parent and child worked, there was a tiny advantage for the parent to work 30 hours (\$9.95 return) compared to 15 hours (\$9.18 an hour). The highest effective tax rate applies to the parent working 15 hours and the adult child working 16 hours a week – 59 per cent. Affordability remained good with rents under 30% of incomes.

Household 5: Single man. Market rent \$300 per week. This household's rent exceeded 30 per cent of net income under all permutations. For 21 hours work at \$32 an hour per week, the rate of return was \$10 and the effective tax rate was 66 per cent. For full time work, the return was \$1 better, at \$12 an hour, and the effective tax rate was slightly lower at 62.8 per cent.

Using this method we found that no employed tenant could keep more than 53% of earnings from employment – all working tenants experience medium to high effective rates – that is, even after tax. If calculated on an hourly basis, some Pacific Link tenants who are working get as little as \$2 an hour. The best case scenario was \$13 an hour.

The full table showing these calculations appears at Appendix 1.

7

FINDINGS

The following section summarises the findings from tenant surveys and interviews.

83 valid surveys were returned³. In addition to surveys, 24 tenants were interviewed. Roughly half were not working and half were working. Those interviewed were asked a series of semi-structured questions that invited respondents to expand on their answers to questions in the survey.

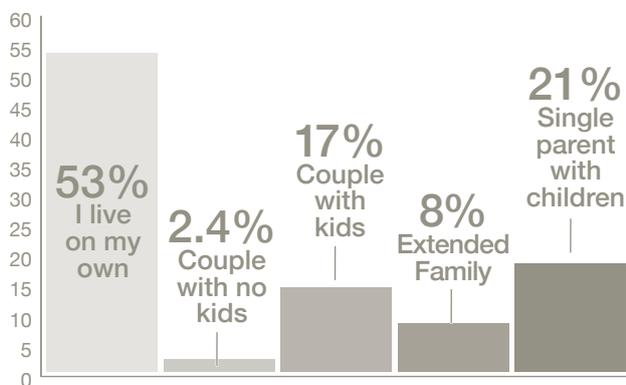
The survey was paper-based which meant tenants sometimes were able to fill in more than one box. This has resulted in the percentages shown in the tables below totalling more than 100%.

The detailed survey results appear in the Appendices.

HOUSEHOLDS

The most common types of respondent households were sole persons and single parent households.

Figure 9: Household Types



Over three quarters (78 per cent) of respondents relied on Centrelink payments only for income. 13 per cent combined work and Centrelink income. Only 7 per cent gained 100 per cent of income from work only. However the combined figure – 20 per cent of respondents are employed – is nearly three times the rate amongst the total Pacific Link population (seven per cent).

Of those who had children living with them, nearly 60 per cent had children that were too young to work.

³ Tenants were asked to fill out one survey per household. However some households filled out two (nearly identical) surveys. Where this occurred, one survey was excluded.

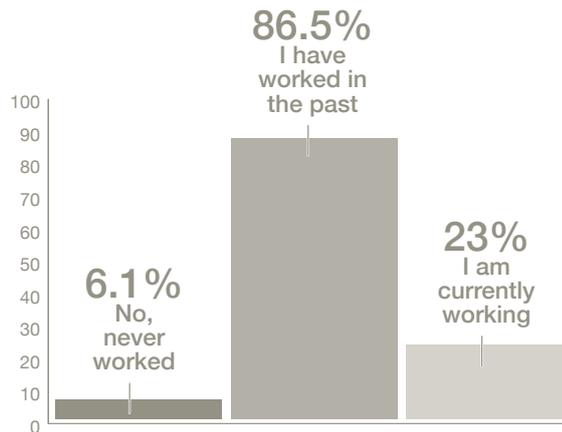
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EMPLOYMENT

Previous employment

The great majority of respondents – 86 per cent – had worked in the past.

Figure 10: Previous employment status



It should be noted that 23% claimed to be currently working in response to this question; however 19% claimed to be working in response to a similar question indicating anomalous responses. As noted above in the survey findings, 86 per cent of tenants claimed to have worked in the past. Interviewees reported many and varied previous occupations ranging from food and hospitality work, administration and clerical, chef, labourer, sales, kitchen hand, builder, teacher, textile and clothing industry, farm work, nursing, factory process work, trades, agricultural work, retail, to fine furniture making. Several people had been (or were still), nurses or AINs.

Most had worked in lower paid and less skilled areas of employment however some had previously been in skilled trades or public service jobs. Younger tenants reported a history of casual, low paid work in the hospitality, retail and agricultural sectors.

For various reasons some were no longer in the labour force or some had reduced hours of work. However some were working full time, and one person was 'too busy working' to be interviewed.

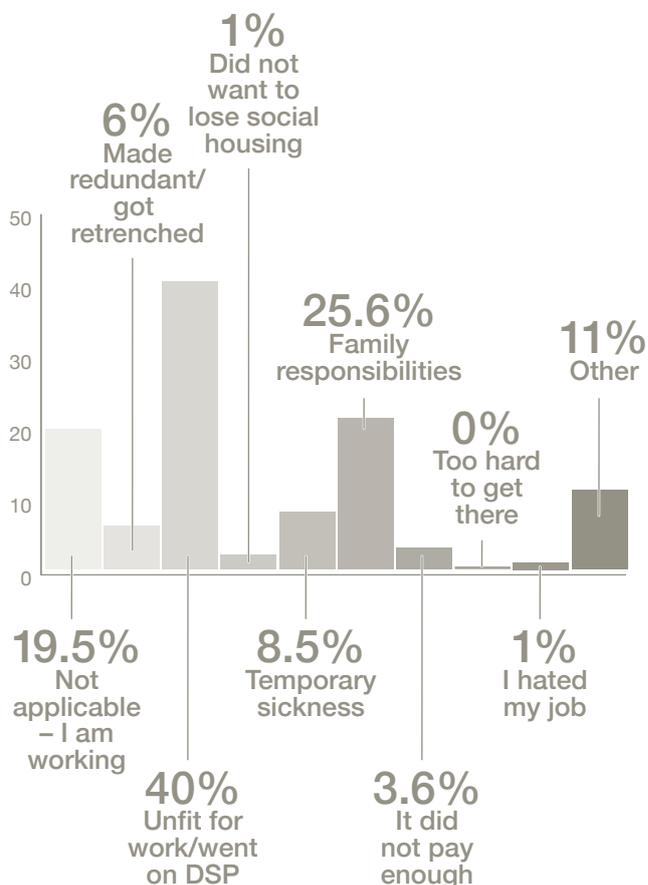
Only 6 per cent had never worked.

Reasons for leaving employment

40 per cent said that being unfit for work/ going onto DSP was the main reason for not working. Conditions included stroke, conditions leading to a loss of mobility, cancer, injury from a previous workplace, and conditions such as depression, or anxiety disorder.

19 per cent answered 'not applicable' as they are working currently. 25 per cent cited family responsibilities as the reason they left the workforce (and many respondents who had children, had young children). Ten per cent cited 'other' and gave a range of reasons including becoming a parent, suffering an injury at work or a major illness. Eight per cent cited temporary sickness and six per cent were made redundant or were retrenched. Few feared losing their tenancy (later data shows that respondents are aware that if they get a job, they will have to pay market rent rather than give up their tenancy). Only one person said they hated their previous job. No one cited difficulty in travelling to work as a reason.

Figure 11: Reasons for exiting employment



A further cross tabulation was performed to see what the most likely reason(s) for leaving employment by household type.

Household types that answered 'not applicable – I am working' were more likely to be single parent households (33 per cent), and then single person households (18.6 per cent).

Reasons for not working by household type indicate single person households are more likely to be DSP recipients and cite this as a key reason for not working (65 per cent). Next are single parent households (22 per cent).

The reason 'family responsibilities' was unsurprisingly a reason more likely to be given by households with children.

Table 1: Reasons for not working by household type

	TICK THE BOX THAT BEST DESCRIBES YOUR HOUSEHOLD					TOTAL
	I LIVE ON MY OWN	COUPLE NO KIDS	COUPLE WITH KIDS	EXTENDED FAMILY	SINGLE PARENT WITH CHILDREN	
I AM NOTWORKING NOW BECAUSE	44	0	0	1	0	44
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Not applicable – I am working	8	0	2	1	6	16
	18.60%	0.00%	14.29%	16.67%	33.33%	19.75%
I am on disability support pension	28	1	2	0	4	35
	65.12%	50.00%	14.29%	0.00%	22.22%	43.21%
I applied for jobs but got knocked back	6	1	4	2	3	16
	13.95%	50.00%	28.57%	33.33%	16.67%	19.75%
I don't have the necessary skills or training	6	2	2	1	2	13
	13.95%	100.00%	14.29%	16.67%	11.11%	16.05%
I am scared that if I move into employment I will lose my Pacific Link tenancy	1	0	1	0	1	3
	2.33%	0.00%	7.14%	0.00%	5.56%	3.70%
It's not worth it as my rent goes up and Centrelink payment goes down	6	1	1	0	4	12
	13.95%	50.00%	7.14%	0.00%	22.22%	14.81%
Employers see me as too old	4	1	3	1	4	13
	9.30%	50.00%	21.43%	16.67%	22.22%	16.05%
I have family responsibilities	4	0	7	3	7	20
	9.30%	0.00%	50.00%	50.00%	38.89%	24.69%
No jobs in this area	2	0	1	1	2	6
	4.65%	0.00%	7.14%	16.67%	11.11%	7.41%
Have been unemployed too long	6	1	2	1	3	13
	13.95%	50.00%	14.29%	16.67%	16.67%	16.05%
Jobs are hard to get transport to	2	1	0	1	0	4
	4.65%	50.00%	0.00%	16.67%	0.00%	4.94%
Don't like working	1	0	0	0	0	1
	2.33%	0.00%	0.00%	0.00%	0.00%	1.23%
Total	43	2	14	6	18	81
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

4 More than one answer was allowed therefore the last column does not add up to 100 per cent.

Current employment

The tenants who participated in the study were more likely to be working (20 per cent) than the general Pacific Link tenant population (7 per cent). Tenants currently working were working in a variety of industries including nursing and aged care, cleaning, telemarketing, community services, retail and manufacturing.

Attitudes varied – some tenants felt they had overcome obstacles:

I had my barriers (like transport, skills etc.) and still was motivated to gain employment.

Others who are working did not feel they had any barriers and are happy to pay market rent:

I have no barriers to working. Have worked full time for several years and therefore pay full market rent on my home.

Some tenants seem to be working in casual jobs such as retail or cleaning. Further, work was seasonal for those working in jobs connected to tourism and summer holidays. Others who are on DSP managed their work hours and performed work they are able to do, at a rate they could cope with. Some preferred work to be community-minded; others simply liked work because it gave them 'somewhere to be' (and some extra money).

Attitudes to work

Tenants had varied attitudes to work – some did not see much advantage and were only working to keep Centrelink off their back.

Because I'm getting just about nearly as much on Centrelink and my rent like stays down, I don't have to pay any more rent. The only reason why I'm working is because Centrelink make me work.

Others enjoyed the social interaction:

...it gives me some social interaction where, if I didn't have that 10 hours a fortnight, I wouldn't have anything

A tenant who had overcome issues and changed direction gained satisfaction from assisting others via his work in a community service:

in the past it was more or less just a means to an end sort of thing, like I knew I had me trade and I knew what I could do. But I was pretty good at it, but it was like just for the money. But now it's not so much about the money, it's about helping others.

Others had mixed views but enjoyed having greater financial independence:

What do I like about work? I don't like where I work and I don't like who I work for, but I like that I can get up every day and I have somewhere to be and I have something to do that's productive. I can pay my rent; I can buy my food...

Several tenants mentioned being independent and making choices based on financial independence. Others liked the social aspect of work. For many there was an ontological aspect, which is having something 'to do':

Being busy and actually having less time to – you know, you look forward to your Saturday nights instead of, oh, it's another Monday and another Tuesday, yeah.

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Barriers to work

Health and injury

Many tenants who undertook the survey are on DSP and 40 per cent of those who are not working or stopped working cited 'going on DSP' as a reason. Conditions included stroke, conditions leading to a loss of mobility, cancer, injury from a previous workplace, and mental conditions such as depression, or anxiety disorder. Substance abuse was also a factor for some tenants.

For a few tenants, a sequence of events, including severe injury, had caused them to enter social housing:

So then I got a job with a labour hire company. Three days into that I [was injured at work]. We lost the house we had...

Injury and substance addictions⁵ had caused homelessness and subsequent Pacific Link housing allocation:

but I [got injured] in 2001, so it was a bit of difficulties getting back to work and that, and also addiction as well, alcohol and drug addiction for me whole life pretty well, and sort of that's how I gained Pacific Link housing.

Another tenant who was previously employed but suffered injury and then an accident said:

I'd rather not be in Pacific Link really; I'd rather not have anything to do with them. I would rather be earning decent money like I was. Like I said, I was paying off my own home.

Tenants were also caring for others with illness. This included serious disease, anxiety and depression.

Some tenants who have a disability are keen to work and were thinking about online work.

For mature age tenants who are currently working, some are experiencing health-related problems from working:

when I started working there, I had no aches and pain. I can do anything but in the last few years, I start[ed] to have a few [aches and pains].

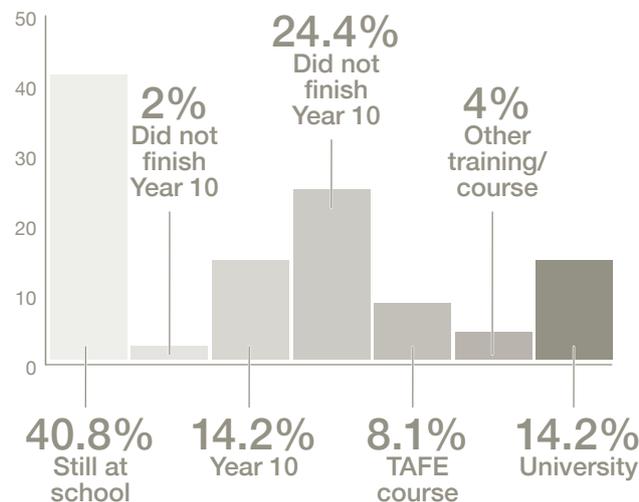
Retaining a health care card was very much in people's minds, where they required special medication. At least two tenants could explain exactly down to the dollar what the monetary impact of losing the health care card would be on their income – and it was a significant cost in both cases.

⁵ It should be noted that those tenants we interviewed may have been feeling like they were getting over their addictions – other tenants who may currently have a substance addiction may have avoided participation. Anecdotally, the tenants interviewed reported that some of the other tenants not in the workforce had drug and alcohol problems.

Family responsibilities

For those with children, the majority of first born children were still at school.

Figure 12: Children's education



25 per cent of those who are not working or stopped working cited 'family responsibilities' as a key reason. Some were caring for children with special needs. However conversely, single parents were also more likely than other household types to be currently working.

Some tenants had a higher than average number of children – from three up to six children. Finding work that fits around family responsibilities is a barrier especially for single parents:

Having children is a huge barrier in working – being able to get work in school hours or needing before and after school care as well as child care for my youngest would cost way too much – I couldn't afford that plus increased rent.

Another cited having children and not having the relevant skills or experience.

However, others combined work and childrearing:

Working is a good example for our children to follow, to encourage them to earn for what they need in future. Education is even more important, so that my children can have a better job than I have. My point is my "first job" is to bring up my children the best I could, give them good education, keep them active through sport, my "second job" as a production worker is to help to do my "first job" better.

Age

Some older people thought their age provoked discrimination from possible employers.

...your age counts if you're over 50.

One older person felt it was hard to get back into the workforce:

I find people my age are now finding it harder to get into work if they've been out of work for a long time.

An older man, who had done a lot of physical work in his life, felt that he was not physically capable of working more than he did:

But they wouldn't know what work is, and I don't think they understand what it's like for someone like me who's done the jobs I've done, to be faced with, you know "Oh, you can do this", "You can do that". It takes me half an hour to get out of bed some days because I ache. I'm an old man at 54 and they don't understand that.

Younger people mentioned lack of experience and age discrimination also.

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Rule-based financial disincentives⁶

Tenants were asked a series of true false questions in relation to the proposition “If I worked...”

These were designed to test the tenants’ knowledge of how income from work affects Centrelink and housing benefits.

Table 2: Summary of true/false question responses – rent setting, Centrelink and eligibility

IF I WORKED...	T/F?	ANSWER GIVEN	RESPONSE	%
My rent would stay the same	FALSE	True	7	8.86%
		False	72	91.14%
My rent would go up by 25%	TRUE	True	48	67.61%
		False	23	32.39%
My rent would go up by 50%	FALSE	True	14	21.54%
		False	51	78.46%
I would have to pay market rent even if I was working only a few hours a week	FALSE	True	15	19.48%
		False	62	80.52%
I would have to pay market rent if I was working full time	TRUE	True	59	76.62%
		False	18	23.38%
My Centrelink income would go down by 50c for every \$1 I earn up to \$250 a fortnight	TRUE – \$94+ 60c in every dollar over \$250	True	50	72.46%
		False	19	27.54%
My Centrelink income would go down by 60c for every \$1 I earn over \$250 a fortnight	TRUE – \$94+ 60c in every dollar over \$250	True	22	34.92%
		False	41	65.08%
My Centrelink would go down by \$1 for each \$1 I earn	FALSE	True	27	38.57%
		False	43	61.43%
My Centrelink payments would stay the same no matter how much I earn	FALSE	True	6	7.59%
		False	73	92.41%
If I work more than 2 days a week, I could lose my Pacific Link tenancy	FALSE	True	7	9.59%
		False	66	90.41%
If I work full time, I could lose my Pacific Link tenancy	FALSE	True	22	30.14%
		False	51	69.86%

In terms of rent setting policies, 91 per cent of survey respondents correctly identified the statement ‘**My rent would stay the same**’ as false indicating that they are well aware of rent setting policies, whether it personally affects them or not. A lower percentage understood that rent increases in line with income if they entered into employment – 68 per cent of survey respondents knew their rent would increase to 25% of income. When presented with the false statement ‘**my rent would go up by 50 per cent**’ upon entering employment, 78 per cent of survey respondents correctly answered ‘False’ but 21 per cent got this wrong, indicating about a fifth of tenants do not correctly understand the rent setting policy.

⁶ It should be noted that Centrelink payment withdrawal rates have changed since the survey was undertaken.

In regards to the statement **'I would have to pay market rent even if I was working only a few hours a week'** (incorrect – market rent is not payable until a certain earnings threshold is reached), 80 per cent of survey respondents answered this correctly as false, however 19 per cent thought this was true. Six tenants did not answer this question at all, indicating they did not know.

When it was suggested that **'I would have to pay market rent if I was working full time'** (broadly correct), 77 per cent of tenants were aware of this and answered 'true', that market rent is payable when a certain earnings income threshold is reached (roughly equivalent to full time median income wages). 23 per cent got this wrong by answering false, and six did not answer or did not know.

A series of questions about Centrelink incomes was also asked. The first was **'My Centrelink income would go down by 50c for every \$1 I earn up to \$250 a fortnight'** (correct – Centrelink recipients lose 50c in the dollar for amounts between \$62 and \$250 earned in a fortnight). 72 per cent of survey respondents agreed that this was true – indicating they are aware of the taper rates. When the proposition **'My Centrelink income would go down by 60c for every \$1 I earn over \$250 a fortnight'** was put, (correct – payments decrease by 60c for every dollar earned over \$250 a fortnight under Centrelink rules), 65 per cent of tenants answered this incorrectly. This is odd given most respondents were aware of the taper rates of up to \$250 earnings – perhaps this indicates that survey respondents were not aware of the subtleties of the income taper rates in regards to earnings of more than \$250 a fortnight (perhaps because few earn more than this amount?)

In regards to the proposition that **'My Centrelink would go down by \$1 for each \$1 I earn'**, 70 responses were given from 83 surveys indicating 13 respondents did not answer – presumably they did not know. Of those that answered, 38 per cent agreed that this was 'true' – answering incorrectly. 61 per cent answered correctly that this was 'false'.

It is worrying that over a third got this wrong overall. To break this down further, two out of the three persons who derive all of their income from working believe that Centrelink remove \$1 for each \$1 earned. Perhaps they got this wrong as they do not need to declare income to Centrelink. Those on partial Centrelink payments were most likely to answer correctly – 67 per cent answered 'false' (correctly), 33 per cent answered 'true' (wrongly).

Table 3: Beliefs about Centrelink payments by income source

		INCOME – TICK THE BOX THAT DESCRIBES YOUR INCOME				TOTAL
		CENTRELINK PAYMENTS ONLY	INCOME FROM WORK AND CENTRELINK	INCOME FROM WORK ONLY	ANOTHER SOURCE OF INCOME	
My Centrelink would go down by \$1 for each \$1 I earn	TRUE	22	3	2	0	27
		39%	33%	67%	0	39%
	FALSE	35	6	1	1	43
		61%	67%	33%	1	61%
Total		57	9	3	1	70
		1	1	1	1	1

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When asked if the statement **'My Centrelink payments would stay the same no matter how much I earn'** was true or false, (it is false), nearly all respondents – 92 per cent – understood that Centrelink payments do reduce in relation to income from working.

In regards to the effect of working on ongoing eligibility of Pacific Link housing, two further questions were asked. In regards to the statement that **'If I work more than 2 days a week, I could lose my Pacific Link tenancy'** (incorrect – tenants can maintain eligibility and work either casual, part time or full time) 90 per cent of respondents correctly answered that working would not affect their eligibility for Pacific Link tenancy.

Similarly in regards to the proposition that **'If I work full time, I could lose my Pacific Link tenancy'** (incorrect), nearly 70 per cent of respondents were aware of the current policy that tenants remain eligible (and can be required to pay market rent), and answered 'false'. However, 30 per cent of respondents incorrectly meaning that they fear they could lose their eligibility for Pacific Link tenancy if they started working.

Those interviewed were aware of the effects of working on their income and other benefits. While some professed not to calculate and insisted they would work no matter if they lost all Centrelink payments, others were aware of possible rent increases, and loss of their health care card.

...if I take a job and I lost Centrelink it would then cost me \$140 a week more for this place... but I also lose the medical card and it'd cost me another \$500 a month in medications..

Some thought it was not worth working at all:

Working is a waste of time as we lose 75% of what we earn. Between Centrelink and Pacific Link we just can't get ahead you should be able to earn a certain amount before Pacific Link increases your rent.

A similar comment from another interviewee:

It sort of makes me wonder whether it's worth working or whether – because I know your rent goes up and your payments go down.

The 'I can't get ahead' theme was prevalent:

I have been in the position of being able to work more hours, which I would love to do to improve my circumstances. But it is pointless as all I would be doing is working more to pay more rent. People need to be given a chance to get ahead financially.

Another tenant made similar comments:

Well, obviously my rent goes up if I earn money. I mean, I get less Centrelink, and that's fine, I understand that, but my rent goes up. So it never gives you a chance to get ahead, do you know what I mean? Like, as soon as you've got extra money "We want more rent", and so you have to be very careful.

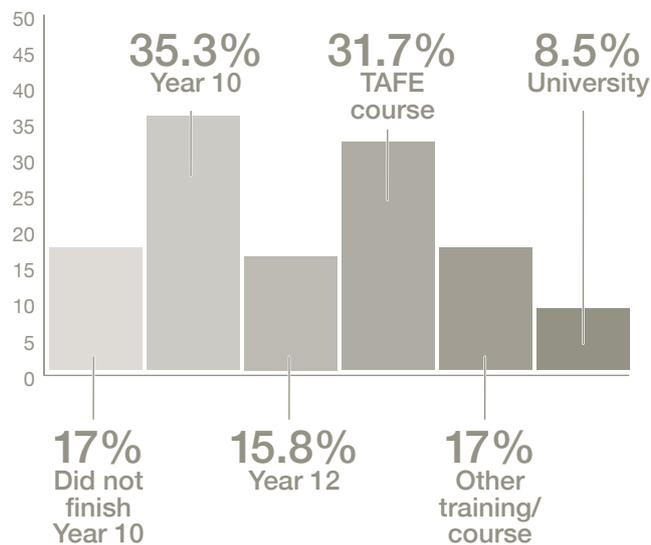
Nearly all tenants understood that if they did work their rent would go up to market rent, but they would not lose their Pacific Link tenancy:

It depends I think on how much work I get, and how much I make, because they take a percentage of what you get. So I dare say it'll go up, but I have been told that I won't lose the house unless, you know, I get kicked out.

Education, skills and difficulty in getting a job

The majority of survey respondents were most likely having gone to Year 10 (35 per cent) or not finished Year 10 (17 per cent). 31 per cent have completed a TAFE course. University graduates were 8.5 per cent.

Figure 13: Education



Tenants were asked a series of agree/disagree questions about local employment opportunities.

Table 4: Attitudes to employment opportunities

ABOUT EMPLOYMENT OPPORTUNITIES	ANSWER GIVEN	RESPONSE	%
There's not many jobs available	Agree	58	76.32%
	Disagree	18	23.68%
There are jobs if you have the right skills	Agree	64	85.33%
	Disagree	11	14.67%
There are lots of low paid and casual jobs	Agree	51	66.23%
	Disagree	26	33.77%
It's easy to get a job	Agree	11	13.75%
	Disagree	69	86.25%
Apprenticeships are available	Agree	50	71.43%
	Disagree	20	28.57%
Training programs are available	Agree	62	81.58%
	Disagree	14	18.42%
Pacific Link tries to help tenants get jobs	Agree	37	51.39%
	Disagree	35	48.61%

In terms of job opportunities, 76 per cent of respondents agreed that **'There's not many jobs available'**, while 24 per cent or about a quarter disagreed. 85 per cent agreed that **'There are jobs if you have the right skills'** indicating that something extra such as a specific skill set or trade was required to access employment.

66 per cent agreed that **'There are lots of low paid casual jobs'** however 34 per cent – more than a third – disagreed. This is interesting as this sector – for example casual retail jobs – is a key source of potential employment opportunity. Starkly, only 14 per cent agreed that **'It's easy to get a job'** while the vast majority of 86 per cent disagreed.

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In regards to training opportunities, 71 per cent agreed that **'Apprenticeships are available'**, but 29 per cent or a third disagreed. More people were inclined to agree that **'training programs are available'** – 82 per cent agreeing, and 18 per cent disagreeing.

Pacific Link is not an employment agency, but does offer an employment program and other support to tenants such as computer grants. The question **'Pacific Link Housing tries to help tenants get jobs'** was put to determine what the perception is of these programs. The respondents were divided – 51 per cent agreed however 49 per cent disagreed. There were also 11 tenants who did not answer this question at all.

The unemployment rate in some of the key areas covered by Pacific Link's area of operation tends to be higher than the national average however other areas had a lower rate. Adequate demand for labour can be an issue.

Many tenants indicated that they had actively looked for work but had not been able to find any.

There's not a lot of jobs. Like I've tried to get jobs in Woolworths, Coles, Aldi, and I don't have a criminal record, and they didn't ring me back.

There is a perception that the Central Coast in particular is a difficult place to get a job:

Up here's a lot different, we need resumes and things. I've done them with job centres and that, but it don't matter if you put them in, they don't sort of ring or anything. I've put heaps of them in; I've never even got a call back.

Some tenants did not understand why applications were unsuccessful:

I think we don't actually get any like things to say why you don't get the job. It's just "no you've been unsuccessful this time". I have gotten a couple of, "you're too qualified".

Previous studies have shown social housing tenants are more likely to have lower education and skill levels. Some thought they had the skills but were struggling:

I've got a Trade Certificate III in mechanics and all that, and the RSA, Senior First Aid and all that stuff and everything like that. Like, I'm well qualified and that, but I just can't get a job.

Specific types of employment were not seen as available:

There is not much work on the Central Coast (Gosford) in my area of work and skills and is so hard to get job in childcare [work], babysitting.

Others highlighted stigma:

We have the impression that due to the area we live, that we may be having trouble gaining employment. As both me and my partner have been applying for jobs for as long as we lived here more but have had no success. Before we lived here we got interviews but since here nothing.

Tenants who live in social housing complexes such as Dunbar Way in Gosford felt that where they lived meant they were not getting job interviews.

Just in general, like you feel it when you tell people where you live, and like straight away they know like you're in housing, that you're in housing and then when they put that together, it's like oh, you're in housing. It's like well, you didn't think that of me two seconds ago.

Another factor mentioned by some tenants – including some who worked – was the seasonal nature of employment:

Yeah, there's work at delivery, drivers, pizza places, yeah there's heaps of work round the Bay at the moment. But come winter, it just "shoosh".

It should be emphasised that many tenants were working and wanted more work – but work was often only a few hours a week, and affected by seasonal demand.

Others thought there were jobs available for those prepared to get the correct certificate and had the motivation:

If you want to work, you will. A lot of people are using excuses – a lot of people have legitimate excuses as well – but a lot of people use excuses.

Some identified specific industries where people can get a job:

Telemarketing, anybody can get a job at [company name], anybody. You don't even need to speak proper English and you can get a job at [company name]. They don't care about gender, race, nothing, they'll give everyone a go. So it annoys me when people go they can't get a job.

Another tenant who had overcome significant personal barriers commented:

Well change is not a good thing to a lot of people. Like they're comfortable in their own system or own – the way they're living at the moment.

A specific question was asked about cash in hand work. Very few interviewees knew of anyone doing this and the general view was that it is not prevalent any more:

I know a few Pacific Linkers, I don't know of any that are doing cash in hand. Like 20 years ago you could, you could get away with cash in hand a lot. But now not so much.

Some tenants made allegations about other tenants making money from drug dealing but no other sources of undeclared income were identified.

Getting to and from work

Generally most of those interviewed (at least on the Central Coast and in Port Stephens) thought that the public transport available to them was adequate or OK during the day.

sometimes it was at hard at times, but... – it seemed like a pretty good service really, from round this area. Buses went probably nearly every half hour on the weekdays, and that was straight to the train station.

However buses at night are not as frequent and stop earlier which would make it hard to do shift work or late nights.

A few owned cars, although these were a minority. At least two of these were undertaking their own car maintenance or were having mechanical problems with their car. One was driving uninsured:

So, I mean, I've got the cost of maintaining the car, and to be honest with you the car needs work on it now; I can't afford it. My car's not even insured at the moment which I've never done before.

One explained that having a car cut her shopping journey by a third and contrasted this with when she did not own a car had to take her pram on two buses to get to Gosford.

A few people thought job prospects were better in Sydney and Newcastle and knew people who commuted to both.

Pacific Link's employment program

Pacific Link, in association with JobQuest, runs an employment and training program for tenants. The program is based in Newcastle.

About half of the tenants interviewed were unaware of the program.

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Some had only just heard of it:

Q. You didn't know it was available until recently?

A. No. If they were willing to give me a chance, yeah I'd do it.

Some tenants had heard of the program but did not want to travel to Newcastle.

Well, I can tell you why I didn't do it, (a) the training's in Newcastle and that's a pain to get to for unpaid training....

Some said their childcare responsibilities would get in the way:

I know about a couple of the Pacific Link ones, but they always seem to be up Newcastle way. So that sort of puts me off because I've got to be back in time for the kids for school.

It may be that more Newcastle-based tenants have taken this up (however unfortunately none were interviewed for this study).

Some felt that outdoor work was not for them, given their physical health, and age. Or they preferred other work that was not physical:

No, I'm not into the old gardening.

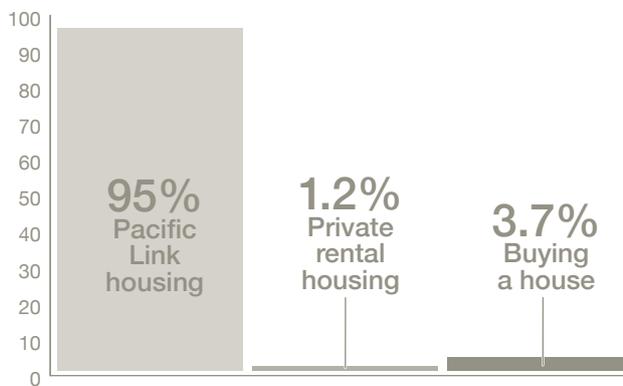
Tenure issues

Tenants were asked another series of questions about different tenure forms to try to tease out preferences.

Affordability

When asked **'What sort of housing is the most affordable for you?'** the overwhelming response of 95 per cent of respondents is that Pacific Link community housing rental is the most affordable housing tenure. Surprisingly more tenants thought 'buying a house' was more affordable than private rental. This may reflect ignorance of the relative costs of a mortgage compared to renting, or it may reflect a perception of high market rents in the area.

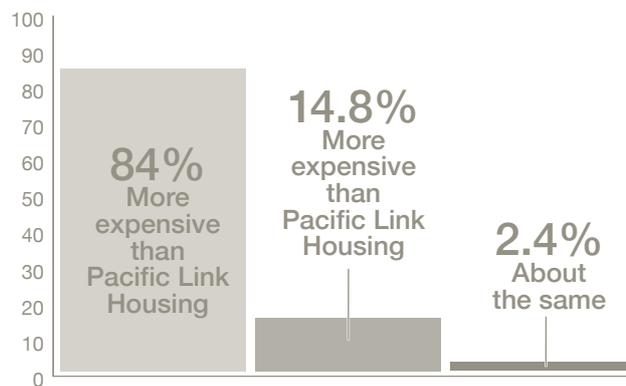
Figure 14: Affordability of different tenures



Tenants were asked to compare private rental to Pacific Link Housing in terms of affordability.

84 per cent thought that private rental was more expensive than Pacific Link Housing, 14.8 per cent thought it was the same, and only 2.4 per cent said private rental was more affordable.

Figure 15: Affordability of private rental compared with Pacific Link Housing



For those on low incomes, the cost of private rental was seen as excessive:

Affordable private rental is ridiculous – more than half my income would be required – hence becoming homeless for a period of time. There are so many families/single people that have become homeless and today more often through no choice of their own. It is truly a serious situation and while some people may abuse the system – they are a minority compared to those that don't.

Some who were on Newstart and in private rental previously struggled:

Very hard, very, very difficult. It was trying to string air together basically, so trying to pay the rent and petrol and keep the kids fed and everything else was just – it was shocking. It was yeah mental.

A key advantage mentioned by tenants is that rent adjusts according to circumstances, whereas if circumstances change for a private rental tenant, rent remains the same:

I have suffered with severe health issues for the last 12 months – which has resulted in many days off work. If I was renting privately, I would have fallen behind in the rent, been evicted and become homeless. This thought terrifies me daily as I work out my budget.

Another tenant, employed, commented:

At the back of my mind I took comfort that if one day the condition of my neck/shoulder worsen [sic] and if I have to leave work, and my family still have a home to live under Pacific Link Housing. But if I have a mortgage or rent privately I doubt very much our family can still stay at our home, if I am no longer able to work one day.

Another tenant also identified job loss as a risk:

Because I mean what happens if 12 months down the track they lose their job and they're out renting private and can't afford the rent?

For those paying Pacific Link market rent, these rents were seen as on a par with private market rents – some people felt they could not 'get ahead' when paying market-based rents to Pacific Link.

The only thing good about Pacific Link is the stability of housing. Rent is just as expensive if working. No benefit to the tenant to try and get financially stable.

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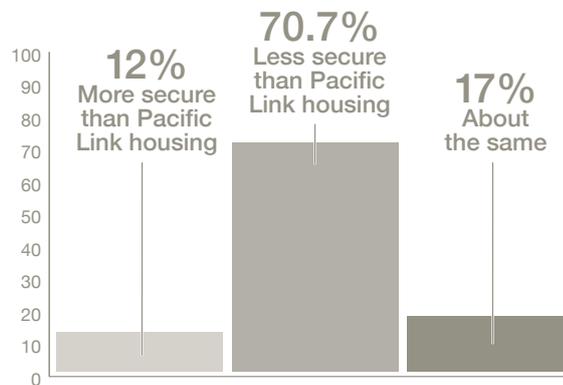
One person felt community housing had changed for the worse and was less affordable:

Now it seems to have gone all corporate – posh offices, all wearing uniforms. I don't care about uniforms, I want cheap rent; that's the whole point I'm with community housing for because I don't want to be in the private rental market because of the instability of being able to stay in one place for any length of time.

Security of tenure

In regards to security of tenure, 70.7 per cent responded that private rental is less secure (in terms of tenure security) than Pacific Link Housing and that they would have to move more often. 12.2 per cent said that it was more secure, and 17 per cent said it was about the same.

Figure 16: Security of tenure – private rental compared with Pacific Link Housing



Security of tenure was a key concern for all tenants. Many identified a history of multiple moves, and some were homeless or in refuges prior to being housed. Pacific Link Housing offered stability:

I know I've got stability. I know I'm never going to be in a position to buy again to offer that stability, so for me, this is the next best thing to buying.

Tenants can avoid the vagaries of the private rental market:

So with Pacific Link I believe you've got more structure and you know you're not just going to get moved up, yeah.

Being able to stay in one place is seen as a key advantage:

And I know that with private rental, I do have a few friends ... they tend to constantly have to move... my friend had to move five times... I just said, "I'm so glad that it doesn't have to be us moving all the time."

Some tenants said they had been homeless before and they did not want to go back there.

One tenant thought people minimised rental income to keep their secure housing (referring more to public than community housing):

lots of people probably wouldn't even want to work to over that [the income limit], I think, because then their most secure thing is their house, they probably don't want to lose that.

Security of tenure outweighs other consideration for many tenants. The private rental market is not seen as secure. It was only nominated as preferable if one had well paying, secure employment.

Quality of tenancy management

Nearly all interviewed felt that Pacific Link is a good housing manager, friendly, and carries out repairs and maintenance in a timely manner. In addition Pacific Link’s extra programs were really valued.

Pacific Link is seen as pet-friendly, unlike many private landlords:

Yeah, yeah because it’s secure and I mean I know the dog can stay, yeah.

It is also the extra programs that Pacific Link offered that are appreciated (such as assistance with driver’s licences, laptops for students):

Pacific Link have done nothing but do the right thing by me – everything. They backed me to school, they gave me a government grant – an education grant – for three grand, new laptop, new everything, sent me through school for three years, the whole bit.

Another tenant praised Pacific Link in no uncertain terms:

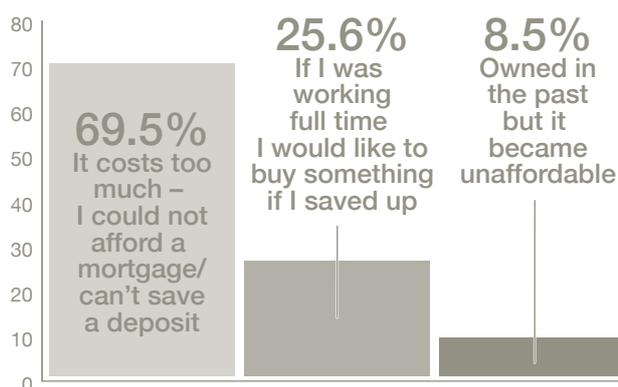
Security. Security. Pacific Link have been great. They gave my daughter a laptop for studying because she’s doing school and I get a laptop and printer. They’ve been really good, yeah.

While there was some complaints (for example, that rent is assessed on gross rather than net income, that Pacific Link has become too ‘corporate’ in its culture (see above), and that affordability has declined, generally Pacific Link is seen as a good tenancy manager and ‘firm but fair’. In contrast real estate agents and private landlords were seen as impersonal and unforgiving: “no one in private rental cares”.

Home ownership

When asked if they could afford home ownership, 69 per cent answered that ‘It costs too much – I could not afford a mortgage/can’t save a deposit’. A further 26 per cent answered that if they were working full time they would like to buy something if they saved up. Over 8 per cent said they owned in the past, but it became unaffordable.

Figure 17: Home ownership



A further cross tabulation as performed to see if there was a difference in attitude based on income types (See below).

When asked what they thought about buying instead of renting, respondents who were working were more likely to answer that they could not afford it (83 per cent).

Those more likely to want to buy if they were working full time were those combining work and Centrelink payments (36 per cent). This was higher than those whose income came from work only (16.6 per cent).

The inference that could be drawn here is that those who are working know how much they are earning and know it is not enough to buy a house.

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Table 5: Attitude to buying instead of renting by income type – cross tabulation

WHAT DO YOU THINK ABOUT BUYING A HOUSE OR FLAT INSTEAD OF RENTING?	CENTRELINK PAYMENTS ONLY	INCOME FROM WORK AND CENTRELINK	INCOME FROM WORK ONLY	ANOTHER SOURCE OF INCOME	TOTAL
It costs too much – I could not afford a mortgage/can't save a deposit	44	7	5	1	57
	68.75%	63.64%	83.33%	100.00%	69.51%
If I was working full time I would like to buy something if I saved up	16	4	1	0	21
	25.00%	36.36%	16.67%	0.00%	25.61%
Owned in the past but it became unaffordable ⁷	7	0	0	0	7
	10.94%	0.00%	0.00%	0.00%	8.54%
	64	11	6	1	82
Total	104.69%	100.00%	100.00%	100.00%	100.00%

Note: some persons have given multiple answers to questions resulting in total for more than 100%

When asked a subsequent question, **'if there was home ownership at a discount offered by your housing manager would you be interested?'** this elicited a positive response – 87 per cent said they would be interested if this was affordable. Only 12 per cent said they were not interested and would prefer to keep renting 13 respondents did not answer this question or wrote 'don't know'.

Home ownership was identified as having many advantages such as providing a feeling of ownership and control:

There's also the problem of having to get permission to do anything in a rental place and even getting repairs done can be problematic... some [Pacific Link] personnel make it very clear where you are living isn't "your house". You're [only] temporarily there.

Few tenants however had actually considered it as a possibility due to cost. A key barrier was low income – being unable to save:

Lucky to scrape by through the week, let alone pay for a house.

Other comments included; "Not enough income"; "inconsistent work (self employed)".

One person felt the only way she could own was by winning money:

But I mean if I made a lot of money or won Lotto or something, yeah definitely, I would buy my own house and do it that way.

One person did consider home ownership but did not think she could afford things for her children if she had a mortgage:

I don't think I would ever put their English tutoring or piano lesson and basketball. All the money, I have, I'd just say, "I can't afford that, I can't afford that." So I don't think that's fair.

Several people were over 50 and felt it was too late in their lives to consider home ownership – “can’t save at my age/nor income”.

As previously mentioned, some of those interviewed were previously paying off a mortgage when a series of adverse events occurred, forcing them to sell.

Tenants were in favour of access to home ownership via a discount or rent to buy type scheme.

I think that would be a great idea. You know, it might give people an ambition.

Some indicated they would buy the dwelling they were currently in while others would prefer to buy elsewhere, but were not fussy:

Yeah, and it doesn’t have to be anything flash, just a little two bedroom place, that’d do.

A rent to buy scheme was seen as feasible:

Rent to buy, that’d be good, because if I could do that I mean I could always put a little bit extra in on your rent every week or whatever, even if it’s only \$20, \$30 or something a week that I could afford. Yeah you can still see the end of the line coming, where I could actually own that house then. Even if it is just the house that I’m living in, is great, because then if it’s mine I can do whatever I like and it’s, I don’t know, comfortable. So it’s like putting money, a big chunk of money, straight into the bank.

Tenants understood it would cost more but could see intergenerational benefits:

I understand about the costs and that, but to me it’d be more something that I could pass on to my kids.

Ongoing eligibility

Tenants were asked if people should leave Pacific Link Housing if they are earning a reasonable wage.

I think that would be wrong, just because you work, don’t mean you can’t – not afford to live in a place like this on market rent...

Most tenants agreed with this sentiment saying that they would be happy to pay market rent but they did not necessarily want to move into private rental. Only if their circumstances completely changed would they be prepared to do this. One family with many children commented:

Yeah, well if you can afford private rental – like, if we could afford it, then we’d get a five bedroom house or a four bedroom house – then not a problem, you know, I’d give this place up for someone else that needs it.

Tenants were only willing to leave if their incomes increased dramatically. Working part time or casually, or even full time on low wages, were not enough to precipitate a jump into the private market. Only with better paid employment is this seen as possible:

If I get a high end job, I won’t need Pacific Link.

This theme was continued by another person:

I mean if they’ve decided to be a lawyer or doctor or whatever else, and they’re making [a] motza, then yeah, they might have to sort of move on, as long as they can be secure somewhere else and find something and pay a mortgage instead of rent or something,

Another person thought those working should move (even if they were willing to pay market rent):

If that’s going to be a subsidised housing for someone else and they’re paying the full rent, they should be able to afford to move out of there and get their own place.

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DISCUSSION AND CONCLUSIONS

More than 90% of Pacific Link tenants receive the bulk of their income in the form of pensions or benefits from Centrelink. The conditions of these benefits, and the associated provision of employment services, are designed to strongly encourage recipients to work and so reduce their dependence on government payments. This mostly takes the form of financial penalties (such as temporary loss of benefits) for those who do not comply with the requirement to demonstrate their intention to seek work or engage in training. Pacific Link Housing also provides job training opportunities specifically for its tenants. However, the take up of this program is very low, and while more than 85% of tenants have been employed at some point in their life, only around 8% of tenants are currently working.

In order to better understand the factors that might prevent or dissuade social housing tenants from working, in this study we have examined the impact on tenant households of income security and rent setting policies, and we have asked tenants directly about their choices regarding work and training. We also sought responses from tenants who are currently employed about the costs and benefits of working. Working tenants are indeed over-represented in our survey and interview data, and they were particularly forthcoming and helpful in understanding their situations and the trade-offs they make. The majority of tenants who participated in the survey and interviews face a wide range of significant barriers to work which are essentially beyond their control including disability, mental health issues, childcare responsibilities, and lack of demand from the labour force that is sometimes related to their age, or lack of skills and qualifications. Despite Centrelink provisions requiring disability pensioners to engage in the workforce, it was very clear that many of those we interviewed would be highly unlikely to successfully retain employment. However, we were also very interested in their perspective on this, and also the views of those who are currently working.

Previous published research indicates that social housing tenants face disincentives to work that are greater than other households. This results from the application of income-related rents and the interaction of this with Centrelink withdrawal rates and income tax. Our modelling and the data from the survey and interviews has confirmed the finding of Dockery et al (2011) who showed that those living in social housing face lower financial returns from working compared with other unemployed people. Amongst the Pacific Link tenants whose situations we modelled, we found the real return from working can vary greatly, as effective withdrawal of income can be as high as 93% depending on how many hours are worked and the household and payment type(s). For single parents, EMTR exceeds 100% after the childcare rebate is lost.

Pacific Link tenants face as much as 40%-60% EMTRs for as few as 4 hours work a week. Put simply, social housing tenants who work actually receive a far lower hourly take home pay than any other groups or tenure type.

Unsurprisingly, most tenants are aware of the interaction of various rules on earned income, and just like other consumers, make rational calculations when weighing up the comparative advantages of employment, income and tenure choices. If the return from working is marginal, and employment leads to either a real or feared loss of eligibility for social housing, some tenants may reasonably choose not to pursue employment, not to take on extra hours if they are working and ensure social housing eligibility is maintained. For those who may otherwise be able to work, this effective 'poverty trap' is the most important barrier preventing them from doing so.

Notwithstanding the rational calculation that tenants make when considering work opportunities, a significant minority were misinformed about the impact of income from work on their net financial position. This group, who generally had little experience of working whilst receiving Centrelink payments, tended to overestimate the losses they would incur. While the actual impact was still very severe, it may be the case that for a

small group, lack of good advice or accurate information may be an additional barrier to seeking a job. The survey indicates that some tenants may not understand the way income from employment is assessed. A Fact Sheet could include information and examples, designed to better inform tenants about the effects of working, and their future tenancy. Basic information could be provided on Centrelink withdrawal rates (publicise the new penalty-free income area – up to \$102 per fortnight), tax and rent-setting policies. Some examples of market rents could be given to better inform tenants who may wish to work full time.

Beyond the immediate impact on fortnightly income, another major factor in the decisions of social tenants is the security of tenure and the predictable affordability of social housing. Tenants need to consider the alternatives available to them. If they get a job and so ultimately become ineligible for housing assistance, what other tenure forms are available to them, and what are the relative advantages or disadvantages of these compared to their current situation?

Unlike social housings rents which are income-related, private rents are uncontrolled⁷. Rents can be increased outside of the fixed term to any amount, with 90 days notice. If a private renter loses hours of work or loses their job, the rent stays the same, unlike in social housing where rent is adjusted to take this into account. Respondents made it very clear that retaining housing security in the event of a negative change of circumstances was more important to them than the present cost of rent.

Therefore, although private market rent may be comparable to Pacific Link Housing's market rent, tenants may choose to stay in social housing in order to avoid the risks associated with loss of income. A number of tenants who are currently working indicated their belief that they are already paying above market rent for their dwelling (or at least that the assessed market rent was above what they would pay for similar properties in their area). Although most tenants will not pay much tax based on typical earnings, assessing rent based on gross incomes rather than what the tenant actually has in their pocket may be a way of improving the incentive to work. If more tenants work then rent revenue overall will rise, especially where a tenant starts paying market rent.

Local labour market conditions affect a social housing tenant's competitiveness for the employment opportunities that exist. For example, regional areas may have opportunities for employment in retail, trades and other industries whereas in an area dominated by mining where certain skills are required, those without trade qualifications may not be qualified for that industry. Overall demand for labour may be low meaning that applicants with strong work histories or higher levels of skills and qualifications will gain positions over those with lower levels of skills and qualifications. In addition, there is evidence that social housing tenants when working are more likely to be in casual rather than full time positions.

Unemployment is officially 5.7 per cent nationally (ABS: October 2013). The unemployment rates as of December quarter 2013 in Pacific Link's areas of operation were more likely to be below this rate than above it. The Gosford rate was about average while the Wyong rate was above average⁸.

7 Residential Parks legislation includes some restrictions on rent increases based on CPI. NSW Residential Tenancies legislation provides for rent increases outside of a fixed term. There are no limitations on the amount of rent increase in the Act, or frequency of rent increase, as long as 90 days' notice is given.

8 Australian Bureau of Statistics, Labour force survey, catalogue number 6202.0, and DEEWR, Small Area Labour Markets – Australia.

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Table 6: Unemployment Rates⁹ – December Quarter 2013

Cessnock (C)	7.3
Gosford (C) – East	3.8
Gosford (C) – West	5.9
Lake Macquarie (C) – East	4.7
Lake Macquarie (C) – North	3.7
Lake Macquarie (C) – West	5.8
Maitland (C)	5.2
Newcastle (C) – Inner City	5.6
Newcastle (C) – Outer West	5.1
Port Stephens (A)	5.6
Singleton (A)	3.0
Upper Hunter Shire (A)	2.8
Wyong (A) – North-East	8.6
Wyong (A) – South and West	7.2

Source: Department of Employment and Workplace relations – Small Area Labour Markets – Australia, December Quarter 2013.

While housing may be more affordable on the Central Coast and in the Hunter than in Sydney, private rental is less secure than community housing. This was a key factor in tenants' decisions to stay in Pacific Link tenancy even if they are working and paying market rent. Anecdotally a high level of competition for rentals occurs in the Central Coast area; however more research needs to be done on this. Insecure employment and variation in incomes is a third factor explaining why tenants may not wish to move into private rental, even if they are paying market rent to Pacific Link Housing. Other tenure options such as home ownership are financially beyond most tenants, as they cannot save enough and/or afford to buy. No tenants interviewed or surveyed indicated they were in a position to think about buying a home unless income improved or they 'won the Lotto'.

Table 7: Median prices – all dwellings

MEDIAN HOUSE PRICES – ALL DWELLINGS	
Cessnock	\$289,000
Gosford	\$418,000
Lake Macquarie	\$400,000
Maitland	\$365,000
Newcastle	\$408,000
Port Stephens	\$390,000
Lower Hunter	\$325,000
Upper Hunter	\$318,000
Wyong	\$354,000

Source: Rent and Sales Report, September Quarter, 2013.

⁹ These rates may underestimate un- and under-employment as ABS measurements have been criticised as persons working as little as one hour a week are not classified as unemployed, and nor are 'discouraged job seekers' who are not actively looking for work. The Centre for Full Employment and Equity (CoFFEE) uses a different measure that includes underemployment and estimated total labour underutilisation to be 11.4 per cent nationally (as of February quarter 2013).

Tenants' key concerns are stability, security of tenure and affordability. Without a viable alternative, a tenant's rational decision is not to move out of community housing into the private market, unless there is something in it for them. Given this, consideration might be given to what other types of tenure can be offered, and how can community housing facilitate or incentivise those tenants who are working or who want to work, but are afraid to do so, to take a step up the housing ladder? Many social housing providers in other States and Territories in Australia offer a variety of shared equity home ownership schemes. A rent-to-buy component can allow low income households to save over a contractually fixed time period towards a deposit, either for a community housing property or for a property in the general housing market. Constraints on capital gains, or sharing of capital gains, can allow a dividend to the housing provider if the provider is the vendor.

Most of the tenants interviewed expressed positive interest in some form of discounted home ownership or shared equity scheme such as rent to buy (whereby part of the set rent is kept in trust to be put towards a deposit for a fixed term, usually 5 years). The prospect of increased security and building some equity in their dwelling, while retaining the insurance of income related housing costs was particularly attractive to virtually all respondents.

The other rental option is through partnerships with private investors under the national Rental Affordability Scheme (NRAS) whereby rent is discounted to 75 per cent of market. However this is not so different to current practice where tenants' rents are set according to earnings and market rent settings are on a par with actual market rent. The advantage of NRAS is the subsidy available to investors per dwelling; however capital needs to be available to develop new dwellings at a reasonable scale.

As outlined above, the majority of participants in the study experienced barriers to work which were beyond their control. This is entirely predictable given the tight targeting of eligibility for social housing i.e. the current criteria for eligibility such as being on a very low income, being homeless or insecurely housed, and/or having health problems. What this study demonstrates is the way in which the predication of eligibility on demonstrated serious disadvantage acts as a work disincentive in itself. This is particularly true in the context of 'renewable leases' offered by Housing NSW under which tenants may lose eligibility once they enter the 'moderate income' band. Community housing tenants are not directly subject to this policy and so theoretically have greater security of tenure, and could be expected to take up employment without fear of losing eligibility. However, for participants in this research, a perceived threat still remains that they could be asked to relinquish their home if their circumstances improved. While many of those interviewed supported the idea that social housing should be targeted to those most in need, only one person could conceive of a situation where they would be well enough off to relinquish the security of their current home.

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APPENDIX 1: EFFECTIVE MARGINAL TAX RATE – WORKED HOUSEHOLD EXAMPLES

The modelling of Effective Marginal Tax Rates for tenant households in the body of this report was constructed at the request of the authors by the National Centre for Economic Modelling (NATSEM) at the University of Canberra using the STINMOD platform. In this appendix we demonstrate the combined effect of Income tax, Centrelink taper and income related rent on real Pacific Link households by working through some hypothetical but realistic scenarios.

For each household, various permutations are considered – for example, where Centrelink payments are the sole source of income, and/or where some or all household members are working part or full time.

The following method was applied to the hypothetical households:

Pacific Link provided nominal rents for households and permutations of working/not working. The Department of Human Services Payment calculator was utilized to calculate likely payments for each permutation. This included Centrelink payments, Family Tax A and B payments, Clean Energy Supplement, and Rent Assistance. The estimate also includes earned income and tax payable.

Centrelink taper rules¹⁰ are as follows:

- » earning of up to \$100 a fortnight – no reduction in income;
- » earnings of \$100-\$250 a fortnight – minus 50c for every dollar earned;
- » earnings of over \$250 a fortnight – minus \$75 and minus 60 cents for each dollar over \$250 (Centrelink 2013).

When calculating returns from working and effective tax rates we compared the working household with the non-working household's incomes and how much the person would actually keep, after rent increase and tax. 'Income' is taken to mean net income – what the tenant actually gets in their hand after tax and rent.

Example households

NOTE: The example households are hypothetical, any similarities to actual Pacific Link tenant households are purely coincidental.

Household 1: Single mother, 2 children under 8 years, three bedroom townhouse, Gosford. Market Rent \$380. Four permutations were modelled – where the single parent did not work at all, then three employment scenarios where the single mother worked in retail for 7.44, 10 and 20.1 hours a week, at \$25 an hour. For this tenant, the best return was to only work 7.44 hours a week as she would get to keep \$13.14 an hour (an effective tax rate of 47%. As hours increased, the returns from work diminished, from \$11.48 an hour (for 10 hours work) to \$6.49 an hour (for 20.1 hours work). Under the final permutation the effective tax rate is 74%.

¹⁰ Note that these rules changed during the course of this study and that income penalty-free threshold has risen from \$62 to \$100 a fortnight. The survey questions directed to tenants were based on the previous rules, however the household modelling is based on current rules.

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Household 2: Couple, two teenage children, 16 and 17, three bedroom house, Umina. Market Rent \$395. This household was modelled using a variety of Centrelink payment as well as one or both partners working. Unsurprisingly, the household was slightly better off if both partners were on DSP, than if one was on Newstart. Rent as a percentage of net income was above 30% in all permutations. For this imaginary couple, if one partner worked casually 7 hours a week, the returns were only \$4.60 an hour. If one was working 6.6 hours a week and the other full time, the outcome was even worse – the return from working is only \$2 an hour. This permutation scored the highest overall effective tax rate of 89%.

Household 3: Couple, 4 children (all under 8). Four bedroom house, Wyong. Market Rent \$440. This household scored well in terms of rent as a percentage of net income – under 30% for all permutations. However, when one partner worked 14 hours a week, the return from working was \$9.70. If both worked, with one working 12 hours and the other full time, this return deteriorated to \$7.20 – an effective tax rate of 68%. However rent as a percentage of net income remained below 30%.

Household 4: Single female, 18 year old adult child, two bedroom house, Narara. Market Rent \$330. Where a single parent does not work and an adult child works for 16 hours a week for \$16 an hour, the return from working to the household is \$7.89 – a 50 per cent effective tax rate. If both parent and child worked, there was a tiny advantage for the parent to work 30 hours (\$9.95 return) compared to 15 hours (\$9.18 an hour). The highest effective tax rate applies to the parent working 15 hours and the adult child working 16 hours a week – 59 per cent. Affordability remained good with rents under 30% of incomes.

Household 5: Single man. Market rent \$300 per week. This household's rent exceeded 30 per cent of net income under all permutations. For 21 hours work at \$32 an hour per week, the rate of return was \$10 and the effective tax rate was 66 per cent. For full time work, the return was \$1 better, at \$12 an hour, and the effective tax rate was slightly lower at 62.8 per cent.

Effective tax Rate Calculation Table

All calculations weekly

Assumptions: Working credits \$0, savings in bank \$150, no other income, no other assets.

Source: Centrelink Payment Calculator including Family Payments and tax estimate <http://www.humanservices.gov.au/customer/enablers/online-estimators>, Pacific Link indicative rents.

Income includes Rent Assistance, net disposable income = total after tax income minus rent.

HOUSEHOLD TYPE 1	INCOME PERMUTATIONS	RENT	RENT ASSISTANCE COMPONENT	NET INCOME (INCLUDES CENTRELINK, FAMILY TAX A and B, RENT ASSISTANCE, TAX DEDUCTIONS)	AFTER RENT INCOME	RENT AS % OF INCOME	HOURS WORKED	RETURN FROM WORKING (PAID \$25 PER HOUR)	EFFECTIVE TAX RATE (%)
Single mother, 2 children under 8, 3 bedroom townhouse, Gosford. Market Rent \$380	1. Centrelink only – Parenting Payment	196.12	72.59	656	459.88	30	0	\$ –	
	3. Single mum working casually in retail (her sister looking after the kids after school 1 day a week) earning \$186 a week (7.44 x \$25)	234.85	72.59	792.5	557.65	30	7.44	\$ 13.14	47.44
	2. Single mum is casual in retail – earns \$250 a week (10 x \$25)	242.65	72.59	817.28	574.63	30	10	\$ 11.48	54.08
	4. Single mum working PT in retail earning \$504 (20.1 x \$25), pays sister \$50 a week in cash to look after kids	280.75	72.59	871	590.25	32	20.1	\$ 6.49	74.04
Household 2: Couple, two teenage children 16 and 17, 3 bedroom house, Umina. Market Rent \$395.	5. Centrelink only – both on DSP; kids on Austudy	216.82	72.59	623.4	406.58	34.8	0	\$ –	
	6. Centrelink only – she on Newstart, he on DSP; kids on Austudy	196.94	67.33	541.5	344.56	36.4	0	\$ –	

HOUSEHOLD TYPE 1	INCOME PERMUTATIONS	RENT	RENT ASSISTANCE COMPONENT	NET INCOME (INCLUDES CENTRELINK, FAMILY TAX A and B, RENT ASSISTANCE, TAX DEDUCTIONS)	AFTER RENT INCOME	RENT AS % OF INCOME	HOURS WORKED	RETURN FROM WORKING (PAID \$25 PER HOUR)	EFFECTIVE TAX RATE (%)
	7. She works casually 7 hours a week cleaning earning \$168 a week (7 x \$24) he on DSP. Kids on Austudy	235.7	72.59	674.7	439	34.9	7	\$ 4.63	79
	8. She works casually 6.6 hours a week cleaning, earning \$160 (6.6 x \$24); he works full time in a warehouse and makes \$650 a week (35 x \$18.57). Kids on Austudy	282.67	72.59	773.55	490.88	36.5	41.6	\$ 2.03	89
Couple, 4 children (all under 8). 4 bedroom house, Wyong. Market Rent \$440.	9. Centrelink only – mother – Parenting Payment; father – DSP	279.9	82.11	1073.36	793.46	26.08	0	\$ –	
	10. She is working part time, Council cleansing team, 14 hours a week making \$322 a week (14 x \$23). He is on DSP	334.87	82.11	1264.02	929.15	26.5	14	\$ 9.69	57.8
	11. He is working 35 hours a fortnight in retail management, making \$805 a week (35 x \$23). She on Parenting Payment but working casually 12 hours a week in Council cleansing team, making \$262 a week (12 x \$21.83)	430.75	82.11	1562.62	1131.87	27.6	47	\$ 7.20	67.9
Single female, 18 year old adult child, 2 bedroom house Narara. – Market Rent \$330.	12. Mum: Centrelink only – Newstart; child is on Austudy	115.41	29.7	428	312.59	26.9	0	\$ –	
						649 532 7			

HOUSEHOLD TYPE 1	INCOME PERMUTATIONS	RENT	RENT ASSISTANCE COMPONENT	NET INCOME (INCLUDES CENTRELINK, FAMILY TAX A and B, RENT ASSISTANCE, TAX DEDUCTIONS)	AFTER RENT INCOME	RENT AS % OF INCOME	HOURS WORKED	RETURN FROM WORKING (PAID \$25 PER HOUR)	EFFECTIVE TAX RATE (%)
	13. Mum: Centrelink only – Newstart; adult child works 16 hours a week in hospitality making \$256 a week (16 hours x \$16)	180.55	72.59	619.34	438.79	29.15	16	\$ 7.89	50.7
	14. Mum: Working part time in manufacturing, 15 hours a week in hospitality making \$435 a week (15 x \$29 an hour); adult child: works 16 hours a week making \$256 a week (16 x \$16)	160.83	0	758.15	597.32	21.21	31	\$ 9.18	59
	15. Mum: working part time in manufacturing, 30 hours a week making \$870 a week (30 X \$29); adult child works 16 hours a week in hospitality making \$256 a week (16 x \$16)	260.56	0	1157.05	896.49	22.52	46	\$ 9.95	55.8
Single man. Market rent \$300 per week.	16. On DSP	159.49	62	484	325	33	0	\$ –	
	17. Working part time for community organisation, 21 hours a week shiftwork making \$672 a week (21 x \$32)	253.24	62	788.34	535.1	32.1	21	\$ 10.03	65.84
	18. Working fulltime for community organisation, 35 hours a week shiftwork making \$1120 a week (35 x \$32)	300	25% capacity to pay \$342 per week however capped at market rent	901.76	601.76	33.3	35	\$ 11.94	62.81

*Averaged over household incomes.

**In relation to number 18, the single man working full time, this is a comparison with the same household as if no employment was undertaken at all. Rent is capped. The actual tax rate (ATO) is 19%.

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APPENDIX 2: SURVEY FINDINGS IN DETAIL

HOUSEHOLDS

#	ANSWER	BAR	RESPONSE	%
1	I live on my own	53.01%	44	53.01%
2	Couple no kids	2.41%	2	2.41%
3	Couple with kids	16.87%	14	16.87%
4	Extended Family	8.43%	7	8.43%
5	Single parent with children	21.69%	18	21.69%
	Total	0.00%	85	100.00%

INCOME

#	ANSWER	BAR	RESPONSE	%
1	Centrelink payments only	78.31%	65	78.31%
2	Income from work and Centrelink	13.25%	11	13.25%
3	Income from work only	7.23%	6	7.23%
4	another source of income	1.20%	1	1.20%
	Total	0.00%	83	100.00%

OTHER PERSON 1

#	ANSWER	BAR	RESPONSE	%
1	Centrelink payments only	81.48%	22	81.48%
2	Income from work and Centrelink	11.11%	3	11.11%
3	Income from work only	7.41%	2	7.41%
4	another source of income	0.00%	0	0.00%
	Total	0.00%	27	100.00%

PREVIOUS EMPLOYMENT

#	ANSWER	BAR	RESPONSE	%
1	No, Never Worked	6.10%	5	6.10%
2	I have worked in the past	86.59%	71	86.59%
3	I am currently working	23.17%	19	23.17%
	Total	0.00%	95	100.00%

PREVIOUS EMPLOYMENT - PARTNER

#	ANSWER	BAR	RESPONSE	%
2	No	53.33%	16	53.33%
3	Yes – my partner used to work	36.67%	11	36.67%
4	My partner is working currently	13.33%	4	13.33%
	Total	0.00%	31	100.00%

CHILDREN – EMPLOYMENT

#	ANSWER	BAR	RESPONSE	%
1	Not applicable – too young	58.33%	35	58.33%
2	No	35.00%	21	35.00%
3	Yes	6.67%	4	6.67%
	Total	0.00%	60	100.00%

RELATIVES OR CARERS

#	ANSWER	BAR	RESPONSE	%
2	No	100.00%	15	100.00%
3	Yes	0.00%	0	0.00%
	Total	0.00%	15	100.00%

REASONS FOR STOPPING WORKING

#	ANSWER	BAR	RESPONSE	%
1	Not applicable – I am working	19.51%	16	19.51%
2	Made redundant/ got retrenched	6.10%	5	6.10%
3	Unfit for work/went on DSP	40.24%	33	40.24%
4	Did not want to lose social housing tenancy	1.22%	1	1.22%
5	Temporary sickness	8.54%	7	8.54%
6	Family responsibilities	25.61%	21	25.61%
7	It did not pay enough	3.66%	3	3.66%
8	Too hard to get there	0.00%	0	0.00%
9	I hated my job	1.22%	1	1.22%
10	Other	10.98%	9	10.98%
	Total	0.00%	96	100.00%

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IF PARTNER STOPPED WORKING, WHAT WERE THE MAIN REASONS WHY?

#	ANSWER	BAR	RESPONSE	%
1	Not applicable – partner is working	33.33%	7	33.33%
2	Made redundant/got retrenched	4.76%	1	4.76%
3	Unfit for work/went on DSP	28.57%	6	28.57%
4	Did not want to lose social housing tenancy	0.00%	0	0.00%
5	Temporary sickness	0.00%	0	0.00%
6	Family responsibilities	14.29%	3	14.29%
7	It did not pay enough	0.00%	0	0.00%
8	Too hard to get there	0.00%	0	0.00%
9	I hated my job	0.00%	0	0.00%
10	Other	19.05%	4	19.05%
	Total	0.00%	21	100.00%

KNOWLEDGE OF EFFECT OF WORKING ON RENT AND CENTRELINK

TRUE OR FALSE?

IF I WORKED:

MY RENT WOULD STAY THE SAME

#	ANSWER	BAR	RESPONSE	%
1	True	8.86%	7	8.86%
2	False	91.14%	72	91.14%
	Total	0.00%	79	100.00%

MY RENT WOULD GO UP BY 25%

#	ANSWER	BAR	RESPONSE	%
1	True	67.61%	48	67.61%
2	False	32.39%	23	32.39%
	Total	0.00%	71	100.00%

MY RENT WOULD GO UP BY 50%

#	ANSWER	BAR	RESPONSE	%
1	True	21.54%	14	21.54%
2	False	78.46%	51	78.46%
	Total	0.00%	65	100.00%

MY CENTRELINK INCOME WOULD GO DOWN BY 50c FOR EVERY \$1 I EARN UP TO \$250 A FORTNIGHT

#	ANSWER	BAR	RESPONSE	%
1	True	72.46%	50	72.46%
2	False	27.54%	19	27.54%
	Total	0.00%	69	100.00%

MY CENTRELINK INCOME WOULD GO DOWN BY 60c FOR EVERY \$1 I EARN OVER \$250 A FORTNIGHT

#	ANSWER	BAR	RESPONSE	%
1	True	34.92%	22	34.92%
2	False	65.08%	41	65.08%
	Total	0.00%	63	100.00%

I WOULD HAVE TO PAY MARKET RENT EVEN IF I WAS WORKING ONLY A FEW HOURS A WEEK

#	ANSWER	BAR	RESPONSE	%
1	True	19.48%	15	19.48%
2	False	80.52%	62	80.52%
	Total	0.00%	77	100.00%

I WOULD HAVE TO PAY MARKET RENT IF I WAS WORKING FULL TIME

#	ANSWER	BAR	RESPONSE	%
1	True	76.62%	59	76.62%
2	False	23.38%	18	23.38%
	Total	0.00%	77	100.00%

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MY CENTRELINK WOULD GO DOWN BY \$1 FOR EACH \$1 I EARN

#	ANSWER	BAR	RESPONSE	%
1	True	38.57%	27	38.57%
2	False	61.43%	43	61.43%
	Total	0.00%	70	100.00%

MY CENTRELINK PAYMENTS WOULD STAY THE SAME NO MATTER HOW MUCH I EARN

#	ANSWER	BAR	RESPONSE	%
1	True	7.59%	6	7.59%
2	False	92.41%	73	92.41%
	Total	0.00%	79	100.00%

IF I WORK MORE THAN 2 DAYS A WEEK, I COULD LOSE MY PACIFIC LINK TENANCY

#	ANSWER	BAR	RESPONSE	%
1	True	9.59%	7	9.59%
2	False	90.41%	66	90.41%
	Total	0.00%	73	100.00%

IF I WORK FULL TIME, I COULD LOSE MY PACIFIC LINK TENANCY

#	ANSWER	BAR	RESPONSE	%
1	True	30.14%	22	30.14%
2	False	69.86%	51	69.86%
	Total	0.00%	73	100.00%

IF I WORK I CAN KEEP MY PACIFIC LINK TENANCY

#	ANSWER	BAR	RESPONSE	%
1	True	63.38%	45	63.38%
2	False	36.62%	26	36.62%
	Total	0.00%	71	100.00%

I AM NOT WORKING NOW BECAUSE

#	ANSWER	BAR	RESPONSE	%
1	Not applicable – I am working	19.75%	16	19.75%
2	I am on disability support pension	43.21%	35	43.21%
3	I applied for jobs but got knocked back	19.75%	16	19.75%
4	I don't have the necessary skills or training	16.05%	13	16.05%
5	I am scared that if I move into employment I will lose my Pacific Link tenancy	3.70%	3	3.70%
6	It's not worth it as my rent goes up and Centrelink payment goes down	14.81%	12	14.81%
7	Employers see me as too old	16.05%	13	16.05%
8	I have family responsibilities	24.69%	20	24.69%
9	No jobs in this area	7.41%	6	7.41%
10	Have been unemployed too long	16.05%	13	16.05%
11	Jobs are hard to get transport to	4.94%	4	4.94%
12	Don't like working	1.23%	1	1.23%
	Total	0.00%	152	100.00%

MY PARTNER IS NOT WORKING NOW BECAUSE

#	ANSWER	BAR	RESPONSE	%
1	Not applicable – I am working	21.05%	4	21.05%
2	I am on disability support pension	47.37%	9	47.37%
3	I applied for jobs but got knocked back	21.05%	4	21.05%
4	I don't have the necessary skills or training	15.79%	3	15.79%
5	I am scared that if I move into employment I will lose my Pacific Link tenancy	5.26%	1	5.26%
6	It's not worth it as my rent goes up and Centrelink payment goes down	0.00%	0	0.00%
7	Employers see me as too old	5.26%	1	5.26%
8	I have family responsibilities	21.05%	4	21.05%
9	No jobs in this area	5.26%	1	5.26%
10	Have been unemployed too long	0.00%	0	0.00%
11	Jobs are hard to get transport to	5.26%	1	5.26%
12	Don't like working	0.00%	0	0.00%
	Total	0.00%	28	100.00%

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WHAT IS YOUR HIGHEST LEVEL OF EDUCATION?

#	ANSWER	BAR	RESPONSE	%
1	Did not finish year 10	17.07%	14	17.07%
2	year 10	35.37%	29	35.37%
3	Year 12	15.85%	13	15.85%
4	TAFE course	31.71%	26	31.71%
5	Other training/course	17.07%	14	17.07%
6	University	8.54%	7	8.54%
	Total	0.00%	103	100.00%

WHAT IS YOUR PARTNER'S HIGHEST LEVEL OF EDUCATION?

#	ANSWER	BAR	RESPONSE	%
1	Not applicable	55.00%	22	55.00%
2	Did not finish year 10	10.00%	4	10.00%
3	Year 10	22.50%	9	22.50%
4	Year 12	7.50%	3	7.50%
5	TAFE course	5.00%	2	5.00%
6	Other training/course	2.50%	1	2.50%
7	University	2.50%	1	2.50%
	Total	0.00%	42	100.00%

WHAT IS YOUR FIRST CHILD'S HIGHEST LEVEL OF EDUCATION?

#	ANSWER	BAR	RESPONSE	%
2	Still at school	40.82%	20	40.82%
3	Did not finish year 10	2.04%	1	2.04%
4	Year 10	14.29%	7	14.29%
5	Year 12	24.49%	12	24.49%
6	TAFE course	8.16%	4	8.16%
7	Other training/course	4.08%	2	4.08%
8	University	14.29%	7	14.29%
	Total	0.00%	53	100.00%

WHAT IS YOUR SECOND CHILD'S HIGHEST LEVEL OF EDUCATION?

#	ANSWER	BAR	RESPONSE	%
2	Still at school	45.71%	16	45.71%
3	Did not finish year 10	0.00%	0	0.00%
4	Year 10	17.14%	6	17.14%
5	Year 12	25.71%	9	25.71%
6	TAFE course	8.57%	3	8.57%
7	Other training/course	8.57%	3	8.57%
8	University	2.86%	1	2.86%
	Total	0.00%	38	100.00%

WHAT IS YOUR THIRD CHILD'S HIGHEST LEVEL OF EDUCATION?

#	ANSWER	BAR	RESPONSE	%
2	Still at school	47.62%	10	47.62%
3	Did not finish year 10	9.52%	2	9.52%
4	Year 10	23.81%	5	23.81%
5	Year 12	9.52%	2	9.52%
6	TAFE course	9.52%	2	9.52%
7	Other training/course	14.29%	3	14.29%
8	University	4.76%	1	4.76%
	Total	0.00%	25	100.00%

IF I WORK, I CAN KEEP MY PACIFIC LINK TENANCY

#	ANSWER	BAR	RESPONSE	%
1	Agree	82.28%	65	82.28%
2	Disagree	17.72%	14	17.72%
	Total	0.00%	79	100.00%

THERE'S NOT MANY JOBS AVAILABLE

#	ANSWER	BAR	RESPONSE	%
1	Agree	76.32%	58	76.32%
2	Disagree	23.68%	18	23.68%
	Total	0.00%	76	100.00%

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THERE ARE JOBS IF YOU HAVE THE RIGHT SKILLS

#	ANSWER	BAR	RESPONSE	%
1	Agree	85.33%	64	85.33%
2	Disagree	14.67%	11	14.67%
	Total	0.00%	75	100.00%

THERE ARE LOTS OF LOW PAID CASUAL JOBS

#	ANSWER	BAR	RESPONSE	%
1	Agree	66.23%	51	66.23%
2	Disagree	33.77%	26	33.77%
	Total	0.00%	77	100.00%

IT'S EASY TO GET A JOB

#	ANSWER	BAR	RESPONSE	%
1	Agree	13.75%	11	13.75%
2	Disagree	86.25%	69	86.25%
	Total	0.00%	80	100.00%

APPRENTICESHIPS ARE AVAILABLE

#	ANSWER	BAR	RESPONSE	%
1	Agree	71.43%	50	71.43%
2	Disagree	28.57%	20	28.57%
	Total	0.00%	70	100.00%

TRAINING PROGRAMS AVAILABLE

#	ANSWER	BAR	RESPONSE	%
1	Agree	81.58%	62	81.58%
2	Disagree	18.42%	14	18.42%
	Total	0.00%	76	100.00%

PACIFIC LINK HOUSING TRIES TO HELP TENANTS GET JOBS

#	ANSWER	BAR	RESPONSE	%
1	Agree	51.39%	37	51.39%
2	Disagree	48.61%	35	48.61%
	Total	0.00%	72	100.00%

WHAT SORT OF HOUSING IS THE MOST AFFORDABLE FOR YOU?

#	ANSWER	BAR	RESPONSE	%
1	Pacific Link housing	95.06%	77	95.06%
2	Private rental housing	1.23%	1	1.23%
3	Buying a house	3.70%	3	3.70%
	Total	0.00%	81	100.00%

THINKING ABOUT PRIVATE RENTING, DO YOU THINK IT IS:

#	ANSWER	BAR	RESPONSE	%
1	More expensive than Pacific Link housing	83.95%	68	83.95%
2	Less expensive than Pacific Link housing	2.47%	2	2.47%
3	About the same	14.81%	12	14.81%
	Total	0.00%	82	100.00%

THINKING ABOUT PRIVATE RENTING, DO YOU THINK IT IS:

#	ANSWER	BAR	RESPONSE	%
1	More secure than Pacific Link housing – I could stay there as long as I pay my rent	12.20%	10	12.20%
2	Less secure than Pacific Link housing – I would have to move more often	70.73%	58	70.73%
3	About the same	17.07%	14	17.07%
	Total	0.00%	82	100.00%

WHAT DO YOU THINK ABOUT BUYING A HOUSE OR FLAT INSTEAD OF RENTING?

#	ANSWER	BAR	RESPONSE	%
1	It costs too much-I could not afford a mortgage/can't save a deposit	69.51%	57	69.51%
2	If I was working full time I would like to buy something if I saved up	25.61%	21	25.61%
3	Owned in the past but it became unaffordable	8.54%	7	8.54%
	Total	0.00%	85	100.00%

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IF THERE WAS HOME OWNERSHIP AT A DISCOUNT OFFERED BY YOUR HOUSING MANAGER...

#	ANSWER	BAR	RESPONSE	%
1	If it was affordable I would be interested	87.14%	61	87.14%
2	Not interested, I would prefer to just keep renting	12.86%	9	12.86%
	Total	0.00%	70	100.00%

DO YOU HAVE ANY OTHER COMMENTS ABOUT PACIFIC LINK TENANCY VERSUS PRIVATE RENTAL AND HOME OWNERSHIP?

ON RENTING VS. BUYING:

My credit rating and savings does not allow me at the moment
[can't save] at my age/nor income
Due to low income and pension
Did not earn enough.
[can't save a deposit is circled for emphasis]
Bankruptcy
illness
[On private renting costs] Depends on circumstances.
inconsistent work (self employed)
[It costs too much] In NSW
On a Widow's Allowance could not get finance even if I tried.
Not enough income
[Notes in regard to 'thinking about private renting'] It depends on how much you earn
[re q on security of tenure] Not true – but lease is longer and I feel they are less likely to sell suddenly, put rent up or ask you to move if you've been a good tenant. [On buying costs] Even not working this is the main – only – thing I want in my life
I would love to be a home owner.

ON AFFORDABLE HOME OWNERSHIP:

They have been great in all aspects, inspections are regular. Any maintenance done straightaway. Also inform of any increases.
Pacific Link has provided me with secure housing for 12 months only. I am terrified about what will happen next. Already been homeless and don't want to face it again.
Pacific link is much more friendly and accessible to the tenant than normal rental agencies.
No comment
I was brought up to be a home owner but my disability won't allow me. The stressors associated with continual private rental would kill me, for sure – [something] therefore of that with pac link.
Rather than 27% of my total income being taken in rent it is 27% plus all of my rent assistance. Private rentals do not do that. Also private rentals do not charge individuals.
NO
i have never owned my own home, so have always rented. Pacific link provide me with a support network to turn to, if problems arise with my home.
[homeownership]: YES!!! [PacLink:] Tend to be friendly, more compassionate and better at maintenance. Have tried Private Rental before.

Not at this time

Pacific link is very strict but fair as well, private is to hard to get into without reference's. NOONE PRIVATE WILL HELP.

No.

I would love to own my own place for security and certainty in the future. It worries me a LOT that I could be asked to move out to another place when I'm older. There's also the problem of having to get permission to do anything in a rental place and even getting repairs done can be problematic. Any [something] the place is never really yours. There's more security with Pacific Link than private rental but still have inspections 3-4 times a year and some personnel make it very clear where you are living isn't "your house". You're [only?] temporarily there. I did try to get a loan to buy and the repayments were less than market rent and even though I could get a deposit together I was unsuccessful as according to the 'Henry Report' I was below standard living in my income – which is DSP! Distressing to know I can afford repayments for a place I want [can't read rest].

I would love to be a home owner

pacific link offer so many different thing to help you along ie schoolkids, courses etc.

I have no comments.

I would love to purchase my own home, however credit rating is currently shot.

Yes, yes, yes! I've recently begun enquiries with a bank about the possibility of a home loan, and any grants which I can claim. This questionnaire has also prompted me to look at Housing NSW affordable housing. I want a home which I can modify according to my OWN needs, not what is dictated to me. I am very intelligent, a lateral thinker, and medically minded so I have already planned, in my mind, the kinds of modifications and improvements I will execute. Very simple things, such as a bathtub [...] I have never pursued home ownership before now because if I bought a house (1) I would lose my Rent Assistance and (2) what remains of my DSP would probably be eaten up with the combination of high mortgage repayments, council land rates, water rates, electricity, phone, home and contents insurance, public liability insurance, car expenses etc. unless I had enough land to grow fruit and vegies, which I long to do again, I would not eat. [...]

I rent this unit

Pacific Link gives a buffer in the bank

In the current rental market Pacific Link provides more security because if you are evicted from private housing its difficult to find more accommodation because of a massive shortage of such.

I think I am very lucky to have my House with Pacific Link they have Been good to me in the time I have lived here

By renting you cant do things like solar power rain tanks gardens etc, that save money. The money spent on housing could be put to renters becoming owners and eventually not needing the continuing rent subsidies etc.

Pacific Link are very slow returning calls paintings of walls new carpets tiles shoddy work materials of cheap quality private rental may be diffrent as owners would want house in good shape for sale as may be investment property. Oldest child was working just made redundant

I would love to know what happens to my rent and Pacific Link Tenancy now that I have just started work.

it is alot more affordable for my situation, but in private or buying we have a say in where we live.

The only thing good about Pacific Link is the stability of housing. Rent is just as expensive if working. No benefit to the tenant to try and get financially stable.

I have a pain on my left shoulder and neck few years ago from production work. I choose to take "celebrex" anti inflammatory medication, and keep working as "the shoulder specialist" said he can't operate on my shoulder. At the back of my mind I took comfort that if one day the condition of my neck/shoulder worsen and if I have to leave work, and my family still have a home to live under Pacific Link Housing. But if I have a mortgage or rent privately I doubt very much our family can still stay at our home, if I am n longer able to work one day. Right at the moment I am happy that I have a job and still able to work until then.

maybe if they offer bigger house not the one in now. living in Pacific Link House is shit Ever little thing that They come out to fix we end up paying for it like its our house but with 6 kids its hard to find private rent thats not really High

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ON AFFORDABLE HOME OWNERSHIP:

#	ANSWER	BAR	RESPONSE	%
1	Less than 7	15.79%	3	15.79%
2	8-14	26.32%	5	26.32%
3	15-21	26.32%	5	26.32%
4	22-28	10.53%	2	10.53%
5	35+	21.05%	4	21.05%
	Total	0.00%	19	100.00%

WHAT INDUSTRY ARE YOU WORKING IN?

#	ANSWER	BAR	RESPONSE	%
1	Agriculture, forestry and fishing	0.00%	0	0.00%
2	Mining	0.00%	0	0.00%
3	Manufacturing	10.53%	2	10.53%
4	Electricity, gas water and waste services	0.00%	0	0.00%
5	Construction	0.00%	0	0.00%
6	Wholesale trade	0.00%	0	0.00%
7	Retail trade	10.53%	2	10.53%
8	Accommodation and food services	15.79%	3	15.79%
9	Transport, postal and warehousing	5.26%	1	5.26%
10	Information media and telecommunications	5.26%	1	5.26%
11	Financial and insurance services	0.00%	0	0.00%
12	Rental hiring and real estate services	0.00%	0	0.00%
13	Professional, scientific and technical services	0.00%	0	0.00%
14	Education and training	5.26%	1	5.26%
15	Health care and social assistance	26.32%	5	26.32%
16	Arts and recreation services	0.00%	0	0.00%
17	other	31.58%	6	31.58%
	Total	0.00%	21	100.00%

IF YOUR PARTNER IS WORKING HOW MANY HOURS A WEEK DO THEY WORK (ON AVERAGE)?

#	ANSWER	BAR	RESPONSE	%
1	Less than 7	0.00%	0	0.00%
2	8-14	0.00%	0	0.00%
3	15-21	50.00%	1	50.00%
4	22-28	0.00%	0	0.00%
5	35+	50.00%	1	50.00%
	Total	0.00%	2	100.00%

WHAT INDUSTRY IS YOUR PARTNER WORKING IN?

#	ANSWER	BAR	RESPONSE	%
1	Agriculture, forestry and fishing	0.00%	0	0.00%
2	Mining	0.00%	0	0.00%
3	Manufacturing	0.00%	0	0.00%
4	Electricity, gas water and waste services	0.00%	0	0.00%
5	Construction	0.00%	0	0.00%
6	Wholesale trade	0.00%	0	0.00%
7	Retail trade	0.00%	0	0.00%
8	Accommodation and food services	0.00%	0	0.00%
9	Transport, postal and warehousing	33.33%	1	33.33%
10	Information media and telecommunications	33.33%	1	33.33%
11	Financial and insurance services	0.00%	0	0.00%
12	Rental hiring and real estate services	0.00%	0	0.00%
13	Professional, scientific and technical services	0.00%	0	0.00%
14	Education and training	0.00%	0	0.00%
15	Health care and social assistance	0.00%	0	0.00%
16	Arts and recreation services	0.00%	0	0.00%
17	Other	33.33%	1	33.33%
	Total	0.00%	3	100.00%

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IF YOUR CHILDREN ARE WORKING HOW MANY HOURS A WEEK ARE THEY WORKING?

CHILD 1

#	ANSWER	BAR	RESPONSE	%
1	Less than 7	36.36%	4	36.36%
2	8-14	36.36%	4	36.36%
3	15-21	9.09%	1	9.09%
4	22-28	0.00%	0	0.00%
5	35+	18.18%	2	18.18%
	Total	0.00%	11	100.00%

CHILD 2

#	ANSWER	BAR	RESPONSE	%
1	Less than 7	20.00%	1	20.00%
2	8-14	20.00%	1	20.00%
3	15-21	20.00%	1	20.00%
4	22-28	0.00%	0	0.00%
5	35+	40.00%	2	40.00%
	Total	0.00%	5	100.00%

CHILD 3

#	ANSWER	BAR	RESPONSE	%
1	Less than 7	0.00%	0	0.00%
2	8-14	0.00%	0	0.00%
3	15-21	50.00%	1	50.00%
4	22-28	0.00%	0	0.00%
5	35+	50.00%	1	50.00%
	Total	0.00%	2	100.00%

WHERE DO YOU WORK?

#	ANSWER	BAR	RESPONSE	%
2	Central Coast	78.95%	15	78.95%
3	Hunter	10.53%	2	10.53%
4	Newcastle	10.53%	2	10.53%
5	Sydney	5.26%	1	5.26%
	Total	0.00%	20	100.00%

HOW LONG DOES IT TAKE TO GET TO WORK?

#	ANSWER	BAR	RESPONSE	%
1	Under half an hour	57.14%	12	57.14%
2	Half an hour to an hour	23.81%	5	23.81%
3	more than an hour	19.05%	4	19.05%
	Total	0.00%	21	100.00%

HOW MUCH DO YOU USUALLY SPEND ON GETTING TO WORK EACH WEEK?

#	ANSWER	BAR	RESPONSE	%
1	Less than 10	35.00%	7	35.00%
2	10 to 20	10.00%	2	10.00%
3	20 to 30	5.00%	1	5.00%
4	30+	50.00%	10	50.00%
	Total	0.00%	20	100.00%

WHERE DOES YOUR PARTNER WORK?

#	ANSWER	BAR	RESPONSE	%
2	Central Coast	50.00%	1	50.00%
3	Hunter	0.00%	0	0.00%
4	Newcastle	0.00%	0	0.00%
5	Sydney	50.00%	1	50.00%
	Total	0.00%	2	100.00%

HOW LONG DOES IT TAKE YOUR PARTNER TO GET TO WORK?

#	ANSWER	BAR	RESPONSE	%
1	Under half an hour	0.00%	0	0.00%
2	Half an hour to an hour	0.00%	0	0.00%
3	more than an hour	100.00%	3	100.00%
	Total	0.00%	3	100.00%

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HOW MUCH DOES YOUR PARTNER USUALLY SPEND ON GETTING TO WORK EACH WEEK?

#	ANSWER	BAR	RESPONSE	%
1	Less than 10	33.33%	1	33.33%
2	10 to 20	0.00%	0	0.00%
3	20 to 30	0.00%	0	0.00%
4	30+	66.67%	2	66.67%
	Total	0.00%	3	100.00%

DOES WORKING AFFECT THE RENT?

#	ANSWER	BAR	RESPONSE	%
1	Yes	83.33%	20	83.33%
2	No	16.67%	4	16.67%
	Total	0.00%	24	100.00%

DO YOU CONSIDER THE EFFECTS OF INCOME FROM WORK ON YOUR RENT AND CENTRELINK PAYMENTS AS A HOUSEHOLD?

#	ANSWER	BAR	RESPONSE	%
1	Yes and this influence my/our decision	64.00%	16	64.00%
2	No don't worry about effects of working income on rent or Centrelink payments	36.00%	9	36.00%
	Total	0.00%	25	100.00%

FINAL COMMENT – DO YOU HAVE ANYTHING ELSE TO TELL US ABOUT WORKING OR BARRIERS TO WORKING?

I am not afraid of working and have been with my employer for 5+ years – I am a valued team member and I feel confident being there. This job has enabled me to care for my children, two of which have been subject to severe mental health and one of those two has a life time disorder that unfortunately gets worse as she gets older and as a result caused her own social network to diminish. It is for this reason that a permanent full time position is not in my agenda at this time. [...] I sincerely hope that I am able to be considered more stability thru Pacific Housing. We are good tenants and take pride in the home we have been offered. [...] Affordable private rental is ridiculous – more than half my income would be required – hence becoming homeless for a period of time. There are so many families/single people that have become homeless and today more often than not through no choice of their own. It is truly a serious situation and while some people may abuse the system – they are a minority compared to those that don't. People lose dignity/self respect and most importantly self esteem the very key that keeps some of us going, but without housing support/assistance – lack of jobs/lack of family support it isn't any wonder why some people lose faith!! I hope Pacific Link are able to improve upon the availability and that the government hears and does something about their pleas to help others!!

I had my barriers (like Transport, skills etc) and still was motivated to gain employment. License was disqualified, gaining skills at TAFE

I have no barriers to working. Have worked full time for several years and therefore pay full market rent on my home. Have no problem with this as one day when I don't work full time my rent will go down.

The effect of local government whom I work for are positive on my therapies of mental health or all would be lost. Locals don't appreciate me, neighbours included. I may be delusional but not consistently as for the years (4) that I've been living here. Stigma still owns employment. It's an opportunity to better myself and become as reason would enhance growth and change effectively. DEN programs help, but after they leave all we have is persistence. It's a struggle.

Lack of qualifications

with Rentals being so hard to find – I fear that if I go for another job that pays better, I will lose my home and have to find another thru private rental...which is non-existent at the moment. I constantly stress about my housing situation, but have not been able to save enough to use as a deposit for my own home. I have suffered with severe health issues for the last 12 months – which has resulted in many days off work. If I was renting privately, I would have fallen behind in the rent, been evicted and become homeless. This thought terrifies me daily as I work out my budget. Thankyou for caring enough to ask us our views on the subject. Signed Pacific Link tenant.

Having children is a huge barrier in working – being able to get work in school hours or needing before and after school care as well as child care for my youngest would cost way too much – I couldn't afford that plus increased rent.

It has been my experience that the biggest barriers are; Age 40+, having Experience to match Age, being a Mature Male and finally transport (I DO NOT/CAN NOT DRIVE).

My body is no longer able to.

I have a neighbour that works. Her rent changes to Market Value she pays childcare and this doesn't leave her much to live on, Therefore it seems that she is not much better off than me financially.

My hours of work are reduced as the location of my house is not convenient to other personal issues.

The only barriers I have to working is that I am currently my partners full time carer, have 3 kids, one under 5, and am currently studying.

The costs of pharmaceuticals without pension card

My greatest barrier to working are my congenital physical deformities and acquired physical health problems. There are many times when I cannot leave the house due to physical pain etc. I bought my first laptop PC in 2012 but am not yet on the internet. I would like to eventually supplement my pension by gaining part-time or casual work online, perhaps in editing or proofreading since I have advanced English skills. I would also like to do online university studies, gain a qualification and work part-time, again online. [home ownership cont.] I now feel compelled to seek home ownership due to Pacific Link's neglect of my needs. When I was offered the premises I now rent I was promised that all modifications would be done. Also I was told I could do whatever I wanted ie paint, decorate, erect shelves etc to make my house my home. [etc – no modifications done]. I was born with severe lower limb deformities but was always an active, positive person...I have plans for my future but cannot fulfill them or my full potential so long as I am being thwarted by Pacific Link. My self-esteem has plummeted since renting through them. [outlines conflicts with Pacific Link over inspections and a water bill – was not the correct meter number but tenant had been threatened with eviction] I can honestly say I've been treated better by real estate agents than by Pacific Link Housing. [edited for length]

I not sure if I could do Full time work Have had a lot thing go wrong after having Breast cancer and have Lymphoedema in my right arm I have swelling and pain it makes it hard as I am right Handed

The Govt provided little incentive to find regular job I think the penalties for working casual, part time are too high.

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The full market rent here is 300 pw. I've been here 11 yrs. That is \$171,600. If that money was payment on a house it would be half paid for by now. This would give people incentive to work.

I have a very bad lower back though would like to work again someday and when son finished Uni in 4 years see where we are then. Thankyou.

My barriers stem from caring for some one with a mental illness on medication who has been away many times over the last twenty years somtimes up to six months bring up children on my own.

Spinnal injuries – just been rejected for disability [DSP] because I don't fit the criteria. Because I refuse to have surgery because of risk associated.

your age counts if your over 50

yeah get rid of employment places because If they dont like the look of you Even if you have the skills they wont send you not like when you see the employer your self.

I was told by Centrelink that I could work a limited amount of hours a week while I am a full time carer for my mother. I didn't want to do anything to risk my payments or comprimise my mum's care.

Age, illness, no licence or car, lack of public transport services.

Working when having kids is so hard. My rent would increase, my pay would decrease and I would have to pay child care costs too. I could not afford to work.

My doctor told me I cant walk normaly anymore I have my medical record to Pacific Link My left legs its my problem

I have been confined to a wheelchair since April 2009. [edited for length]

I would consider Buying my current unit if it Became available.

Generally, no. Personally, yes. I am not lazy, have worked all my life for wages and non-aid voluntary work. An ongoing and permanent spinal condition makes that impossible (reason for being on DSP). I keep my dwelling in impeccable condition – AT MY OWN PACE – no deadlines to meet or transport to catch. I don't socialise and am happy to stay home alone, where it is a safe haven. I don't have any savings or superannuation and manage okay on c'link pay. I am grateful to live in this Pacific Link subsidised dwelling. PS: Nobody would employ me anyway even if I was physically fiter. I will be 71 years old next month (Jan 2014). I do not wish to be interviewed or win a Coles voucher as there is no longer a Coles store in Gosford.

I am casually employed and so my income varies each fortnight. rent assessments every 6 months do not work. I have had problems and at times I can be paying over 50% of my gross in rent. Community housing is supposed to be affordable. The biggest change was when the rent assistance was taken in full by Pacific Link. Before it was 27% of my total income, NOW it is 27 % of my income plus 100% of my rent assistance. So it is dead money that I don't benefit from in anyway, the government may as well pay it directly to Pacific Link. I have been in the position of being able to work more hours, which I would love to do to improve my circumstances. But it is pointless as all I would be doing is working more to pay more rent. People need to be given a chance to get ahead financially. I found myself divorced with children through no fault of my own after 20 yrs marriage. If pacific Link could set the rent for 12 mth period people would be able to work more, earn more and see the benefits of theyre labour.

Working is a waste of time as we lose 75% of what we earn between centrelink and pacific link we just cant get ahead you should be able to earn a certian amount before pacific link increases your rent we are here for a reason and the pension isnt enough.

It hard to pay for a course if you want to get more training if you are on centrelink more help for people who didn't complete yr 10, it's very hard. and single mum's that have been out of work for 5 yrs or more.

I know very little about work for those with a disability that is not a common disability. I hear the Gov't is trying to make it harder to get DSP and get people on DSP off it. This only makes you not want to even inquire or if I was able to try and see if I could do a few hours. As I'm scared I'd lose it (DSP) and there's no way if I couldn't work every week that I could live on unemployment benefits as the cost of medications, specialists and procedures is so high and I need that extra money to pay all of that – even then some weeks I have to borrow from my parents. You feel very unsupported re work but [?] marginalised and targeted by the Govt and I would MUCH rather be working. It's extremely difficult on the DSP. As I tell everyone – I'm not having fun and I'm not getting much money to try to live on yet the general attitude is if you're on the DSP you're really lucky and living a good easy life! Give me work any day over living on the DSP.

The effects on my centrelink and my rent going up.

There is not much work on the Central Coast (Gosford) in my area of work and skills and is so hard to get job in childcare worker, babysitting.

Yes in 2010 I was injured at work the Insurance did not approve my surgery in time and I now suffer with chronic Pain Syndrome therefore I am unable to wear enclosed shoes or socks my everyday footwear is bare feet for thongs

We do unpaid work hoping to get a paid job eventually.

my son has autism and needs me available 24/7

My last position was permanent part-time. I was paid a very low \$17 per hour. My employer received subsidy for employing me. My rent increased, my centrelink decreased, my after school hours care increased. Financially it wasn't worth my while to work. I feel dis-heartened if any future employment brings a continual repeat of "no gain". There should be more incentive to work.

It would be OK to work because you could have more money, not be so bored at home, and be able to contribute to society and make more friends and feel more worthwhile
I wont work thanks

Childcare is too expensive if I wanted to work full time, it wouldn't be worth it. There is not enough for single mums with little kids in preschool.

I was wondering if I'm allowed Capital Housing as I declared my 2 offers as they were in a bad/ruff/isolated area.

We have the impression that due to the area we live, that we may be having trouble gaining employment. As both me and my partner have been applying for jobs for as long as we lived here more but have have had no success. Before we lived here we got interviews but since here nothing.

Working is a good example for our children to follow, to encourage them to earn for what they need in future. Education is even more important, so that my children can have a better job than I have. My point is my "first job" is to bring up my children the best I could, give them good education, keep them active through sport, my "second job" as a production worker is to help to do my "first job" better. Thank you!

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