



care DIGNITY  
respect  
change HOPE

**Submission to the  
Senate Inquiry into the  
Worsening Rental Crisis  
in Australia**

August 2023

*[www.anglicare.asn.au](http://www.anglicare.asn.au)*

## About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas. With a combined income of over \$1.94 billion, a workforce of over 11,000 staff and 6,000 volunteers, the Network delivers more than 50 service areas in the Australian community. Our services are delivered to over 474,00 people and reach close to 1.37 million Australians in total. In all, Anglicare services reach over 1 in every 19 Australians.

As part of its mission the Anglicare Australia Network partners with people, families and communities to provide services and advocacy and build resilience, inclusion and justice. Our first strategic goal charges us with reaching this by influencing social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network.

## Contact

Kasy Chambers  
Executive Director

Anglicare Australia  
PO Box 4093  
Ainslie ACT 2602  
T: 02 6230 1775  
[anglicare@anglicare.asn.au](mailto:anglicare@anglicare.asn.au)

## Contents

About Anglicare Australia .....	2
Contents .....	3
Introduction .....	4
Ensuring protections for renters .....	5
Fair limits on rent increases .....	6
An end to no-cause evictions .....	6
Minimum standards for rental homes .....	7
Independent enforcement of rental protections .....	8
Raising the rate for renters on the lowest incomes .....	9
Increasing public and social housing supply .....	11
Conclusion .....	12

## Introduction

Anglicare Australia welcomes the opportunity to provide input the Senate Community Affairs Committee inquiry into the worsening rental crisis in Australia. As an organisation that has long advocated for housing policy reform, we are deeply concerned about the state of renting in Australia.

Renting in Australia has never been more unaffordable. Rental prices continue to be at all-time highs across the country. Rents increased by nearly 11 percent in the past year, with no sign of slowing down.<sup>i</sup> Earlier this year, Anglicare Australia's Rental Affordability Snapshot revealed the extent of the rental crisis for Australia's lowest paid. With listings falling to the lowest level our research has seen, affordability went backwards for nearly every category. A single person on the minimum wage saw the biggest fall in affordable properties.<sup>ii</sup> Over the years, our Rental Affordability Snapshot has measured the slow creep of unaffordability up the income ladder. As prices continue to rise, there are few signs this climb will slow down.

As this crisis has dragged on, it has captured more and more public attention. Once, renting was seen as merely a temporary housing solution – a stopgap between leaving home and buying your first property. The Australian dream of homeownership appears to be slipping further from Australian's grasp. While 85 percent of non-homeowners still wish to buy, only one in four actually expect to be able to achieve it.<sup>iii</sup> With seemingly daily headlines of renters anxious about unpayable rent increases around the corner or facing no cause evictions, it is clearly time for the government to act.

The rental crisis has not appeared overnight, it has been building for years. For the last four decades, Australian governments have been slowly shifting their spending priorities in the housing sector. Where once the federal government made most of its housing expenditure directly on state and territory public housing, it now spends more than it ever did on rent assistance and tax concessions. Australia has privatised its rental market to expensive and devastating effect.

Solving this crisis will require sustained and long-term commitment to improving Australia's housing market. Now is the time for Governments to take action so that all Australians have a safe and secure place to call home.

## Ensuring protections for renters

In recent decades, renting has gone from being a largely temporary form of housing to a more permanent one. Record numbers of Australians will now rent for life, and that number is growing.<sup>iv</sup> In spite of the growing prevalence of renting, laws and regulations across the country continue to treat renting as temporary, failing to reflect the fact that many people will now spend their entire working lives and their retirement in the private rental market.

A recent survey conducted by Everybody's Home found that many respondents were concerned about uncertainty in their future (81 percent), with particularly powerful stories being submitted by older renters concerned about the precarity of their tenure.<sup>v</sup> This reflects problems with the dominance of short-term leases in Australia. Organisations who responded to the survey were concerned about their clients being evicted (15 percent).<sup>vi</sup> The fear of eviction not only drives insecurity among renters about their future, but also makes it more difficult for tenants to ask for repairs or create accountability for rental protections that do exist.

The constant churn of short-term leases, the widespread legality of no-cause evictions across the country, and the scarcity of affordable homes have combined to create fierce competition for rentals. This is forcing people into properties that don't meet basic standards. It also leaves them vulnerable to unscrupulous behaviour by landlords. As more Australians are set to become lifelong renters, it is important to ensure protections so that everyone can obtain and maintain tenancies in the private rental market. Setting the balance in the market is critical to building a system that is stable, and affordable. Renters should be entitled to stronger protections, more security, and more choice.

Depending on which state or territory they live in, renters are afforded very different levels and types of protections. In some states, renters can be evicted for no reason at all, are disempowered in disputes with landlords, and vulnerable to poor housing conditions that make people sick or send energy bills sky-high. People cannot create a home if they can be evicted with little notice and no cause, if they can't ask for repairs, and if they don't have the flexibility to deal with changing life circumstances. They are also unlikely to be able to retrofit their homes and age in place as they get older. Even small changes are difficult to plan for if tenants are constantly worrying about the possibility of a rent increase.

In light of these issues and the growing prevalence of renting, Anglicare Australia endorses the calls made by the National Association of Renters' Organisations, Everybody's Home, and other peak housing bodies for four key reforms to be pursued at the upcoming meeting of housing ministers in August:

- Fair limits on rent increases
- An end to no-cause evictions
- Minimum standards for rental homes, and
- Independent enforcement of rental protections.

### Fair limits on rent increases

With no limits on rent increases in most parts of the country, costs have been surging. Over the past three years the median/mean asking rents for units across the country have gone from \$372 per week in March 2020, before the onset of the COVID-19 pandemic, to \$500 in July 2023.<sup>vii</sup> That is an increase of 34 percent, greatly exceeding wage increases over the same period. With vacancy rates nationally sitting at around one percent, there are very few options for renters. They either pay an increase they cannot afford, or they brave the mercy of the market in hopes of something better.

It is clear the private market cannot deliver reasonable outcomes without oversight from Government. The ACT currently has the nation's most comprehensive rental price caps, limiting landlords to an increase that is no more than 110 percent of the consumer price index every year. Victoria and Queensland have limited the frequency of increases, but have not limited the increases themselves. Media reports suggest the Victorian government is exploring adopting the ACT's caps while limiting increases to once in a two-year period,<sup>viii</sup> while the NSW government is similarly exploring caps.

Anglicare Australia calls on all state and territory governments to enact protections and limits on rent increases. While the mechanisms may vary across the country, it is important that jurisdiction takes action to limit increases themselves, not simply the frequency of those increases.

#### **Recommendation**

Anglicare Australia calls on each state and territory Government legislate to limit the amount and frequency of rental increases.

### An end to no-cause evictions

One in three Australians lives in a rental property, and that number is likely to continue to grow.<sup>ix</sup> They deserve stability and certainty that they can remain in their homes unless there is a valid reason they should have to move. Yet renters rarely feel this security. People interviewed by Anglicare Australia last year for research on older renters and ageing in place all reported feeling insecure about their housing. Interviewees spoke about the value of a secure home, their connection to the local community, and their hopes for the future. "I'd like to stay where I am now for a long time," one said. Another reflected that "a stable home is where people flourish."<sup>x</sup> Nearly all interviewees had experienced the realities of forced moves, with one telling us:

*"Prior to this house, I'd had a breakdown. I'd moved 11 moves in the (city) area. I was mentally and physically sick – worrying about how I'd cope with another move. It makes a huge difference to my health, and financial health. Every time I moved it cost up to \$2,000."*

People cannot feel secure in their home, or plan for their future, if they can be evicted with little notice and no cause, or if they can't ask for repairs or modify their housing to make it more accessible. This can lead to negative health outcomes and leave a tenant trapped in an unsafe environment.

Anglicare Australia member agencies have seen devastating impacts on families when they are evicted without cause, putting children at risk, placing strain on family units, and causing untold damage to mental health.

Victoria and the ACT have reformed their relevant residential tenancy legislation to heavily restrict no-cause evictions. The Federal Government can and should take a leadership role in bringing the remaining states and territories into alignment and provide renters security no matter where they live in Australia. Ending no-cause evictions will ensure that renters don't live with the constant possibility of being turned out with nowhere to go.

**Recommendation**

Anglicare Australia calls on all state and territory governments to ban no-cause evictions.

**Minimum standards for rental homes**

A home is a basic necessity. It provides shelter, warmth and other basics for human life. It is reasonable to expect that all rental properties should meet minimum standards. However, there are no nationally consistent standards to ensure rental properties meet a basic level of amenities, safety and energy efficiency.

Victoria is one of the jurisdictions that has minimum standards for new rental homes that enter the market. Under the Residential Tenancies Act, Victorian rental homes must meet a number of standards from everything from quality of locks and windows, bathroom and kitchen appliances, and heating and cooling standards.

Action is also needed on energy efficiency standards. Around 9.5 million homes were constructed before the introduction of national energy efficiency standards.<sup>xi</sup> As a result, hundreds of thousands of rental homes across Australia don't stay warm during winter and are hard to cool during summer. A Swinburne University study suggests that we could reduce heat-related deaths by up to 90 percent simply by upgrading housing stock to a 5.4-star energy rating alone.<sup>xii</sup> Energy inefficient homes pose a health risk, with renters trapped with little ability to make efficiency upgrades themselves. It is unfair to expect renters to front the cost for upgrades to a property they don't own. It is therefore critical that landlords abide by minimum energy standards for rental properties.

**Recommendation**

Anglicare Australia recommends the federal government coordinate with state and territory governments to introduce nationally consistent minimum standards for rental properties. These should include a minimum energy efficiency rating of 5 stars and accessibility standards to support older renters and those with disabilities.

### **Independent enforcement of rental protections**

While a patchwork of different laws and restrictions exists across a number of states and territories to guarantee renters' rights, the common flaw is the lack of reliable enforcement of the law. As it stands, it is incumbent upon the tenant to police the actions of their landlord. This is a dangerous power imbalance that ultimately disincentivises tenants from standing up for themselves and ensuring their rights are maintained for fear of reprisals.

Any reform of tenants' rights must ensure independent and proactive and independent enforcement, ensuring that landlords are not policed by their tenants. One way to achieve this would be through the establishment of a rental ombudsman that could actively monitor lease conditions. Such a solution has already been floated in the ACT and is currently being enacted in NSW. It is also vital that any moves to limit unfair rent increases are accompanied by measures to register rents and increases.

Ending unfair price increases, banning no-cause evictions and requiring minimum standards for properties would all be for nothing if the onus remains on the renter to ensure that the landlord is meeting their legal obligations. We see this in Victoria, where despite the introduction of a minimum requirement to provide a mould-free home, Tenants Victoria reports Victorian renters are still struggling to get mould removed promptly from their homes.<sup>xiii</sup> This is caused by a misunderstanding of the law by renters, landlords and real estate agents, and delays in the VCAT process that can be caused by requests for expert reports.

By actively monitoring the rental market, state and territory governments can ensure that standards are being met and landlords are fulfilling their requirements under law.

#### **Recommendation**

Anglicare Australia calls on state and territory governments proactively enforce renters' rights, rather than relying on tenants to take action against their landlord.

Finally, the Federal Government must play a role in keeping its state and territory counterparts accountable to the principles agreed to at this meeting. That could be achieved through reporting on the progress of reforms for each jurisdiction and making the implementation of them a standing agenda item at regular meetings of the housing ministers.

#### **Recommendation**

Anglicare Australia calls on the Federal Government to monitor, report on, and create accountability for the implementation of these four reform areas.



## Raising the rate for renters on the lowest incomes

Poverty and housing are inextricably linked, with housing representing the largest fixed cost for most Australian households. As we face a housing market that has never been less affordable or more volatile, Australians are spending record amounts on housing, impacting financial security and driving hardship across the nation.

Over one million Australians currently live on JobSeeker or Youth Allowance.<sup>xiv</sup> This does not include other working age payments, such as the Parenting Payment or the Disability Support Pension. Many are likely to be renting, yet modest increases to the rates of these haven't made a dent in affordability. The weekly rate of JobSeeker is barely above half of the Henderson poverty line.<sup>xv</sup> With so many Australians living on income support, the pace and size of rent increases are far outstripping these payments and pushing more Australians into poverty and housing stress. Rates of housing stress from being exceptionally high among income support recipients.<sup>xvi</sup>

In the decades since the JobSeeker payment was developed, then called Newstart, rents in capital cities have almost tripled.<sup>xvii</sup> Income support payments and Commonwealth Rent Assistance are both linked to general CPI rather than to housing costs, and have failed to keep up. It's important to remember that essential living costs like food, education, health, transport, petrol, and electricity have also been rising since the early nineties, outstripping CPI.

Finally, it is clear that Commonwealth Rent Assistance payments are leaving behind the people who need them most. Only one in four people on working age payments, such as JobSeeker and the Disability Support Pension, are eligible for help.<sup>xviii</sup> The payment is also poorly structured for people on low payments, such as Youth Allowance, and those who are sharehousing or in informal housing arrangements. This helps explain why almost half of those who do receive the benefit, 46 percent, continue to be in rental stress.<sup>xix</sup>

The cut-in and cut-out rates of the payment entrench inequity between different income support recipients. For example, a single person on Youth Allowance must spend a third of their income on rent before they can even receive assistance, pushing them into rental stress. By contrast, a single person receiving the Age Pension need only spend 14 percent of their income on rent before assistance kicks in.<sup>xx</sup>

The process for indexing Commonwealth Rent Assistance has proven to be unfit for purpose. The Harmer Review found that bi-annual increases to Commonwealth Rent Assistance had not kept pace with price growth in the rental market.<sup>xxi</sup> Because rental prices have been growing faster than the consumer price index, assistance payments are falling far behind the actual rental costs facing low-income Australians. Productivity Commission data suggests that between 1995 and 2019, rents grew at more than twice that of the CPI.<sup>xxii</sup>

It is clear that the payment needs to be reformed to ensure it helps those who need it most. Without increasing the base rate of working payments, and without reforming the cut-in and cut-out points, an increase to the rate of Commonwealth Rent Assistance will likely have very little impact for people in rental stress.

**Recommendations**

Anglicare Australia recommends:

- Raising the rate of JobSeeker and other working age payments above the poverty line
- Indexing Commonwealth Rent Assistance to rental price growth, not overall inflation
- Reforming cut-out rate of Commonwealth Rent Assistance and removing the cut-in rate
- Removing the requirement that renters have a lease agreement, allowing those who have found informal solutions to the rental crisis to gain some relief.

## Increasing public and social housing supply

Housing supply is perhaps the most prominent answer to housing affordability. It is the favoured solution of the development industry, property commentators, and drives the logic behind the Federal Government's recently announced National Housing Accord. Yet the reality is that Australia has an oversupply of dwellings compared to its needs and demographics.<sup>xxiii</sup> Between 165,000 and 240,000 new dwellings are already built across the country each year.<sup>xxiv</sup> Increasing supply in the private market has simply failed to make housing more affordable. The undersupply is not in housing, but in social and affordable housing.

In walking away from social housing, governments have assumed that the private rental market would provide enough affordable housing for those who need it. That has been shown to be false. Analysis by the Australian Housing and Urban Research Institute shows that governments' move away from directly supplying housing towards a reliance on 'demand-side assistance,' such as rent assistance, has led to a housing market that has never been less affordable. The shortage of affordable rentals for low-income households grew between 1996 and 2011, contradicting the theory that housing supply in the private market would 'filter' into low-rent accommodation over time.<sup>xxv</sup> The data now shows Australia will need an additional 640,000 social and affordable homes to meet the needs of people in the most severe rental stress.<sup>xxvi</sup>

The Federal Government has pointed to its proposed Housing Australia Future Fund as its response to this crisis. However, it will only guarantee that the Fund will deliver a minimum of 9,600 homes, or 30,000 homes in the most generous scenario. This is a long way away from Australia's 640,000 home shortfall. After years of under-investment in social housing, social housing stock has simply not kept pace with the growth in population,<sup>xxvii</sup> with demand now far outweighing supply. Housing has become less and less affordable over that same period.

Turning this around will require regular, on-budget commitments well beyond the proposed Fund. Simply maintaining the current share of social housing as a proportion of Australia's housing stock will require construction of 15,000 new social housing properties a year.<sup>xxviii</sup> The current rate of social housing construction is about 3,000 dwellings a year.<sup>xxix</sup> The proportion of social housing supply is crucial not only for those who directly benefit, but for renters across the board as higher rates of social housing drive affordability across the rental market.

The Commonwealth is the only level of government that can provide the necessary funding and leadership to turn these trends around. If the Government does create a serious program to end the shortfall and expand social housing, it will leave a legacy of tackling the housing crisis and transforming hundreds of thousands of lives.

### **Recommendation**

Anglicare Australia recommends a program to build 25,000 new social homes each year for the next two decades to close the social housing shortfall.

## Conclusion

Australia has for too long ignored the warning signs and slowly sleepwalked into the rental crisis we now find ourselves in. Years of redirecting spending to and relying on a private market to provide adequate and affordable housing for Australians has left us in a dire state. Something has to change.

As this crisis has dragged on, it has captured more and more public attention. Once, renting was seen as merely a temporary housing solution – a stopgap between leaving home and buying your first property. Yet it is now clear that more and more Australians will rent for life. It is time for our legal and regulatory framework to adapt to that change, enshrining protections for renters and limiting unfair rent increases that have driven unaffordability.

The Federal Government must also reclaim its role in supplying housing. For the last four decades, Australian governments have been slowly shifting their spending priorities in the housing sector. Where once the federal government made most of its housing expenditure directly on state and territory public housing, it now spends more than it ever did on rent assistance and tax concessions. Australia has privatised its rental market to devastating effect.

Solving this crisis will require sustained and long-term commitment to improving Australia's housing market. Our hope is that this inquiry will provide the Government with a blueprint for a better Australia.

---

<sup>i</sup> SQM Research (2023) [Weekly Rents: National](#).

<sup>ii</sup> Anglicare Australia (2023) [Rental Affordability Snapshot 2023](#).

<sup>iii</sup> Per Capita (2023) [The Australian Housing Monitor](#).

<sup>iv</sup> Australian Bureau of Statistics (2022) [Housing: Census](#).

<sup>v</sup> Everybody's Home (2023) [Brutal Reality: The Human Cost of Australia's Housing Crisis](#).

<sup>vi</sup> Ibid.

<sup>vii</sup> SQM Research (2023) [Weekly Rents](#). Week ending 13 June 2023.

<sup>viii</sup> J Gordon (2023) [Rent hike restrictions and end to urban sprawl mulled in housing overhaul](#), The Age

<sup>ix</sup> Australian Bureau of Statistics (2022) [Housing: Census](#).

<sup>x</sup> Anglicare Australia (2022) [Ageing in place: Home and housing for Australia's older renters](#).

<sup>xi</sup> Climate Council (2022) [Climate Policies for a Sensible Government](#).

<sup>xii</sup> M Alam, et al. (2016) [Modelling the correlation between building energy rates and heat-related mortality and morbidity](#), Swinburne University of Technology.

<sup>xiii</sup> Tenants Victoria (2023) [The Mould Report: A Renter Snapshot](#).

<sup>xiv</sup> Australian Government (2023) [JobSeeker Payment and Youth Allowance recipients: Monthly profile, May 2023](#). This includes 820,965 people on the JobSeeker payment and 229,665 on Youth Allowance.

<sup>xv</sup> The Melbourne Institute (2023) [Poverty Lines: Australia, March Quarter 2023](#).

<sup>xvi</sup> Op cit: Anglicare Australia (2023).

<sup>xvii</sup> Op cit: SQM Research (2023).

<sup>xviii</sup> Department of Social Services (2023) [DSS Demographics, March 2023](#).

<sup>xix</sup> Anglicare Australia (2023) [Reforming Rent Assistance: Ending rental stress across Australia](#).

<sup>xx</sup> Anglicare Australia (2022) [Homes for All: A Roadmap to Affordable Housing](#).

- xxi Commonwealth of Australia (2009) [The Pension Review Report](#).
- xxii Anglicare Australia (2022) [Homes for All: A Roadmap to Affordable Housing](#).
- xxiii Centre for Social Research and Methods (2017) [Regional housing supply and demand in Australia](#).  
Australian National University.
- xxiv Australian Bureau of Statistics (2022) [Building Activity, Australia](#).
- xxv Australian Housing and Urban Research Institute (2015) [Supply shortages and affordability outcomes in the private rental sector: short and longer term trends](#).
- xxvi University of NSW (2022) [Quantifying Australia's unmet housing need: A national snapshot](#).
- xxvii Australian Institute of Health and Welfare (2018) [Housing Assistance in Australia 2018](#).
- xxviii Ibid.
- xxix Ibid.