

# Why low-income households move: the search for affordable housing and employment

**A GEOGRAPHIC MISMATCH BETWEEN WHERE HOUSING IS AFFORDABLE AND WHERE JOBS ARE AVAILABLE IS A KEY DRIVER OF MOVES OF WELFARE RECIPIENTS BETWEEN METROPOLITAN AND NON-METROPOLITAN AREAS.**

## KEY POINTS

- In Australia, in the year 2000, approximately 63,500 welfare recipients moved from metropolitan areas to non-metropolitan areas, and about 54,000 moved in the opposite direction. About 9500 more welfare recipients left the cities than moved into them.
- The numbers involved are relatively large: in 2000, New South Wales had 16,128 welfare recipients move to a non-metropolitan area and 11,538 into Sydney, and South Australia had 5680 welfare recipients move to a non-metropolitan area and 6134 in the opposite direction.
- A range of reasons was cited as 'very important' for moves in either direction. Apart from housing costs and employment, these reasons included family-related ones, such as improved family lifestyle or being close to relatives.
- The search for affordable housing was the most significant factor for welfare recipients moving from a metropolitan to non-metropolitan location (45% said it was 'very important' and 22% 'important').
- For those moving in the opposite direction, to Sydney and Adelaide, 'job opportunities' was the most significant factor (41% 'very important' and 11% 'important').
- Some 55% of the Unemployed and 71% of Single Parents were satisfied with finding paid work in the cities. Yet, 71% of the Unemployed and 38% of Single Parents indicated that they would like more paid work than they had at the time of the survey.
- The reasons given for moving towards or away from the city were similar for people in both New South Wales and South Australia. Given the substantially different housing and employment markets in these states, this suggests that income support recipients are motivated to move for similar reasons that are unrelated to their location.
- The housing and employment markets of the two states shaped the scale of the movement – Sydney lost a number of income support recipients (about 4500), while Adelaide gained income support recipients (around 450).

*This research, by the AHURI UNSW-UWS Research Centre, surveyed welfare recipients to identify their reasons for moving from Sydney and Adelaide to non-metropolitan areas, and from non-metropolitan areas to these cities.*

## CONTEXT

In Australia, the migration of welfare recipients has been bound up in broader debates about how economic change is shaping the location of jobs and affordable housing. Sydney, as Australia's global city, has been the particular focus of these debates but flows of welfare recipients into and out of all main cities has been noted. Nationally, a total of approximately 53,000 income-support recipients move annually from non-metropolitan areas to metropolitan cities and vice versa.

A number of commentators have argued that a significant amount of the 'counter-urbanisation' (leaving metropolitan areas) type of migration that occurs in Australia is 'poverty led'. An important element in this movement is said to be people receiving some form of transfer payments from government that are available across the nation and portable. A major attraction in these non-metropolitan areas is the cost of living, especially cheaper housing. Moreover, in the mainland state capitals, a positive association between such moves and housing prices has been noted and commentators have inferred that people may be being forced out of the cities by high housing prices.

The aim of this research was to determine the well being, employment and housing factors influencing decisions by different groups of welfare recipients who moved from Sydney or Adelaide to non-metropolitan areas and those who relocated from non-metropolitan areas to Sydney or Adelaide.

## THE STUDY

This Bulletin reports on two separate but complementary AHURI projects investigating the

migration of welfare recipients between metropolitan and non-metropolitan locations. The first study examined relocation from Sydney or Adelaide to non-metropolitan areas. The second investigation explored the converse situation where income-support recipients moved from regional New South Wales and South Australia to Sydney and Adelaide respectively. Sydney and Adelaide were selected for study to provide contrasting housing and labour market contexts.

Both research projects had three components including a review of international and Australian research, an analysis of migration patterns using the Department of Family and Community Services' Longitudinal Data Set and a postal survey of a sample of income-support recipients. In total, 14,000 questionnaires were distributed (7000 for each study). A 20% response rate was achieved for the first survey and 15% for the second. The four groups of welfare recipients who received questionnaires are defined in the chart below.

## FINDINGS

Many factors shape the decision to move – and the prime factors driving those moves are different for shifts to non-metropolitan areas compared to moves to metropolitan areas.

The prime factors driving moves to **non-metropolitan** areas are housing affordability and lifestyle choice. The prime factor driving moves to **metropolitan** areas is employment opportunities.

**Housing affordability:** The survey results support the original expectation that housing affordability is the major factor in the decision by welfare recipients

Income Support Group	Number of respondents who moved to...	
	Non-metropolitan	Metropolitan
<b>Aged Pensioner</b> – males over 65 years of age or females over 60 years of age receiving an Age Pension	474	387
<b>Single Parent</b> – sole or partnered parent who has a qualifying child under 16 years of age receiving a Sole Parenting Payment	296	186
<b>Disabled</b> – an individual with a physical, intellectual, or psychiatric impairment assessed and is unable to work for at least the next two years as a result of impairment receiving a Disability Support Pension	291	245
<b>Unemployed</b> – An unemployed individual capable of undertaking work and who is available for employment receiving a Youth, Newstart, or Mature Age Allowance	312	203

to relocate *away from* metropolitan cities to non-metropolitan areas.

Sixty-two per cent of all respondents noted housing affordability as a key consideration in deciding to relocate to non-metropolitan NSW and SA. Sixty five per cent of NSW movers, compared with fifty three per cent of SA movers, indicated housing as a major factor in their decision to move. This difference would be expected given the higher housing costs in Sydney compared to Adelaide. Of the different payment type groups, housing cost was most important to Single Parents and least important for Aged Pensioners.

Housing cost was not a very important consideration in the decision to move *into* Sydney or Adelaide. Given the marked difference between metropolitan and non-metropolitan housing prices, especially in NSW, this suggests that either movers were not particularly conscious of metropolitan prices, or that the need to move counteracted any anxieties about the cost of living.

After moving to Sydney or Adelaide, half of all respondents paid more for their housing and as a result were understandably dissatisfied with the affordability of housing in the city.

Only 27% of all respondents owned their homes after the move to the city – an 11% decrease in ownership. This change in home ownership was most marked for Aged Pensioners (from 63% to 37%). Another effect of higher housing prices in metropolitan areas was that substantially more respondents were renting and receiving Rent Assistance (CRA) after moving into the city, especially the Unemployed and Single Parents.

**Employment opportunities:** For the Unemployed, job opportunity was by far the most important factor influencing a move *into* a city (62% of Unemployed indicated this was a major factor). Job opportunities was also the most important factor in Single Parents' decision to move to Sydney or Adelaide (56%).

Overall, the Unemployed were not as enthusiastic about their moves to the city as one might have thought. For example, only 20% of the Unemployed in Sydney believed they were much better off after moving. This is possibly attributable to the fact that full-time employment often did not eventuate for this group.

Twenty-one per cent of all Unemployed and 31% of Single Parent respondents indicated they currently had some paid employment in the city. Of these Unemployed, 70% worked less than 20 hours a week

and only half (55%) of these people were satisfied with finding paid work in the cities. Single Parents were much more satisfied (71%) about finding employment.

Of those moving *away from the* cities, i.e. to non-metropolitan areas, there was also significant dissatisfaction with employment opportunities; 76% of the Unemployed and 66% of Single Parents in this group found employment opportunities to be unsatisfactory. Just over one-quarter (27%) of NSW movers indicated that finding paid work in the non-metropolitan area was satisfactory compared to 44% of SA movers.

**Lifestyle choice:** Lifestyle factors and personal circumstances were also influential in the decisions to relocate to non-metropolitan locations. These factors included wanting a better place in which to raise a family, a desire to live away from the city, increasing crime levels in the city, and other personal or health reasons. Circumstances that influenced relocation also included changes in relationships, employment status, financial stability and household structure.

For Single Parents, the most important factor in the decision to move to the country was to have a different location in which to raise their family (71%). The most important relocation factor for the Disabled was the desire to live outside the city (51%). The most important relocation factor for Aged Pensioners was a relationship change (likely to be the death of a spouse – 55%).

An overwhelming 72% of all movers believed they were better off in their non-metropolitan communities than they were in Sydney or Adelaide. And 41% of this group felt they were much better off. Just 12% felt they were better off before moving.

For those moving *into* Sydney or Adelaide, the most important factor for the Disabled was access to health and related services. Aged Pensioners wanted to be closer to family and friends, with 72% indicating this was very important.

## **POLICY IMPLICATIONS**

The geographic mismatch between housing affordability and employment availability is a key driver of the movement of Unemployed and Single Parent welfare recipients between metropolitan and non-metropolitan areas. People are leaving the cities of Sydney and Adelaide to find cheaper housing and people are entering these cities to find work.

Such mobility is, in its own right, not necessarily a bad thing. These movements may simply represent households successfully adjusting their circumstances to meet their needs.

However there may be a continuing level of dissatisfaction with housing and employment circumstances which is prompting moves both to and from the cities, and being highly disruptive to the people involved. This might be the case if some of those who leave metropolitan areas in search of cheaper housing later return to find work, or those who left non-metropolitan areas in search of employment are later returning to find affordable housing.

Considerable financial cost is associated with housing moves and numerous moves can disrupt the school performance of children. Such outcomes would imply inadequate levels of 'liveability' in both metropolitan areas (with regard to housing) and non-metropolitan areas (with regard to employment).

A comparison of the level of mobility amongst income support recipients with that of low-income households not receiving income support would provide some indication of whether income support recipients' mobility is relatively high.

Findings, such as a fall in the rate of home ownership (particularly amongst Aged Pensioners) and a rise in the receipt of CRA, imply a greater dependence upon Federal programs is associated with the move of income support recipients to metropolitan areas. But the whole-of-government costs and benefits of the mobility of income support recipients require untangling to fully understand the budgetary impact of these observations.

## FURTHER INFORMATION

This Bulletin is based on two AHURI projects: 70066 *Welfare outcomes of migration of low income earners from metropolitan to non-metropolitan Australia*; and 70175 *Migration of income-support recipients from non-metropolitan NSW and SA into Sydney and Adelaide*. Reports from these projects are available on the AHURI web site ([www.ahuri.edu.au](http://www.ahuri.edu.au)) by typing the project number into the search function.

Reports available (for each project):

- Positioning Paper
- Final Report

Or contact the AHURI National Office on +61 3 9660 2300.



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