













14 August 2023

### URGENT

The Hon. Anthony Albanese MP Prime Minister PO Box 6100 Parliament House Canberra ACT 2600

### Via email:

Via Ciliali.	
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Dear Prime Minister, Premiers and Chief Ministers,

## **Australia's Rental Crisis**

We are the Councils of Social Service (COSS) network, consisting of nine peak bodies for the community service sector across Australia (8 state/territory bodies and a national body).

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Collectively we represent thousands of organisations across Australia. Our social services member organisations are broad and diverse, working across a range of fields including housing, family and children, youth, multicultural, mental health, employment, Aboriginal justice, domestic and family violence, and community legal services. We advocate for change to achieve equality, opportunity, and wellbeing for all members of the community.

We are jointly submitting this letter to the National Cabinet to highlight the extent of the rental crisis in Australia, and to seek immediate action to improve rental affordability and security.

### **Current crisis**

The proportion of Australian households renting is increasing. Just over 30 per cent of Australian households are now renters. Many households across Australia are experiencing significant housing stress. There are over 640,000 low-income Australian households with an unmet housing need (people who are homeless, living in overcrowded housing, or spending more than 30% of income on rent). 2

Rental costs are continuing to rise and, as a result, housing is becoming increasingly unaffordable. Following significant increases over the past four years, rents for new private rentals increased a further 11.5 per cent on average in capital cities and 6.3 per cent in regional areas in Australia in the year to 30 June 2023.<sup>3</sup>

Our frontline service organisations are witnessing distressing levels of housing need and distressing human impacts. Members have told us:

- "I've been doing this sort of work for about 18 years now, and this is the hardest I've ever seen it... we used to get people walking out of here and we'd help them get a lease in place. That's really hard to do now."
- "The growing cost of living, limited rental properties and the increasing cost of rentals has developed a whole new cohort of homelessness with families and employed people not being able to find housing as well as the unemployed. This in turn affects business as there are less employees available for work as they have nowhere to live..."
- "The pressure on people to access or maintain affordable housing is impacting on all other areas of people's lives. Housing instability has increased mental health presentations, [DFV], financial distress, [and the] inability to afford basic needs such as medications, food, [and] transport."
- "The rental and accommodation crisis is hitting hard, with people now amongst the "lucky" if they are able to secure a tent or caravan."<sup>4</sup>

Additionally, we have heard many reports of rental costs impacting essential workers in the sector, and this is becoming particularly problematic in remote areas, where workers

<sup>&</sup>lt;sup>1</sup> Australian Bureau of Statistics. Housing Occupancy and Costs 2019-20

Van den Nouwelant, R. Troy, L. & Soundararaj, B. (2022). "Quantifying Australia's unmet housing need: A National snapshots". Sydney: UNSW City Futures Research Centre.

Domain, June 2023 Rental Report, Domain Rental Report - June 2023 | Domain

<sup>4</sup> QCOSS, The State of the Sector 2022.

struggle to pay rents or find housing, in turn contributing to increased pressure to attract and sustain workforces.

The extent of the crisis is clear.

# Immediate action to end the rental crisis is required

When National Cabinet meets on 16 August, it is important that a commitment is made by all leaders to address the rental crisis effectively.

Significant long-term investment in social and affordable housing is needed to end the housing crisis, however there are also several actions that can be taken now to immediately improve rental affordability and security. Immediate action must include measures to:

- Limit rent increase amounts to the rental component of the Consumer Price Index, or other appropriate measure, and include mechanisms to limit the frequency of increases to a minimum of 12 months to stabilise rents and affordability (noting this has already been implemented in some jurisdictions).
- **End no-grounds evictions** to provide greater housing security for renters and to discourage the practice of using no-grounds evictions to enable the rent to be increased under a new lease. This should include ending no-grounds evictions at the end of a fixed term tenancy, which would build on reforms already implemented in some jurisdictions.
- Implement minimum energy efficiency standards for rental homes to improve wellbeing and reduce cost of living. We draw particular attention to the Community Sector Blueprint: A National Framework for Minimum Energy Efficiency Rental Requirements. This presents a great opportunity to develop a nationally coordinated and consistent approach to the energy efficiency needs of rental housing stock, building on minimum standards for rental homes that are already in place in some jurisdictions.
- Increase the rates of JobSeeker, Commonwealth Rent Assistance and other
  associated payments to protect people from poverty. The rate of Jobseeker and
  other allowance payments needs to be raised to parity with pensions (currently \$76 a
  day) and indexed to wages so everyone can keep a roof over their head and food on
  the table. Rent Assistance should be benchmarked to actual rents paid and increased
  substantially.

#### Conclusion

The rental crisis requires immediate attention. Without government intervention, housing will continue to be unaffordable and insecure for many Australians. Law reform is required to limit rental increases, prevent no-grounds evictions, and ensure homes are energy efficient. Together with a permanent increase in JobSeeker and other support payments these measures can immediately help lessen the impact of the rental crisis for all renters.

Healthy Homes for Renters, <u>Community Sector Blueprint: a National Framework for Minimum Energy Efficiency Rental Requirements</u>, (November, 2022).

In addition, governments at all levels must work in concert on housing plans that deliver accelerated housing supply and seek to end housing need in Australia.

Devin Bowle James

Yours sincerely,

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Cc:

Tim Gartrell, Chief of Staff to the Prime Minister

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The Hon Julie Collins MP, Minister for Housing

Bella Fountain, Senior Advisor to the Minister for Housing

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