



The eligibility trap: income eligibility limits, work disincentives and social housing in Western Australia

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Acronyms and abbreviations used in this report

AHURI	Australian Housing and Urban Research Institute
CRA	Commonwealth Rent Assistance
EMTR	Effective marginal tax rate
IEL / IELs	Income eligibility limit(s)
NRAS	National Rental Affordability Scheme
SH	Social housing (tenants)
WA	Western Australia
WL	Waitlist (applicants)

Glossary

A list of definitions for terms commonly used by AHURI is available on the AHURI website ahuri.edu.au/glossary.

Executive summary

Social housing in Western Australia (WA) is under significant and growing pressure. The median wait time for social housing, which comprises public and community housing, has more than doubled over the past five years, rising from 58 weeks in 2020–21 to 120 weeks in 2024-25, and continues to climb. As of December 2025, the average wait time across all applicants was more than three years (166 weeks). For priority applicants, the average wait was just under two years (100 weeks).

Against this backdrop, income eligibility limits (IELs), the income thresholds that determine who can apply for and remain in social housing, have come under increasing scrutiny. WA's IELs are the lowest of any Australian jurisdiction and have remained largely static in real terms for over a decade. This report examines the evidence on whether IELs are working as intended, the relationship between income eligibility policies and workforce participation among social housing tenants and applicants, and the relationship between IELs, exits from social housing and alternative housing options. Specifically, the research assesses whether amending IELs would remove barriers preventing social housing tenants from accessing and retaining employment, thereby relieving poverty and unlocking an untapped labour market to fill critical labour shortages.

The report was prepared by AHURI Professional Services for Shelter WA and draws on four sources of evidence: a review of national and international research literature; analysis of jurisdictional policy settings across Australia; modelling of the impact of earnings from wages on IELs and housing security; and an original survey of 181 WA social housing tenants and waitlist applicants conducted in February and March 2026. The survey was designed with input from a Lived Experience Reference Panel comprising eight people with direct experience of homelessness and social housing. Most survey respondents were women (80%), about a third identified as Aboriginal and/or Torres Strait Islander (32%), and most were aged between 35 and 64 years (62%); 20 per cent were currently on the waitlist.



What are IELs and how do they work?

IELs set the maximum weekly income a household can earn to be eligible to apply for, and remain in, social housing. In WA, the current IEL for a single person is \$551 per week – only just above the disability and age pension – the lowest in Australia, and significantly below comparable jurisdictions such as South Australia (\$882), the ACT (\$925), Victoria (\$797 for priority access), and NSW (\$795). Higher IELs apply in remote and north-west WA, for people with disability, and for those aged over 60.

Most jurisdictions, including WA, conduct periodic eligibility reviews to assess whether tenants continue to meet income and asset thresholds, and tenancies can be terminated if IELs are exceeded. In WA, this means that a person earning just above \$551 per week (the equivalent of around 13 hours of work on minimum wage) risks losing their social housing or place on the waitlist.

WA's IELs have seen only modest increases in recent years (+\$13-\$14 per week for single income households to keep up with indexation for Commonwealth payments). These adjustments have not kept pace with inflation or private rental market growth, meaning that eligibility has effectively tightened in real terms over time.





Key finding 1: IELs are not effectively managing the waitlist

I was on the housing list for 2 years ... then got a job ... I was removed from the housing list. I have been homeless 2/3 year.

– Survey respondent

One concern motivating this report is whether changes to IELs would create additional pressures on WA's social housing waitlist. The evidence does not support this concern.

WA's IELs are the lowest in Australia and have remained effectively static in real terms for over a decade. Yet the social housing waitlist has more than doubled over the same period, demonstrating that IEL settings are a secondary driver of waitlist dynamics compared with housing supply, private rental market conditions, and homelessness rates. Similarly, Queensland held its IELs entirely static over the same period and still saw significant waitlist growth. Victoria substantially increased IELs in 2023-24 and experienced only a temporary, short-lived increase in applications, which subsequently flattened, in part due to an increase in social housing supply.

The national and international literature is consistent: the primary drivers of waitlist length

are housing supply (in particular social housing supply), private rental market conditions, homelessness rates, and labour market conditions, not IEL settings. Changes to IELs are, at most, a secondary influence on waitlist dynamics. There is no rigorous causal evidence, in Australia or internationally, that raising income thresholds produces sustained increases in waitlist demand.

This finding matters because the question is not simply whether raising IELs will increase the waitlist. IELs are trapping people in social housing and in poverty. If the system were better designed, with options for sustainable exits from social housing, affordable housing options and system settings that incentivise work, the burden on other parts of the system would also be reduced. The costs of the current IEL settings in human, economic and social terms cannot be justified as there is no evidence of policy benefits delivered by IELs.

Survey responses showed that IELs are experienced not simply as a policy setting but as a constant controlling force/factor that shapes people's ability to work, daily decisions, long-term aspirations, and sense of dignity. The narratives reveal a shared emotional landscape of fear, frustration, and resignation, with IELs functioning as a barrier to stability, progress, and wellbeing.

Key finding 2: WA's IELs are creating severe work disincentives

I monitor what I earn to keep under the limit. It can be a full time effort.

– Survey respondent

The national and international literature has long established that IELs can create work disincentives. The survey conducted for this report puts a sharp, WA-specific picture on that finding.

- **86%** of survey respondents had managed their work hours because of IELs
- **46%** had turned down work or additional hours to stay below the IEL threshold
- **22%** had avoided looking for work altogether out of fear of losing their housing or waitlist place
- **10%** had resorted to cash-in-hand work to maintain eligibility
- **78%** were very concerned that getting a job or working more hours would affect their ability to keep their housing or their place on the waitlist
- Only **23%** of social housing tenants and **13%** of waitlist applicants felt they would be better off financially if they got a job or worked more hours.

These are not marginal findings. They describe a near-universal pattern of work avoidance shaped directly by policy design. Critically, the survey shows that respondents are not disengaged from the labour market by choice. The overwhelming majority want to work, and most cite financial need, personal wellbeing, and a desire for purpose and stability as motivations. Only 5 per cent of social housing tenants and 13 per cent of waitlist applicants said they did not want to work at all. The barrier is not motivation; it is the system itself.

Income modelling conducted for this report illustrates why in stark terms. A single person on JobSeeker who takes up part-time hospitality work earning just above the IEL loses their social housing and is left with a disposable income after rent of just \$64 per week, compared to \$303 per week for a person on JobSeeker alone who retains their social housing. Working part-time leaves this person \$239 per week worse off than not working at all. A full-time hospitality worker would still be paying 54 per cent of their income in rent, well above the 30 per cent threshold used to define housing affordability stress. The modelling shows that paid employment only becomes a financially viable alternative to social housing at an annual income of approximately \$98,000–\$104,000, equivalent to mid-level professional roles such as civil engineer, financial accountant, or warehouse supervisor. For most social housing tenants and waitlist applicants, this income level is entirely out of reach.



Key finding 3: Waitlist applicants face deeper disadvantage

The work disincentives created by IELs are particularly severe for people on the waitlist, who face an extended period during which earning above the IEL can cost them their eligibility. The survey found that 48 per cent of waitlist applicants cited fear of losing their place as a barrier to employment, higher than the 40 per cent of current tenants who said the same.

The consequences are well documented in the survey data. Respondents described being removed from the waitlist after taking up short-term or casual work, subsequently becoming homeless, and in some cases being unable to regain waitlist eligibility. Several gave up traineeships or declined promotions to protect their place on the waitlist. For people already living in sheds, garages, cars, overcrowded temporary accommodation, or private rentals consuming most of their income, this is not an abstract financial calculation, it is a daily survival decision with no good options.

Key finding 4: The current system traps people in poverty and undermines wellbeing

I am and my child homeless for 3 years now, I can't get private rent or social housing because I am earning too much for social housing and not enough for private rent.

– Survey respondent

The survey findings reveal that IELs are experienced not simply as a policy threshold but as a structural force that constrains life choices, undermines wellbeing, and in many cases contributes to intergenerational poverty. Respondents described a system that punishes ambition and rewards inaction, where earning slightly more, accepting a promotion, or a teenager in the household finding a part-time job can trigger loss of housing. Many described deep anxiety, loss of confidence, and a sense of resignation about their futures.

The impacts span every domain of life. Respondents described being unable to afford healthcare, medication, or therapy because they must keep income low to remain eligible. Parents described being unable to meet their children's basic needs or provide stability for their families. Many described deliberately limiting their income, avoiding disclosing earnings, or quitting employment to regain eligibility, outcomes that are the direct, foreseeable consequence of a policy design that places a hard income cliff at a level well below what is needed to survive in the private rental market.

Respondents were equally clear about what change would mean for them. If IELs were raised and the income cliff removed, they described being able to work more hours, pursue education and training, accept better jobs, save for the future, afford healthcare, support their children, and plan for a life beyond survival. These are outcomes that benefit not only individuals and families, but the state as a whole.





Key finding 5: The current system has an information and trust problem

Housing/Communities/Centrelink never provide same information.

– Survey respondent

Work disincentives are compounded by confusion and distrust. Nearly half of respondents (47%) were unclear about how long they could remain in their housing if they earned over the IEL, and one in three (35%) had received conflicting advice from different sources including property managers, housing providers, and Centrelink. Some respondents reported deliberately not disclosing income out of fear of triggering a review or losing their housing. Many described the emotional and cognitive burden of navigating multiple, inconsistent systems as overwhelming. This information deficit is not a minor administrative inconvenience, it is itself a source of work disincentive, driving avoidance behaviours and eroding trust in the housing system.

Key finding 6: Reform is feasible and the risks are manageable

The evidence from other Australian jurisdictions shows that IEL reform can be managed without producing the waitlist blowout that policymakers fear. Victoria's experience demonstrates that the effects of IEL changes on waitlists are moderated by supply, prioritisation settings, and broader policy frameworks. Queensland's experience demonstrates the converse: that holding IELs static does not prevent waitlist growth.

WA is starting from an unusually low base. Bringing WA's IELs into line with the national mainstream is not a radical policy shift, it is a correction of a setting that has drifted well outside the national norm over more than a decade of inaction. The most impactful short-term reforms, including a protected waitlist period for people who take up work and graduated income buffers, are largely administrative in nature and do not require primary legislation. The risks of reform are manageable. The risks of continued inaction are not.

Recommendations

This report makes six recommendations, spanning immediate administrative changes, medium-term policy reforms, and longer-term structural action.

Recommendation 1: Substantially raise and index WA's IELs.

WA's IELs are the lowest in Australia and are well below the national average. Three options for reform are presented, in order of ambition:

- *Option A — Align with the national median:* Raise IELs immediately to approximately \$795–\$882 per week for a single person, bringing WA into line with NSW, Victoria (priority access), and South Australia. This is the most conservative option and carries the lowest implementation risk. The experience of comparable jurisdictions suggests the impact on the waitlist would be minimal, while providing meaningful relief for tenants and applicants in part-time or casual work whose incomes fluctuate around the current threshold.
- *Option B — Align with average weekly earnings:* Raise IELs to reflect full-time average weekly earnings in WA (approximately \$2,193 per week as of November 2025), allowing households in which one member works full time at average wages to retain their social housing. This option would provide the greatest direct relief from full-time work disincentives but would require accompanying investment in social and affordable housing supply and clear transition arrangements.
- *Option C — Align with the real cost of renting:* Set IELs at the income needed to rent in the private market without housing stress (no more than 30% of income in rent), estimated at approximately \$1,892–\$2,000 per week for a one-bedroom unit in greater Perth. This would represent a fundamental reorientation of WA's social housing system, ensuring that no household is forced out into a private rental market they cannot afford. It would require significant complementary investment in social and affordable housing supply to be workable in practice.

Regardless of which option is adopted, WA's IELs should be increased immediately, with annual indexation tied to the consumer price index (CPI) or the relevant Commonwealth payment rate, whichever is higher. A medium-term review should assess whether IELs should ultimately be set in relation to private rental affordability benchmarks (Option C).

Recommendation 2: Introduce a protected waitlist period for people who take up work.

This is the most impactful short-term reform available and can be implemented administratively without legislation. Waitlist applicants who take up employment should retain their place on the waitlist for a defined period (recommended at 12 months) provided their income remains below a higher soft threshold that allows flexibility above the standard cut-off, and considers the household's circumstances. At the end of that period, a holistic review of the applicant's circumstances should replace the current practice of automatic removal. Applicants who lose employment during the protected period and return to income below the IEL should have their priority status protected. This reform directly addresses what the survey identifies as the single most damaging work disincentive in the system: the fear, experienced by nearly half of waitlist applicants, that taking any job risks losing their place in a queue that now averages over three years.

Recommendation 3: Replace the income cliff with graduated income limits.

Rather than the current hard cutoff, which the modelling shows can leave a person working part-time \$239 per week worse off than not working at all, a graduated set of reforms should blunt and ultimately remove the cliff edge. These include: a rent freeze of at least six to twelve months when a tenant takes up new employment; a graduated income taper above the IEL so that additional earnings result in proportionally higher rent rather than immediate loss of tenancy; income averaging over a rolling 12-month period for households with fluctuating or episodic incomes; a review of the definition of assessable income, including how earnings are treated from children and young people in the household, fringe benefits, salary sacrifice, and child support; and the introduction of a higher exit IEL for continuing tenants, set at a level that reflects the income needed to sustain private rental affordably, so that the threshold at which a tenancy is reviewed is not the same as the threshold at which someone applied in acute need.

Recommendation 4: Build real pathways out of social housing.

IEL reform alone cannot address the structural reality that there is, for most tenants, nowhere viable to go. The private rental market is unaffordable for people on low wages, there is not enough social housing stock to meet actual need and the gap between social housing and the private market is too wide to bridge without support. Actions required include: an audit of available Band B¹ and affordable housing stock, with a published target for Band B growth as a proportion of the overall social housing portfolio; a transition support package for tenants moving out of social housing, covering bond assistance set at a realistic market level, rental history support, and a dedicated housing navigator role; a shared equity or progressive purchase scheme for long-term tenants with rising incomes; and a formal framework, developed in partnership with community housing providers, for converting Band A social housing tenancies to Band B affordable housing tenancies for tenants whose incomes exceed the IEL, so that earning more does not automatically mean losing a home. In addition, it will be necessary to grow social housing stock to alleviate pressures on the waitlist.

Recommendation 5: Address skills and employment needs.

The survey shows that most respondents are strongly motivated to work, but many face structural barriers beyond IEL concerns. Targeted employment and training brokerage services should be funded for both groups and folded into tenancy support services, focused on sectors with genuine WA labour market demand including care, community services, trades, and health. Scholarship and fee waiver programs should be expanded to support access to Certificate III/IV and higher education qualifications. Training options should prioritise flexible, part-time, and remote delivery to accommodate the episodic work capacity and caring responsibilities of many respondents.

Recommendation 6: Fix the information and trust deficit.

The effectiveness of any IEL reform will be undermined if tenants and applicants cannot get clear, consistent, and reliable information about how the rules apply to them. One in three survey respondents had received conflicting advice from different sources; nearly half were unclear about how long they could remain in their housing if they exceeded the IEL; and some had avoided disclosing income altogether out of fear. Required actions include: a plain English guide to how income changes affect eligibility, rent, and waitlist status, covering wages, Centrelink interactions, fringe benefits, salary sacrifice, and irregular income; a commitment from the Department of Housing and Works to provide written advice on request within a defined timeframe; consistent staff training for property managers and housing officers on IEL rules; and a dedicated income and eligibility advice service that is independent of the property management function, so that tenants can seek information without fear that doing so will trigger a review.

¹ See explainer box on page 10

1. Introduction

Social housing in Western Australia (WA) comprises public housing managed by the Department of Housing and Works, and community housing managed by community housing providers. Social housing plays a critical role in providing secure, affordable accommodation to households who cannot meet their housing needs through the private market. As in all other jurisdictions, the system is under sustained and growing pressure. The social housing waitlist has more than doubled in five years, average wait times now exceed three years for all applicants and approach two years for those assessed as priority cases, and the private rental market, with historic low vacancy rates and steep rent increases over the past five years, offers no viable alternative for most people who depend on social housing. Social housing stock represents around 3.3 per cent of total dwellings in WA and has been declining.²

At the heart of this report is a question about the design of income eligibility limits (IELs), the income thresholds that determine who can apply for and remain in social housing. IELs are intended to ensure that social housing is directed to those most in need. In practice, WA's IELs are the lowest in Australia and have remained effectively static in real terms for over a decade. For many tenants and waitlist applicants, the result is a policy setting that responds to the low numbers of social housing stock and actively discourages paid work: earning just above the threshold can mean the loss of social housing and the prospect of paying 80–90 per cent of income in private rent, leaving households worse off than if they had never worked at all.

This report was commissioned by Shelter WA and prepared by AHURI Professional Services in response to growing concern among social housing tenants, community housing providers, advocacy organisations, and policymakers about the adequacy and fairness of WA's current IEL settings. It brings together national and international evidence, cross-jurisdictional policy analysis, original income modelling, and new survey data to provide a comprehensive picture of how IELs are operating, who they are affecting, and what reforms would produce better outcomes for tenants, waitlist applicants, and the community.

² ROGS (2026), Part G Housing & Homelessness – Table 18A.3.



This report has four purposes. First, it assesses the evidence on whether WA's current IEL settings are achieving their intended objectives, specifically, whether they are effectively managing social housing allocations and the waitlist. Second, it examines the impact of IELs on workforce participation, housing security, and wellbeing, drawing on both the existing literature and new survey evidence from 181 WA social housing tenants and waitlist applicants. Third, it models the financial consequences of earning above the IEL threshold, to demonstrate in concrete terms the disincentives faced by those in or seeking social housing. Fourth, it sets out a practical program of reform, spanning immediate administrative action, medium-term policy change, and longer-term structural investment,

designed to reduce work disincentives, build real pathways out of social housing, and restore trust in the system.

The report provides a practical and pro-active way forward that recognises the social and economic cost of inaction which traps people in poverty and constrains their ability to fully participate in the economic and social life of WA.

Housing bands and affordable housing in Western Australia

WA distinguishes between two eligibility bands:

Band A housing covers households that meet the eligibility criteria for social housing set out in the Community Housing Income and Asset Limits Policy (Department of Housing and Works 2025). These are generally lower-income households with limited assets. (see also <https://www.wa.gov.au/organisation/departments-of-housing-and-works/public-housing>)

Band B housing covers low-to-moderate income households that meet the affordable housing eligibility criteria but exceed the income and asset limits for social housing. These households earn too much to qualify for Band A but still face housing affordability stress in the private market. (see also <https://www.wa.gov.au/government/document-collections/community-housing-policies-and-resources>)

Challenges in tracking affordable housing

A significant gap in the current policy framework is the absence of oversight, data or targets for the number of Band B and other affordable housing dwellings in WA. This limits the ability to assess supply, measure progress, or plan strategically for this segment of the market.

Compounding this is the fact that affordable housing is not a single, uniform category. Different programs set their own rent benchmarks, creating an inconsistent landscape:

- The Housing Australia Future Fund (HAFF) requires rents to be set at no more than 74.9 per cent of market rent (i.e., at least a 25.1% discount).
- The National Rental Affordability Scheme (NRAS) requires rents to be at least 20 per cent below market rent.

These varying definitions make it difficult to compare dwellings across programs, aggregate supply figures, or evaluate whether the housing being delivered is genuinely affordable for the households it is intended to serve.

2. Income limits and their consequences: what the evidence shows

2.1 What is the problem?

In Australia, housing policy reform and structural changes in the social housing sector over the past 50 years have led to the residualisation of social housing. Once conceived of as housing for working households, social housing is now targeted to those most in need. In practice this means that social housing is available primarily to those who experience multiple vulnerabilities and who are on very low incomes. Tighter targeting has sharpened the eligibility criteria for social housing, and increased the evidentiary burden and scrutiny placed on social housing applicants and tenants (Martin et al. 2025).

In Australia and internationally, IELs and their periodic review are a policy tool intended to assist in allocating social housing to those most in need. However, the national and international evidence demonstrates that IELs are not an effective tool for managing social housing allocations and instead generate a range of harmful unintended consequences. This section summarises that evidence.

2.1.1 IELs are not an effective tool to manage social housing allocation or the waitlist

All Australian jurisdictions have been experiencing persistently high and growing waitlists. IELs are one measure intended to manage demand by rationing access to social housing and encouraging exits. However, the national and international evidence shows they are not effective at achieving either objective.

Australia's social housing system has experienced declining exit rates coinciding with the introduction of IEL policies, which suggests they have had limited impact on encouraging households to transition out of social housing (Powell et al. 2019). Even when households are income-eligible, allocation depends on waitlists, prioritisation, and stock-matching, which can moderate or override the effect of eligibility criteria entirely (Aminpour et al. 2024; Levin et al. 2023; Morris et al. 2023). While the application process is viewed as bound by tight rules and regulations, discretion is common in practice, creating the potential for inconsistency (Morris et al. 2024). The complexity and onerous requirements of the application process also mean that applicants who are unassisted by a support worker or advocate are less likely to achieve an optimal outcome. IELs can also exclude households that are just above the threshold who may face significant housing stress but remain ineligible for social housing (OECD 2020). In WA and Queensland, nominal IELs have remained static or almost unchanged for more than a decade. While intended as a tool to manage social housing demand, this has effectively tightened applicant eligibility in real terms over time (Pawson and Lilley 2022).

2.1.2 IELs stop people from working

Rather than functioning as an effective rationing tool, IELs and their periodic review contribute to work disincentives for social housing tenants and waitlist applicants, trapping households in welfare dependence, poverty, and unemployment (Dockery et al. 2008a; Flanagan et al. 2020; Martin et al. 2025; Tenants' Union of NSW 2008).



IEL policies are designed without due regard for the way in which many tenants and waitlist applicants experience the labour market. Most rely on social security payments. Those who work or seek to re-enter the workforce are most likely to be low-income earners in casual, short-term, seasonal, or intermittent employment. Incomes may fluctuate, a sustained upward career trajectory may take many years to eventuate, and episodic physical or mental illness can mean that improvements in financial circumstances are time-limited. As a result, households must balance the costs and benefits of working against the potential loss of social housing or waitlist eligibility and the reduction or cessation of social security and other payments (Aminpour et al. 2024; Burke et al. 2007; Dockery et al. 2008b; Flanagan et al. 2020; Hulse and Burke 2007; Hulse and Randolph 2004; Kelly, Ong, and Wood 2005; Lawson and Milligan 2007; Martin et al. 2025).

Two key concepts are central to understanding these financial disincentives: the 'unemployment trap' and the 'poverty trap' (Hulse and Randolph 2004). The unemployment trap describes the situation where the financial gap between income support payments and the returns from paid work is insufficient to make work worthwhile. The poverty trap describes a situation where each additional dollar earned results in so little increase in disposable income, due to the withdrawal of payments and other entitlements, that people are effectively trapped regardless of whether they work. Research establishes that both traps are more common among housing assistance recipients than other income support recipients, and affect people's decisions about whether to work and how much (Dockery et al. 2008c; Hulse and Randolph 2004).

Research in Western Australia found that unemployment rates are higher on the waitlist than in public housing, indicating that waitlist eligibility rules are a more powerful work disincentive than the policy settings that apply to those already in social housing (Dockery 2008a). The longer the waiting time and the stricter the eligibility rules, the worse these disincentives become. Being on the waitlist for long periods also negatively affects individuals' capabilities, employment, training, health, wellbeing, and family formation more broadly (Aminpour et al. 2024; Crisis et al. 2004; Westbrook et al. 2024).

A successful transition out of social housing requires a consistent, adequate, and sustained income that keeps pace with increases in living costs, sufficient to afford private rents or mortgage repayments over the long term. The incomes at which most tenants lose eligibility for social housing are insufficient to afford median private rents in any Australian jurisdiction (Tenants' Union of NSW 2008). Modelling conducted for this report confirms this: paid employment only becomes a financially viable alternative to social housing at an annual income of approximately \$98,000–\$104,000, equivalent to mid-level professional employment. For the vast majority of social housing tenants and waitlist applicants, this income level is entirely out of reach.

2.1.3 IELs contribute to housing insecurity

The unintended consequences of IELs extend beyond work disincentives to broader housing insecurity. Being on the waitlist for extended periods negatively affects individuals' capabilities, employment prospects, health, wellbeing, and family formation (Aminpour et al. 2024; Crisis et al. 2004; Westbrook et al. 2024). Households on low incomes frequently rent from friends and family, or move between unstable and unsuitable arrangements, due to constraints on accessing formal pathways into the private rental sector. Such arrangements are rarely sustainable, do not deliver appropriate housing outcomes, and place people at risk of homelessness.

Households that move out of social housing and into the private rental market often struggle due to the lack of affordable, secure, and safe alternatives (Muir et al. 2020; Powell et al. 2019). They must navigate the stigma associated with a social housing background, the administrative requirements of the private rental market such as credit history and rental references, as well as low wages and insecure employment. Many continue to experience complex needs and require ongoing support to live independently. As a result, many return to the social housing system (Muir et al. 2020; Powell et al. 2019). Conversely, accessing social housing is associated with significant improvements in physical and mental health, employment, and engagement with family and community (Morris and Robinson 2025), underscoring that the harms of the current IEL settings are not confined to those who lose their tenancy or waitlist place, but extend to all those whose access to stable housing is delayed or denied.

2.2 IELs in Australia

Australian jurisdictions have broadly similar objectives for social housing, though the emphasis varies depending on historical precedent, structure of the community housing sector and private housing markets. Wait lists are integrated across public and community housing (and State Owned and Managed Indigenous Housing (SOMIH) where applicable) and IELs are generally consistent across housing types.

Eligibility criteria vary between jurisdictions and housing types but generally include:

- Citizenship/permanent resident status
- Limits on income and assets
- Additional criteria for priority housing, such as homelessness, inability to support oneself in the private rental market, family violence, serious illness, disability or age (Morris et al. 2024).

Most jurisdictions have ongoing and fixed term leases for social housing, and most (except Victoria) have periodic eligibility reviews, although there is great variation across jurisdictions in terms of what is reviewed and how often (Powell et al. 2019; ROGS 2025)

Rents for public housing are set at 25 per cent of household income (25-30 per cent for NSW and ACT) (ROGS 2025). Community housing rents may be set in relation to market rents, depending on tenant income (see explainer box page 10).

Most IELs are below the level needed for a healthy standard of living and place applicants at or close to the minimum level of income needed to participate in society, in some jurisdictions this is at or close to the poverty line (Davidson et al. 2020).

In WA and Queensland nominal IELs have remained static or almost unchanged for more than a decade; while this is a tool to manage social housing demand, it has effectively tightened applicant eligibility over time (Pawson and Lilley 2022).

Table 1: IELs for all states and territories

	WA*	QLD	Vic Priority	Vic Register of Interest	Tas	NSW	SA	ACT Public Housing	ACT Community Housing	NT
Single person	\$551	\$609	\$797	\$1,173	\$797	\$795	\$882	\$925	\$2,313	\$1,114
Two people	\$701	\$755	\$1,362	\$1,794	\$1,362	\$1,100	\$1,371	\$1,156	\$3,083	\$1,448
Single with 1 dependent	\$701	\$755	\$1,396	\$2,419	\$1,362	\$1,180	\$1,078	\$1,156	\$3,083	\$1,448
Single with 2 dependents	\$805	\$877	\$1,438	\$2,419	\$1,396	\$1,310	\$1,274	\$1,310	\$3,391	\$1,685
Two people with 1 dependent	\$816	\$877	\$1,396	\$2,419	\$1,396	\$1,485	\$1,568	\$1,310	\$3,391	\$1,685
Two people with 2 dependents	\$936	\$999	\$1,438	\$2,419	\$1,430	\$1,615	\$1,764	\$1,464	\$3,699	\$1,934

Source: Authors based on ROGS 2026

*Higher IELs apply in the north west and remote areas of WA.



2.3 Social housing and IELs internationally

2.3.1 Not all countries use IELs to determine eligibility for social housing

Internationally, social housing is not always a housing of last resort and in many countries, social housing provides accommodation for low- and middle-income households.

There are significant differences across countries in the definition, size, scope, target population and type of provider of social housing. For instance, social rental housing makes up less than 10 per cent of the total dwelling stock in most OECD and EU countries, but more than 20 per cent of the total stock in Austria, Denmark and the Netherlands, where it represents a key 'third sector' in the housing market. It is notable, that social housing eligibility is closely tied to social housing stock numbers as a proportion of all dwellings.

- Most OECD countries use a maximum income threshold for social housing eligibility (OECD 2020:1.1). Many also use wait lists or hardship prioritisation to allocate housing (OECD 2020).

- Austria and France set higher income thresholds to encompass a wider and more heterogeneous population.
- Denmark, Estonia, Finland, Israel, Portugal, Northern Ireland and Scotland do not set an income threshold to determine eligibility for social housing. In Denmark, for example, social housing is defined as general housing (almen bolig), which reflects its aim to house a broad range of the population as cost based rents.

Social housing in Australia

The amount of social housing households as a proportion of Australian households has steadily declined, from **4.8%** in 2011 to **4.1%** in 2024.

- **4.5%** in New South Wales (down from 5.0% in 2015)
- **3.0%** in Victoria (down from 3.4% in 2015)
- **3.5%** in Queensland (down from 3.7% in 2015)
- **3.8%** in Western Australia (down from 4.3% in 2015).³

³ Housing Assistance in Australia, AIHW 2025, <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists>

2.3.2 Austria

In Austria, social housing comprises over 20 per cent of total housing stock. The social housing sector, referred to as subsidised housing (Geförderte Wohnungen) or municipal housing (Gemeindewohnungen), is managed by different providers that follow the same cost-based rent-setting rules and eligibility criteria. The eligibility criteria are based on relatively high-income thresholds, making the sector accessible to around 80 per cent of all households (OECD 2020).

2.3.3 France

The French social housing system (Habitation à loyer modéré) provides cost-based rental dwellings to lower- and middle-income tenants. Approximately 17 per cent of total housing stock in France is social housing. Due to a large and growing stock and largescale social mixing initiatives, social housing covers a wide spectrum of social situations due to relatively high-income thresholds (around 60% of the French population is eligible) (OECD 2020).

2.3.4 United Kingdom

Social housing makes up about 16 per cent of total housing stock in the United Kingdom (UK). At present, local authorities have discretion over who to include in wait lists, including IELs, reviews and removal. However, the UK is currently consulting on a national income test for social housing, which proposes that households over a certain threshold would not qualify for social housing. This change is part of a broader shift to more targeted social housing.

2.3.5 Norway

Norway has a small social housing stock (approx. 4% of all housing). Its system of social housing combines needs (income) testing with more market-based rent setting (Sørvoll et al. 2024). Norwegian social housing is strongly targeted towards those with the greatest need, which constrains its accessibility (Cavicchia et al. 2025). Norway has a very high rate of homeownership (80%) (heavily government subsidised loans for first home buyers. Cooperative housing plays a key role in facilitating home ownership and makes up 15 per cent of national stock.

2.4 Employment cycles, unemployment and social housing

2.4.1 Australia's long-term unemployed

The employment outcomes of people long-term unemployed are less sensitive to economic cycles, meaning they benefit less from favourable labour market conditions (Cassidy et al. 2020). The average duration of unemployment is longer for men, older people and people without university qualifications.

Australia's long-term unemployed:

- Are more likely to be male, without Year 12 or university qualification
- Have significantly less household net wealth and disposable income
- Are more likely to have worked in agriculture, manufacturing / retail industries and lived in regional areas
- Have lower chances of gaining employment. People unemployed for 2 years or more have a statistically significant lower chance of finding work (65% lower) and are less than half as likely to secure employment within a month.

2.4.2 Factors contributing to long-term unemployment

Several factors contribute to long-term unemployment. These include the following:

- Longer durations and multiple instances of unemployment can reduce the probability of finding work. In Australia, Cassidy et al. (2020) found a decreasing probability of employment after 5 years of unemployment. This aligns with the findings by Abraham et al. (2019) in relation to US workers.
- Doiron and Gorgens' (2008) study of young Australian low-income workers found that the number of unemployment instances reduced the probability of finding employment, even when duration alone did not.

- Long-term unemployment increases barriers to employment (Cassidy et al. 2020) due to skill stagnation or loss during extended periods out of the workforce; employer discrimination and stigma; and feelings of discouragement diminish job search motivation and openness towards potential opportunities (Turtiainen et al. 2024)
- Personal and demographic characteristics contributing to long term unemployment include physical disability, poor health and poor mental health, which are barriers to finding work. In addition, age discrimination disproportionately impacts those who are long-term unemployed.

2.5 Employment trends for people living in social housing

A recent international systematic literature review found that while social housing residents have low rates of employment, there were no studies with causal link between living in social housing and low employment outcomes (Vuuren et al. 2024). Instead, studies show that social housing residents, experience a complex set of personal and environmental barriers to finding and maintaining work, including:

- Age
- Education and training levels
- Disability
- Mental health
- Gender, family structure and dependent children
- Limited transport access

The stability and security of social housing can help people gain employment by:

- Completing further education and training (Wiesel et al. 2014)
- Creating a safe space for residents' mental and practical capacity so they can consider employment options and start looking for work (Hulse and Saugeres 2008; Phibbs and Young 2005)

- Improving social networks, which can facilitate access to job-related information, development of job-search skills and provide role models (Vuuren et al. 2024)

Note that additional skills and employment do not typically lead to employment that is remunerated well enough to enable people to afford private market housing (Liu et al. 2023).

2.6 Impact of IELs on workforce participation

The evidence shows that IELs for social housing can create work disincentives (Ong et al. 2017). Australian research (Dockery et al. 2008a) shows that improving employment for housing assistance recipients requires:

- Removal of financial disincentives to work in social housing rent setting and income eligibility policies
- Retaining security of tenure
- Social housing that is well located to employment opportunities.

Research in Western Australia (Dockery et al. 2008a) shows that unemployment rates are higher on the waitlist than in public housing. It also indicates that waitlist eligibility rules are more powerful work disincentive than policy settings for those in social housing.

There is a solid body of research that measures workforce disincentives (Burke et al. 2007; Dalton and Ong 2005; Dockery et al. 2008a; Dockery et al. 2008b; Dockery et al. 2008c; Hulse and Burke 2007; Hulse and Randolph 2004; Kelly et al. 2005; Lawson and Milligan 2007; Spong and Ong 2005).

Two key concepts are central to financial debates about work disincentives, the 'unemployment trap' and the 'poverty trap' (Hulse and Randolph 2004).

The research establishes that poverty and unemployment traps (low or even negative financial returns to work) are more common among housing assistance recipients than other income-support payment recipients. This affects peoples' decisions around whether they should work and how much.

Modelling undertaken for this report shows that housing assistance has a marked impact on a household's disposable income. The loss of housing assistance in the form of social housing and its replacement with the lesser Commonwealth Rent Assistance (CRA) in the private market means that paid employment is only a viable alternative for households with a secure income around \$100,000. This represents mid-level professional employment (3-5 yrs experience required) such as civil engineer, financial accountant, warehouse supervisor, social worker, aged care manager, draftsman, refrigeration mechanic, FIFO logistics officer, senior bookkeeper, executive assistant.

Overall, the literature and modelling demonstrate the significant impacts of losing social housing due to IELs on households' ability to access and afford housing, which places them at high risk of homelessness.

Measuring workforce disincentives

Unemployment trap (Should I work?)

Social security benefits are structured in a way that erodes incentives for the unemployed to take a job.

The incentive of unemployed people to find a job depends on the level of income support payments, the level of income available from paid work, and taxation of that income.

This is commonly measured by the income replacement ratio or rate (RR), which corresponds to the ratio of net income out of work compared to the ratio of net income from paid work (Hulse and Randolph 2004).

Poverty trap (How much should I work?)

Measures how much of each additional dollar earned translates into disposable income.

This describes a situation where individuals are trapped in a cycle of poverty and dependency because of the structure of welfare systems.

This is usually measured in terms of effective marginal tax rates (EMTRs), which show how much of an additional dollar of income is lost to income tax and withdrawal of government cash payments and other concessions.

$$\text{EMTR} = 1 - \frac{\text{Change in disposable income}}{\text{Change in earnings}}$$

E.g., an EMTR of 60% means that 60 cents of the one dollar increase in private income is lost to taxes and reduced government cash payments and the household is better off by 40 cents (i.e. their disposable income increases by 40 cents) (Hulse and Randolph 2004).

2.6.1 Additional factors driving work decisions

Financial incentives and disincentives to work interact with several other key considerations for housing assistance recipients and applicants. These include the following:

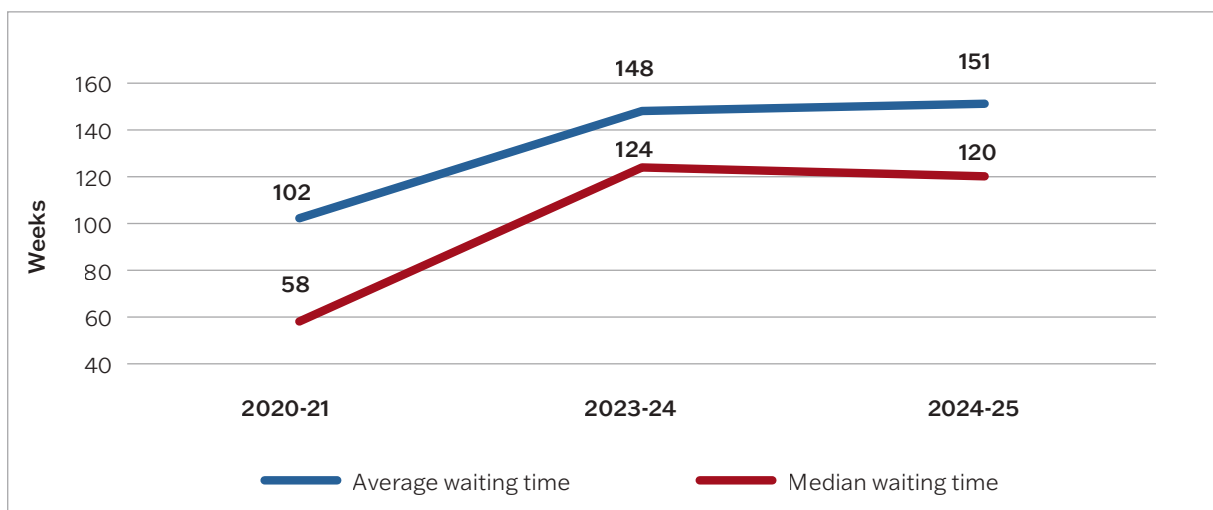
- **Rent increases.** Public housing rent is calculated as a proportion of eligible household income (usually 25%). When household income increases, so do rents. Hulse and Randolph (2004) identified that 25 per cent of public renters saw increased rents when in paid work as the most important additional cost of working. In the UK, Gibb et al. (2016) found that lower rents would provide a much clearer financial incentive to work.
- **Loss of waitlist eligibility.** Households on social housing waitlists face severe disincentives to enter work. This is because income eligibility rules deter job search and the acceptance of job offers until applicants have secured public housing (Dockery et al. 2008a). The research suggests that longer waiting times and stricter income eligibility rules worsen these disincentives. People on the social housing waitlist may reject offers of employment because they are concerned they may lose their place on the waitlist, especially if the work is of a casual nature or a fixed term contract. They may choose to work less if they feel this would push them up in priority of the wait list (Dockery et al. 2008a; Dockery et al. 2008c). Long wait times particularly affect people with complex support or health needs (valentine et al. 2024).
- **Health and mental health.** Housing assistance recipients identify factors such as poor health and mental health, poor location, lack of educational qualifications, and inaccessible public and private transport as major barriers to employment outcomes (Dockery et al. 2008a).
- **Needing to move for work.** Hulse and Randolph (2004) found that given appropriate housing and job opportunities, most private and community housing and public housing renters would be prepared to move to get a job. However, public renters were more willing than other groups to stay in their current area without a job. It appears that they are reluctant to trade away the benefits of public housing (security, affordability and community) for a job elsewhere, especially if they are likely to only get casual or episodic work. Private renters do not have these benefits to trade and may have less to lose if they move to get a job. This suggests that the availability of low cost rental housing rather than any intrinsic attraction to the area or the availability of appropriate employment opportunities influences decisions to move.
- **Caring responsibilities.** The labour market decisions of female housing assistance recipients are less responsive to financial incentives than those of their male counterparts, possibly due to parenting responsibilities and the logistical difficulties of combining work and parenting (Dockery et al. 2008a).

3. Do IELs impact social housing waitlists?

In most jurisdictions, except for Queensland (no increase) and Victoria (major reform), IELs have been increasing incrementally to account for inflation and increases in Commonwealth support payments. AIHW data show that social housing waitlists have generally grown or remained high across Australia, with fluctuations influenced by allocation policies, priorities and eligibility criteria, but also by supply constraints.

WA's social housing waitlist has grown substantially over recent years and shows no sign of abating. The median wait time more than doubled from 58 weeks in 2020-21 to 120 weeks in 2024-25, while the average wait time rose from 102 weeks to 151 weeks over the same period (Figure 1). Monthly data for 2025 show that wait times have continued to increase throughout the year, with the average wait time for all applicants rising from 152 weeks in January 2025 to 166 weeks in December 2025 (Table 2). The picture for priority applicants, while somewhat better, is also worsening: the average priority wait time rose from 86 weeks in January 2025 to 100 weeks in December 2025, meaning that even those assessed as having the greatest need are waiting close to two years for housing. Taken together, these data paint a picture of a system under sustained and growing pressure, in which the typical applicant now waits more than three years for social housing.

Figure 1: Social housing wait time in weeks, WA 2020-21 to 2024-25



Source: 2021 figures: WA Government, Department of Communities (2021) [Housing Authority Annual Report 2020-21](#); 2024 figure: WA Government (2024) 2024-25 [Budget, Budget Paper 3 Vol. 2](#), p.510; 2025 figure: WA Government (2025) 2025-26 Budget, [Budget Paper 2 Vol.2](#), p.601.

Table 2: Average wait time in weeks, WA, 2025

Month	Waitlist	Priority only
30-Jan-25	152	86
28-Feb-25	153	88
31-Mar-25	151	89
30-Apr-25	154	90
31-May-25	156	92
30-Jun-25	156	92
31-Jul-25	158	93
31-Aug-25	160	96
30-Sep-25	163	97
31-Oct-25	164	99
30-Nov-25	165	99
31-Dec-25	166	100

[Question on Notice 1593, 19 December, 2025](#)

3.1 Impact of IEL changes on waitlists

There is **no conclusive evidence** that eligibility expansion is a key driver of waitlist pressure. Changes in wait list numbers reflect policy changes as much as underlying need. Key drivers include (Writer and Barnes 2022):

- Supply of social and affordable housing
- Housing markets (e.g. vacancy rates, housing affordability)
- Labour markets (unemployment rates, wages)
- Rates of homelessness
- Eligibility criteria and their enforcement.

Consequently, adjustments to IELs are likely a second order effect on wait lists compared with the scale of unmet need and limited stock.

Housing affordability stress

Housing stress is said to occur if an unreasonable proportion of household income is required to pay housing costs. In Australia, this is commonly measured using the '30/40' affordability rule. This 'rule of thumb' defines housing stress as occurring when households in the lowest 40 per cent of the income distribution pay more than 30 per cent of income on housing costs, adjusted for household size.

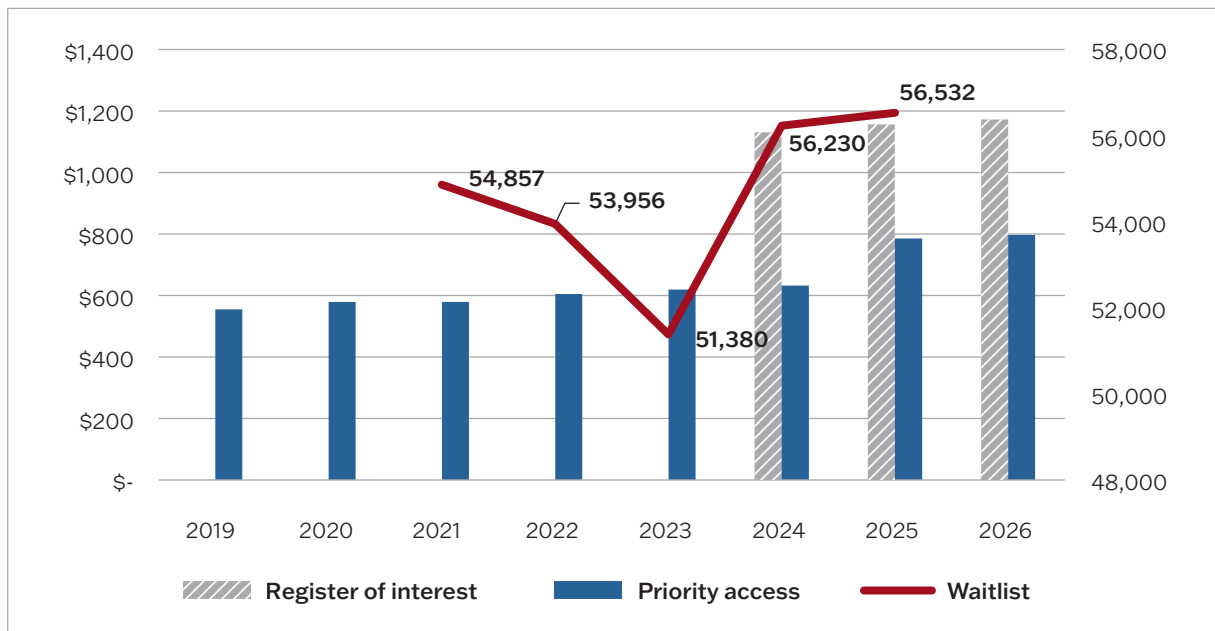
3.1.1 Cross jurisdictional comparison of waitlist numbers and IELs

The fact that waitlists are driven by a complex interaction of structural factors and policy settings is also evident in a comparison of waitlist numbers and IELs across three Australian jurisdictions with different policy settings, namely Victoria, Queensland and NSW. The comparison demonstrates that in all three jurisdictions waitlist numbers continued to grow, regardless of whether IELs remained static (QLD), were very low and increased only marginally (WA), or whether they were increased considerably (VIC).

Victoria

- Major structural change in 2023-2024
 - Single income eligibility threshold replaced with separate income bands for priority access and register of interest
 - Increased IELs, especially for register of interest, expanded eligibility
 - Aligned social housing with the broader *Big Housing Build* framework to increase social housing stock.
- Led to an initial increase in applications to the Victorian Housing Register, but this has since flattened, in part due to an increase in the number of social housing dwellings
- Demonstrates that wider policy settings, not just IELs, impact waitlists.

Figure 2: Victoria, waitlist and IEL 2019 to 2026

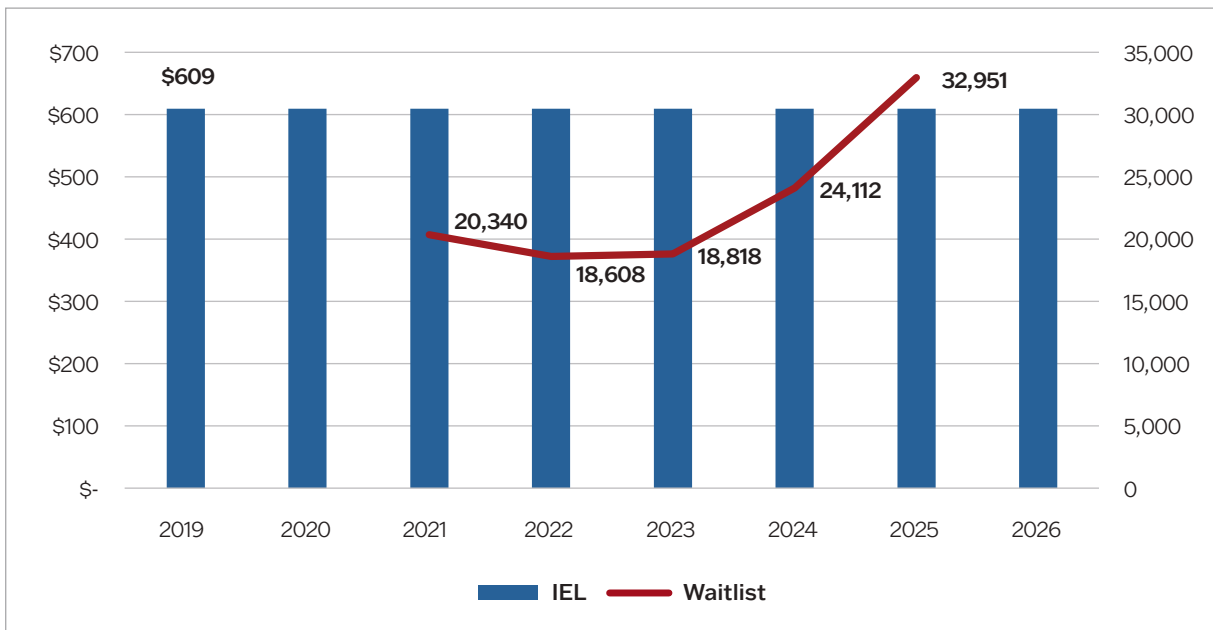


Source: ROGS 2026

Queensland

- No increase in IELs
- Recent reforms (2025) focus on enforcing existing thresholds (annual eligibility checks, potential eviction of high-income tenants)
- Demonstrates that waitlists increase without changes to IELs.

Figure 3: Queensland, waitlist and IEL 2019 to 2026



Source: ROGS 2026

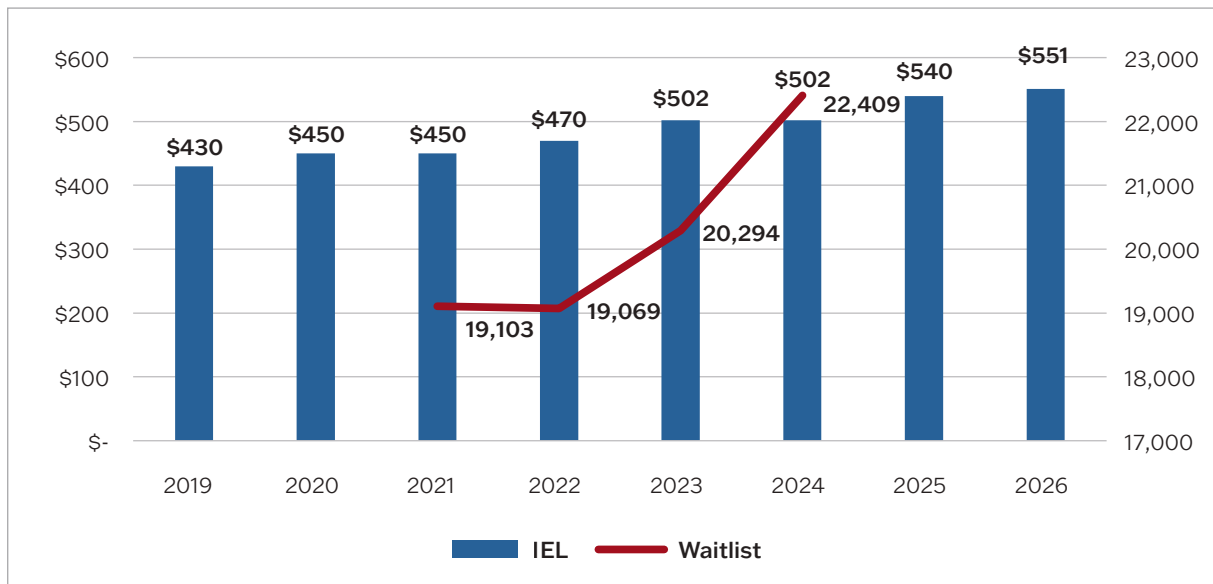
Western Australia

Modest **increase in IELs** to ensure that those reliant on Commonwealth support payments remain eligible

- 2024: +\$13/week for single income households and +\$20/week for dual income households
- September 2025: +\$14/week for single income households and +\$21/week for dual income households.

Demonstrates that modest increases to IELs do not equate to limiting demand for social housing as expressed through the waitlist

Figure 4: Western Australia, waitlist and IEL 2019 to 2026



Source: ROGS 2026

3.2 Jurisdictional initiatives to mitigate work disincentives

Several jurisdictions have policies that are intended to mitigate work disincentives; these include the following:

- In Queensland, if a Centrelink recipient starts work, they may apply for a rent freeze for six months (guaranteed rent period) (see Public Housing Rent Policy). To encourage young people into work, earned income received by household members aged 24 years or less who are not the tenant or a tenant's spouse is excluded when calculating public housing rent (Youth to work rent policy).
- The NSW 'Start Work Bonus' ensures that rent will not increase for up to 26 weeks for NSW social housing tenants who start a new job.
- Victoria uses a system of 'fixed rent periods', by which household incomes and, consequently, rents are reviewed in February and August each year. During that period, rent will not rise if a household's income increases but may go down if income decreases.
- ACT social housing landlords review incomes and rents every six months, with provision for downward revisions during the six-month period.

3.3 Modelling the impact of IELs on housing assistance and disposable income

Modelling in Table 3 shows how the interaction between Commonwealth income support payments, Commonwealth Rent Assistance (CRA), taxes and earned income create disincentives to work for those in social housing. The modelling uses a single person on JobSeeker as the base case. This was chosen as single people and couples make up 70 per cent of the waitlist (Western Australian Parliament, 2025). Five scenarios are modelled.

In **Scenario 1**, a single person receiving Jobseeker (\$404 per week) lives in a 1-bedroom public housing dwelling. They have no additional private income and are not required to pay tax. After paying 25 per cent (\$101) of their income in rent, they end up with a weekly disposable income of \$303.

In **Scenario 2**, the person works 10 hours per week in a hospitality job. They earn just under the IEL (\$250 per week), receive \$316 in JobSeeker and pay taxes of \$9 per week. They retain their social housing, where they pay 25 per cent of their income in rent (\$134), which leaves them with a weekly disposable income of \$401.

Scenario 3 illustrates the income cliff. Here, the person works just 3 hours more than the person in Scenario 2. Their income from wages is \$324, they receive \$260 in JobSeeker and pay \$14 in taxes, which results in a disposable income of \$554. As this income is over the IEL, they lose their social housing and are forced to pay market rent for a 1-bedroom dwelling in Perth, which costs \$600 per week. Even though they receive \$110 in CRA, their rent is still \$490, or 88 per cent of their income. In effect, after paying rent, they have only \$64 remaining in disposable income per week. The disparity in disposable weekly income between Scenarios 2 and 3 clearly illustrate that it would not be a rational economic decision to take on more work hours.

Even in **Scenario 4**, where the person works 20 hours per week, the increase in disposable income after taxes, loss of JobSeeker and rent is negligible, as their income after rent is only \$116, still far below that of the person in Scenario 2. Rental remains extremely unaffordable, as they would have to pay 81 per cent of their income in rent.

In **Scenario 5**, the person is working in a full-time hospitality job and earns a wage of \$1,379 per week. They do not receive JobSeeker or CRA and pay \$123 in taxes. Their rent of \$600 represents 54 per cent of their income, which shows that they are experiencing severe housing affordability stress. They have only \$515 in disposable income after paying rent.

Based on the Perth median rent, a person needs an income of \$98,400-\$104,000 annually to be able to afford the cost of renting a 1-bedroom unit while paying no more than 30 per cent of their income in rent. This salary level is representative of mid-level professional jobs, such as a civil engineer, financial accountant, warehouse supervisor, social worker, aged care manager, draftsman, refrigeration mechanic, FIFO logistics officer, senior bookkeeper, executive assistant. These jobs usually require a minimum of 3-5 years of experience and are not aligned with the jobs likely to be undertaken by people living in, or exiting, social housing.

Overall, modelling clearly demonstrates the income cliff, which deters people from seeking work or working more hours, and the vast gap between the earnings potential of social housing tenants and waitlist applicants and the sustained income levels needed to affordably rent in Perth.



Table 3: Modelling the income cliff: how income from wages interacts with IELs, Commonwealth support payments and taxes (weekly figures)

	Single person on Jobseeker				
	No additional income	Wage just under IEL, PT hospitality worker (10 hours @ \$24.95)	Wage just over IEL, PT hospitality worker (13 hrs @ \$24.95)	PT hospitality worker (20 hrs @ \$24.95)	Single FT hospitality worker ^^
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
WA IEL	\$551	\$551	\$551	\$551	\$551
Income					
JobSeeker single	\$404	\$404	\$404	\$404	
Money REMOVED from JobSeeker		-\$99	-\$144	-\$249	
Wage earned		\$250	\$324	\$499	\$1,379
Tax paid	\$0	-\$9	-\$14	-\$22	-\$123
Disposable income after tax and loss of benefits	\$404	\$534	\$554	\$605	\$1,115
RENT 1 BR unit					
Rent	\$101*	\$134*	\$600**	\$600**	\$600**
CRA^			\$110	\$110	
Rent after CRA	\$101	\$134	\$490	\$490	\$600
Affordability					
Rent + CRA as a proportion of income	25%	25%	88%	81%	54%
Disposable income after rent	\$303	\$401	\$64	\$116	\$515
What would be affordable rent at 30% of income plus CRA	\$121	\$160	\$276	\$291	\$334
How much would a person need to earn rent affordably?			\$1,890^	\$1,890^	\$2,000^

Source: authors, current March 2026

*25% of income; **Greater Perth median rent 2024; ^Equivalent to an annual salary of \$98,400-\$104,000, e.g. civil engineer, financial accountant, warehouse supervisor, social worker, aged care manager, draftsman, refrigeration mechanic, FIFO logistics officer, senior bookkeeper, executive assistant. ^^ SGS 2025

4. Income eligibility survey



The purpose of the Income Eligibility survey was to survey social housing tenants and people on the waitlist to ascertain:

- whether eligibility limits are a barrier preventing workforce participation
- tenants' skill sets and appetite to increase workforce participation
- impact on housing security
- impact on health and wellbeing.

The Income Eligibility Survey was delivered online by Shelter WA from 4 February to 15 March 2026. The survey was designed by AHURI, with input from the Lived Experience Reference Panel. The panel comprised eight people with lived experience of homelessness, and/or being in social housing, and/or being on the waitlist.

The survey received 181 responses but only around 130 people completed the survey, around 20 per cent of these were on the waitlist. Most (80%) survey respondents were women, about a third (32%) identified as Aboriginal and/or Torres Strait Islander, and most were aged between 35 to 64 years (62%).

Table 4: Survey respondent demographic characteristics

	Number	Percent
Age		
18 to 24	12	7%
25 to 34	27	15%
35 to 44	33	18%
45 to 54	48	27%
55 to 64	30	17%
65 to 74	19	10%
75 and over	12	7%
Total	181	100%
Gender		
Woman	65	80%
Man	14	17%
Non-binary	1	1%
Prefer not to say	1	1%
Total	81	100%
Are you Aboriginal and/or Torres Strait Islander?		
No	53	65%
Yes	26	32%
Prefer not to say	3	4%
Total	82	100%

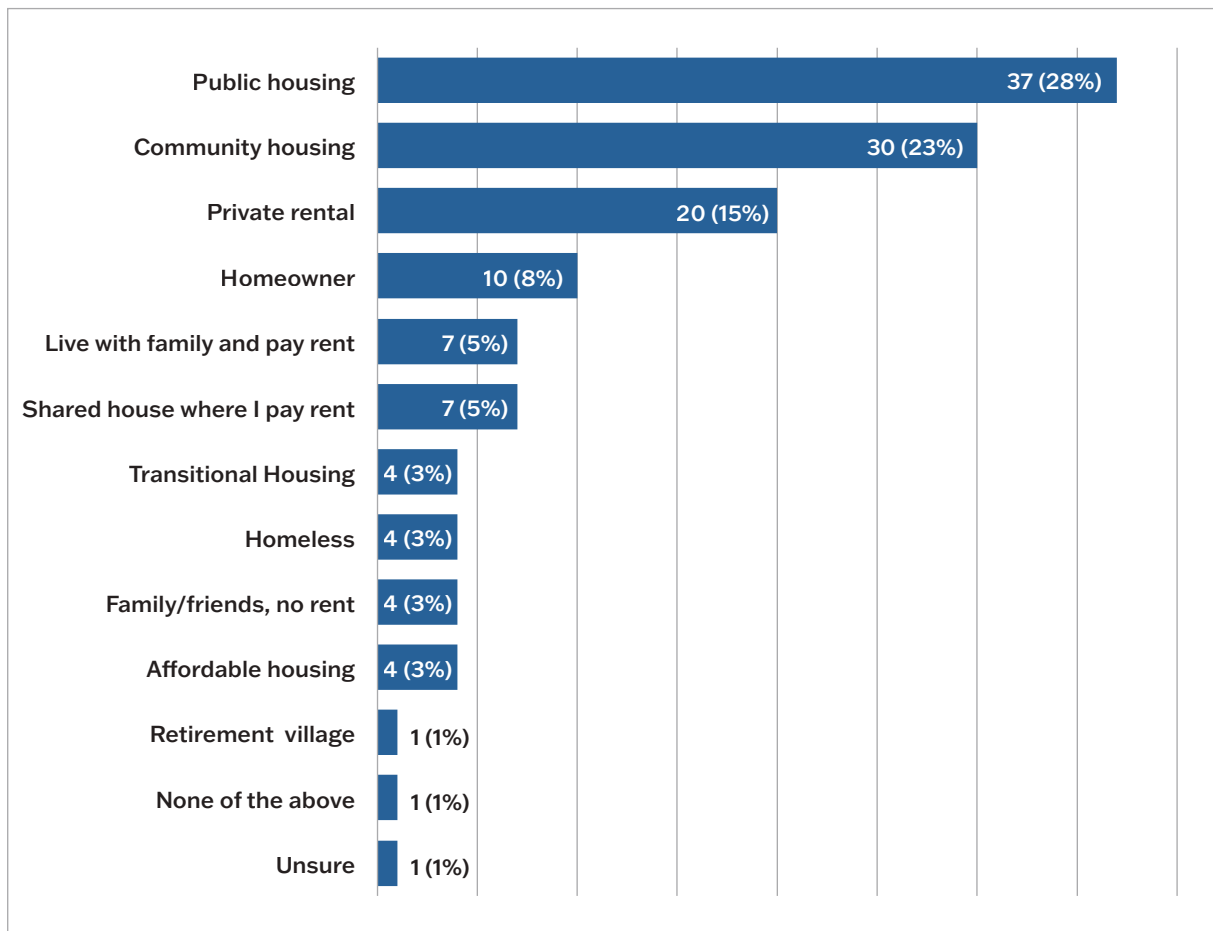


4.1 Housing

4.1.1 Tenure and household type

The survey asked respondents about their current living situation. Just over half (51%) of respondents currently lived in social housing, 10 per cent shared with family or others and paid rent, 8 per cent were homeowners. Only 4 respondents (3%) were currently living in affordable/Band B housing (Figure 5). Most (44%) respondents lived alone and about a third (31%) were single parent families (Figure 7).

Figure 5: What type of housing are you currently living in? n=130



Across all tenures, long-term residence of five years or more was the most common tenure length (40%). Public housing had the highest security of tenure, with over half of residents in place for five years or more. Community housing had a more mixed pattern, with a notable proportion of residents (43%) living in their homes for less than 12 months, suggesting recent allocation changes or higher turnover. Private rental households showed moderate churn, with durations spread fairly evenly across categories. Transitional housing and shared rental arrangements were characterised by short stays and rapid turnover. In contrast, homeowners and those living with family tended to have long and stable living arrangements (Figure 6).

Figure 6: How long have you lived in your current tenure? n=77

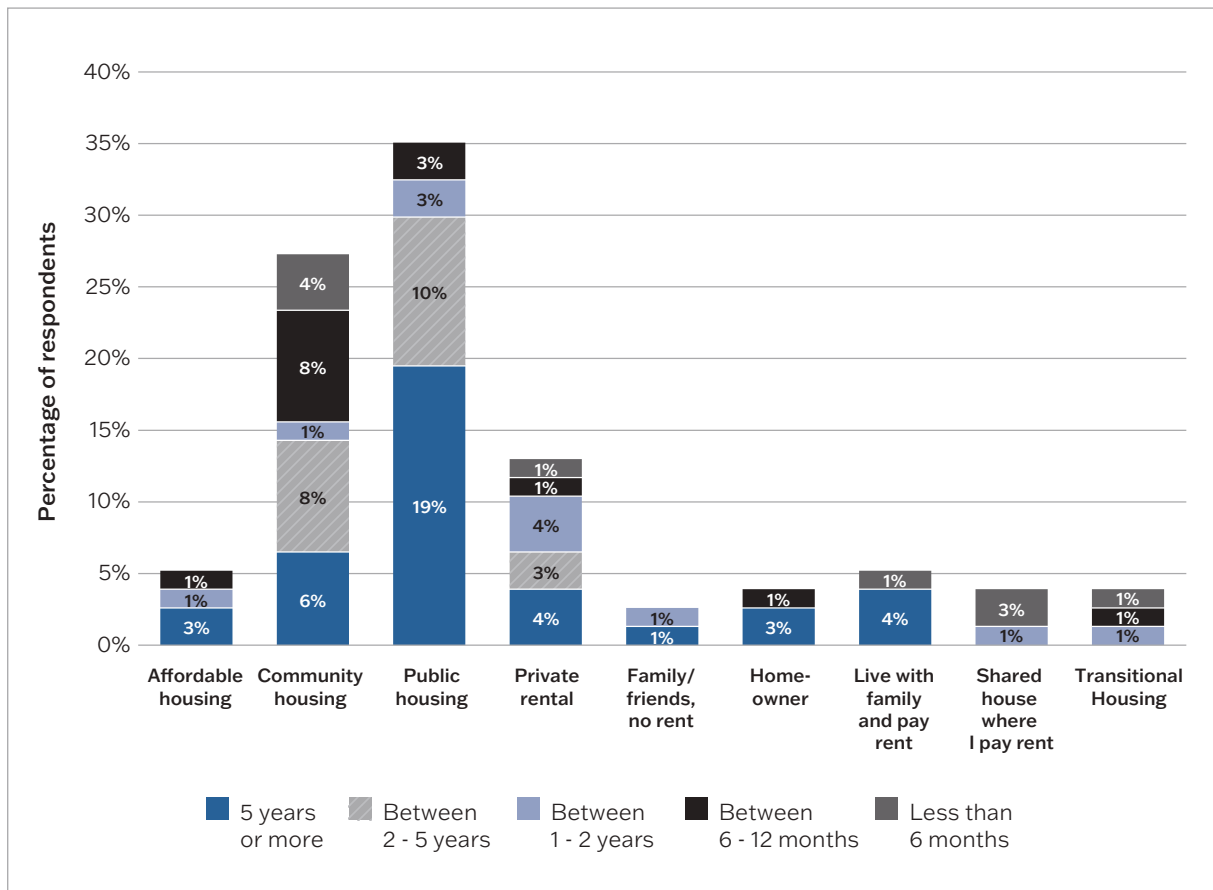
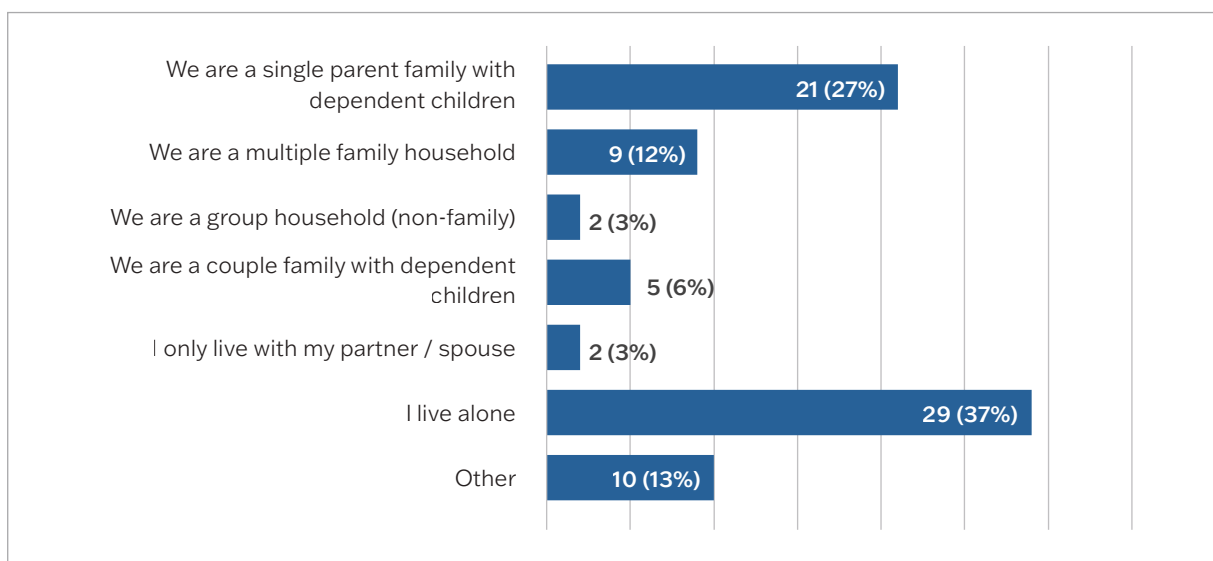


Figure 7: What type of household are you currently living in? n=78



4.1.2 Housing cost and housing affordability stress

Most respondents (46%) paid 30 per cent or less of their gross income in housing costs, meaning that they are not in housing affordability stress according to the 30/40 rule (see explainer box p.21). However, about a third of respondents had higher housing costs, with 17 per cent paying more than half of their income in rent (Figure 8). Notably, the experience of housing affordability stress was directly linked to the type of tenure people were living in. Figure 9 below shows that every respondent in the private rental market and those renting in share houses were experiencing housing affordability stress, while the majority of those in social and affordable housing were paying less than 30 per cent of their income in rent.

Figure 8: How much does your housing cost as a proportion of gross household income, n=81

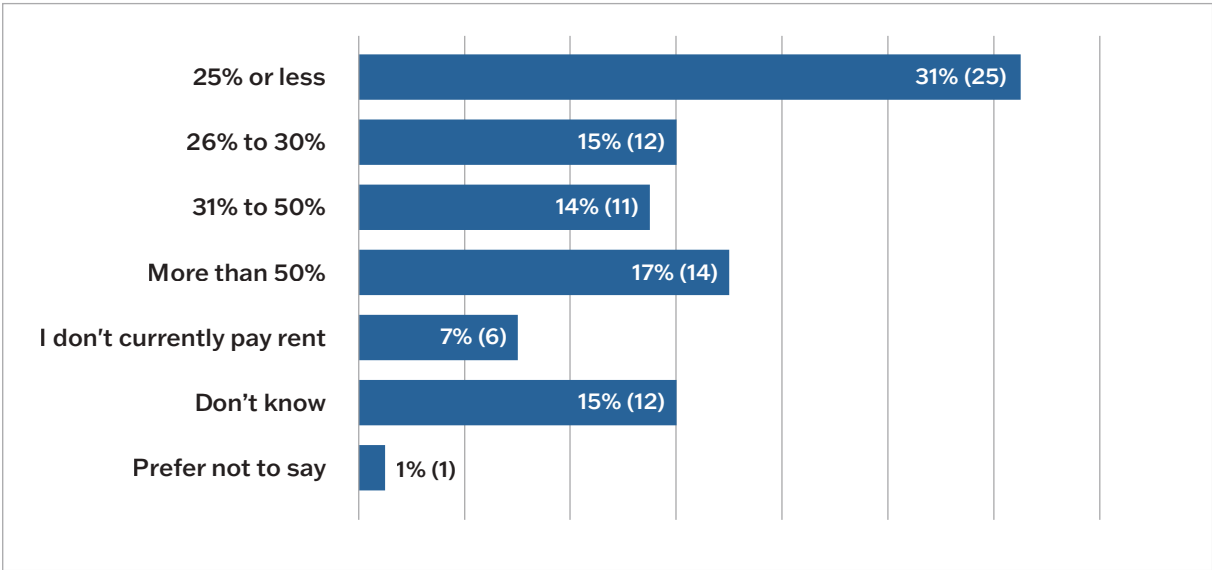
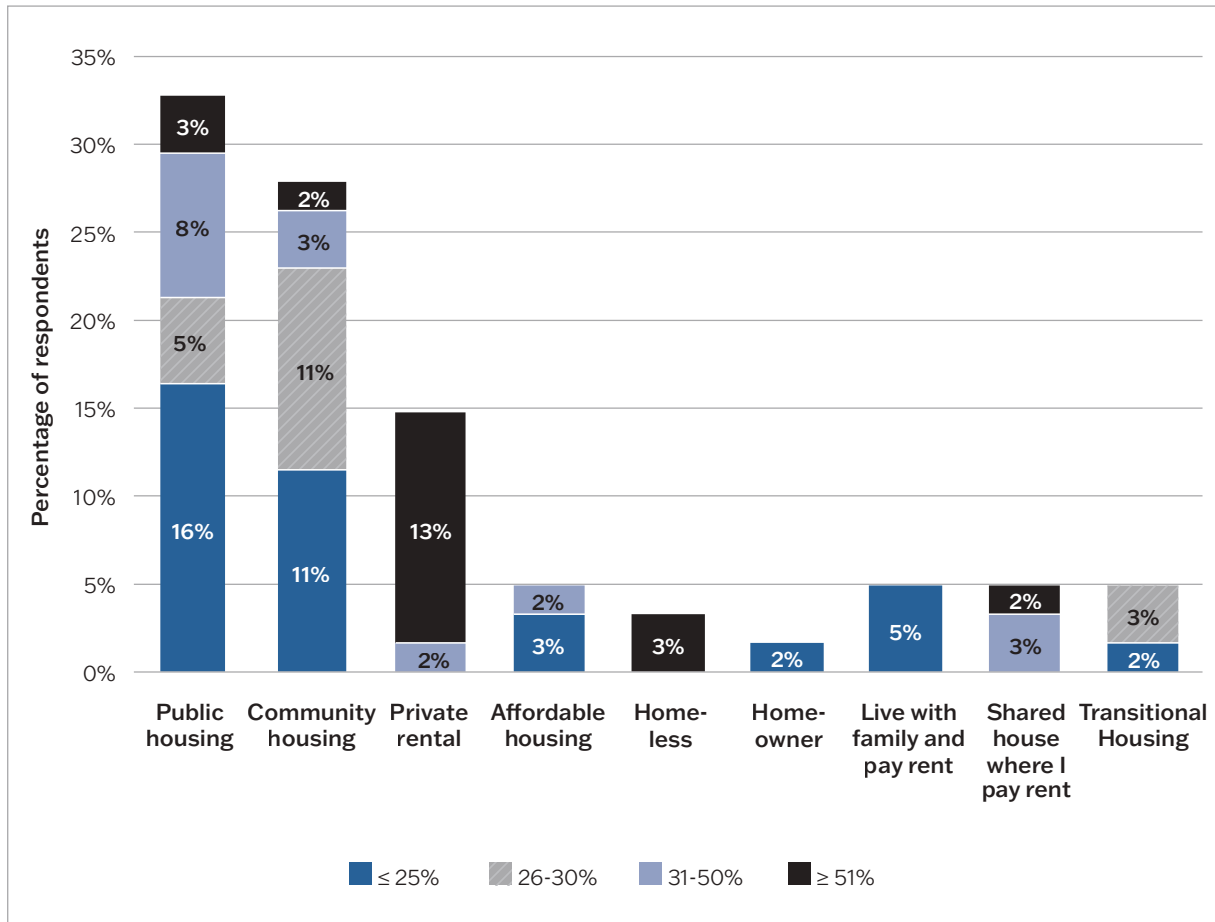


Figure 9: Proportion of income paid as rent by housing type n=61



4.1.3 Most tenants intend to stay in their social housing for the foreseeable future

Most respondents (73%) intend to stay in social housing for the foreseeable future (Figure 10), citing affordability (75%), security of tenure (64%), and lack of alternative housing options (72%) as key reasons (Figure 11). Other reasons to remain included a valued location (36%) and community connection (22%).

I've lived here a long time; it's my home and my garden and I don't have a better option to move to. (Survey respondent)

Close to medical services I access regularly. (Survey respondent)

Figure 10: Do you intend to move out of public or community housing in the next few years? n=52

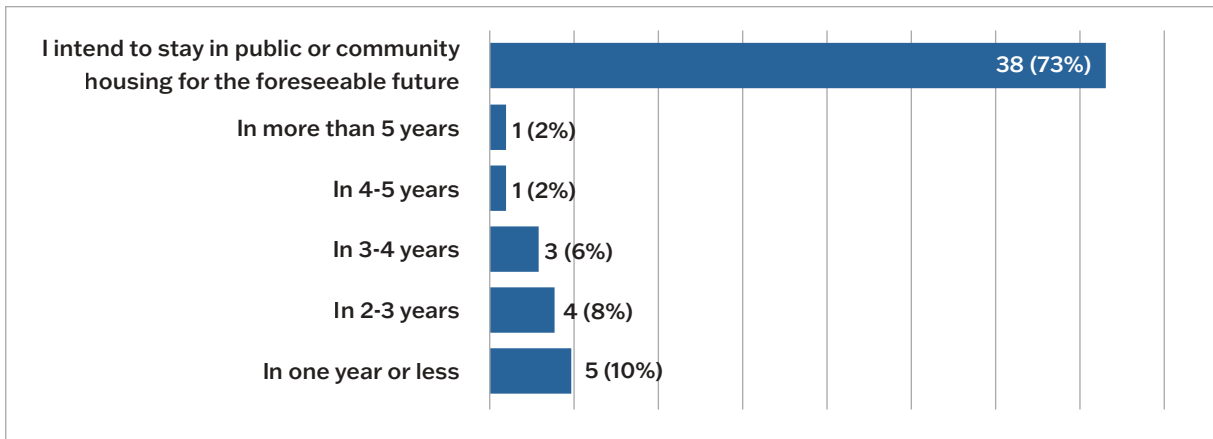
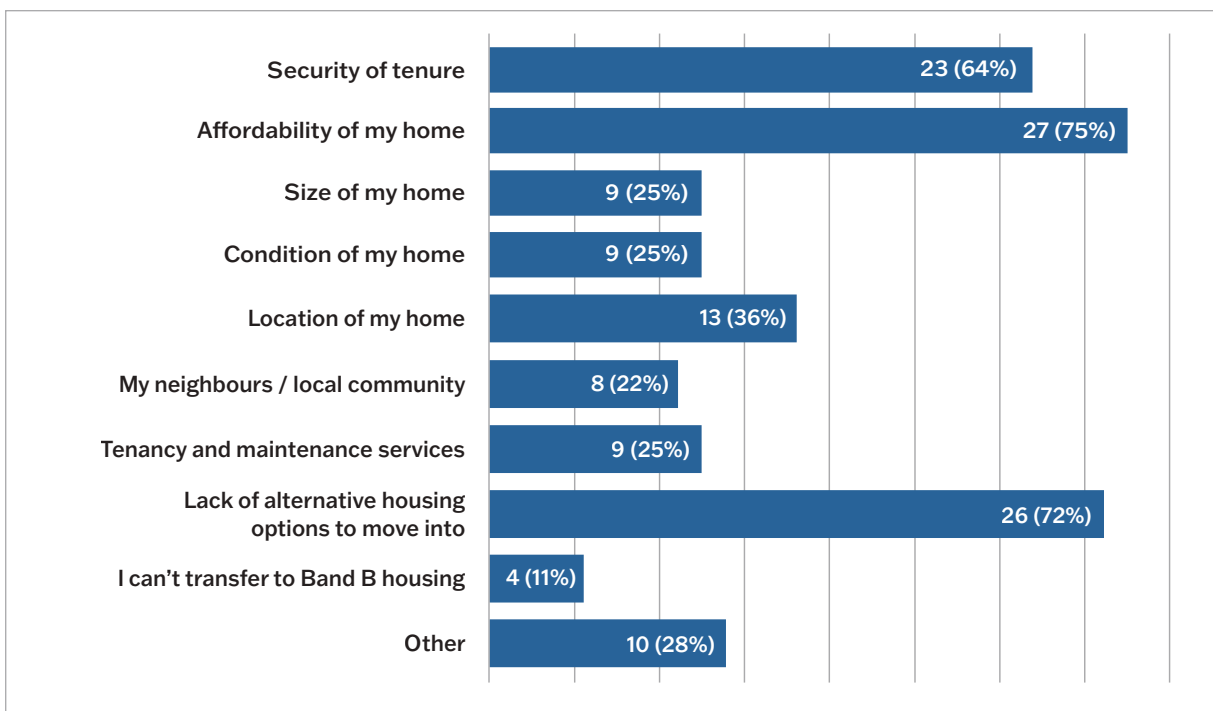


Figure 11: What is the reason you intend to stay in public and community housing? (multiple responses allowed) n=36



Among those intending to move, the most common reason was to earn more money (58%) (Figure 12). More control over housing was a key driver for moves, including certainty and security about housing (42%), the ability to make changes or renovate (32%), choose the house (47%), have flexibility in housing choice (47%). Safety was an important issue for 31 per cent of respondents.

Several respondents said they had already moved or were forced to leave due to exceeding income limits, while others hoped to transition to private rental, purchase a home, or pursue personal goals such as study or family formation. The data highlights a tension between the stability offered by social housing and the constraints it imposes on income, autonomy, and long term aspirations.

Figure 12: What is the reason you intend to move out of public and community housing? (multiple responses allowed) n=19

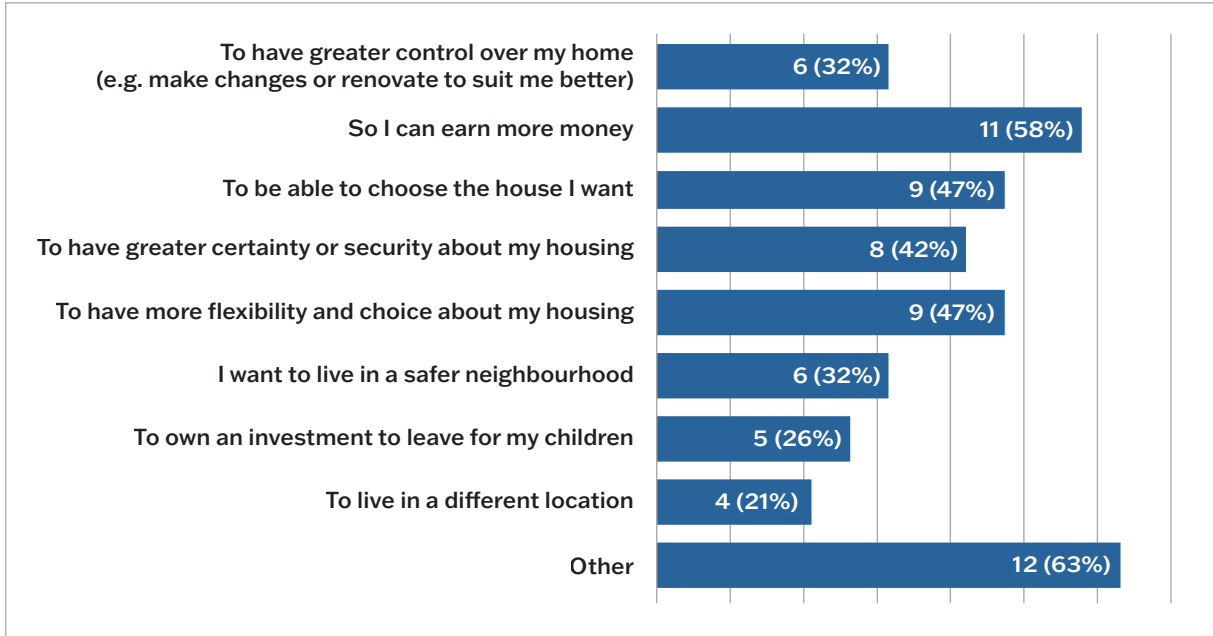


Figure 13: Attitudes towards staying in or moving out of social housing (multiple responses allowed) n=54

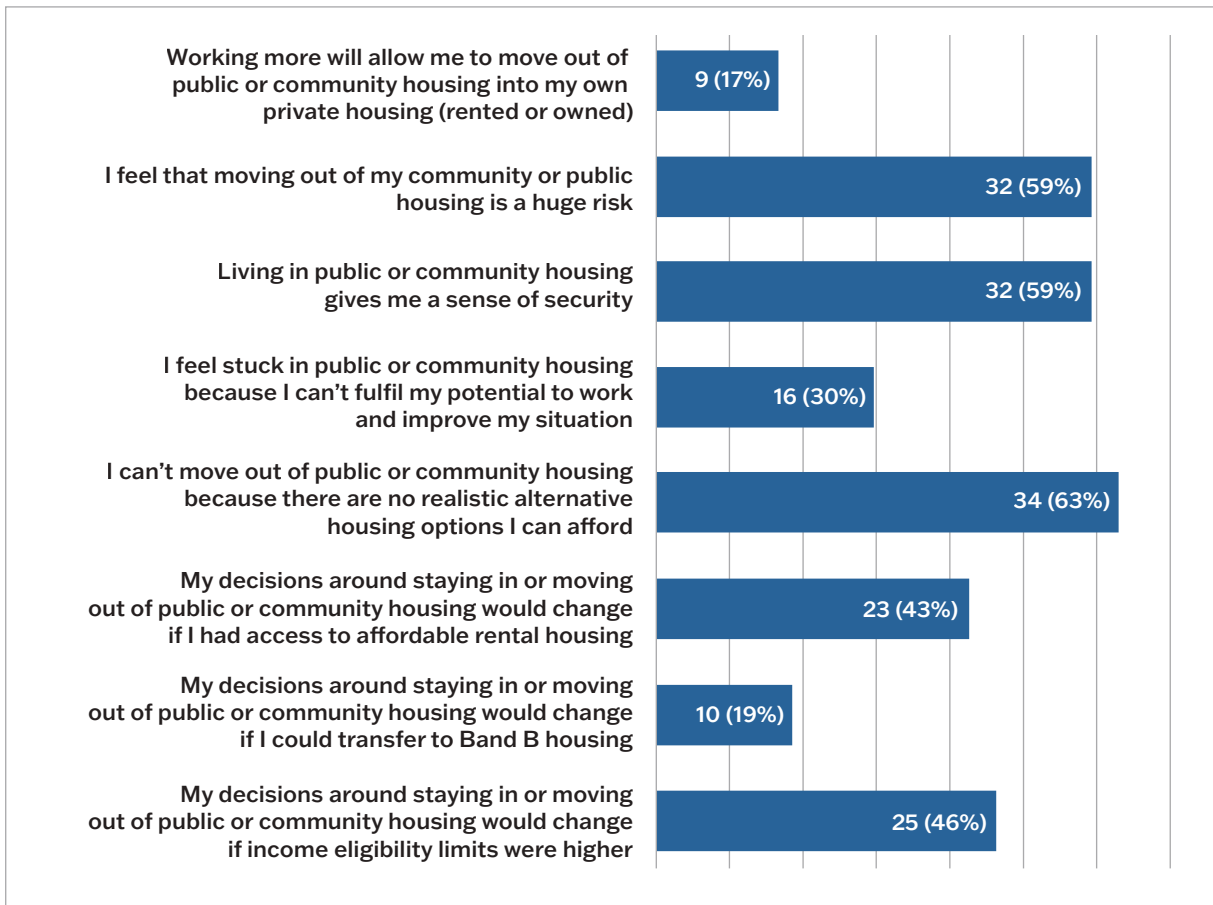
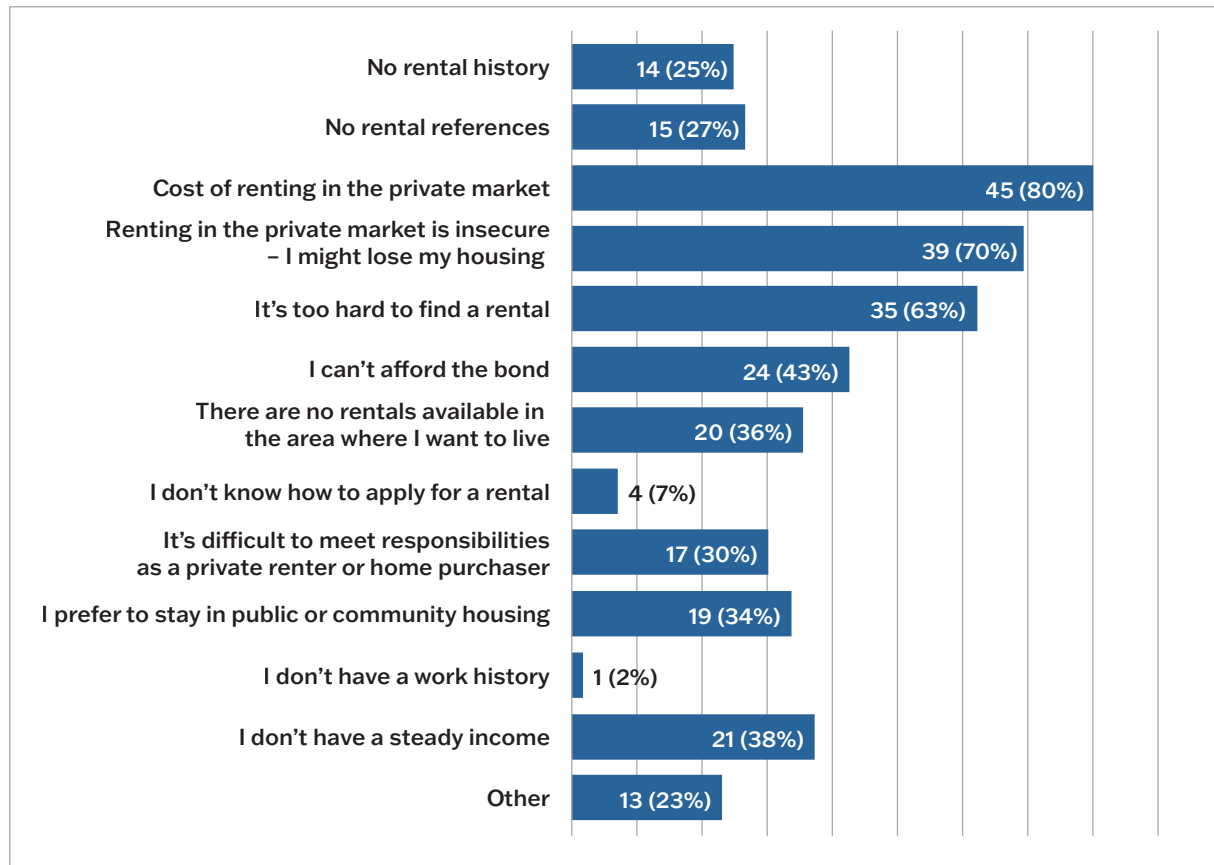


Figure 14: What is stopping you from moving out of public or community housing? (multiple responses allowed) n=56



The survey asked for respondent attitudes to moving from social housing and the reasons for remaining. Data show that most respondents feel deeply constrained in their housing choices, with a strong reliance on social housing due to affordability pressures and a lack of viable alternatives (Figure 13). Most (63%) report they cannot move out because there are no realistic alternative housing options they can afford. A majority (59%) feel that moving out would be a huge risk, and an equal proportion say that living in social housing gives them a sense of security. Nearly half (46%) say their decisions about staying or leaving would change if IELs were higher, and 43% say access to affordable rental housing would also shift their choices. A smaller group (17%) believe that working more would allow them to move into private rental or ownership, while 30 per cent feel stuck because the current system limits their ability to work and improve their situation.

When asked what is stopping them from moving out, respondents overwhelmingly pointed to the cost and insecurity of the private rental market (Figure 14). Most (80%) cited the cost of renting, the insecurity of private rental (70%), and the difficulty of finding a rental at all (63%). Many also face practical barriers: 43 per cent cannot afford the bond, 36 per cent say there are no rentals available in the areas they need, and around a quarter lack rental history (25%) or references (27%). A smaller but significant group (30%) feel that meeting the responsibilities of private renting or home ownership would be difficult, and 38 per cent do not have a steady income. Qualitative responses under the option 'other' highlight additional barriers such as disability, the need for accessible housing, the importance of proximity to medical services, and the emotional toll of repeated relocations.

Overall, the findings show that while some residents aspire to move into private rental or ownership, the structural realities of the housing market (high costs, insecurity, and limited supply) combined with IELs and personal circumstances make staying in social housing the only stable option for most.

4.1.4 Many waitlist applicants are in unstable, unaffordable or unsafe living situations

The survey asked respondents who were on the waitlist to describe where they lived now and how this affected them; 18 out of the 22 waitlist respondents took up this opportunity.

The responses describe significant hardship linked to unstable, unaffordable or unsafe living situations. Many people are living in overcrowded, temporary or unsuitable accommodation, including sheds, garages, cars, motels and friends' couches, while others are in private rentals that consume most of their income. This instability affects every aspect of life, disrupting work, schooling and access to support, and contributing to worsening mental and physical health. Parents report difficulty providing stability for their children (including disrupted education), and some have been separated from family due to homelessness.

I have [been] couch surfing, I can't enrol my child in school because I don't know where I will be living. I can't manage work because I am in survival mode. (Survey respondent)

I live in the same private rental I have lived in for 7 years ... my rent has increased [to] around 85% of my DSP. I have no other options of anywhere else to live. (Survey respondent)

Sleeping in lounge. Overcrowded. No routine. Health impact. Mentally not ok. (Survey respondent)

4.1.5 More affordable housing options would allow tenants to transition out of social housing

The survey asked respondents about their views on what would help people to move out of social housing into other types of housing.

Respondents identified a wide range of supports that would help them and others transition from social housing into affordable housing (such as Band B housing), private rental or home ownership. A dominant theme was the need for more affordable housing options, particularly lower private rental prices and landlords willing to rent to single parents, older people and people on pensions. Many also emphasised the importance of financial assistance, including help with saving, bond support, no-interest or disability-specific loans, shared equity schemes and the continuation of government programs like the National Rental Affordability Scheme (NRAS).

A second strong theme was the need for clearer pathways and more housing types, including increased availability of Band B housing, other affordable housing, and supported home ownership models. Respondents highlighted the value of employment and skills support, such as job training, life skills programs, education scholarships and public sector traineeships, which they felt would improve income security and make private rental or ownership more achievable.

Several responses pointed to systemic barriers, including discrimination in the rental market, insufficient social housing supply, and rules that penalise people in shared housing or those with fluctuating incomes. Others described the need for targeted supports for people with disabilities or mental health conditions, noting that current options are often unsuitable or financially inaccessible.

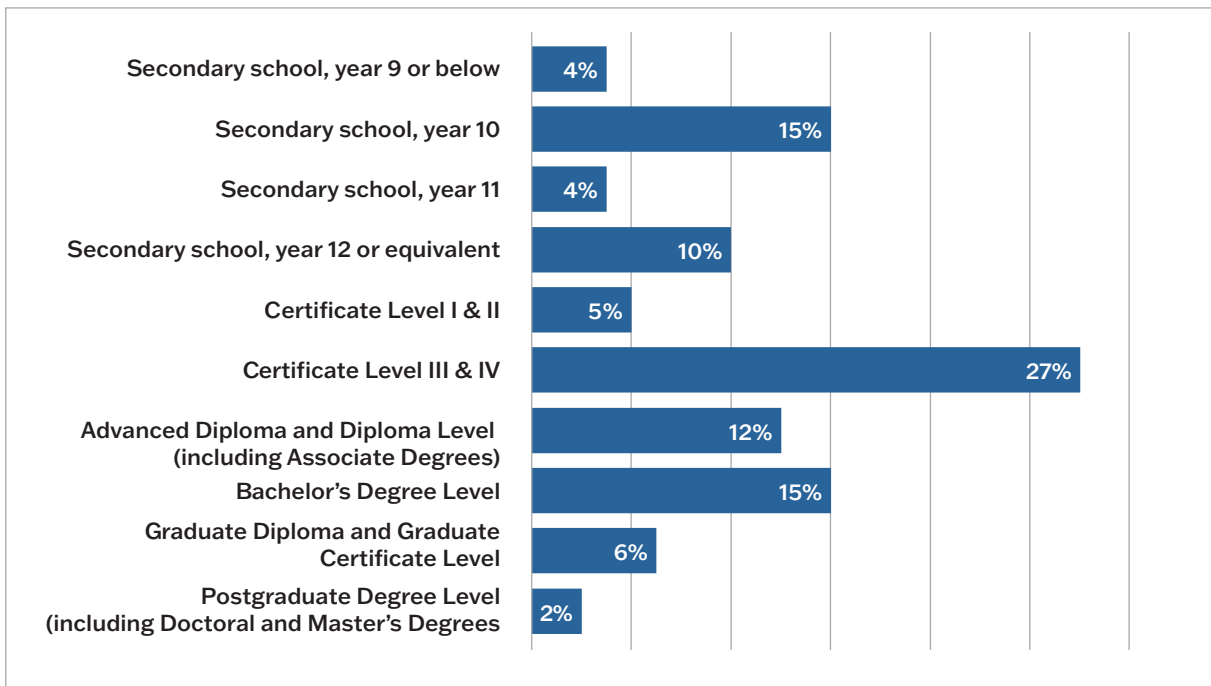
Overall, the data show that people see a combination of affordable housing, financial support, clearer pathways and practical assistance as essential to enabling successful transitions out of public and community housing.

4.2 Work, wages, skills and education

4.2.1 Income and education

A third (33%) of respondents had qualifications equivalent to year 12 or below; 27 per cent had Certificate Level III and IV qualifications, and almost a quarter (23%) held a bachelor's degree or above (Figure 15).

Figure 15: What is the highest level of education you have achieved? n=81



Most (68%) respondents had government pensions or allowances as their main source of income, and 27 per cent had wages and salaries as their main source of income (Figure 16). Many respondents worked for an employer (38%), had their own business (6%), volunteered (9%) or had caring responsibilities (8%), but many were unemployed (39%) (Figure 17).

Figure 16: What is your main source of income? n=82

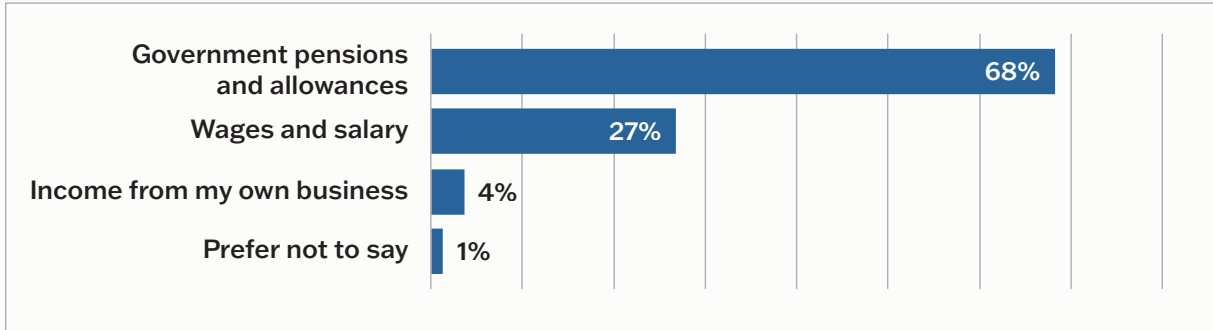
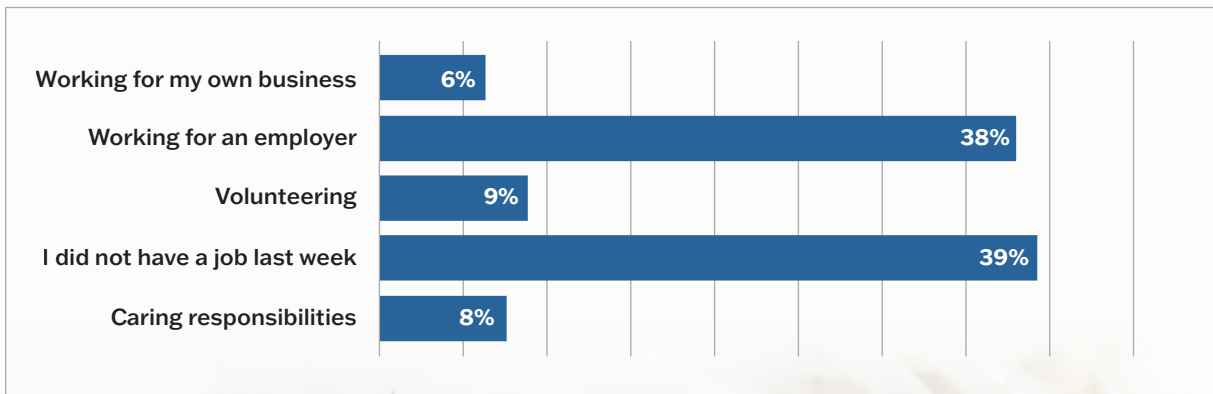


Figure 17: Last week, did you have any kind of job? n=79



4.2.2 Skills and training

The occupational backgrounds of survey respondents show a strong concentration in care based, community facing, and service sector roles. The most common field by a significant margin was community and social services work (34 respondents). This suggests a workforce with substantial exposure to frontline human services, advocacy, and support roles, fields that often draw on lived experience, interpersonal skills, and community engagement. The concentration of responses in the caring and human services related professions is likely also due to the high number of survey respondents who are women.

Trades, building, and mining is the second largest group (16 respondents), covering a broad range of manual and technical occupations. A significant number of respondents (11) are not currently working or are in caring roles, many due to disability, chronic illness, or family caring responsibilities, and several responses noted that current income limits and housing conditions actively prevent them from seeking or returning to work. Smaller but notable groups include administration and office workers, hospitality and retail workers, health and care workers, and those with education backgrounds. A small number of respondents fell into an 'other' category, including people with mixed or unusual career histories.

Many of these roles are characteristic of sectors that rely on casual or part-time work, often with limited job security and fluctuating hours. The presence of peer work, advocacy, and mental health training also indicates that several respondents bring specialised skills shaped by both professional and lived experience. Overall, the diversity of occupations reflects a workforce with broad practical skills and education but concentrated in industries where insecure work, and limited career progression are common.

Table 5: Survey respondent skills, n=74

Existing skills	Count
Community & social services	34
Trades, building industry and mining	16
Caring responsibilities or not working	11
Administration and office	8
Hospitality and retail	7
Health and care	6
Education	5
Other	8
Total	95





What work would you like to be doing?

The survey asked what work people would like to be doing. Respondents expressed interest in a wide range of jobs, but several clear patterns emerge. Many people said they want to work in care, support or community focused roles, including disability support, aged care, mental health support, youth work and other helping professions. Others identified service and customer facing jobs, such as retail, hospitality, cleaning and administration. Several respondents mentioned wanting stable, flexible or part time work that accommodates health conditions, caring responsibilities or limited capacity. Some expressed interest in skilled or trade based work, including construction, truck driving and technical roles, while a smaller group mentioned creative or entrepreneurial aspirations. Several respondents said they would take any work available or that they were currently unable to work due to disability, illness or unstable housing. Overall, the responses show strong motivation to work, with many people seeking roles that offer stability, purpose and alignment with their abilities and circumstances.

What training would you like to be doing?

Respondents identified a wide range of training interests, with strong demand for community services and care related qualifications such as social work, counselling, aged care, disability support, mental health and peer work. Many also expressed interest in higher education, including university degrees, diplomas and postgraduate study, while others preferred vocational or technical training such as apprenticeships, computer repair, laboratory techniques, hospitality, business skills and mining. A smaller number highlighted creative or cultural training, entrepreneurial programs or professional development linked to their current work. Some respondents said they were already studying or did not require further training due to age, health or extensive prior study. Overall, the data show that people are seeking training that is practical, accessible and aligned with their skills, aspirations and capacity to participate.

4.3 People are motivated to work but prevented from doing so

The survey results show that respondents are motivated to work, with only a small minority indicating that they do not want to work (Figure 18). Motivations for work are a mix of financial, personal, and social reasons, with strong similarities across social housing tenants and those on the waitlist.⁴ Financial need is the most common driver, but personal wellbeing and a desire for purpose also feature prominently.

For those in social housing, most (77%) identified financial reasons as a key motivator, and 38 per cent specifically noted the need to help pay rent. A substantial proportion expressed motivations linked to personal development and wellbeing: 71 per cent want to work to improve their self confidence and self esteem, while 68 per cent said that working would give them purpose or lift their mood. Pursuing their career (55%), maintaining skills (48%) and reducing boredom or getting out of the house (41%) were also frequently cited.

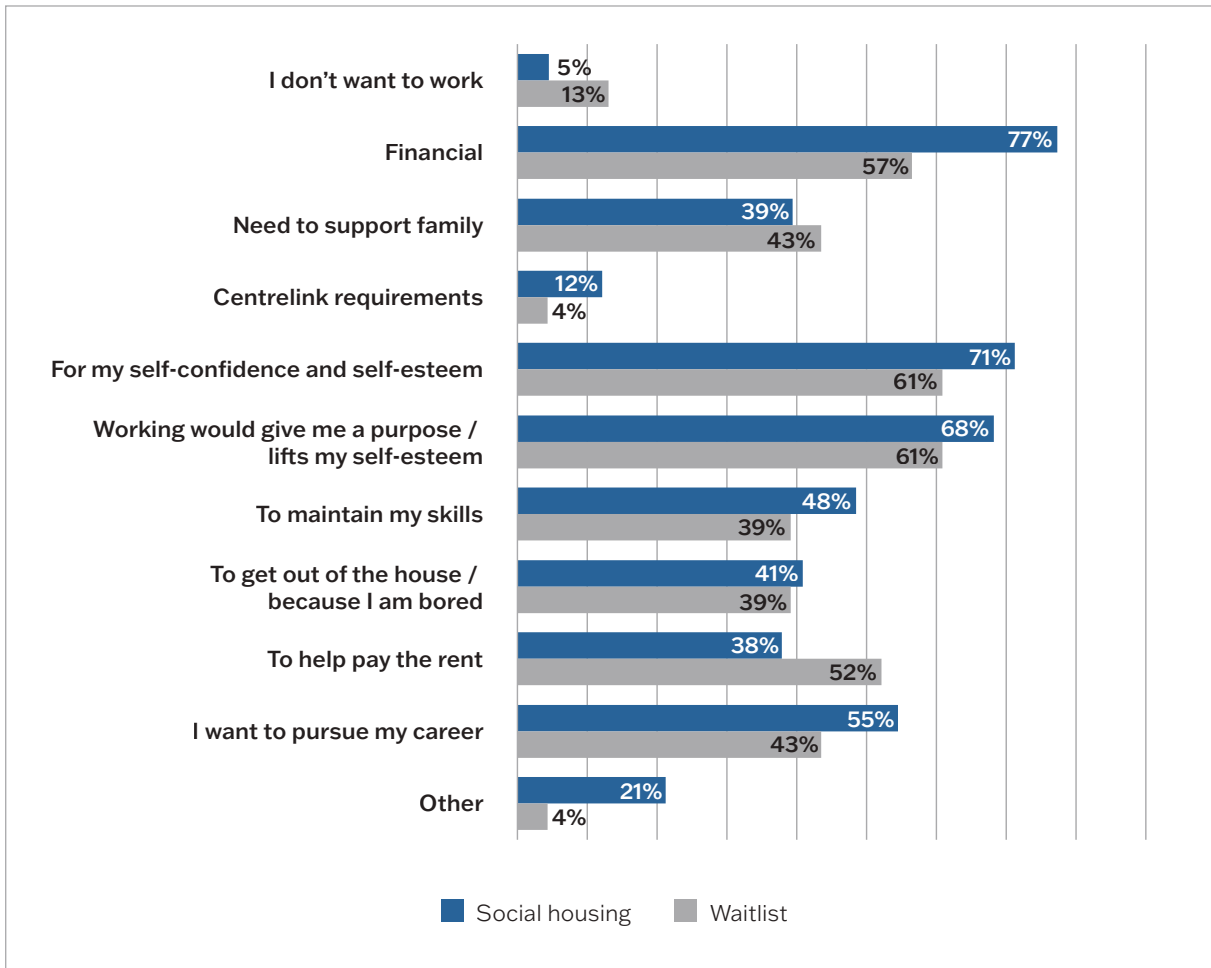
Family responsibilities are another significant factor, with 39 per cent indicating they needed to work to support their family. A smaller proportion (12%) reported that Centrelink requirements influenced their decision to seek work. Only 5% stated that they did not want to work.

Those on the waitlist showed similar patterns, though with some variation. Financial reasons (57%) and rent related pressures (52%) remained strong motivators. Personal wellbeing factors were again prominent, with 61 per cent citing both self confidence and purpose. Supporting family (43%), pursuing their career (43%) and maintaining skills (39%) were also common. A higher proportion in this group (13%) indicated they did not want to work.

Overall, the findings highlight that while financial pressures are central, many participants also view work as a pathway to improved wellbeing, social connection, and personal stability.

⁴ Note that differences between groups are not significant because of the small sample size.

Figure 18: What are the reasons you want to work? SH n=66 WL n=23



4.3.1 Becoming ineligible for social housing or the waitlist is the main reason why people don't work

Social housing tenants and people on the waitlist face a range of barriers to entering or sustaining employment. While the patterns are broadly similar across the two groups, some notable differences emerge, particularly around fears of losing eligibility and gaps in skills or education (Figure 19).⁵

For both groups, the most reported barrier was the concern that working would make them ineligible for social housing or the waitlist. This was identified by 40 per cent of current tenants and an even higher proportion (48%) of those on the waitlist, highlighting the strong disincentive created by the perceived risk of losing access to secure housing.

Health related barriers were also significant. Poor health or disability affected 34 per cent of tenants and 33 per cent of waitlist applicants, making it one of the most consistent challenges across both groups.

⁵ Note that due to the small sample size, these differences are not statistically significant.

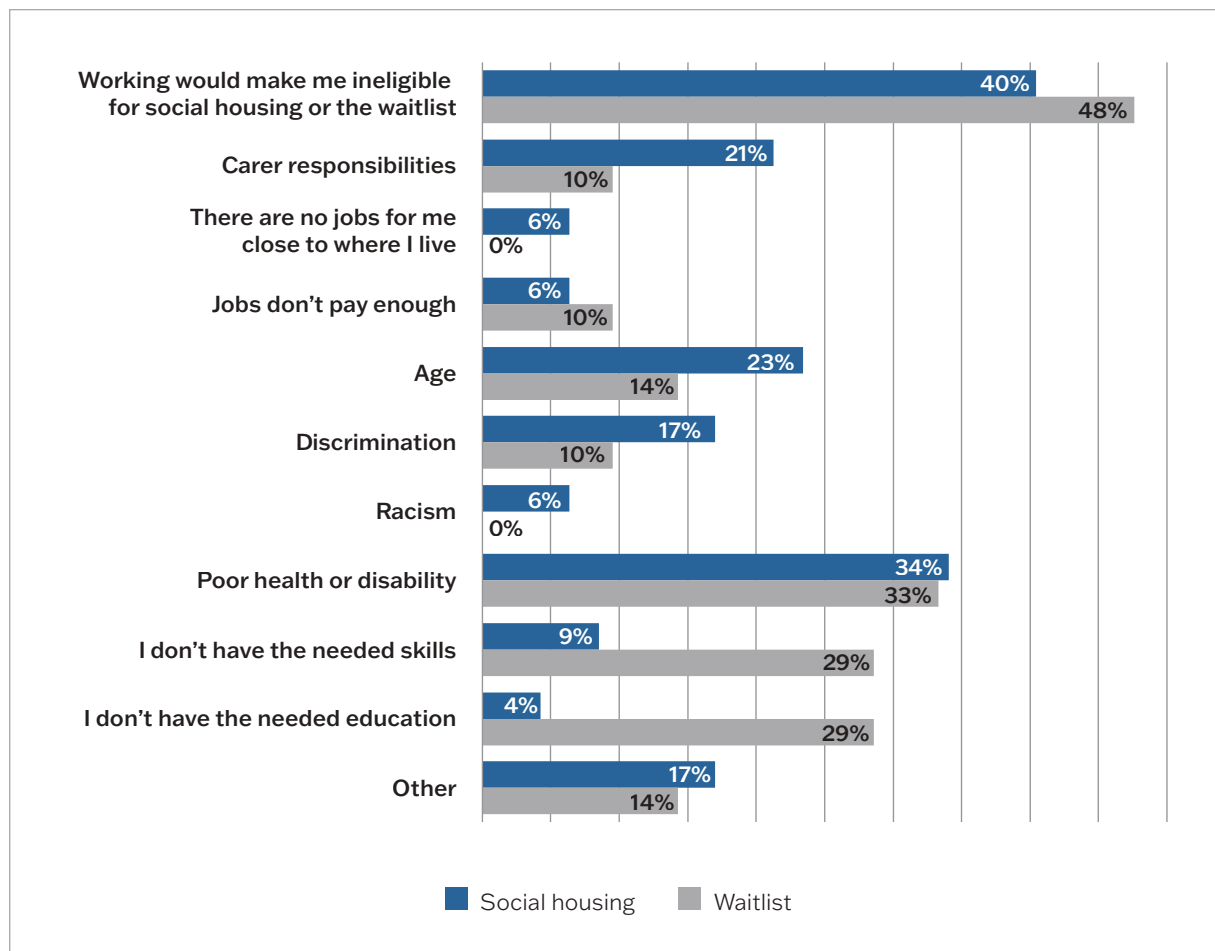
Among social housing tenants, other frequently cited barriers included age (23%) and carer responsibilities (21%). Smaller proportions reported discrimination (17%), lack of skills (9%), or lack of education (4%). Only a small number identified racism (6%), low local job availability (6%) or low pay (6%) as barriers.

My children are high needs - I need in school hours. (Survey respondent)

In contrast, people on the waitlist were more likely to report skills and education gaps as barriers: 29 per cent said they lacked the necessary skills, and the same proportion said they lacked the required education, substantially higher than among current tenants. This suggests that people still waiting for housing may face more pronounced labour market disadvantages.

Overall, the findings show that while health and eligibility concerns are widespread across both groups, waitlist applicants appear to face deeper structural barriers related to skills and education, whereas current tenants more often report caring responsibilities and age related challenges.

Figure 19: If you are not working, what are the main reasons for this? (multiple responses allowed)?
SH n=47 WL n=21



4.3.2 People are very concerned about the impact of IELs and manage their work hours because of this

Survey findings show that IELs and the potential impact of working or working more hours on people's ability to retain their housing or place on the waitlist was a strong disincentive to work.

Most (78%) of survey respondents were very concerned that getting a job or working more hours would impact their ability to keep their social housing or eligibility to remain on the waitlist (Table 6). A further 10 per cent were somewhat concerned about this and 5 per cent were slightly concerned.

Table 6: If you get a job or work more hours, how concerned are you about the effect this might have on your ability to keep your social housing / remain on the waitlist?

	Social housing	Waitlist	Total
Very concerned	58 (83%)	15 (65%)	73 (78%)
Somewhat concerned	6 (9%)	3 (13%)	9 (10%)
Slightly concerned	3 (4%)	2 (9%)	5 (5%)
Not concerned	1 (1%)	2 (9%)	3 (3%)
Don't know	2 (3%)	1 (4%)	3 (3%)
Total	70 (100%)	23 (100%)	93 (100%)

Almost all (86%) respondents had managed their work hours due to IELs (Figure 20). Only 14 per cent indicating that they had not been affected; most often because they were retired, not in social housing / on the waitlist, or unable to work. Many respondents reported modifying their employment behaviour to avoid exceeding IELs. Almost half (46%) turned down work or additional hours to stay below IEL thresholds and retain their housing. A further 22 per cent avoided looking for work due to fear of losing their home or place on the waitlist. Some respondents (10%) resorted to informal, cash in hand work to maintain their eligibility, reflecting the perverse incentives created by IEL policy settings. Over one in ten respondents (11%) had already lost their social housing because they exceeded the IEL. Only a small minority (14%) reported no impact from IELs, indicating that these rules are shaping employment decisions for most respondents. A further 27 per cent selected 'Other'; responses here included the following:

- Several respondents described being evicted, removed from housing waitlists, or unable to regain housing, even when income rose only slightly or temporarily. Some became homeless, some were forced into unaffordable private rentals, and others were removed from priority lists after short periods of employment.

I worked for 4.5 months to get stable housing but had to quit due to being taken off the priority/housing list. (Survey respondent)

- Many respondents described being unable to work due to age, disability, caring responsibilities, or retirement. Others said they could work only in very limited ways (e.g., short term roles, study commitments). Some are prevented from seeking employment because doing so would immediately jeopardise their housing eligibility or pension income.

- Several respondents reported avoiding income reporting, avoiding job opportunities, or carefully restricting earnings to stay under IEL thresholds. Some described anxiety about disclosing income and expressed frustration at strict rules, variable income assessments, and administrative burdens such as reporting even small honorarium gift card payments.

I have not disclosed income so that I can stay in my housing. I felt shitty about lying and it made me really anxious all the time. (Survey respondent)

I monitor what I earn to keep under the limit. It can be a full time effort. (Survey respondent)

- Respondents repeatedly emphasised that IEL rules discourage working or improving employment, demonstrating that IELs act as a structural barrier to skills development and employment. Some turned down traineeships or quit employment to maintain or regain eligibility.

Had the opportunity to do a traineeship to better myself but I was removed from the waiting list... I gave up the traineeship. (Survey respondent)

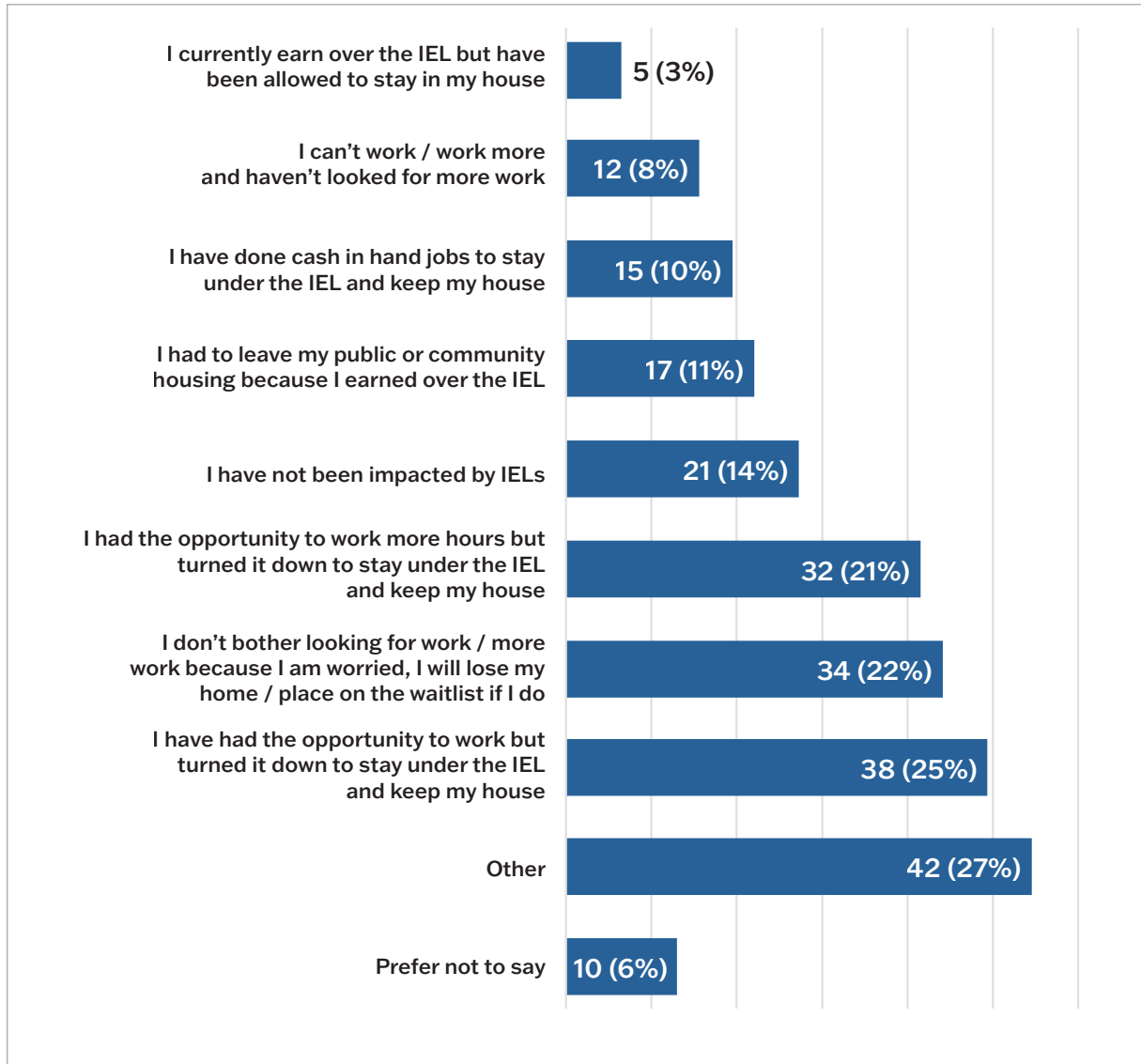
- Several respondents described difficulty navigating housing systems due to personal or geographic circumstances (e.g. living in mining towns with no social housing stock, living in transitional accommodation, caravan parks, and experiencing long periods on the waitlist.) This shows that IELs intersect with broader housing shortages and create additional instability for people in already vulnerable situations.

I lived in a caravan park home and the park closed... I was working part time so not eligible for public housing. (Survey respondent)

Overall, the data suggest that IELs are functioning as a significant barrier to workforce participation and, in some cases, are contributing to housing insecurity.



Figure 20: Do you now or have you previously managed your work hours because of IELs? (multiple responses allowed) n=154



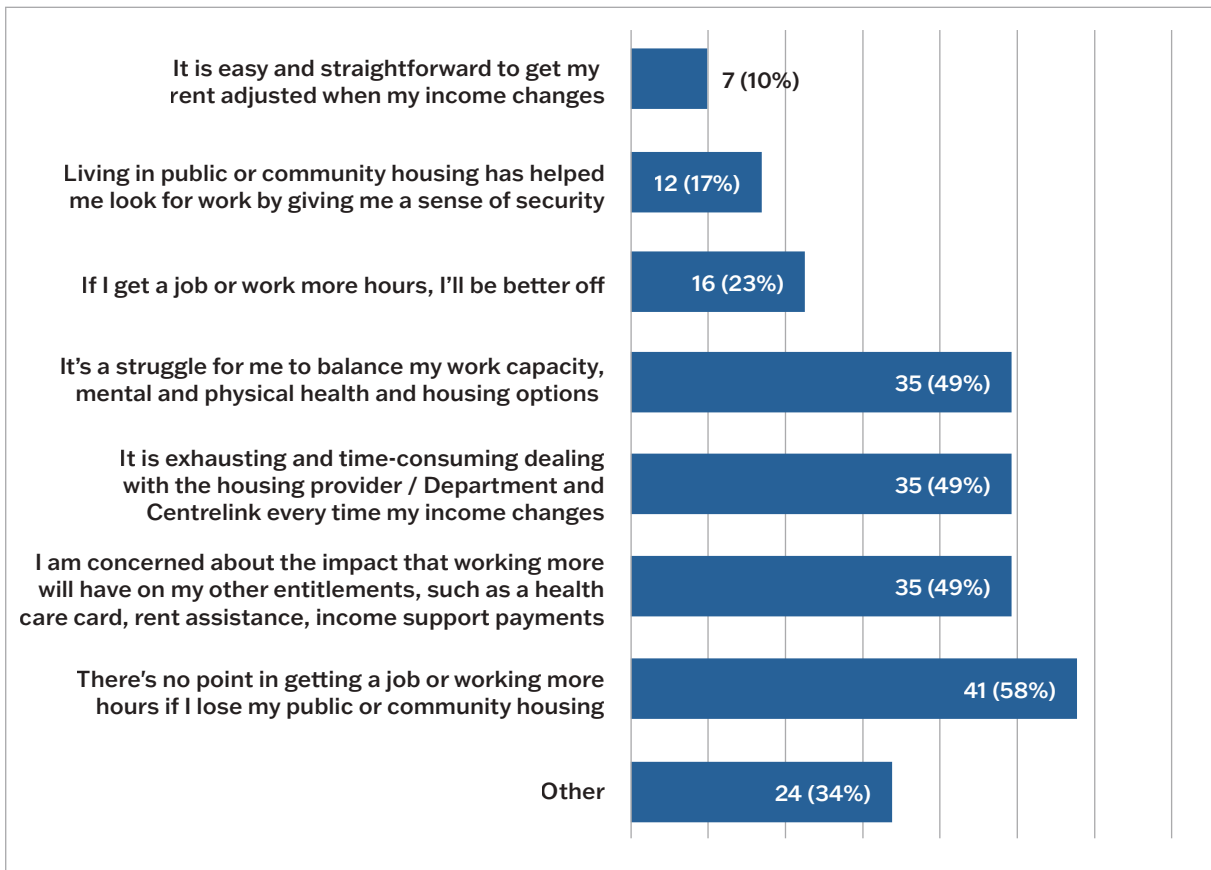
4.3.3 The fear of losing social housing / waitlist eligibility and health issues are key factors that prevent people from working / working more

The survey findings indicate that concerns about the potential loss of housing and other entitlements significantly influenced respondents' decisions about whether to work (Figure 21). More than half (58%) felt there was no point getting a job if it meant losing their social housing. About half (49%) were concerned about the impact of working more on their other entitlements and about half (49%) worried that it would be hard to manage work alongside their health, mental health, and housing or Centrelink when their income changed. Only 10 per cent indicated that it was easy to get their rent adjusted when their income changed. Few (17%) felt that living in social housing had helped them to look for work and few (23%) felt that they would be better off if they got a job or worked more hours. Other concerns that affected decisions to work included caring responsibilities, experiences of domestic and family violence and the anxiety and mental load of navigating work, systems and complex personal issues.

It's exhausting on SO many layers and levels navigating the many issues I live with as a highly sensory autistic woman with hidden disabilities, chronic illnesses and energy limiting conditions, on top of all the other hoops, hurdles, red tape and bureaucratic bullshit. (Survey respondent)

With HomesWest taking 25% of any earning and Centrelink pension being reduced substantially, I find it not worth the impact on my health and well-being to accept or look for work. (Survey respondent)

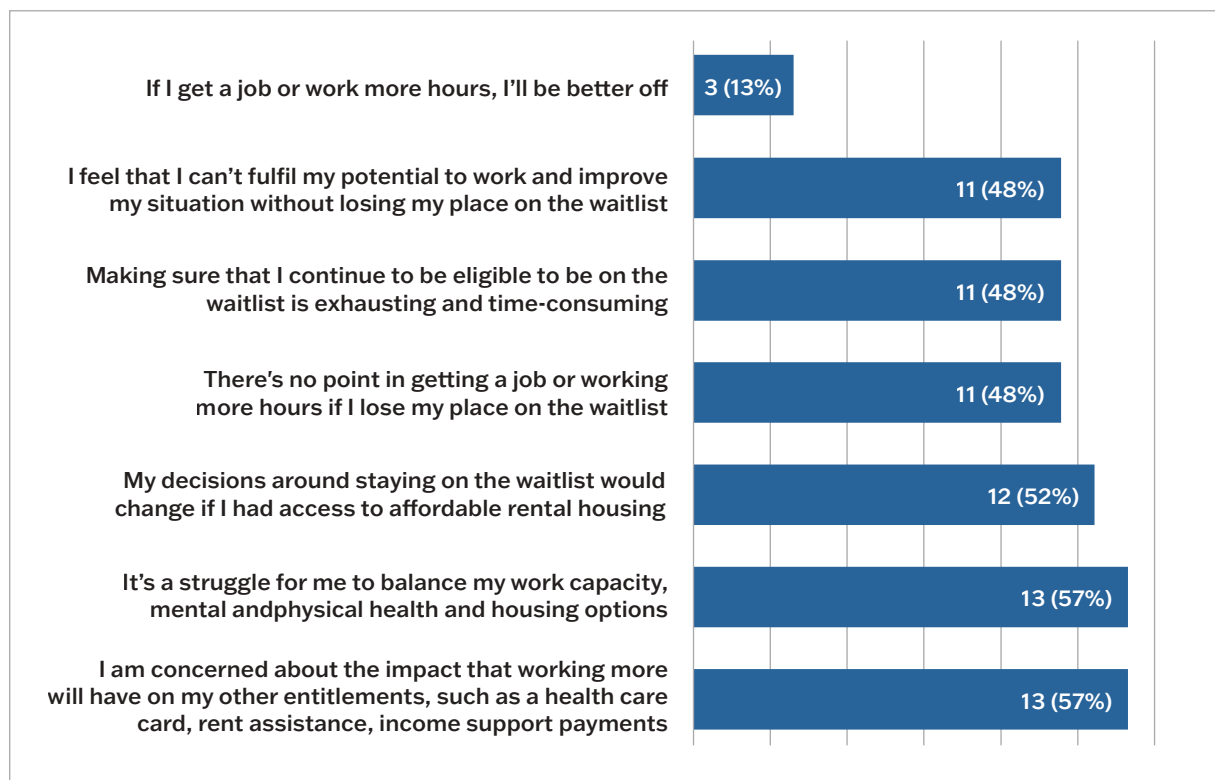
Figure 21: Considerations that inform work decisions for social housing tenants, multiple responses allowed, n=71



Concerns about the potential loss of entitlements (57%) significantly influenced the work decisions of those on the waitlist (Figure 22). An equal proportion (57%) stated that balancing work capacity with their physical and mental health and housing was an ongoing challenge. Nearly half (48%) believed that taking up employment or increasing their hours was not worthwhile if it jeopardised their place on the waitlist, and the same proportion found the administrative requirements to maintain eligibility both exhausting and time consuming. Only a minority (13%) felt they would be financially better off by getting a job or working more hours.

Being on the waitlist and managing eligibility meant that one in two respondents (48%) felt unable to reach their full work potential without risking their waitlist status, which points to a significant personal cost of being on the waitlist. Just over half (52%) noted that their decisions regarding remaining on the housing waitlist would change if affordable rental options were available.

Figure 22: Considerations that inform work decisions for waitlist applicants, multiple responses allowed, n=23



4.3.4 Fluctuating incomes and a lack of clear information on how this extra income will impact eligibility affect work decisions

Fluctuating incomes and lack of clear information about how work would impact eligibility were key reasons that made it difficult for those in social housing to make decisions about working (Figure 23). Many (45%) could only work episodically due to health reasons, or the type of work they were doing meant that their income fluctuates (38%).

The stress of losing secure housing affects my mental health. (Survey respondent)

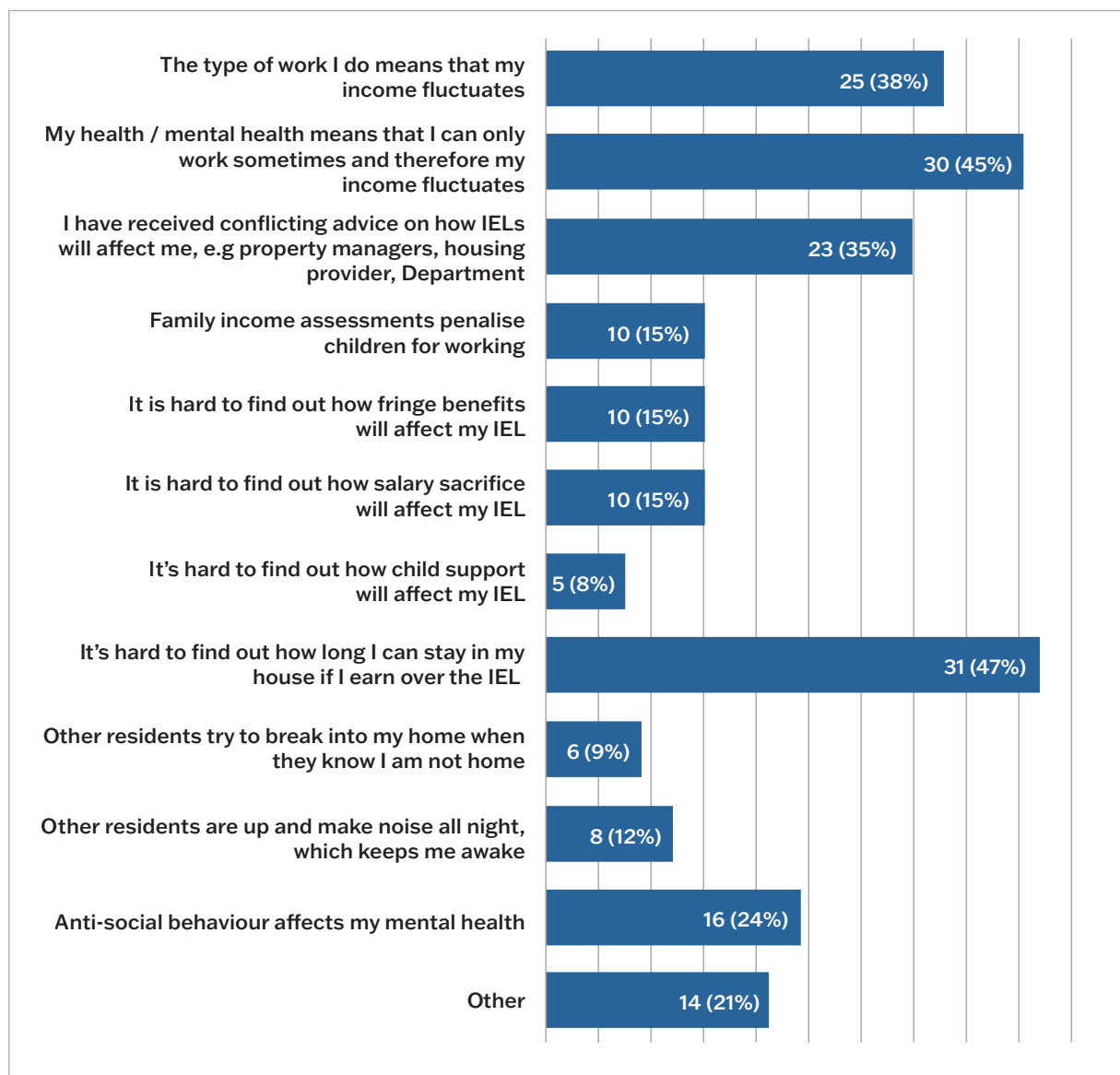
One in two respondents (47%) were unclear about how long they could remain in their housing if they earned over the IEL. One in three (35%) had received conflicting advice on how IELs would affect them from different sources, such as property managers and housing providers. Difficulties in finding information on how IELs would be impacted by fringe benefits (15%), salary sacrifice (15%), and child support (8%) were also a concern.

Housing/Communities/Centrelink never provide same information. (Survey respondent)

The behaviours of other tenants also impacted ability to work. One in five (24%) indicated that the behaviour of other tenants negatively affected their mental health, kept them awake (12%), and entered their home in their absence (9%).

You do not feel safe leaving or returning to property, neighbours are hostile and conflict and confrontation are daily issues. (Survey respondent)

Figure 23: What aspects of living in social housing make it difficult for you to make decisions around working? multiple responses allowed, n=66





4.3.5 Reasons for declining work

Social housing tenants and waitlist applicants reported turning down a wide range of work opportunities, including roles in care, community services, retail, hospitality, administration, trades, and higher paid positions. Many also declined additional hours or promotions in existing jobs. The reasons were consistent across both groups: people turned down work to avoid losing housing eligibility, triggering rent increases, or reducing Centrelink payments. Others cited health issues, disability, caring responsibilities, or the unsuitability of available roles. There was no meaningful difference between the two groups, reinforcing the broader finding that decisions to decline work are shaped by systemic constraints rather than lack of motivation or capacity.

One respondent commented on turning down work because of the risk to their financial stability:

I turned down higher paying jobs to keep my property... Who will seek employment for \$100 extra after tax when 25% of it goes straight to rent? (Survey respondent)

Another highlighted the emotional and practical strain of trying to work within the system:

I lost my accommodation due to high income then lost my job. This system punishes you for trying to get ahead. (Survey respondent)

4.3.6 Summary: motivations and barriers to employment among social housing tenants and waitlist applicants

The survey findings show that decisions about working, or working more hours, are heavily shaped by the structure of IELs and the perceived risks associated with earning above them. Across both social housing tenants and waitlist applicants, concerns about losing housing or eligibility were widespread and deeply influential. These findings highlight the tension between motivation and constraint that shapes labour market participation for low income households in the social housing system. While most respondents are motivated to work, most are very concerned that taking up employment or increasing their hours might jeopardise their social housing tenancy or place on the waitlist.

Consequently, many feel that there is little point in working if it means risking secure housing or losing other essential entitlements. These fears are compounded by fluctuating incomes, unclear or conflicting information about how earnings will affect eligibility, and the administrative burden of maintaining compliance with housing and Centrelink requirements. For many, the emotional and cognitive load of navigating these systems, alongside health issues, caring responsibilities, or experiences of domestic and family violence, make the prospect of work feel overwhelming or unmanageable. **The result is a system in which people who are motivated to work often feel trapped by the potential consequences of doing so.**

Despite these constraints, respondents expressed strong motivations to work, driven by financial need, personal wellbeing, and a desire for purpose and stability. Most wanted to work to improve their financial situation, support their families, or help pay rent, but many also saw work as a pathway to improved self confidence, routine, and social connection. However, these aspirations sit alongside significant barriers. Health issues were

common across both groups, while social housing tenants more frequently reported caring responsibilities and age related challenges.

Waitlist applicants faced structural labour market disadvantages and many also felt unable to reach their full work potential without risking their waitlist status. Many also felt unable to reach their full work potential without risking their waitlist status. Together, these findings highlight a profound tension: people want to work and see value in doing so, but the design of the housing and income support systems, combined with personal and structural barriers, creates strong disincentives and practical obstacles that limit their ability to participate in employment in the ways they would like.

For both, social housing tenants and waitlist applicants, IELs are experienced not simply as a policy setting but as a constant controlling force/ factor that shapes people's ability to work, daily decisions, long term aspirations, and sense of dignity. The narratives reveal a shared emotional landscape of fear, frustration, and resignation, with IELs functioning as a barrier to stability, progress, and wellbeing.



4.4 How IELs impact the lives of those in social housing and on the waitlist

Respondents were asked to describe how IELs had impacted their lives. The responses include deeply affecting descriptions of how IELs restrict their ability to work, destabilise their housing, undermine their wellbeing, and prevent them from pursuing a better life.

There is no meaningful difference in the underlying impact of IELs between those in social housing and those on the waitlist. The only difference is the stage of insecurity they occupy. Tenants fear losing the home they have, while waitlist applicants fear losing the chance to ever get one. Tenants experience IELs as a threat to current stability; waitlist applicants experience them as a threat to future stability.

But the emotional and behavioural impacts are remarkably similar. Across both groups, the overarching theme is that IELs function as a structural barrier to progress, keeping people in a cycle of poverty and insecurity regardless of whether they are housed or waiting. IELs:

- Discourage work and force people to limit income
- Create chronic stress, fear, and mental health deterioration
- Undermine long term goals, including education, career development, and home ownership
- Force people into poverty, even when they want to work
- Punish honesty, with people reporting that truthful income reporting led to eviction or removal from the waitlist
- Break trust in the housing system due to inconsistent advice and opaque decision making

Housing, Communities and Centrelink each constantly change advice they provide. They all refuse to provide written advice - except when notifying of penalties. (Survey respondent)

- Create impossible choices between safety, income, family wellbeing, and housing.

For social housing tenants, IELs create a sense of conditional safety, a home that can be lost the moment they try to improve their circumstances. Many describe living with a persistent fear of eviction, where even small increases in income, extra hours, or a promotion can trigger a review of their eligibility.

Tenants speak of IELs as:

- A trap

It feels like a prison living in public housing because I can't earn how much I want, I always have to think about the income caps and how much I CAN earn until I am no longer eligible for public housing, makes me want to quit and get back on Centrelink. no incentive to get off Centrelink and work when we could become homeless in doing that. (Survey respondent)

- A punishment for ambition:

It feels like you are being punished for trying to better your life. (Survey respondent)

- A cause of intergenerational poverty.

I've observed and learned how living in public housing in Western Australia with their income 'eligibility' limits have kept me and many others stuck in a vicious cycle of intergenerational POVERTY. Poorly designed public housing policies and practices that clearly keep people in poverty. (Survey respondent)

I feel that income limits set people up for failure and don't leave room for personal growth. As a parent I want to be a positive role model for my children, this is made difficult due to stress with financial and housing instability. (Survey respondent)

- A threat to family stability, where parents worry that their teenagers getting part time jobs could push the household over the limit.

I am grateful to have stable housing. I am also very frustrated that the stability that I enjoy is also the reason why I am stuck career wise, unable to grow in my career regardless of my experience ... I am nervous that my children being teenagers, should they find work, we will be at risk of hitting the income limits. I have never rented outside of government or community housing I don't think that would fare well on a rental application. I don't want to be separated from my children because they want to work. (Survey respondent)

- A source of profound anxiety: several describe being terrified of eviction after decades in their home.

I have been in my place for 22 years this year and due to me going full time I am being evicted. When I was doing part-time I wasn't doing enough hours but if I done the hours, it meant I was still over the limit. (Survey respondent)

I really wanted to be able to take the apprenticeship and make good money and be a role model for my child. Not many people in my family work. None in the mines making good money. I was also worried that if I couldn't hold onto the job, I'd lost my house and then also have no money or possible staff housing. There was no room for failure. I've only worked part time in the past. (Survey respondent)

- For many, IELs undermine their identity, confidence, and career development. Even those who are grateful for stable housing describe feeling stuck, unable to grow, and forced to choose between security and self improvement.

Improving my life and giving back to society came at a huge cost... homelessness again. This system does not empower people to improve their life. It totally disempowers. Society looks at you as a bludger. But if you get a job, you lose your house. My accommodation was taken off me and I became homeless again. I wish mainstream society knew that it's the government creating division and poverty. (Survey respondent)

I would love to work more. At the moment I work nights 4 days and 4 days off, I would love to do some hours in the days but it's impossible because it will take me eligibility limits. (Survey respondent)

- Being forced into private rental after losing their social housing due to IELs profoundly affected people.

I had to give up my property in December 2025 because of the income eligibility and now being in a private rental is so stressful we don't even know if we will get another lease and it is so hard to get private rentals, especially being Indigenous. (Survey respondent)

I got a job and now ear too much and [am] being punished by being kicked out of my HomesWest house. This is why people don't go and find work. I'm now against 100 of others looking for housing with very little support. It's not fair. (Survey respondent)

For people on the waitlist, IELs create a different kind of harm: lives are put on hold indefinitely. Because earning slightly more can jeopardise their place on the waitlist, people feel unable to take on work, training, or opportunities that could improve their situation. The waitlist becomes a form of suspended animation, years of waiting in poverty, unable to move forward.

Waitlist applicants describe IELs as:

- A system that is a barrier to hope:

I feel completely hopeless and trapped. I can't do anything to try and improve my situation, without risking my place on the housing waitlist. (Survey respondent)

- A system that contributes to poverty due to high rental costs:

Private rental costs are through the roof... If I work and lose my place on the waitlist all my money would go on rent and leave my child and I without money for food. (Survey respondent)

- A driver of worsening mental health: people cannot afford therapy, medication, or community participation.

If I was allowed to earn a bit more money ... I could afford to see a psychologist to address my mental health issues ... Instead, my mental health issues are getting worse, resulting in hospital stays. I'm becoming isolated and disconnected from the community, because I have no money to go out. I've lost all confidence and hope for the future. How can you expect someone to live like this, with no end in sight in terms of how long they will be on the waitlist? (Survey respondent)

- A constraint on safety; one respondent had to quit a job to remain eligible for a safe house.

I have 7 children and I am a single mother who has a violent partner. I worked as a case worker ... and I had to quit because I was offered a safe house but it meant I would be over the income. So I had to chose safety and a roof over providing for my family. (Survey respondent)

For those on the waitlist, IELs create a sense of frozen potential. Many waitlist respondents described being at high risk of homelessness, trapped in unaffordable rentals, or unable to improve their situation because earning more would jeopardise their eligibility.

4.4.1 What would be the impact of allowing people to earn more?

The survey asked people to describe how their lives would change if they were allowed to earn more and keep their housing. The responses show that allowing people to earn more while keeping their social housing or their place on the waitlist would have wide ranging positive impacts across work, housing stability, health, family life, and overall wellbeing.

Respondents consistently said they would be able to work more hours, take better jobs, or study without fear of losing their home, describing current limits as a barrier to progress. Many emphasised that higher income flexibility would provide greater housing security, removing the constant fear of eviction and enabling them to save for future housing. People

also highlighted significant health benefits, including reduced stress and the ability to afford medication and appointments. For families, increased earning capacity would mean greater stability and the ability to meet children's needs. Overall, respondents described that being able to earn more would dramatically improve their quality of life, giving them freedom, dignity, and the ability to 'actually live', not just survive.

The profound impact a change in IELs could have on the lives of social housing tenants and those on the waitlist is illustrated in their quotes.

- **Housing.** Housing stability is the most dominant theme. Respondents describe that being able to earn more while keeping their housing or waitlist status would remove the constant fear of eviction, allow them to save for future housing.

I wouldn't have to live in fear of losing my home. (Survey respondent)

I could actually start to save money instead of just surviving and living from pay to pay ... maybe then I could actually enter the private market and get out of public housing. (Survey respondent)

It would mean I don't have to choose between a job and a roof over my head. (Survey respondent)

- **Work.** Respondents highlighted that higher IELs would enable them to work full time or increase hours, pursue education or training, accept promotions or higher paid roles and provide relief from the need to limit income artificially.

I would look for a permanent part-time position - instead of casual. (Survey respondent)

It would afford me the opportunity to excel and invest in my career of choice. (Survey respondent)

I would have more motivation and desire to work. (Survey respondent)

- **Planning for the future.** A key theme was that of lives put on hold and an inability to plan for a positive future. Respondents described how their lives could be different if they could plan for a future where they earned more.

I could save money and work towards the goal of private rental property and afford to own a car, take the pressure of my current medical bills, and I could begin to acquire superannuation funds for the future as I have none. (Survey respondent)

I've given up on my future, because I see nothing else for me other than homelessness. (Survey respondent)

I could save for my kids' future. (Survey respondent)

Quality of life, health, cost of living, security safety, purpose. (Survey respondent)

- **Health.** Respondents describe significant mental and physical health benefits if they were able to earn more. Many currently cannot afford healthcare, medication, or therapy because they must keep income low to remain eligible.

My mental health would improve because I wouldn't be so stressed about money. (Survey respondent)

I could afford my medication and appointments. (Survey respondent)

I'd love to be able to go see a psychologist, but after I pay my rent, there is no money to pay the gap to see one. (Survey respondent)

It would enable me to get some much needed dental work done with the money I am earning. This has impacts on my social and mental well being. (Survey respondent)

- **Family.** Respondents describe that being able to earn more would allow them to better support their children, provide stability, and meet essential family needs.

It would change everything, I could feed my children, could afford their uniforms and all other daily costs. (Survey respondent)

I could give my kids what they need without stressing. (Survey respondent)

I could have stability and financial security for myself and my children. (Survey respondent)

I could support my family properly instead of scraping by. (Survey respondent)

It would allow me to provide a better lifestyle and better opportunities for myself and my children. (Survey respondent)

- **Wellbeing and quality of life.** Respondents describe that being able to earn more would dramatically improve their overall quality of life. Many speak about freedom, dignity,



and the ability to participate in society. Key themes relate to increased independence and autonomy, ability to participate in community life, improved confidence and hope for the future and relief from poverty and constant financial strain.

Everything would change around my quality of life. Food, Happiness, well-being, appreciation of life. (Survey respondent)

It would change my life — I could actually live, not just survive. (Survey respondent)

I would be able to pursue some of the things that would give my life meaning ... I live in isolation because I can't afford to go anywhere. (Survey respondent)

4.5 Respondent views on how IELs could be changed to make it easier for people to work and keep their housing or place on the waitlist

The survey asked respondents for their suggestions on how IELs could be changed to make it easier for people to work and keep their housing or place on the waitlist.

- The strongest and most consistent theme to emerge was the need to raise IELs substantially to allow people to work more hours, accept promotions, or work full time without risking eviction or losing their place on the waitlist.

Raise them [IELs] so that the jump to another housing type is a step. (Survey respondent)

- Many emphasised the importance of clear, supported pathways from social housing to affordable housing and private rental, so that increasing income does not trigger sudden homelessness. They recognised that more social and affordable housing was needed to make this a possibility.

A formalised pathway for people to move from [social housing] into affordable rentals, without having to leave your current accommodation in the process. (Survey respondent)

Clear pathways to affordable housing. (Survey respondent)

- Many highlighted a need for buffers or gradual rent increases to avoid punitive financial shocks when people return to work or start working more.

There should be a buffer... tenants should be able to earn up to an amount without paying extra rent. (Survey respondent)

Make it so the rent just increases by a little bit. (Survey respondent)

Limit rent increases. (Survey respondent)

Respondents wanted case by case assessment that recognises health costs, childcare, disability, and the realities of the rental market.

Assess on a case by case basis. (Survey respondent)

There needs to be some kind of leniency ... especially for people with chronic health issues. (Survey respondent)

- A consistent message was the need for **transparent, reliable information**, as inconsistent advice currently undermines people's ability to make informed decisions about work. Overall, respondents argued for a system that enables them to participate in the workforce and build financial security without jeopardising their housing.

Clear conditions and transparency for a start; consistency and reliability of information. Information changes all the time. This would help make informed decisions. And then I could eventually move out of my housing and leave it for someone who needs it more than me. (Survey respondent)

- Some respondents emphasised that IEL reform alone is not enough, recognising the structural shortage that underpins the entire system.

Return to the housing strategy... when public housing was built at scale. (Survey respondent)

Build more social housing. (Survey respondent)

Make it [the IEL] higher... and build more housing for people that want to co own a house. (Survey respondent)

5. Summary and recommendations

The evidence presented in this report, drawn from national and international literature, jurisdictional analysis, income modelling, and an original survey of 181 WA social housing tenants and waitlist applicants, leads to a clear and consistent conclusion: WA's current income eligibility limits (IELs) are not working as intended, and the costs of inaction are substantial. WA's IELs are the lowest in the country and have remained effectively static in real terms for over a decade, yet the social housing waitlist has more than doubled over the same period, demonstrating that IEL settings are a secondary driver of waitlist dynamics compared with housing supply, private rental market conditions, and homelessness rates. At the same time, the current settings are producing serious unintended consequences. Only five per cent of social housing tenants and 13 per cent of waitlist applicants said they did not want to work. Despite this, 86 per cent of survey respondents had managed their work hours because of IELs, 46 per cent had turned down work or additional hours, and only 23 per cent of social housing tenants and 13 per cent of waitlist applicants felt they would be financially better off by taking a job or working more hours.

Income modelling confirms why: a person earning just above the current IEL through part-time work can be left with as little as \$64 per week after rent, making employment an unrealistic and unsustainable option for households on low incomes. For people on the waitlist, the disincentive is even more acute, with many describing their situation as one of suspended animation where they are unable to take up work, training, or opportunity without risking their place in a queue that now averages over three years. Survey respondents described a system that punishes ambition, rewards

inaction, and in many cases contributes directly to poverty, homelessness, poor health, and intergenerational disadvantage. This carries considerable costs for all of WA society.

Everyone needs safe, stable, and affordable housing as a foundation for participating in work, family, and community life. The recommendations that follow are grounded in this principle. They offer a practical pathway for WA to move beyond a narrow focus on waitlist management and towards a system that actively supports people into housing stability and workforce participation. Taken together, the recommendations represent an opportunity for the WA Government to reframe the policy debate around IELs and social housing, demonstrating that reform is not a risk to the system but a means of making it work as intended: helping people to secure housing, build financial independence, and transition to other forms of tenure only when they are ready and able to do so. The recommendations span immediate administrative changes, medium-term policy reforms, and longer-term structural action, and are designed to reduce work disincentives, create real pathways out of social housing, and rebuild trust in the system.

5.1 Recommendations

5.1.1 Raise and index IELs

The evidence presented in this report clearly shows that WA's IELs are the lowest in the country by a significant margin and have been functionally static in real terms for over a decade. While ostensibly a tool to manage social housing allocations and waitlists, the evidence demonstrates that they are not working as intended. The survey demonstrates

that the current settings are functioning as a near-universal work disincentive across the social housing population, with 86 per cent of respondents having managed their work hours because of IELs and only 23 per cent of social housing tenants and 13 per cent of waitlist applicants feeling they would be financially better off by taking a job or working more hours. The evidence from comparable jurisdictions and WA's own waitlist trajectory shows that IEL levels are a secondary driver of waitlist length. Supply, market conditions, and homelessness rates are the primary factors, and raising IELs is unlikely to produce a material increase in the waitlist.

The question is therefore not whether to raise IELs, but to what level. The following options are presented for consideration, in order of ambition.

Option A: Align with the national median

Raise WA's IELs to align with the national median across jurisdictions, approximately \$795 to \$882 per week for a single person. This would bring WA into line with comparable jurisdictions such as NSW (\$795), Victoria (\$797 for priority access), and South Australia (\$882), and would correct a setting that has drifted well outside the national norm over more than a decade.

Impact: This is the most conservative option and carries the lowest implementation risk. The experience of comparable jurisdictions suggests the impact on waitlist numbers would be minimal. It would, however, provide a small but meaningful relief from work disincentives

for a significant proportion of current tenants and waitlist applicants, particularly those in part-time or casual employment whose incomes fluctuate around the current threshold. Impact on improving the lives and wellbeing of people living in social housing would also be moderate, and a significant gap would remain between social housing eligibility and private market affordability.

Option B: Raise to align with average weekly earnings

Raise WA's IELs to align with average weekly earnings, which for full-time adults in WA were approximately \$2,193 per week as of November 2025 (ABS 2025). This would allow households in which one member works full time at average wages to retain their social housing, removing one of the most significant barriers to full-time employment identified in the survey.

Impact: This option would provide the greatest direct relief from full-time work disincentives. It would be particularly significant for households where a member is considering or has been offered full-time employment but has declined due to fear of losing their housing. It would require accompanying investment in housing supply (social housing and affordable housing) to manage any increase in applications, and clear transition arrangements to support tenants progressing towards higher incomes over time.



Option C: Raise to align with the real cost of renting

Raise WA's IELs to reflect the income needed to rent in the private market without experiencing housing affordability stress, defined as paying no more than 30 per cent of income in rent. Based on the median rent for a one-bedroom unit in greater Perth of approximately \$600 per week, this would require a weekly income of around \$2,000 per week, or an annual salary of approximately \$104,000, to rent affordably. A more modest version of this option would set the IEL at the income needed to rent affordably with the assistance of Commonwealth Rent Assistance (CRA), which the modelling in this report estimates at approximately \$1,892 per week. Again, this change would require accompanying investment in housing supply (social housing and affordable housing) to manage any increase in applications.

Impact: This would represent a fundamental reorientation of WA's social housing system. It would effectively ensure that no household is forced out of social housing into a private rental market they cannot afford, directly addressing the housing insecurity identified in the survey and literature. The impact on waitlist numbers would depend heavily on accompanying supply measures, and this option would likely require significant complementary investment in affordable housing stock to be workable in practice. International precedents exist: Austria and France set IELs at levels that make social housing accessible to around 80 and 60 per cent of the population respectively (OECD 2020), reflecting a view that social housing should serve a broad spectrum of income levels rather than only those in acute need.

Recommendation 1: Substantial uplift to and indexation of IELs

Regardless of which option is adopted, the following actions are recommended:

- 1.1 **Raise WA's IEL's immediately**, at minimum to align with the national median across jurisdictions (Option A, approximately \$795 to \$882 for a single person), with a view to further increases over the medium term as complementary housing supply measures are implemented.
- 1.2 **Introduce annual indexation** tied to CPI or the relevant Commonwealth payment rate, whichever is higher, to prevent further real-terms erosion. The current practice of ad hoc small adjustments (e.g. +\$13–14/week to keep pace with increases to Centrelink payments) does not keep pace with cost-of-living increases and is effectively a slow tightening of eligibility over time.
- 1.3 **Undertake a medium-term review** of whether IELs should be set in relation to the private rental market (Option C), so that people are not pushed out of social housing at income levels at which they cannot afford to rent privately.

5.1.2 Introduce a protected waitlist period for waitlist applicants who take up work

The report finds that eligibility rules are a more powerful work disincentive for those on the waitlist than for those already in social housing. The survey confirms this, around one in two (48%) waitlist applicants cited fear of losing their place as a barrier to work, compared to 40 per cent of social housing tenants.

Survey respondents described being removed from the waitlist after taking up short-term or casual work, then becoming homeless:

I was on the housing list for 2 years ... then got a job ... I was removed from the housing list. I have been homeless for 2/3 years. (Survey respondent)

Waitlist applicants described their situation as suspended animation, being unable to take opportunities that might improve their circumstances because the risk of losing their waitlist place is too high:

I feel completely hopeless and trapped. I can't do anything to try and improve my situation, without risking my place on the housing waitlist. (Survey respondent)

Recommendation 2: Protected waitlist period

- 2.1 **Introduce a protected waitlist period** during which applicants who take up employment retain their place on the waitlist for a defined period (e.g. 12 months), provided their income remains below a higher 'soft' threshold that allows flexibility above the standard cut-off, depending on the household's circumstances. This directly addresses the most damaging disincentive in the system without requiring wholesale IEL reform and could be implemented administratively without legislation.
- 2.2 **After 12 months, conduct a holistic review** of the applicant's circumstances rather than an automatic removal.
- 2.3 **Extend priority status protections to applicants who lose employment** after a protected period and return to income below the IEL.

5.1.3 Graduated income limits and rent freezes

The report's modelling demonstrates the severity of the current income cliff. A single person earning just above the IEL (\$324/week from part-time work) loses their social housing and faces a disposable income after rent of just \$64/week — compared to \$303/week for a person on JobSeeker alone with social housing (Scenario 1 vs Scenario 3). This means working part-time in hospitality leaves a person \$239/week worse off than not working at all. No rational financial decision-making would lead a person to accept that outcome.

Several Australian jurisdictions have initiatives in place to mitigate workforce disincentives for social housing tenants. Queensland offers a six-month rent freeze when a Centrelink recipient starts work, and excludes the earned income of household members aged 24 years or less from rent calculations to encourage young people into employment. NSW provides a 'Start Work Bonus', ensuring rent will not increase for up to 26 weeks when a tenant starts a new job. Victoria uses fixed rent periods, reviewed twice yearly, during which rent will not rise if income increases but may fall if income decreases. The ACT reviews income and rent every six months, with provision for downward revisions during the review period.

Rather than a hard income limit, which penalises people as soon as they earn over the IEL, several reforms could create a more graduated approach for WA, which would mitigate the impacts of the earnings cliff.

A further reform that would significantly reduce work disincentives without materially expanding the number of people entering the social housing system is the introduction of separate income limits for entry into, and exit from, social housing. Under this model, a lower income threshold would apply at the point of application, reflecting the household's need for social housing, while a higher threshold would apply to continuing tenants, providing a buffer that allows incomes to rise without immediately triggering loss of tenancy.

Recommendation 3: Graduated income limits and rent freezes

- 3.1 Introduce a **rent freeze/holiday** of at least 6-12 months (preferably longer) when a tenant takes up new employment, similar to existing policies in Queensland, Victoria and NSW. This is proven, low-risk, and administratively straightforward.
- 3.2 Introduce a **graduated income taper** above the current IEL, so that income increases result in proportionally higher rents rather than immediate loss of tenancy. This removes the cliff-edge that currently makes working just above the IEL financially catastrophic (as illustrated in Scenario 3 of the modelling, where disposable income after rent collapses to \$64/week).
- 3.3 **Average income over longer assessment periods**, especially for households with fluctuating or episodic incomes. This is particularly relevant for the large proportion of respondents in casual or seasonal employment and those whose health and / or caring responsibilities mean that employment is episodic. Assessments could be based on a 12-month rolling average rather than a point-in-time snapshot which would reduce anxiety and perverse incentives around income management. To reduce the evidentiary burden for tenants and applicants, income assessments could be tied to tax returns.
- 3.4 **Review the definition of assessable income**, including income from children and young people in the household, fringe benefits, salary sacrifice, deeming, etc.
- 3.5 **Introduce a higher exit IEL for continuing tenants**, set at a level that reflects the income needed to sustain private rental affordably, as a complement to any increase in the entry IEL.

5.1.4 Build pathways out of social housing

The lack of viable pathways out of social housing into other affordable and stable forms of tenure is a key barrier that prevents tenants from moving out of social housing. IEL reform in isolation will not solve this, as the issue is due to the structure of the housing and rental markets.

Exits from social housing have been declining. The evidence shows that this is not primarily because tenants want to stay, it is because there is nowhere viable to go. Households that leave social housing frequently return because they cannot sustain private rental on low wages. At the same time, WA's social housing stock has been declining, putting further pressure on the waitlist – this highlights the need to also increase social housing stock.

The survey shows that:

- 80% of respondents cited the cost of private rental as the main barrier to moving out
- 70% cited insecurity of private rental and 63% cited difficulty finding a rental at all
- 43% said they could not afford the bond
- 63% reported there were no realistic alternative housing options they could afford
- 59% said moving out would be 'a huge risk'.

Respondents who wanted to move described needing a structured, supported transition.

A further option that addresses housing stability directly is to allow tenants whose income exceeds the IEL to remain in their property by converting the tenancy from Band A social housing to Band B affordable housing, with rent adjusted to the affordable housing rate. This provides tenants with stability and the assurance that improving their income will not result in the loss of their home. For each property converted from Band A to Band B, a substitute Band A property is identified to maintain overall social housing supply. Several larger community housing providers in WA already operate in this way, and the model has demonstrated merit in practice. The key constraint is the availability of substitute properties, which limits its application. Property substitution is not practicable for smaller community housing providers and is not available for public housing stock.

A complicating factor is that there are no data on and no targets for the number of Band B and other affordable housing dwellings that exist in WA and different types of affordable housing have different ways of rent setting.

Recommendation 4: Strengthen pathways out of social housing

- 4.1 **Conduct an audit of available affordable/Band B** housing stock in WA and publish the findings, to establish a baseline for planning.
- 4.2 **Set a target for Band B housing growth** as a proportion of the overall housing portfolio, so there is a viable intermediate tenure between social housing and the private market
- 4.3 Introduce a **transition support package** for tenants moving out of social housing, including bond assistance at a level that reflects the actual cost of the average rental bond (rather than being tied to recipient income, as is currently the case), rental history support, and a dedicated housing navigator role to assist with applications.
- 4.4 Develop a **shared equity or progressive purchase scheme** targeted at long-term social housing tenants with rising incomes, as an additional exit pathway that builds assets rather than just shifting housing costs. Asset limits for social housing tenants should be relaxed to facilitate home ownership.
- 4.5 Develop a **formal framework for converting Band A social housing tenancies to Band B affordable housing tenancies** for both public and community housing, for tenants whose incomes exceed the IEL, in partnership with community housing providers. The framework should include tenants in planning their own housing pathway and provide them with clear information about the financial implications of a change in tenancy category. Given current constraints on property substitution for smaller providers and public housing stock, the framework should also identify the conditions and investment required to expand the model's availability across the sector.

5.1.5 Skills and employment support

Social housing tenants and waitlist applicants face significant structural barriers to employment beyond the financial disincentives created by IELs, including age, disability, caring responsibilities, health, and skills gaps.

- Survey respondents had a wide range of existing skills and strong motivation to work; only 5% of tenants and 13% of waitlist applicants said they did not want to work
- The most common barrier to employment was concern about losing eligibility (40% of tenants, 48% of waitlist applicants), meaning that changing IELs could unlock workforce participation for a large share of the social housing and waitlist population
- Waitlist applicants were more likely than tenants to report skills and education gaps (29% each for skills and education, compared to 9% and 4% among tenants)
- Respondents expressed strong interest in training, particularly in community services, care, health, and vocational trades, sectors which have high employment demand in WA
- 34% of tenants and 33% of waitlist applicants identified poor health or disability as a barrier to employment — the second most common barrier after IEL concerns.

Recommendation 5: Address skills and employment needs

- 5.1 Fund **targeted employment and training brokerage services** for social housing tenants and waitlist applicants, focusing on sectors with genuine WA labour market demand (care, community services, trades, health)
- 5.2 Develop specific programs and supports targeted to social housing tenants and waitlist applicants, including **scholarship and fee waiver programs**, to access Certificate III/IV and higher education qualifications
- 5.3 Prioritise **flexible, part-time and remote training options** given that 45% of respondents can only work episodically due to health, and many have caring responsibilities

5.1.6 Address the information and trust problem

Work disincentives are compounded when people do not understand, or do not trust, the rules. Opaque, inconsistent, and undocumented advice creates anxiety, avoidance, and in some cases, non-disclosure of income.

- One in three (35%) survey respondents received conflicting advice from different sources
- Some respondents reported deliberately not disclosing income out of fear
- 47% were unclear about how long they could remain in housing if they earned over the IEL
- Respondents reported confusion about how fringe benefits, salary sacrifice, child support, and irregular income affected their eligibility
- Many described the emotional and cognitive burden of navigating multiple systems simultaneously as overwhelming.

Recommendation 6: Provide consistent and reliable information about IELs

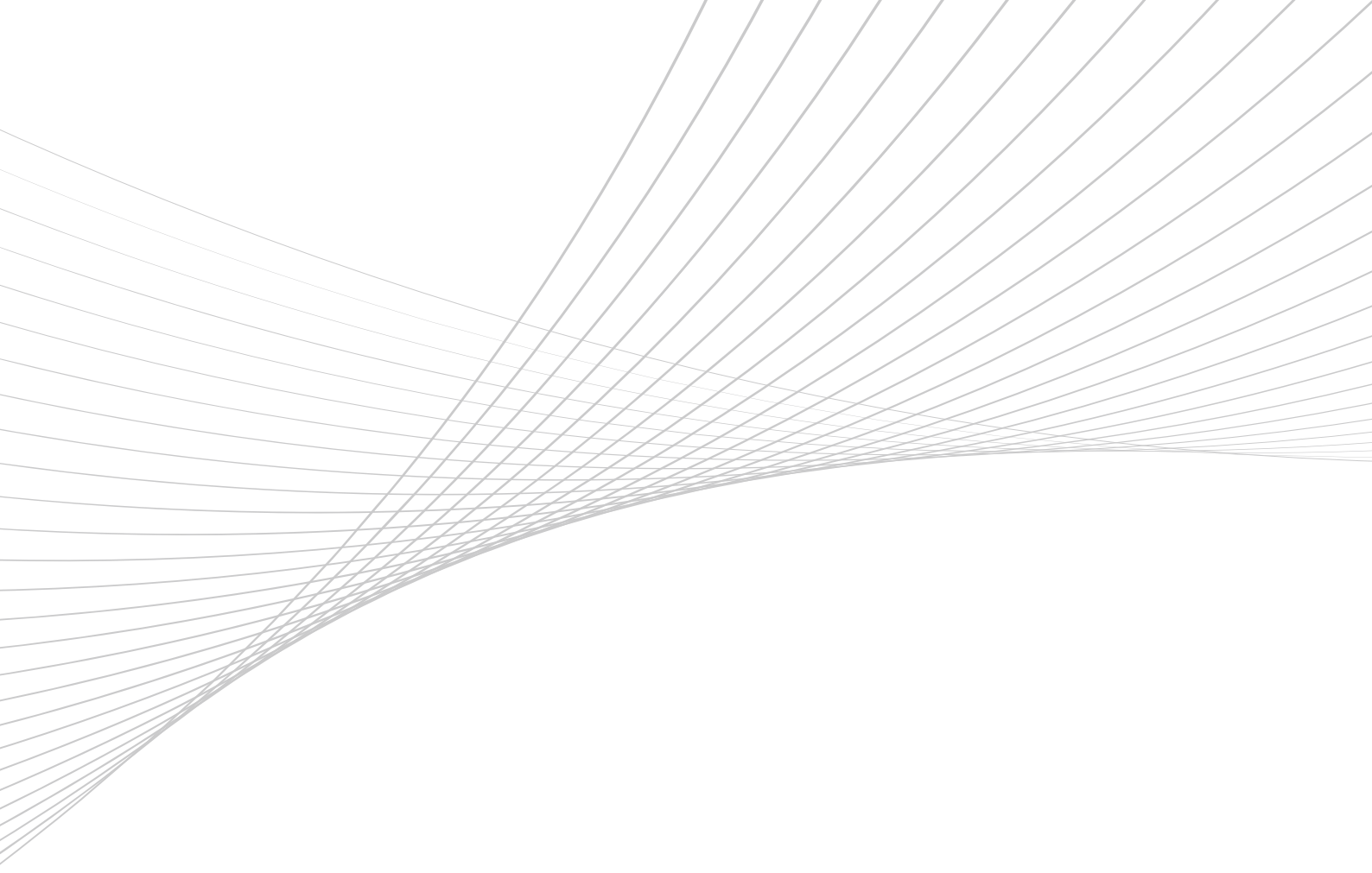
- 6.1 Develop and publish a **plain English guide** to how income changes affect social housing eligibility, rent, and waitlist status, covering wages, Centrelink interactions, fringe benefits, salary sacrifice, and irregular income.
- 6.2 Commit to providing **written advice on request** within a defined timeframe (e.g. 10 business days) when tenants or applicants ask how a change in income will affect their situation.
- 6.3 Introduce **staff training for property managers and housing officers** on consistent, accurate communication of IEL rules.
- 6.4 Establish a **dedicated income and eligibility advice service**, ideally independent of the property management function, so tenants can get reliable information without fear that asking will trigger a review.

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