

The Senate

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Community Affairs References  
Committee

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The worsening rental crisis in Australia

Interim report

September 2023

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ISBN 978-1-76093-563-4 (Printed version)

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# Terms of reference

The worsening rental crisis in Australia, with particular reference to:

- a. the experience of renters and people seeking rental housing,
- b. rising rents and rental affordability;
- c. actions that can be taken by governments to reduce rents or limit rent rises;
- d. improvements to renters' rights, including rent stabilisation, length of leases and no grounds evictions;
- e. factors impacting supply and demand of affordable rentals;
- f. international experience of policies that effectively support renters;
- g. the impact of government programs on the rental sector; and
- h. any other related matters.



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## Abbreviations

ABS	Australian Bureau of Statistics
ACOSS	Australian Council of Social Service
AEU	Australian Education Union
AHBA	Affordable Housing Bond Aggregator
AHURI	Australian Housing and Urban Research Institute
AIHW	Australian Institute of Health and Welfare
AMIDA	Action for More Independence and Dignity in Accommodation
ATO	Australian Taxation Office
BTR	Build to rent
CEDA	Committee for Economic Development of Australia
CGT	Capital gains tax
CHP	Community housing provider
COAG	Council of Australian Governments
CoMHWA	Consumers of Mental Health WA
CPI	Consumer price index
CRA	Commonwealth Rent Assistance
DSS	Department of Social Services
FHSSS	First Home Super Saver Scheme
HAFF	Housing Australia Future Fund
IPA	Institute of Public Affairs
NCAT	NSW Civil and Administrative Tribunal
NDIS	National Disability Insurance Scheme
NHFIC	National Housing Infrastructure Facility
NRAS	National Rental Affordability Scheme
OECD	Organisation for Economic Co-operation and Development
PBO	Parliamentary Budget Office
PIAC	Public Interest Advocacy Centre

RAHU	Renters and Housing Union
RAI	Regional Australia Institute
RDA	Regional Development Australia
REIA	Real Estate Institute of Australia
REIQ	Real Estate Institute of Queensland
SOMIH	State owned and managed Indigenous housing
SYC	Service to Youth Council

# List of recommendations

## Recommendation 1

**2.139 The committee recommends that the Australian Government take a coordinating role to implement stronger rental rights.**

## Recommendation 2

**3.94 The committee recommends the Australian Government continue investment in public, social, community and genuinely affordable housing.**



# Chapter 1

## Introduction

- 1.1 The challenges faced by renters to find a suitable, affordable, and safe place to live are not new. However, today, these challenges are of unprecedented scale.<sup>1</sup> Australia is experiencing a period of extremely low rental vacancy rates and rising rent levels. Rents paid by new tenants have increased by 24 per cent since the start of 2020.<sup>2</sup> At the time of writing, in September 2023, the national median weekly asking for combined rents (that is, for houses and apartments across Australia) was the highest it has ever been: \$585 a week.<sup>3</sup> In July 2023, the national residential property rental vacancy rate was 1.3 per cent, with some capital cities vacancy rates closer to 1 per cent.<sup>4</sup>
- 1.2 The crisis of unaffordable, unavailable and unsuitable rental housing is the result of a complex set of drivers, which the committee is determined to fully identify and examine. The committee is cognisant that addressing the rental crisis will require a variety of solutions and actions from all tiers of government.
- 1.3 At the outset of the inquiry, the committee agreed to produce an interim report to aid in the deliberations of the National Cabinet on renters' rights. The committee notes that National Cabinet agreed on 16 August 2023 to 'A Better Deal for Renters' focussed on renters' rights across Australia.
- 1.4 This interim report is centred on the lived experience of renters to identify the issues people encounter throughout their rental journey, from finding to securing and maintaining a lease on a place they can call home. The interim report also provides an overview of the factors underlying the current rental crisis, which will be further examined in the final report.

### Referral and Conduct of the inquiry

- 1.5 On 22 June 2023 the Senate referred an inquiry into the worsening rental crisis in Australia to the Community Affairs References Committee for inquiry and report, with an interim report to be presented by 23 September 2023 to aid in the

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<sup>1</sup> See, for example, Queensland Council of Social Service, *Submission 36*, [p. 1]; Community Housing Industry Association, *Submission 41*, p. 10; Sustainable Population Australia, *Submission 67*, p. 4; Youth Affairs Council of South Australia (YACSA), *Submission 80*, [p. 1].

<sup>2</sup> Fred Hanmer and Michelle Marquardt, Reserve Bank of Australia, '[New Insights into the Rental Market](#)', *Bulletin June 2023*, 24 April 2023, p. 19.

<sup>3</sup> SQM Research, *Weekly Rents: Capital City Average*, <https://sqmresearch.com.au/weekly-rents.php?avg=1&t=1> (accessed 12 September 2023).

<sup>4</sup> SQM Research, *Residential Vacancy Rates: National*, [https://sqmresearch.com.au/graph\\_vacancy.php?national=1&t=1](https://sqmresearch.com.au/graph_vacancy.php?national=1&t=1) (accessed 12 September 2023).

deliberations of the National Cabinet on renters' rights, and a final report to be presented by 28 November 2023.<sup>5</sup>

- 1.6 Details of the inquiry were published on the committee's website and the committee invited a number of organisations and individuals to lodge submissions.
- 1.7 At the time of writing, 193 submissions have been published on the committee's website, and 16,061 submissions have been received through simplified submission forms. The committee acknowledges that many submissions are yet to be fully considered and published. This material will be considered in the final report. All of the evidence published so far is listed at Appendix 1 of this report, and the committee's final report will contain the full list of evidence received.
- 1.8 The committee has also held a number of public hearings:
  - 23 August 2023 – Brisbane, Queensland;
  - 24 August 2023 – Sydney, New South Wales; and
  - 30 August 2023 – Canberra, Australian Capital Territory.
- 1.9 A list of witnesses who gave evidence at the hearings is available at Appendix 2.

### **Structure of the interim report**

- 1.10 This interim report consists of four chapters, including this introductory chapter, which provides the context for the inquiry and an overview of the current housing landscape and policy context.
  - Chapter 2 focuses on the experiences of renters and describes the many difficulties and challenges renters face;
  - Chapter 3 highlights evidence regarding specific cohorts facing additional barriers to renting; and
  - Chapter 4 provides an overview of the key factors underlying the current rental crisis.

### **Acknowledgments**

- 1.11 The committee thanks all those who contributed to the inquiry by making submissions, providing additional information and appearing at public hearings.
- 1.12 In particular, the committee would like to acknowledge the individuals who shared their lived experience of rental issues, both in written submissions and at public hearings. The committee is keenly aware that publicly sharing a personal story can take an emotional and physical toll.

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<sup>5</sup> *Journals of the Senate*, No. 56, 22 June 2023, pp. 1598–1599.

1.13 The committee sincerely thanks those individuals for their courage and generosity in sharing their experiences. Lived experience stories have greatly aided the committee's understanding of the extent and nature of the rental crisis in Australia and of its impact on a wide range of people.

### **Notes on references**

1.14 References to *Committee Hansard* in this interim report are to the proof transcripts. Page numbers may vary between the proof and official transcripts.

### **Note on definitions**

1.15 The following section provides definitions on terms used throughout the report, noting that these terms may be used differently or more loosely by submitters.

### **Housing affordability**

1.16 The term 'housing affordability' usually refers to the relationship between expenditure on housing (including rate payments, mortgage payments or rents) and household incomes.<sup>6</sup>

1.17 One measure of housing affordability used by the Australian Bureau of Statistics (ABS) is 'a ratio of housing costs to gross household income, also known as a housing affordability ratio'.<sup>7</sup>

### **Rental affordability**

1.18 CoreLogic analysis measures rental affordability by 'using the portion of median household income required to service rent on a new lease'.<sup>8</sup> For Anglicare Australia, rent affordability means that 'rent needs to be no more than 30 percent of a household budget for it not to cause financial stress and difficult choices'.<sup>9</sup>

### **Social housing, public housing, and community housing**

1.19 The Australian Housing and Urban Research Institute (AHURI) describes social housing as 'government subsidised short and long-term rental housing. Social housing is made up of two types of housing:

- public housing, which is owned and managed by State and Territory Governments; and

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<sup>6</sup> Dr Matthew Thomas and Alicia Hall, Parliamentary Library, [Housing affordability in Australia](#), 2015.

<sup>7</sup> ABS, *Housing Occupancy and Costs 2019–20*, 25 May 2022, [www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/latest-release#cite-window1](http://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/latest-release#cite-window1) (accessed 12 September 2023).

<sup>8</sup> ANZ and CoreLogic, *Housing Affordability Report*, May 2023, p. 4 (and see also p. 15 at note 2).

<sup>9</sup> Anglicare Australia, [Rental Affordability Snapshot: National Report 2023](#), 2023, p. 7.

- community housing, which is managed (and often owned) by not-for-profit organisations'.<sup>10</sup>

### **Housing stress and rental stress**

1.20 The term 'housing stress' is commonly used to describe the experience of those households in the bottom 40 per cent by income that spend over 30 per cent of their income on housing. The term 'rental stress' is used in relation to such households in rented accommodation.<sup>11</sup>

### **Rent freeze, rent cap, rent control, and rent stabilisation**

1.21 A legislated rent freeze occurs when landlords are prohibited by law from increasing rents for current tenants and, depending on the legislation, may not be allowed to increase rents for new tenants.<sup>12</sup>

1.22 A rent cap may restrict the frequency and/or amount that rents can be increased. A rent cap can be calculated using various methods, such as capping rents by a specific value, or by a specific proportion of the rent, or by reference to an external economic measurement like the consumer price index (CPI).<sup>13</sup>

1.23 The terms 'rent control' and 'rent stabilisation' broadly refer to types of rental regulations. According to Better Renting, 'rent control' refers to regulation that limits the amount that rents can be increased within and between tenancies, whereas 'rent stabilisation' refers to regulations that apply only within, and not between, tenancies.<sup>14</sup> In the United States, rent control generally refers to more

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<sup>10</sup> AHURI, *What is the difference between social housing and affordable housing - and why do they matter?*, 28 February 2023, <https://www.ahuri.edu.au/analysis/brief/what-difference-between-social-housing-and-affordable-housing-and-why-do-they-matter#:~:text=What%20is%20social%20housing%3F,or%20have%20other%20complex%20needs> (accessed 12 September 2023). AHURI adds: 'Social housing differs from private rental in that housing is allocated according to need, rather than by households competing in a market, and from emergency accommodation in that it provides longer term and secure rental housing'.

<sup>11</sup> Productivity Commission, *In need of repair: The National Housing and Homelessness Agreement: Study Report*, August 2022, p. 84. The Productivity Commission notes some shortcomings of 'the 30/40 rule', such as its reliance on 'arbitrary cut-offs' and lack of 'insight into the depth or persistence of housing stress'. See also ABS, *Housing*, 28 April 2022, [www.abs.gov.au/statistics/detailed-methodology-information/concepts-sources-methods/survey-income-and-housing-user-guide-australia/2019-20/housing](http://www.abs.gov.au/statistics/detailed-methodology-information/concepts-sources-methods/survey-income-and-housing-user-guide-australia/2019-20/housing) (accessed 12 September 2023).

<sup>12</sup> AHURI, *Submission 57*, p. 49; AHURI, *Understanding what is a 'rent freeze', a 'rent cap' or 'rent control'*, 27 June 2023, [www.ahuri.edu.au/analysis/brief/understanding-what-rent-freeze-rent-cap-or-rent-control](http://www.ahuri.edu.au/analysis/brief/understanding-what-rent-freeze-rent-cap-or-rent-control) (accessed 12 September 2023).

<sup>13</sup> AHURI, *Submission 57*, p. 49; AHURI, *Understanding what is a 'rent freeze', a 'rent cap' or 'rent control'*, 27 June 2023 (accessed 12 September 2023).

<sup>14</sup> Better Renting, *Rent regulation around Australia*, 18 November 2022, [www.betterrenting.org.au/rent-regulation-around-australia](http://www.betterrenting.org.au/rent-regulation-around-australia) (accessed 12 September 2023).

stringent regulation that ‘locks in rental rates at a specific amount’, whereas rent stabilisation allows for rents to be increased by a fixed amount.<sup>15</sup>

### Homelessness and marginal housing

1.24 The ABS defines homelessness as the situation when a person does not have suitable accommodation alternatives and their current living arrangement:

- is in an inadequate dwelling;
- has no tenure, or if their initial tenure is short and not extendable; and
- does not allow them to have control of, and access to, space for social relations.<sup>16</sup>

1.25 Categories of homelessness include living in improvised dwellings, tents or sleeping out, boarding houses, and severely crowded dwellings.<sup>17</sup>

1.26 Marginal housing encompasses living arrangements that are close to homelessness, including people living in caravans.<sup>18</sup>

## Trends in the Australian housing landscape

### Housing tenure types

1.27 ABS survey data indicates that, of all Australian households in 2019–20:

- two-thirds (66 per cent) ‘owned their own home, with or without a mortgage’; and
- almost one-third (31 per cent) rented their home.<sup>19</sup>

1.28 Figure 1.1 depicts trends in the proportions of renting and homeowning households over the two decades to 2020. Noteworthy here are the rise in private rentals from 20 to 26 per cent; the decline in public rentals; and the overtaking of no-mortgage homeowners by with-mortgage homeowners.

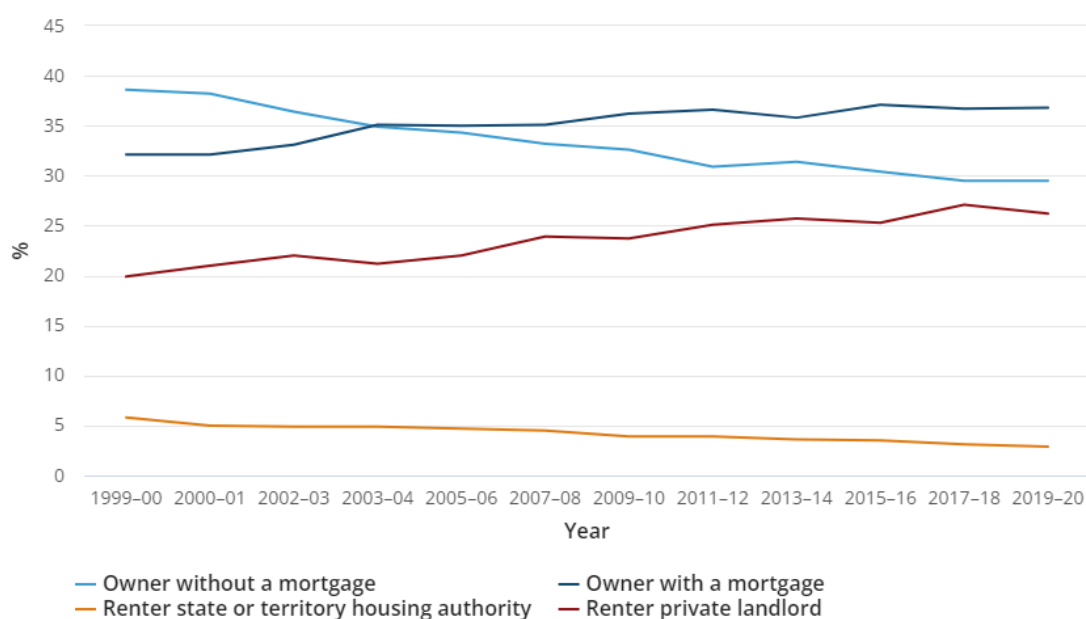
<sup>15</sup> Nathan Miller, Forbes, *Rent Control Versus Rent Stabilization: What It All Means For Landlords*, 28 May 2021, [www.forbes.com/sites/forbesrealestatecouncil/2021/05/28/rent-control-versus-rent-stabilization-what-it-all-means-for-landlords/?sh=519b199716fc](https://www.forbes.com/sites/forbesrealestatecouncil/2021/05/28/rent-control-versus-rent-stabilization-what-it-all-means-for-landlords/?sh=519b199716fc) (accessed 12 September 2023). See also, AHURI, *Submission 57*, p. 50.

<sup>16</sup> ABS, *Homelessness operational groups (OPGP)*, 15 October 2021, [www.abs.gov.au/census/guide-census-data/census-dictionary/2021/variables-topic/housing/homelessness-operational-groups-opgp](https://www.abs.gov.au/census/guide-census-data/census-dictionary/2021/variables-topic/housing/homelessness-operational-groups-opgp) (accessed 12 September 2023).

<sup>17</sup> ABS, *Homelessness operational groups (OPGP)*, 15 October 2021 (accessed 12 September 2023).

<sup>18</sup> ABS, *Homelessness operational groups (OPGP)*, 15 October 2021 (accessed 12 September 2023).

<sup>19</sup> ABS, *Housing Occupancy and Costs 2019–20*, 25 May 2022 (accessed 12 September 2023).

**Figure 1.1 Housing tenure, 1999–00 to 2019–20 (a)**

a. Survey of Income and Housing data was collected in labelled years

Source: ABS, *Housing Occupancy and Costs 2019–20*, 25 May 2022, [www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/latest-release#cite-window1](http://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/latest-release#cite-window1) (accessed 18 August 2023).

### **Home ownership**

1.29 Australia's home ownership rate has remained quite stable over decades, changing little from 68 per cent in 1976 to 67 per cent in 2016 (after peaking in 1966 at 73 per cent).<sup>20</sup> However, some projections suggest it may 'decline by 2040 to around 63 per cent for all households, and to not much more than 50 per cent – down from 60 per cent in 1981 – for households in the 25-55 age bracket'.<sup>21</sup> Australia's ageing population has been a major factor in the steadiness of this rate to date.<sup>22</sup>

1.30 Researchers forecasting a future decline in Australia's home ownership rate point to a range of changes in the political, economic and social environment. These include demographic and affordability factors, with younger age cohorts having had weaker purchasing ability over the past two decades. For example,

<sup>20</sup> Terry Burke, Christian Nygaard and Liss Ralston, AHURI, [Australian home ownership: past reflections, future directions](#), May 2020, p. 11.

<sup>21</sup> Terry Burke, Christian Nygaard and Liss Ralston, AHURI, [Australian home ownership: past reflections, future directions](#), May 2020, p. 1.

<sup>22</sup> Terry Burke, Christian Nygaard and Liss Ralston, AHURI, [Australian home ownership: past reflections, future directions](#), May 2020, pp. 1, 11 and 14.

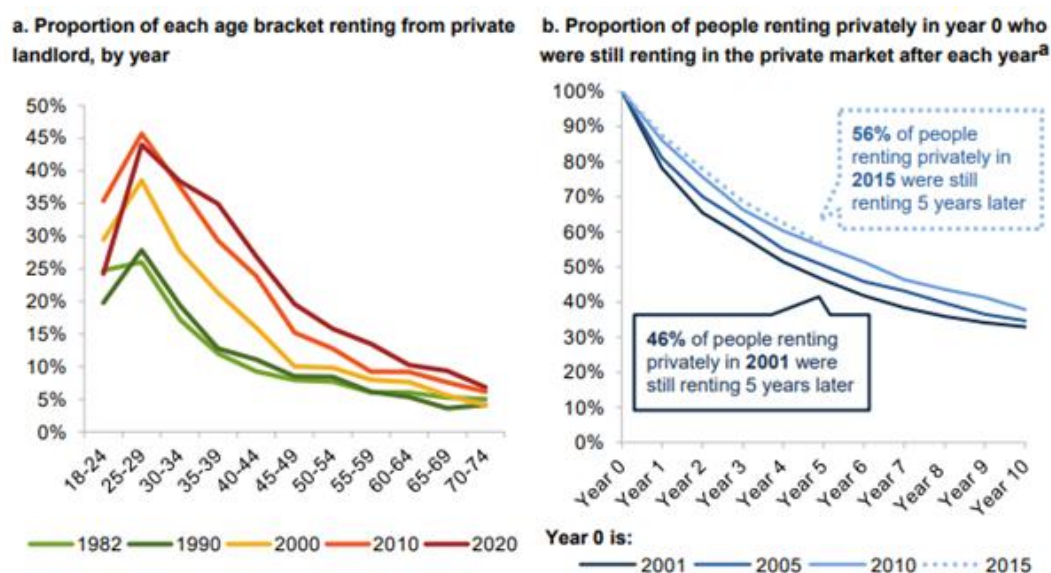
the ownership rate for the second–lowest quintile fell to 43 per cent in 2015–16 from 66 per cent in 1988.<sup>23</sup>

- 1.31 The affordability of home ownership has declined over recent decades. The Parliamentary Library estimated in 2015 that ‘the ratio of average disposable household income (Australia–wide) to median house prices’ rose from around 3.3 in mid-1981 to just over 7 in mid-2015; noting that much of this growth occurred between the late 1980s and early 2000s.<sup>24</sup> CoreLogic has estimated this ratio to be 7.8 in March 2023.<sup>25</sup>

### **Private rental market**

- 1.32 ‘More Australians are renting, for more of their lives, than in the past’.<sup>26</sup> This assessment by the Productivity Commission is illustrated by Figure 1.3, which also highlights that young adults are the age cohort most likely to rent.

**Figure 1.3 More Australians are renting, and renting for longer**



**a.** Proportion of people who were renting in the private market in every year from Year 0 to the specified year.

Source: Commission estimates using ABS (*Microdata: Household Expenditure, Income and Housing, 2009-10*, Cat. no. 6540.0; *Microdata: Income and Housing Costs and Amenities, Australia, 1990*, Cat. no. 6541.0; *Microdata: Income and Housing, Australia, 1981-82, 1999-00 and 2019-20*, Cat. no. 6541.0.30.001); Melbourne Institute (*Household, Income and Labour Dynamics in Australia (HILDA) Survey*, Release 20).

Source: Productivity Commission, *In need of repair: The National Housing and Homelessness Agreement: Study Report*, August 2022, p. 297.

- <sup>23</sup> Terry Burke, Christian Nygaard and Liss Ralston, AHURI, *Australian home ownership: past reflections, future directions*, May 2020, pp. 2–3.
- <sup>24</sup> Dr Matthew Thomas and Alicia Hall, Parliamentary Library, *Housing affordability in Australia*, 2015.
- <sup>25</sup> ANZ and CoreLogic, *Housing Affordability Report*, May 2023, p. 20. For its ‘Value to Income Ratio’, CoreLogic uses ‘median household income data from ANU and median dwelling value data from CoreLogic... [to] determine the ratio of dwelling values to household income over time’ (p. 15).
- <sup>26</sup> Productivity Commission, *In need of repair: The National Housing and Homelessness Agreement: Study Report*, August 2022, p. 296.

1.33 Households renting from a private landlord rose from 20 per cent in 1999–2000 to 26 per cent in 2019–20 as a proportion of all Australian households, according to ABS survey data.<sup>27</sup>

***Social (public and community) housing***

1.34 The proportion of households living in social housing in Australia fell from 4.8 per cent in mid-2011 to 4.1 per cent in mid-2022. While the overall number of social housing households increased slightly over that period (from 404,300 to 418,400), it did not keep pace with the total number of Australian households.<sup>28</sup>

1.35 Reporting from data supplied by state and territory housing authorities, the Australian Institute of Health and Welfare (AIHW) has noted the following breakdown across the four major social housing programs of all Australian households in social housing as at June 2022:

- 68 per cent were in public housing;
- 25 per cent were in community housing;
- 3.2 per cent were in state owned and managed Indigenous housing (SOMIH); and
- 3.9 per cent were in Indigenous community housing.<sup>29</sup>

1.36 This breakdown varies across states and territories:

- for most, the majority of social housing households were in public housing, followed by community housing;
- for Tasmania, 64 per cent were in community housing with 35 per cent in public housing; and
- for the Northern Territory, public housing and SOMIH each made up about 40 per cent of social housing households, followed by Indigenous community housing (at 15 per cent).<sup>30</sup>

1.37 Over the period from 2002 to 2022, the number of households in public housing fell by 13.6 per cent (to 286,000). By contrast, the same period saw almost a tripling (to 102,600) of households in community housing.<sup>31</sup>

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<sup>27</sup> ABS, *Housing Occupancy and Costs 2019–20*, 25 May 2022 (accessed 12 September 2023).

<sup>28</sup> Australian Institute of Health and Welfare (AIHW), *Housing assistance in Australia*, 14 July 2023, [www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists](http://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists) (accessed 12 September 2023).

<sup>29</sup> AIHW, *Housing assistance in Australia*, 14 July 2023 (accessed 12 September 2023).

<sup>30</sup> AIHW, *Housing assistance in Australia*, 14 July 2023 (accessed 12 September 2023).

<sup>31</sup> AIHW, *Housing assistance in Australia*, 14 July 2023 (accessed 12 September 2023).

- 1.38 According to ABS survey data, households renting from a state or territory housing authority decreased from 6 per cent in 1999–2000 to 3 per cent in 2019–20 as a proportion of all Australian households.<sup>32</sup>
- 1.39 Using ABS Census data, AHURI reports that Australia’s social housing stock as a proportion of all Australian dwellings fell from 4.9 per cent (228,938 dwellings) in 1981 to 3.8 per cent (351,017 dwellings) in 2021.<sup>33</sup>
- 1.40 Unmet demand in Australia for social housing was estimated as follows by AHURI in early 2023:
- current stock: 348,018 dwellings;
  - current unmet demand: 213,846 dwellings; and
  - estimated additional demand (to 2037): 547,036 dwellings.<sup>34</sup>

### **Current government policies and initiatives**

- 1.41 No head of power in the Constitution expressly empowers the making of Commonwealth laws concerning housing, so regulation of housing matters lies within state and territory responsibilities.<sup>35</sup> The Commonwealth can exert influence over housing supply, affordability and standards through policy levers such as funding for social housing in partnership with states and territories, financial incentives, building and financial regulation, welfare support and taxation.
- 1.42 The states and territories are responsible for most of the key policy levers directly influencing housing provision, such as public housing, land use planning and planning regulations. Other key housing market interventions at the state and territory level include tenancy legislation, building quality regimes, development deadlines, land tax and stamp duty.
- 1.43 Figure 1.6 shows how all tiers of governments have policy responsibilities affecting the rental and housing landscape.

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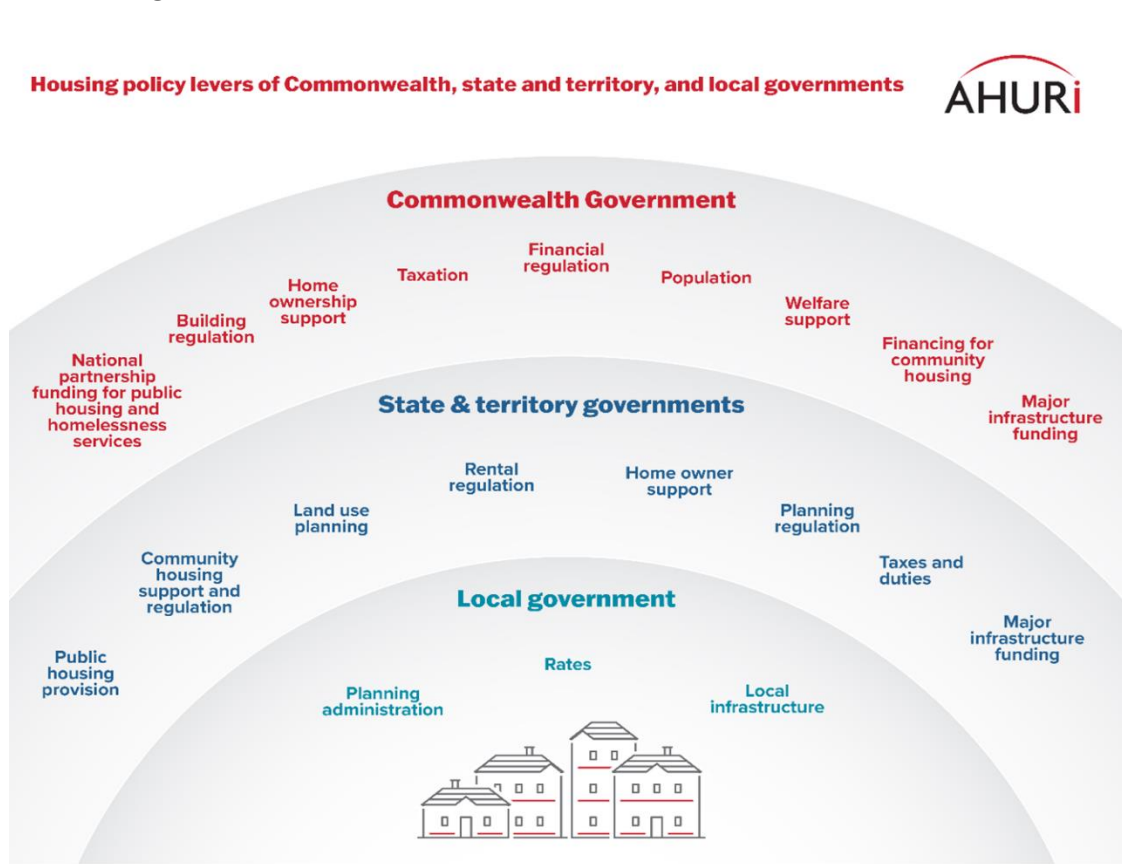
<sup>32</sup> ABS, *Housing Occupancy and Costs 2019–20*, 25 May 2022 (accessed 12 September 2023).

<sup>33</sup> AHURI, *What is the right level of social housing for Australia?*, 6 July 2022, [www.ahuri.edu.au/analysis/brief/what-right-level-social-housing-australia](http://www.ahuri.edu.au/analysis/brief/what-right-level-social-housing-australia) (accessed 12 September 2023).

<sup>34</sup> AHURI, *What is the difference between social housing and affordable housing - and why do they matter?*, 28 February 2023 (accessed 12 September 2023).

<sup>35</sup> AHURI, *Submission 57*, p. 52.

**Figure 1.6 Housing policy levers of Commonwealth, state and territory, and local governments**



Source: AHURI, Submission 57, p. 23.

### National coordination

- 1.44 The Australian Government has sought over recent years to provide national leadership and coordination on housing policy, primarily through the National Cabinet (established in March 2020 to replace the Council of Australian Governments (COAG)).
- 1.45 Throughout the COVID-19 pandemic, the National Cabinet coordinated rapid action on housing, including eviction moratoria and rent relief. It has since remained an important coordination forum on housing policy.
- 1.46 The Housing and Homelessness Ministerial Council regularly reports to National Cabinet, providing a forum for Commonwealth, state and territory ministers with responsibility for housing and homelessness to progress housing reforms.

### *National Housing and Homelessness Plan*

- 1.47 The Australian Government is developing a National Housing and Homelessness Plan (the Plan) in collaboration with state and territory governments and with the advice of the interim National Housing Supply and Affordability Council. The Plan will be a 10-year strategy for the future of housing and homelessness policy in Australia, outlining short-, medium- and

longer-term reforms to address housing challenges. The Department of Social Services (DSS) is leading the development of the Plan, including public consultations.<sup>36</sup>

#### *National Housing Accord*

- 1.48 The National Housing Accord 2022 (the Accord), entered into by governments at Commonwealth, state/territory and local levels, institutional investors and the residential development, building and construction sector, sets out commitments to deliver more social and affordable housing.
- 1.49 The Accord originally included an aspirational national target of delivering one million new, well-located homes over five years from 2024. On 16 August 2023, National Cabinet agreed to a new national target of 1.2 million homes over five years from 2024.<sup>37</sup>
- 1.50 Under the Accord, Commonwealth, state and territory governments agreed to:
- deliver up to 20,000 additional affordable dwellings over five years from 2024;
  - collaborate to improve financing for new social and affordable housing projects;
  - improve zoning, planning and land release to make housing supply more responsive to demand;
  - review barriers to institutional investment, finance and innovation in housing;
  - work with community housing and not-for-profit housing providers; and
  - collaborate to develop a new National Housing and Homelessness Plan.<sup>38</sup>

#### *New Home Bonus*

- 1.51 At the 16 August 2023 National Cabinet meeting, the Australian Government committed \$3 billion to the New Home Bonus (the Bonus). The Bonus is designed to incentivise state and territory governments to meet the new National Housing Accord target of building 1.2 million new homes over five years from 2024 by providing funding to state and territory governments for exceeding their share of the original target of 1 million homes.<sup>39</sup>

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<sup>36</sup> DSS, *Developing the National Housing and Homelessness Plan*, 5 September 2023, [www.dss.gov.au/housing-support-programs-services-housing/developing-the-national-housing-and-homelessness-plan](http://www.dss.gov.au/housing-support-programs-services-housing/developing-the-national-housing-and-homelessness-plan) (accessed 12 September 2023).

<sup>37</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Meeting of National Cabinet – Working together to deliver better housing outcomes](#)', *Media Release*, 16 August 2023, para 3.

<sup>38</sup> Australian Government, *National Housing Accord 2022*, 2022, pp. 2–4.

<sup>39</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Meeting of National Cabinet – Working together to deliver better housing outcomes](#)', *Media Release*, 16 August 2023, paras 4–6.

### ***National Planning Reform Blueprint***

1.52 National Cabinet agreed on 16 August 2023 to a National Planning Reform Blueprint (the Blueprint) to improve housing supply and affordability. The Blueprint involves:

- updating state, regional and local strategic plans to reflect new housing supply targets;
- undertaking planning, zoning, land release and other reforms, such as increasing density, to meet housing supply targets;
- streamlining approval pathways and prioritising planning amendments to support diverse housing across a range of areas;
- promoting medium and high-density housing in well-located areas close to existing public transport connections, amenities and employment;
- reforms to support the rapid delivery of social and affordable housing;
- reforms to address barriers to the timely issuing of development approvals;
- consideration of the phased introduction of inclusionary zoning and planning to support permanent affordable, social and specialist housing in ways that do not add to construction costs; and
- rectifying gaps in housing design guidance and building certification to ensure the quality of new builds, particularly apartments.<sup>40</sup>

### ***A Better Deal for Renters***

1.53 National Cabinet agreed on 16 August 2023 to 'A Better Deal for Renters' to address renters' rights across Australia, including by:

- developing a nationally consistent policy to implement a requirement for genuine reasonable grounds for eviction;
- ensuring provisions to allow appeals against retaliatory eviction notices are fit for purpose;
- moving towards a national standard of no more than one rent increase per year for a tenant in the same property across fixed and ongoing agreements;
- implementing a ban on soliciting rent bidding;
- providing additional rights and protections for tenants experiencing domestic or family violence to:
  - end agreements without penalty and with a streamlined process and evidence e.g. a declaration by a prescribed professional such as a doctor or support service worker;
  - change the locks and make security improvements without the landlord's permission;
  - have their name removed from databases due to property damage caused by family or domestic violence; and

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<sup>40</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Meeting of National Cabinet – Working together to deliver better housing outcomes](#)', *Media Release*, 16 August 2023, paras 7–8 and Attachment 1.

- with jurisdictions to consider further action to protect tenants who are victim survivors of domestic or family violence e.g. the ability to apply to have the perpetrator removed from the tenancy;
- limiting break lease fees for fixed term agreements to a maximum prescribed amount;
- making rental applications easier and prescribing a rental application form in each jurisdiction;
- implementing safeguards to protect renters' personal information by:
  - prescribing a rental application form in each jurisdiction, with required documents limited to two in each of the following categories: identity, financial ability to pay rent, and suitability;
  - requiring the destruction of renters' personal information three years after a tenancy ends and three months after tenancy begins for an unsuccessful applicant;
  - requiring tenants' personal information to be provided and corrected within 30 days of a request by a tenant or prospective tenant; and
  - specifying information not allowed to be collected from a tenant or more generally (e.g. disputes with landlords);
- considering options for better regulation of short-stay residential accommodation; and
- phasing in minimum quality standards for rental properties.<sup>41</sup>

### **Australian Government policies and initiatives**

1.54 The policies and initiatives of the Australian Government that relate to housing and impact renters can be broadly categorised as:

- measures to boost the supply of social or affordable housing;
- rent assistance;
- home purchase assistance;
- emergency housing and homelessness services; and
- taxation.

### ***Measures to boost the supply of social or affordable housing***

#### *National Rental Affordability Scheme*

1.55 The National Rental Affordability Scheme (NRAS) was established in 2008 in conjunction with state and territory governments with the aim of increasing the supply of affordable rental housing available to low- to moderate-income households. The NRAS incentivises property investors (including charitable organisations and for-profit organisations) to rent out their properties at a

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<sup>41</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Meeting of National Cabinet – Working together to deliver better housing outcomes](#)', *Media Release*, 16 August 2023, paras 10–11 and Attachment 2.

minimum of 20 per cent below market rate. As of June 2022, there were 27,012 active allocations.<sup>42</sup>

1.56 In the 2014-15 Budget, the Australian Government announced there would be no further funding rounds for new allocations. The final round of NRAS dwellings that entered the Scheme will exit in 2026, bringing the NRAS to an end.<sup>43</sup>

#### *Affordable Housing Bond Aggregator*

1.57 The Affordable Housing Bond Aggregator (AHBA) provides low cost, long-term loans to support community housing providers (CHPs) registered under state or territory laws to:

- acquire new housing stock;
- construct new housing stock;
- maintain existing housing stock;
- meet working capital requirements and/or general corporate requirements; and
- refinance existing debts.<sup>44</sup>

1.58 The National Housing Finance and Investment Corporation (NHFIC) funds AHBA loans by issuing bonds into the wholesale capital market. Additionally, the NHFIC may advance initial loans to CHPs through a \$1 billion line of credit facility prior to issuing bonds.<sup>45</sup>

1.59 In the 2023–24 Budget, the Australian Government increased the NHFIC's liability cap by \$2 billion to a total of \$7.5 billion, enabling the NHFIC to increase its support for social and affordable housing through AHBA loans.<sup>46</sup>

#### *National Housing Infrastructure Facility*

1.60 The National Housing Infrastructure Facility (NHIF) administered by the NHFIC provides concessional loans, grants and equity finance for two streams of projects:

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<sup>42</sup> DSS, *National Rental Affordability Scheme*, 29 November 2022, [www.dss.gov.au/our-responsibilities/housing-support/programmes-services/national-rental-affordability-scheme](http://www.dss.gov.au/our-responsibilities/housing-support/programmes-services/national-rental-affordability-scheme) (accessed 12 September 2023); AIHW, *Housing assistance in Australia*, 14 July 2023 (accessed 12 September 2023).

<sup>43</sup> DSS, *About the National Rental Affordability Scheme (NRAS)*, 4 November 2022, [www.dss.gov.au/housing-support-programs-services-housing-national-rental-affordability-scheme/about-the-national-rental-affordability-scheme-nras](http://www.dss.gov.au/housing-support-programs-services-housing-national-rental-affordability-scheme/about-the-national-rental-affordability-scheme-nras) (accessed 12 September 2023).

<sup>44</sup> National Housing Finance and Investment Corporation (NHFIC), *Affordable Housing Bond Aggregator (AHBA) loans*, <https://www.nhfc.gov.au/affordable-housing-bond-aggregator-ahba-loans> (accessed 12 September 2023).

<sup>45</sup> NHFIC, *Affordable Housing Bond Aggregator (AHBA) loans* (accessed 12 September 2023).

<sup>46</sup> Commonwealth of Australia, *Budget Measures: Budget Paper No. 2 2023-24*, p. 212.

- eligible critical housing-enabling infrastructure projects (for example, stormwater, sewerage, gas, electricity, telecommunications, and transportation); and
- new social or affordable housing.<sup>47</sup>

1.61 The bodies that can apply for NHIF finance include:

- registered community housing providers;
- state or territory governments or government-owned development corporations; and
- local governments or their investment corporations.<sup>48</sup>

1.62 To date, the NHIF has approved over \$400 million in loans and grants to support infrastructure projects across the country.<sup>49</sup>

1.63 On 11 September 2023, the Australian Government committed an additional \$1 billion in funding to be distributed by the NHIF for public and community housing.<sup>50</sup>

#### *Social Housing Accelerator*

1.64 The Australian Government announced on 17 June 2023 a new \$2 billion Social Housing Accelerator payment (the Accelerator) to be delivered to state and territory governments to create new social rental housing for Australians on social housing waiting lists. States and territories will have some flexibility in how they permanently boost social housing stock under the Accelerator, including new builds, expanding programs, and renovating or refurbishing existing but uninhabitable stock.<sup>51</sup>

#### *Housing Support Program*

1.65 National Cabinet agreed on 16 August 2023 to a \$500 million competitive funding program for local and state governments to improve housing supply in

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<sup>47</sup> NHFIC, *Support for community housing and housing-enabling infrastructure*, [www.nhfc.gov.au/support-community-housing-and-housing-enabling-infrastructure](http://www.nhfc.gov.au/support-community-housing-and-housing-enabling-infrastructure) (accessed 12 September 2023).

<sup>48</sup> NHFIC, *National Housing Infrastructure Facility Critical Infrastructure (NHIF CI)*, [www.nhfc.gov.au/national-housing-infrastructure-facility-critical-infrastructure-nhif-ci](http://www.nhfc.gov.au/national-housing-infrastructure-facility-critical-infrastructure-nhif-ci) (accessed 12 September 2023); NHFIC, *National Housing Infrastructure Facility Social and Affordable Housing (NHIF SAH)*, [www.nhfc.gov.au/national-housing-infrastructure-facility-social-and-affordable-housing-nhif-sah](http://www.nhfc.gov.au/national-housing-infrastructure-facility-social-and-affordable-housing-nhif-sah) (accessed 12 September 2023).

<sup>49</sup> NHFIC, *National Housing Finance and Investment Corporation Annual Report 2021-22*, October 2022, pp. 34–35.

<sup>50</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Delivering on the \\$10 Billion Housing Australia Future Fund](#)', *Media Release*, 11 September 2023.

<sup>51</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Albanese Government Delivers Immediate \\$2 Billion for Accelerated Social Housing Program](#)', *Media Release*, 17 June 2023.

well-located areas. These payments would fund, for example, work to connect essential services, amenities to support new housing development, and improving planning capability.<sup>52</sup>

#### *Housing Australia Future Fund*

- 1.66 The legislative package comprising the Housing Australia Future Fund Bill 2023, National Housing Supply and Affordability Council Bill 2023, and Treasury Laws Amendment (Housing Measures No. 1) Bill 2023 was passed by the Senate on 14 September 2023.
- 1.67 The Housing Australia Future Fund (HAFF) is intended to create an ongoing 'funding source to support and increase social and affordable housing, as well as other acute housing needs including, but not limited to, housing improvements to meet the needs of Indigenous communities and housing services for women, children and veterans'.<sup>53</sup>
- 1.68 The HAFF will consist of the HAFF Special Account and the investments of the HAFF. The HAFF will be credited with \$10 billion as soon as practicable after establishment.<sup>54</sup> The Future Fund Board will be responsible for deciding how to invest the HAFF in line with an investment mandate from the responsible Ministers. Any disbursements from the HAFF would require formal government approval.<sup>55</sup>
- 1.69 Over the first five years, the Australian Government intends to use returns from the proposed HAFF to fund 30,000 new social and affordable homes, including:
- 20,000 social housing properties – 4,000 of which would be 'allocated for women and children fleeing domestic and family violence and older women on low incomes who are at risk of homelessness';
  - \$200 million for the repair, maintenance and improvement of housing in remote Indigenous communities;
  - \$100 million for crisis and transitional housing options for women and children fleeing domestic and family violence, and older women on low incomes who are at risk of homelessness; and

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<sup>52</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Meeting of National Cabinet – Working together to deliver better housing outcomes](#)', *Media Release*, 16 August 2023, para 5.

<sup>53</sup> Revised Explanatory Memorandum, Housing Australia Future Fund Bill 2023, National Housing Supply and Affordability Council Bill 2023, Treasury Laws Amendment (Housing Measures No. 1) Bill 2023, p. 7, para 1.1.

<sup>54</sup> Revised Explanatory Memorandum, Housing Australia Future Fund Bill 2023, National Housing Supply and Affordability Council Bill 2023, Treasury Laws Amendment (Housing Measures No. 1) Bill 2023, p. 8, paras 1.4-1.5.

<sup>55</sup> Revised Explanatory Memorandum, Housing Australia Future Fund Bill 2023, National Housing Supply and Affordability Council Bill 2023, Treasury Laws Amendment (Housing Measures No. 1) Bill 2023, p. 9, para 1.12.

- \$30 million to build more housing and specialist services for veterans who are experiencing homelessness or are at risk of homelessness.<sup>56</sup>
- 1.70 The NHFIC will be renamed 'Housing Australia' and its remit expanded to deliver the government's social and affordable housing programs.<sup>57</sup>
- 1.71 A National Housing Supply and Affordability Council will be established as an independent statutory body advising the government on options to improve housing supply and affordability.<sup>58</sup> An interim Council has initially been established as a non-statutory body within the Department of the Treasury.<sup>59</sup>

### *Rent assistance*

- 1.72 Commonwealth Rent Assistance (CRA) aims to improve housing affordability for income support recipients. CRA is a non-taxable income supplement paid through Centrelink to individuals and families who rent in the private rental market. Recipients of a Centrelink pension or allowance, or an amount of Family Tax Benefit over the base rate of Family Tax Benefit Part A, who are also paying private rent above minimum thresholds, may be eligible for CRA. Since the supplement is paid as a part of another payment, it may be reduced as a result of the income and asset test rules associated with that payment.<sup>60</sup>
- 1.73 The 2023–24 Budget included a \$2.7 billion commitment over four years to increase the maximum rates of CRA by 15 per cent for eligible recipients from September 2023.<sup>61</sup> With the 15 per cent increase to the maximum rate of CRA, the Government expects to spend \$5.5 billion in 2023–24.<sup>62</sup>

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<sup>56</sup> Revised Explanatory Memorandum, Housing Australia Future Fund Bill 2023, National Housing Supply and Affordability Council Bill 2023, Treasury Laws Amendment (Housing Measures No. 1) Bill 2023, pp. 8-9.

<sup>57</sup> Revised Explanatory Memorandum, Housing Australia Future Fund Bill 2023, National Housing Supply and Affordability Council Bill 2023, Treasury Laws Amendment (Housing Measures No. 1) Bill 2023, p. 8, para 1.3.

<sup>58</sup> Revised Explanatory Memorandum, Housing Australia Future Fund Bill 2023, National Housing Supply and Affordability Council Bill 2023, Treasury Laws Amendment (Housing Measures No. 1) Bill 2023, p. 43, para 2.1.

<sup>59</sup> Australian Government, *Interim National Housing Supply and Affordability Council*, 31 August 2023, [www.directory.gov.au/portfolios/treasury/department-treasury/interim-national-housing-supply-and-affordability-council](http://www.directory.gov.au/portfolios/treasury/department-treasury/interim-national-housing-supply-and-affordability-council) (accessed 12 September 2023); The Hon Julie Collins MP, Minister for Housing, Homelessness and Small Business, '[Interim National Housing Supply and Affordability Council](#)', *Media Release*, 20 December 2022.

<sup>60</sup> DSS, *Commonwealth Rent Assistance*, 20 April 2023, [www.dss.gov.au/housing-support/programmes-services/commonwealth-rent-assistance](http://www.dss.gov.au/housing-support/programmes-services/commonwealth-rent-assistance) (accessed 12 September 2023).

<sup>61</sup> Commonwealth of Australia, *Budget Measures: Budget Paper No. 2 2023-24*, p. 200.

<sup>62</sup> Treasury and DSS, *Submission 133*, p. 34.

## *Home purchase assistance*

### *Home Guarantee Scheme*

1.74 The Home Guarantee Scheme (the Scheme) facilitates loans to eligible home buyers. There are three types of Guarantees:

- First Home Guarantee – supporting eligible home buyers to buy a home sooner, with a deposit as low as five per cent. For the 2023–24 financial year, 35,000 places are available;
- Regional First Home Buyer Guarantee – supporting eligible regional home buyers to buy a home sooner, in a regional area, with a deposit as low as five per cent. For the 2023–24 financial year, 10,000 places are available; and
- Family Home Guarantee – supporting eligible single parents and eligible single legal guardians of at least one dependent to buy a home sooner, with a deposit as low as two per cent. For the 2023–24 financial year, 5,000 places are available.<sup>63</sup>

1.75 The Scheme was expanded in July 2022 to include more places each financial year and to update property price caps to reflect recent increases in property prices to make more properties available for purchase using the Scheme.<sup>64</sup>

### *First Home Super Saver Scheme*

1.76 The First Home Super Saver Scheme (FHSSS) supports eligible first home buyers to save money for a house deposit using their superannuation fund. Voluntary contributions (both before-tax concessional and after-tax non-concessional) can be made into an individual's superannuation fund to save for their first home. If an individual meets the eligibility requirements, they can have these voluntary contributions released, up to a limit, (along with associated earnings) to help them purchase their first home. A maximum of \$15,000 of voluntary contributions from any one financial year can be released under the FHSSS; and up to a total of \$50,000 contributions across all years.<sup>65</sup>

### *Indigenous Home Ownership Program*

1.77 Through the Indigenous Home Ownership Program, Indigenous Business Australia provides loans to Indigenous Australians who are buying, in most cases, their first home and who are unable to access mainstream financing (for example, a bank or credit union). The loans can be used to purchase established residential properties or land on which to build a new home. Loans can also be

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<sup>63</sup> NHFIC, *Support to buy a home*, [www.nhfc.gov.au/support-buy-home](http://www.nhfc.gov.au/support-buy-home) (accessed 12 September 2023).

<sup>64</sup> The Hon Julie Collins MP, Minister for Housing, Homelessness and Small Business, '[50,000 new places available under expanded Home Guarantee Scheme](#)', *Media Release*, 1 July 2023.

<sup>65</sup> Australian Taxation Office (ATO), *First home super saver scheme*, 1 September 2023, [www.ato.gov.au/Individuals/Super/Withdrawing-and-using-your-super/First-Home-Super-Saver-Scheme/](http://www.ato.gov.au/Individuals/Super/Withdrawing-and-using-your-super/First-Home-Super-Saver-Scheme/) (accessed 12 September 2023).

used for other housing-related purposes, such as to fund essential repairs or improvements to an existing home, or to refinance an existing loan in cases of family break-up or where there is a change in financial circumstances that would result in the family home being sold.<sup>66</sup> Since its inception in 1975, the program has written over 21,000 home loans.<sup>67</sup>

### *Help to Buy Scheme*

1.78 The Australian Government announced on 17 August 2023 that it is working with state and territory governments to deliver the Help to Buy Scheme, which will support up to 40,000 low- and middle-income families to purchase a home. The Australian Government will provide an equity contribution to eligible participants of up to 40 per cent for new homes and 30 per cent for existing homes. The states and territories have agreed at National Cabinet to progress legislation to enable the Scheme to operate in their jurisdictions.<sup>68</sup>

### *Emergency housing and homelessness services*

#### *Safe Places Emergency Accommodation Program*

1.79 The Safe Places Emergency Accommodation Program is a ‘capital works program funding the building, renovation or purchase of emergency accommodation for women and children leaving family and domestic violence’.<sup>69</sup> In the 2022–23 October Budget, the Australian Government announced \$100 million over 5 years (2022–23 to 2026–27) to continue the program. This funding will be delivered via an open and competitive grants process and will focus on improving access to appropriate emergency accommodation for:

- First Nations women and children;
- women and children from culturally and linguistically diverse backgrounds; and
- women and children with disability.<sup>70</sup>

<sup>66</sup> AIHW, *Home ownership: Indigenous home ownership program key data*, [www.housingdata.gov.au/visualisation/home-ownership/indigenous-home-ownership-program-key-data](http://www.housingdata.gov.au/visualisation/home-ownership/indigenous-home-ownership-program-key-data) (accessed 12 September 2023).

<sup>67</sup> Indigenous Business Australia, *Submission 29*, p. 4.

<sup>68</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, ‘[Helping More Australians Buy a Home](#)’, *Media Release*, 17 August 2023.

<sup>69</sup> DSS, *Safe Places Emergency Accommodation (Safe Places) Program*, 1 June 2023, [www.dss.gov.au/housing-support/programmes-services/homelessness/domestic-and-family-violence](http://www.dss.gov.au/housing-support/programmes-services/homelessness/domestic-and-family-violence) (accessed 12 September 2023)

<sup>70</sup> DSS, *Safe Places Emergency Accommodation Program – Inclusion Round*, <https://engage.dss.gov.au/safe-places-emergency-accommodation-program-inclusion-round/> (accessed 12 September 2023).

### *Reconnect Program*

1.80 The Reconnect Program provides ‘community-based early intervention ... for young people aged 12 to 18 years (or 12 to 21 years in the case of newly arrived youth) who are homeless or at risk of homelessness, and their families’.<sup>71</sup> Reconnect services include counselling, mediation and practical support to the whole family, to help break the cycle of homelessness. There are Reconnect services in each state and territory.<sup>72</sup>

### *Taxation*

1.81 The taxation system provides support for private rental investment, especially by small investors, primarily through the capacity to offset losses on rental housing against income (negative gearing); capital gains tax (CGT) exemptions; and lower rates of land tax (compared to larger scale investors).

1.82 For 2022–23, the Government estimated the aggregate tax reduction for rental property investors to be \$24.4 billion.<sup>73</sup> In June 2023, Parliamentary Budget Office (PBO) modelling estimated that the revenue forgone due to property tax deductions is to be \$37.5 billion in 2023–24, while the revenue forgone due to the CGT discount (compared to inflation adjusted indexation of the cost base) is estimated to be \$1.5 billion in 2023–24. This is around \$13,800 per property claiming deductions, and around \$10,200 per property claiming the CGT discount in the same year.<sup>74</sup>

### *Negative gearing deductions*

1.83 An asset is negatively geared when the expenses associated with the asset are greater than the income earned from it. Negative gearing arrangements allow Australian property investors to offset any net rental loss against their other income (that would otherwise be taxed at the full marginal rate), thereby reducing their overall taxable income.<sup>75</sup>

### *Capital gains tax concessions*

1.84 CGT concessions allow individual property investors who own an asset for at least 12 months to receive a 50 per cent discount on normal individual tax rates on capital gains when the investment property is sold. A residential property

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<sup>71</sup> DSS, *Reconnect*, 10 July 2023, [www.dss.gov.au/families-and-children-programs-services/reconnect](http://www.dss.gov.au/families-and-children-programs-services/reconnect) (accessed 12 September 2023).

<sup>72</sup> DSS, *Reconnect*, 10 July 2023 (accessed 12 September 2023).

<sup>73</sup> Commonwealth of Australia, *Tax Expenditures and Insights Statement*, February 2023, p. 41.

<sup>74</sup> PBO, *Implied budget costs of supporting rentals through investors' tax breaks*, 3 August 2023, p. 1.

<sup>75</sup> The Treasury, *Negative gearing*, <https://treasury.gov.au/review/tax-white-paper/negative-gearing> (accessed 12 September 2023).

that is a person's primary place of residence is fully exempt from CGT, provided eligibility and other assessment criteria are met.<sup>76</sup>

#### *Tax incentives for build-to-rent investment*

1.85 The 2023–24 Budget included new incentives for build-to-rent developments to boost supply in the private rental market by:

- reducing the withholding tax rate from 30 to 15 per cent for foreign investors using managed investment trusts to invest in newly constructed build-to-rent developments after 1 July 2024; and
- increasing the capital works tax depreciation rate from 2.5 per cent to 4 per cent per year for newly constructed build-to-rent developments, where construction commences after 9 May 2023.<sup>77</sup>

### **State and territory governments**

1.86 As mentioned earlier in the chapter, states and territories are responsible for most of the key policy levers directly influencing housing provision, such as public housing, land use planning and planning regulations.

1.87 Tenancy laws which directly impact renters are also the responsibility of states and territories. They are discussed in Chapter 4 of this report.

1.88 All state and territory governments offer a range of programs providing direct assistance to private renters, including tenancy support and advice.

1.89 Programs to assist eligible tenants to secure private rental housing include:

- **Bond loans and advance rents**, which are interest-free loans for part or full rental bond and advance rent. Some states require fortnightly repayments starting immediately, while others only require that the bond be repaid at the end of the tenancy.
- **Tenancy guarantees**, by which the state/territory housing authorities provide private landlords or real estate agents with a formal guarantee to cover potential future rent arrears or property damage over and above the rental bond.
- **Relocation assistance**, which provide loans to assist eligible tenants to cover the costs of a new private tenancy (for example, removalists expenses).<sup>78</sup>

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<sup>76</sup> ATO, *CGT discount*, 30 June 2023, [www.ato.gov.au/Individuals/Capital-gains-tax/CGT-discount/](http://www.ato.gov.au/Individuals/Capital-gains-tax/CGT-discount/) (accessed 12 September 2023); ATO, *List of CGT assets and exemptions*, 7 July 2023, [www.ato.gov.au/Individuals/Capital-gains-tax/List-of-CGT-assets-and-exemptions/](http://www.ato.gov.au/Individuals/Capital-gains-tax/List-of-CGT-assets-and-exemptions/) (accessed 12 September 2023).

<sup>77</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Meeting of the National Cabinet – A Better Future for the Federation](#)', *Media Release*, 28 April 2023.

<sup>78</sup> AHURI, *State and Territory government rental support schemes*, 15 November 2022, [www.ahuri.edu.au/analysis/brief/state-and-territory-government-rental-support-](http://www.ahuri.edu.au/analysis/brief/state-and-territory-government-rental-support-)

## Australia in the international context

### Social housing stock

1.90 Australia has a lower percentage of social housing (3.8 per cent in 2021) than 15 other Organisation for Economic Co-operation and Development (OECD) countries. Countries such as the Netherlands, Austria and Denmark had over 20 per cent of social housing in 2020, based on OECD data (which estimated 4.4 per cent for Australia). The UK ranked fourth with 16.7 per cent. Australia's social housing supply, as a proportion of households, is comparable to that of Canada, New Zealand and the United States, all estimated to be just under four per cent.<sup>79</sup>

### Rental affordability and rental crisis

1.91 Australia is among the top 10 countries in the OECD with the highest proportion of the population renting in the private sector.<sup>80</sup>

1.92 Housing costs in Australia, comprising rents as well as costs of maintenance and repair, 'make up a high share of overall household expenditure compared with the average OECD country'.<sup>81</sup> Although housing cost overburden for low-income tenants is lower in Australia than the average OECD country,<sup>82</sup> approximately one-third of low-income renters in Australia spend over 40 per cent of their income in rent.<sup>83</sup>

1.93 Rental affordability is a growing issue in many parts of the world. The OECD reported that 'rents increased in all but two OECD countries between 2005 and 2020', with rents more than doubling in several countries during that period.<sup>84</sup> The International Monetary Fund reported in 2021 that rental housing has become increasingly unaffordable in many European countries.<sup>85</sup> In 2022, Per Capita wrote:

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[schemes#:~:text=Programs%20to%20assist%20eligible%20tenants,the%20end%20of%20the%20tenancy](#) (accessed 12 September 2023)

<sup>79</sup> AHURI, *Submission 57*, pp. 42–44.

<sup>80</sup> OECD, *Compare your country: Affordable Housing*, [www.compareyourcountry.org/housing](http://www.compareyourcountry.org/housing) (accessed 12 September 2023).

<sup>81</sup> OECD, *Housing Sector Country Snapshot: Australia*, 7 June 2023, [p. 2].

<sup>82</sup> Housing cost overburden for low-income tenants is defined as the 'share of tenants in the bottom quintile of the income distribution spending more than 40 per cent of disposable income on private rent'. See OECD, *Housing Sector Country Snapshot: Australia*, 7 June 2023, [p. 3].

<sup>83</sup> OECD, *Housing Sector Country Snapshot: Australia*, 7 June 2023, [p. 2].

<sup>84</sup> OECD, *Brick by Brick: Building Better Housing Policies*, OECD Publishing, Paris, 2021, p. 53.

<sup>85</sup> Khalid Elfayoumi et al., International Monetary Fund, *Affordable Rental Housing: Making It Part of Europe's Recovery*, 24 May 2021.

Many of the world's developed countries are experiencing a crisis in the affordability and accessibility of secure and appropriate housing for anyone not already in possession of significant personal or family wealth.<sup>86</sup>

1.94 Australia exhibits low use of rent control and rent stabilisation compared to other OECD countries:

A large proportion of countries operate some form of rent control as part of their housing policy, usually at the municipal or state level. ... around half of European Union (EU) countries operate a form of rent control, as do regions of Canada, the USA, Korea and Japan.<sup>87</sup>

### Tenancy laws

1.95 A recent report by Longview and PEXA concluded that 'Australia is one of the worst countries in the developed world to be a renter'.<sup>88</sup> The report 'scored' rental experience across ten developed Western countries by reference to both tenure (typical term; and grounds required for termination) and 'making a house a home' (whether tenants may have pets or make minor alterations).<sup>89</sup> Three Australian jurisdictions (New South Wales, Queensland and Victoria) scored amongst the lowest of all jurisdictions included in the study (including Sweden, the Netherlands, Germany, Belgium, Austria and Spain).<sup>90</sup>

1.96 According to research undertaken by AHURI, compared with comparable countries, the Australian private rental market has policy and legal settings resulting in 'weak tenant rights which do not facilitate secure occupancy for tenants'.<sup>91</sup>

1.97 For example, among ten comparable countries, only Australia, New Zealand, the United Kingdom (other than Scotland) and some United States jurisdictions allow no-grounds terminations of lease.<sup>92</sup>

1.98 Their research suggests that Belgium, Germany and Sweden have relatively strong tenancy law from the perspective of renters' rights.<sup>93</sup>

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<sup>86</sup> Per Capita, [Housing Affordability in Australia: Tackling a Wicked Problem](#), 2 May 2022, p. 14.

<sup>87</sup> Per Capita, *Submission 61*, p. 47.

<sup>88</sup> Longview and PEXA, [Private Renting in Australia – A Broken System: Whitepaper 2](#), March 2023, p. 22.

<sup>89</sup> Longview and PEXA, [Private Renting in Australia – A Broken System: Whitepaper 2](#), March 2023, pp. 22 and 37.

<sup>90</sup> Longview and PEXA, [Private Renting in Australia – A Broken System: Whitepaper 2](#), March 2023, p. 23.

<sup>91</sup> AHURI, *Submission 57*, p. 45.

<sup>92</sup> The ten countries are: Australia, Belgium, Canada, Germany, Ireland, New Zealand, Sweden, Spain, the United Kingdom and the United States. AHURI, *Submission 57*, p. 45.

<sup>93</sup> AHURI, *Submission 57*, pp. 45-46.



## Chapter 2

# The experiences of renters

- 2.1 At the heart of this inquiry are the lived experiences of people whose lives have been, and continue to be, impacted by the rental crisis. People from all walks of life have shared their stories with the committee, expressing their anger, anxiety, fear, and feelings of powerlessness due to the state of renting in Australia. The committee has heard of the far-reaching impacts of the rental crisis on all aspects of people's lives – from their work, studies, and connections to community, to their physical and mental health, sense of safety and security, and ability to meet their basic needs.
- 2.2 The all-consuming impacts of the rental crisis were described by Mark, a witness at a public hearing in Brisbane:
- ... we have been prevented from being our best selves. The burden absorbs so much of our headspace. We have not been able to do our best as a spouse, a parent, a friend or an employee. ... We have been left constantly worrying about where we are to live and how we are to pay our next bills. This is not healthy for us or our family or our child.<sup>1</sup>
- 2.3 Inquiry participants emphasised the urgency of the situation for a growing number of people across the country living in inadequate, insecure and unaffordable housing. Amity, a witness who appeared at a public hearing in Sydney, observed:
- We've seen increasingly unsafe housing and homelessness due to scarcity of available rentals. More and more people are moving back in with their parents if their parents have stable housing and room for them. We've also seen people couch surfing and living in cars, caravans and motels and sleeping rough.<sup>2</sup>
- 2.4 Experiences such as these highlight that the rental crisis is 'ultimately ... a human crisis, not a fiscal one'.<sup>3</sup>
- 2.5 This chapter explores the experiences of navigating the Australian rental system in the midst of the ongoing rental crisis. It highlights the difficulties faced by people seeking rental housing as well as the myriad challenges facing current renters, including in relation to rental affordability, tenure security and duration, accommodation minimum standards, and barriers to self-advocacy and enforcement of renters' rights.

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<sup>1</sup> Mark, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 27.

<sup>2</sup> Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 22.

<sup>3</sup> Ms Nadia Bromley, Women's Legal Service Queensland, *Proof Committee Hansard*, 23 August 2023, p. 43.

## Difficulties to secure rental housing

- 2.6 The committee heard that people experience significant and wide-ranging difficulties obtaining rental housing in Australia.
- 2.7 Many submitters gave evidence that the practice of rent bidding, for instance, exacerbates the unaffordability of rental housing.<sup>4</sup> Rental application processes burden prospective renters with the need to provide excessive amounts of private information, with no assurance as to the security of this data.<sup>5</sup> Prospective renters may also be pressured into paying for background checks from third-party platforms, thus placing them under further financial strain.<sup>6</sup> Moreover, discrimination in the private rental market and long waiting lists for social housing mean that marginalised communities are often left in precarious situations as they struggle to secure rental housing.<sup>7</sup>

## Rent bidding

- 2.8 Rent bidding is the practice whereby an applicant for a rental property offers more rent than the advertised asking price in order to secure a lease.<sup>8</sup> The committee heard that rent bidding drives up rent prices,<sup>9</sup> and has become so prevalent that people who cannot afford to offer above the advertised asking price are effectively ‘locked out of the rental market’.<sup>10</sup>
- 2.9 Georgina, a witness who appeared at a public hearing in Brisbane, said:
- It has been my own experience, as someone with a good rental history, good income and good references, that securing a rental in the current market means having the means to offer above the listed rental price and sometimes to offer six months rent in advance—kind of like a bidding war.<sup>11</sup>
- 2.10 One long-term renter put plainly that applying for rental properties is ‘demeaning and competitive’:

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<sup>4</sup> See, for example, Service to Youth Council (SYC), *Submission 25*, pp. 3–4; Georgina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 22.

<sup>5</sup> See, for example, Public Interest Advocacy Centre (PIAC), *Submission 45*, p. 5; Australian Housing and Urban Research Institute (AHURI), *Submission 57*, p. 34.

<sup>6</sup> See, for example, SYC, *Submission 25*, p. 6; Digital Rights Watch, *Submission 26*, [p. 46].

<sup>7</sup> See, for example, Everybody’s Home, *Submission 52*, p. 4; Uniting Communities, *Submission 53*, p. 8.

<sup>8</sup> ACT Government, *Submission 9*, [p. 5].

<sup>9</sup> See, for example, SYC, *Submission 25*, pp. 3–4; Uniting Communities, *Submission 53*, pp. 4 and 6; University of Melbourne Graduate Student Association, *Submission 68*, p. 3; Frog Safe Inc., *Submission 79*, [p. 6]; Darwin Community Legal Service, *Submission 109*, p. 7.

<sup>10</sup> Uniting Communities, *Submission 53*, p. 4.

<sup>11</sup> Georgina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 22.

You know that other people are so desperate to have a place that they are starting to do things like offer more rent, or offering three months' rent up front, or starting to write a nice cover letter outlining that you are a nice person, deserving of housing. Knowing that other people are doing these things, you start doing them too.<sup>12</sup>

- 2.11 The Service to Youth Council (SYC) observed that rent bidding is a product of the tight rental market, as applicants are forced to compete over rental properties:

In this current climate of sustained vacancy rates of below 1%, tenants are 'doing what it takes' to ensure they are the chosen candidate and feel obligated to offer a higher amount.<sup>13</sup>

- 2.12 Many applicants feel pressured to offer amounts of rent that would put them under rental stress. Despite this, landlords may be reluctant to approve their application due to the perceived risk that they may not be able to pay the rent. This leaves prospective renters in a predicament:

Knowing the intense competition for rentals, I offered \$40 above the asking price. I had a perfect rental history but was rejected. The agent said I was rejected because the offered rent was more than 30% of my income (it was 32%), which is considered unfavourable by the landlord. This system is designed to fail many of us: if you don't offer more, you are rejected. If you offer more and it is more than 30% of your income, you are rejected. What options do we have?<sup>14</sup>

- 2.13 Submitters suggested that the advertisement of a rental property without a price or for a price range might indirectly invite rent bidding.<sup>15</sup> Similarly, some of the digital technologies used to submit rental applications facilitate rent bidding by allowing applicants to specify the amount of rent they would like to offer.<sup>16</sup>
- 2.14 Efforts to regulate rent bidding across the country have failed to prevent the practice. Although some Australian jurisdictions such as the ACT, NSW, Victoria and South Australia have prohibited real estate agents and landlords from soliciting rent bidding, there are no prohibitions on accepting higher offers of rent that have been made voluntarily.<sup>17</sup> At the National Cabinet on 16 August

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<sup>12</sup> Hanc Casement, *Submission 77*, [p. 1].

<sup>13</sup> SYC, *Submission 25*, p. 4.

<sup>14</sup> Uniting Communities, *Submission 53*, p. 6.

<sup>15</sup> See, for example, ACT Government, *Submission 9*, [p. 6]; SYC, *Submission 25*, p. 4.

<sup>16</sup> See, for example, Digital Rights Watch, *Submission 26*, p. 12; AHURI, *Submission 57*, p. 34.

<sup>17</sup> See, for example, ACT Government, *Submission 9*, [p. 6]; Uniting Communities, *Submission 53*, p. 6; AHURI, *Submission 57*, p. 34; Youth Affairs Council of South Australia, *Submission 80*, [p. 3]; Mr Derek Schild, Head of Practice, Civil Justice Legal Practice, Legal Aid ACT, *Proof Committee Hansard*, 30 August 2023, p. 18.

2023, agreement was obtained from all states and territories to implement a ban on soliciting rent bidding.<sup>18</sup>

### **Issues with the rental application process**

2.15 The committee received evidence of a range of issues with the rental application process. Checks of prospective renters were said to be unnecessarily burdensome and invasive, with insufficient care given to ensuring the security of applicants' personal data. Concerns were also raised about prospective renters being forced to incur additional fees relating to their applications.

### *Checks of prospective renters*

#### *Requests for information*

2.16 Inquiry participants expressed strong concerns that the amount of personal information requested as part of rental applications is excessive.<sup>19</sup> For example, a person seeking rental housing in the Canberra region submitted:

Our experience in applying for rentals has been horrible. The amount of information required is insane. Yesterday a real estate agent required us to provide proof of income and also bank statements to check how were [sic] were spending our money and also photos of our current living arrangements- in addition to rental references. It's just so incredibly invasive and intense.<sup>20</sup>

2.17 These sentiments were echoed by a long-term renter who described the application process:

The real estate agents demand more forms of identification than it takes to get a passport. They ask for reams of information, prying into your bank accounts and pay slips and tax returns, your rental history, where you've been living, who you've been living with. They demand to know personal information like whether you smoke or have pets, so they might deem you too difficult to bestow upon you housing which again, you desperately need.<sup>21</sup>

2.18 The Public Interest Advocacy Centre (PIAC) submitted that the collection of extensive personal information creates the 'potential for judging applicants based on prejudice'.<sup>22</sup>

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<sup>18</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, ['Meeting of National Cabinet – Working together to deliver better housing outcomes'](#), *Media Release*, 16 August 2023, Attachment 2.

<sup>19</sup> See, for example, Name Withheld, *Submission 153*, [pp. 1–2]; Samira, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 34.

<sup>20</sup> Name Withheld, *Submission 154*, [p. 1].

<sup>21</sup> Hanc Casement, *Submission 77*, [p. 1].

<sup>22</sup> PIAC, *Submission 45*, p. 5.

- 2.19 Similarly, the SYC submitted that the ability of real estate agents and landlords to request detailed credit card statements from prospective renters in order to question their spending habits is 'a breach of privacy with judgements, bias and prejudice directly or implicitly influencing consideration of applicants'.<sup>23</sup>
- 2.20 While prospective renters are obligated to provide substantial information about themselves to landlords, landlords are under no reciprocal obligation. Prospective renters expressed frustration at this information asymmetry:
- Would you like to know anything about the landlord? Who they are? Have they been good to their tenants? Has the place been well cared for? Too bad. You don't get to know any of that information, and again, you're so desperate for a roof over you [sic] head that it doesn't matter. You have to roll those dice.<sup>24</sup>
- 2.21 Creating mutual transparency through central government services, such as Service NSW and other state equivalents, was considered as an option by the Homeless Persons Legal Service to ensure tenants were informed about prospective landlords:
- ...it would be good to have an easy and transparent way for tenants to access information about landlords, and that could be provided by government. Currently landlords and real estate agents collect a lot of information about tenants but not the other way around, so you can't actually see whether a landlord has behaved in an inadequate manner in the past or anything like that. So we would certainly support the introduction of a licensing scheme and for information to be publicly available.<sup>25</sup>

### *Data security*

- 2.22 Prospective renters hold significant misgivings about the security of their sensitive personal data.<sup>26</sup> Jennifer, a witness who appeared at the public hearing in Brisbane, told the committee her fears:
- Our private identifying information is controlled. Here is some of the information we have been forced to hand over in the hope of securing a new home, and I might add that it's to each and every home that you apply for: our driver's licences, passports, birth certificates, car registrations, employer contact details, payslips, bank statements, credit card numbers, referees, friends' details, relatives' details and emergency contacts' details. We are

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<sup>23</sup> SYC, *Submission 25*, p. 6.

<sup>24</sup> Hanc Casement, *Submission 77*, [p. 1].

<sup>25</sup> Mr Thomas Chailloux, Policy Officer, Homeless Persons Legal Service, PIAC, *Proof Committee Hansard*, 24 August 2023, p. 19.

<sup>26</sup> See, for example, Digital Rights Watch, *Submission 26*, [p. 43]; Forcibly Displaced People Network, *Submission 156*, p. 8; Samira, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 34.

given no assurance that this information is securely stored and where it is securely stored, if it is securely stored at all.<sup>27</sup>

2.23 Indeed, Digital Rights Watch cited evidence that showed a large proportion of prospective renters are pressured to submit their personal information to third-party platforms despite their misgivings about the security of this information.<sup>28</sup>

...one agent emailed me to say I needed to complete an application form (in full) on Tenant Options (a website) before she would even consider me to view a rental property... (I called and asked for a paper application form and she refused on the grounds she had too many applications). ...I am very concerned that this website could be hacked and my ID stolen.<sup>29</sup>

2.24 The PIAC submitted that improper storage of prospective renters' information creates a cybersecurity risk:

... cybercriminals could, potentially, try to enter databases of real estate agencies and collect significant amounts of personal information which they could then use to steal people's identity or commit fraud ...<sup>30</sup>

2.25 Digital Rights Watch pointed out that data breaches have been previously reported at real estate agencies such as Harcourts and LJ Hooker.<sup>31</sup>

2.26 Despite the real risk to prospective renters' sensitive personal information, 'the use, and potential abuse, of extensive and invasive data requirements and centralised online portals is largely unregulated'.<sup>32</sup> However, at the National Cabinet on 16 August 2023, agreement was obtained from all states and territories to implement a number of reforms to improve and streamline tenancy application process and the data protection of tenancy applicants.<sup>33</sup>

### *Application-related fees*

2.27 The committee was made aware of the practice of third-party platforms offering prospective renters the option to purchase background checks (see Figure 2.1 below).

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<sup>27</sup> Jennifer, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 26.

<sup>28</sup> Digital Rights Watch, *Submission 26*, p. 9.

<sup>29</sup> Digital Rights Watch, *Submission 26*, [p. 43].

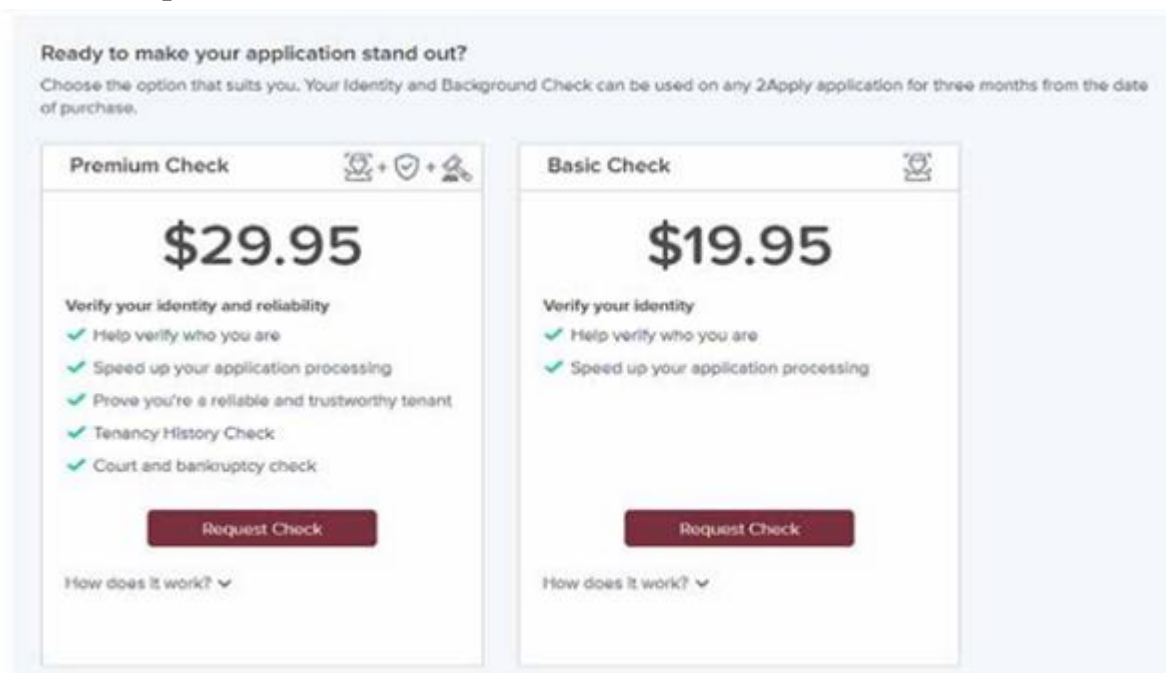
<sup>30</sup> Mr Thomas Chailloux, Policy Officer, Homeless Persons Legal Service, PIAC, *Proof Committee Hansard*, 24 August 2023, p. 13. See also, Centre for Urban Research, Royal Melbourne Institute of Technology, *Submission 11*, p. 2; PIAC, *Submission 45*, p. 5; Forcibly Displaced People Network, *Submission 156*, p. 8.

<sup>31</sup> Digital Rights Watch, *Submission 26*, pp. 9–10.

<sup>32</sup> AHURI, *Submission 57*, p. 34.

<sup>33</sup> See, Chapter 1, p. 13.

**Figure 2.1 Screenshot of a Background Check offered by the 2Apply platform**



Supplied screenshot of 2Apply background check.

Source: Digital Rights Watch, *Submission 26*, [p. 46].

- 2.28 The committee heard that this practice is controversial, with Digital Rights Watch claiming that the cost of these checks would ordinarily fall on the landlord or real estate agency.<sup>34</sup>
- 2.29 Against the backdrop of low vacancy rates, renters feel pressured to purchase these background checks to increase their chances of securing a lease.<sup>35</sup> The SYC submitted that while renters are advised that these background checks are not compulsory, ‘in the current rental market, we are aware of tenants who have not completed these Checks being not considered for properties’.<sup>36</sup>

### **Discrimination in the private rental market**

- 2.30 The committee received a range of testimony about the pervasiveness of discrimination in the private rental market.<sup>37</sup>
- 2.31 Mr John Engeler, Chief Executive Officer of Shelter NSW, highlighted that discrimination is widespread and affects a variety of marginalised groups:

<sup>34</sup> Digital Rights Watch, *Submission 26*, [p. 46].

<sup>35</sup> Digital Rights Watch, *Submission 26*, [p. 46].

<sup>36</sup> SYC, *Submission 25*, p. 6.

<sup>37</sup> See, for example, PIAC, *Submission 45*, p. 5; Uniting Communities, *Submission 53*, p. 8; Centre for Non-Violence, *Submission 73*, [pp. 3–4]; Federation of Ethnic Communities’ Councils of Australia, *Submission 78*, p. 3; Mr Leo Patterson Ross, Chief Executive Officer, Tenants’ Union of NSW, *Proof Committee Hansard*, 24 August 2023, pp. 5–6.

People on low incomes are more likely to be renters ... as are First Nations people, people with disability and, increasingly, older Australians. These households are severely impacted by the power imbalances inherent in the private rental market. We're talking about constant and consistent discrimination. It's not occasional; it's most of the time. Often the private market doesn't just fall short; it fails. It fails considerably and it fails certain groups repeatedly.<sup>38</sup>

2.32 This was reinforced by Ms Kate Colvin, Chief Executive Officer of Homelessness Australia, who observed that 'the very low vacancy rates are supercharging that discrimination and making it almost impossible for marginalised communities to get housing'.<sup>39</sup> The Real Estate Institute of Queensland (REIQ) suggested that in periods of higher vacancy rates, there would be 'increasing opportunity and choice for tenants'.<sup>40</sup>

2.33 Jo, a witness who appeared at the public hearing in Brisbane, spoke of her experience:

As a woman in my 40s, I've been routinely discriminated against by rental agents, many of whom often show disdain. I've literally been stood at viewings with other women where we've been completely ignored or spoken down to.<sup>41</sup>

2.34 The Centre for Non-Violence submitted that screening practices for rental applications can indirectly discriminate against women escaping family violence. For example, women who have not previously entered the rental market or rented in their own name are disadvantaged by the requirement for applicants to demonstrate previous rental history.<sup>42</sup>

2.35 Georgina, a National Disability Insurance Scheme (NDIS) psychosocial recovery coach, gave evidence at the Brisbane hearing that discrimination was a significant barrier to securing rental housing for Harley, an NDIS participant:

Despite personally applying for well over 70 private rental listings, we have not managed to find suitable long-term accommodation for Harley. We were either ignored or blatantly told: 'We do not want to live with a disabled person.'<sup>43</sup>

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<sup>38</sup> Mr John Engeler, Chief Executive Officer, Shelter NSW, *Proof Committee Hansard*, 24 August 2023, p. 3.

<sup>39</sup> Ms Kate Colvin, Chief Executive Officer, Homelessness Australia, *Proof Committee Hansard*, 30 August 2023, p. 37.

<sup>40</sup> REIQ, *Submission 38*, p. 7.

<sup>41</sup> Jo, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 20.

<sup>42</sup> Centre for Non-Violence, *Submission 73*, [p. 3].

<sup>43</sup> Georgina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 21.

- 2.36 The digital technologies used to process rental applications have been said to facilitate discrimination by using opaque algorithms to filter and rank applicants based on specific characteristics.<sup>44</sup>
- 2.37 Digital Rights Watch emphasised that the lack of human oversight of automated screening processes for rental applications leaves certain groups at a distinct disadvantage:
- Renters on income support or with irregular incomes may also be negatively impacted by rental technologies. The automation of creditworthiness checks, semi-opaque tenancy databases, and income cross-checking can put applicants at a disadvantage. With very little human discretion available, these applicants will likely be looked over in favour of tenants who achieve an algorithmically determined criteria of a 'good' tenant.<sup>45</sup>
- 2.38 Discrimination against particular cohorts of prospective renters will be explored in further detail in Chapter 3.

### Social housing waiting lists

- 2.39 Many inquiry participants underscored the difficulty of securing access to social housing.<sup>46</sup>
- 2.40 Evidence to the committee demonstrated that wait times across the country for social housing stretch into the years, even for priority cohorts.<sup>47</sup> In South Australia, for example, the committee heard that:
- ... for most people, they sit on that waiting list, even as priority 1, for four years, and, if you're a priority 2 or 3, you may as well forget about ever getting access to public housing or social housing.<sup>48</sup>
- 2.41 Professor Alan Morris of the University of Technology Sydney found through interviews with people on social housing waiting lists that:
- All of the waitees were desperate to access social housing. ... [There was a sense that social housing] would ... alleviate the enormous stress, anxiety and sense of hopelessness associated with not having a home. For those

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<sup>44</sup> Digital Rights Watch, *Submission 26*, [pp. 50–51]; AHURI, *Submission 57*, p. 12.

<sup>45</sup> Digital Rights Watch, *Submission 26*, [p. 53].

<sup>46</sup> See, for example, Everybody's Home, *Submission 52*, p. 4; Ms Aimee McVeigh, Chief Executive Officer, Queensland Council of Social Service, *Proof Committee Hansard*, 23 August 2023, p. 37; Mr Travis Gilbert, Chief Executive Officer, ACT Shelter Association, *Proof Committee Hansard*, 30 August 2023, p. 25; Mr Simon Schrapel, Chief Executive, Uniting Communities, *Proof Committee Hansard*, 30 August 2023, p. 57.

<sup>47</sup> See, for example, Regional Alliance West, *Submission 144*, p. 7; Tenants' Union of Tasmania, *Submission 110*, p. 3; Mr Travis Gilbert, Chief Executive Officer, ACT Shelter Association, *Proof Committee Hansard*, 30 August 2023, p. 25; Mr Simon Schrapel, Chief Executive, Uniting Communities, *Proof Committee Hansard*, 30 August 2023, p. 57.

<sup>48</sup> Mr Simon Schrapel, Chief Executive, Uniting Communities, *Proof Committee Hansard*, 30 August 2023, p. 57.

waitees who were private tenants, accessing social housing would remove their constant concern that they may be asked to vacate or that their rent would be increased to an untenable level.<sup>49</sup>

2.42 Moreover, Ms Aimee McVeigh, Chief Executive Officer of the Queensland Council of Social Service, stressed that the number of people on social housing waiting lists does not accurately reflect the full extent of demand.<sup>50</sup>

2.43 The committee heard that many people with unmet housing needs are ineligible for public housing because ‘the income threshold for eligibility is ... obscenely low’, disqualifying those on a disability support pension from eligibility for public housing in New South Wales.<sup>51</sup> Additionally, there are people with unmet housing needs who have been dropped off social housing waiting lists and have not yet reapplied:

... [social housing waiting list] numbers look lower than they are. It's the same reason I'm not on the list now; the list looks smaller because I'm overwhelmed by the idea of applying again. I'm just trying to pay my current rent and get a window that closes, so I don't have the capacity to deal with that.<sup>52</sup>

2.44 At National Cabinet on 17 June 2023, the Australian Government announced an immediate \$2 billion payment to be delivered to state and territory governments to provide thousands of additional homes for Australians on social housing waiting lists. To encourage the rapid delivery of these homes, a condition of this funding was for all funding to be committed by states and territories within two years, ending 30 June 2025.<sup>53</sup>

## Rental affordability

2.45 Rental affordability is a primary concern among renters. The committee received compelling evidence of the impacts of repeated and substantial rent increases on people's wellbeing.<sup>54</sup> People are being forced to stay in unsuitable and inadequate housing and in some circumstances relocate entirely, causing immense disruption to their lives. The committee also heard how sustained

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<sup>49</sup> Professor Alan Morris, *Submission 44*, p. 2.

<sup>50</sup> Ms Aimee McVeigh, Chief Executive Officer, Queensland Council of Social Service, *Proof Committee Hansard*, 23 August 2023, p. 37.

<sup>51</sup> Ms Kristin O'Connell, Research and Policy, Antipoverty Centre, *Proof Committee Hansard*, 24 August 2023, p. 37.

<sup>52</sup> Ms Kristin O'Connell, Research and Policy, Antipoverty Centre, *Proof Committee Hansard*, 24 August 2023, p. 37.

<sup>53</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Albanese Government delivers immediate \\$2 billion for accelerated social housing program](#)', *Media Release*, 17 June 2023.

<sup>54</sup> See, for example, Woden Community Service, Young Women's Christian Organisation Canberra and Capital Region Community Services, *Submission 22*, [pp. 2–4]; Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 24.

rental stress affects all aspects of renters' lives, including their ability to afford other essential goods and services.<sup>55</sup>

### Rent increases

2.46 Inquiry participants revealed that rents are increasing across the country at an unprecedented rate and scale, creating significant hardship for renters.<sup>56</sup>

2.47 Amity, a witness who appeared at the public hearing in Sydney, stated:

People are in really serious distress. There's just no end in sight to our rent increases. Some of the rent increases people are getting are just awful, and it feels like it's this system that is about to explode.<sup>57</sup>

2.48 Robyn, who has been renting for 40 years, testified at the public hearing in Brisbane: 'The size of the increase in rent this year is outside anything I have experienced in all my years of renting'.<sup>58</sup>

2.49 People told the committee that they are living in fear of the next rent increase.<sup>59</sup> Lisa, a renter from Victoria, said:

With no way to predict, and therefore prepare for the inevitable rent increase, the months leading up to the annual "rent review" have me terrified. ... For those of us on fixed-term incomes already paying the maximum we can afford, any increase will price us out of the private rental market and into homelessness. The fear of joining other folk sleeping in cars ... in a tent ... or living out of a storage facility ... is psychologically unbearable, but seems inevitable.<sup>60</sup>

2.50 Multiple organisations reported a marked increase in the volume of requests for advice and support in relation to rent increases.<sup>61</sup> For example, Ms Penny Carr, Chief Executive Officer of Tenants Queensland, said at a public hearing:

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<sup>55</sup> See, for example, The Salvation Army, *Submission 17*, p. 33; Foodbank Australia, *Submission 35*, p. 4.

<sup>56</sup> See, for example, Woden Community Service, Young Women's Christian Organisation Canberra and Capital Region Community Services, *Submission 22*, [pp. 2–4]; WA Council of Social Service, *Submission 81*, p. 6; Southern Homelessness Services Network, *Submission 82*, p. 10; Mr Thomas Chailloux, Policy Officer, Homeless Persons Legal Service, PIAC, *Proof Committee Hansard*, 24 August 2023, pp. 15–16.

<sup>57</sup> Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 24.

<sup>58</sup> Robyn, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 25.

<sup>59</sup> See, for example, Name Withheld, *Submission 153*, [p. 2]; Leanne, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 30; Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 22.

<sup>60</sup> Renters and Housing Union (RAHU), *Submission 55*, p. 23.

<sup>61</sup> See, for example, Ms Penny Carr, Chief Executive Officer, Tenants Queensland, *Proof Committee Hansard*, 23 August 2023, pp. 1–2; Mr Leo Patterson Ross, Chief Executive Officer, Tenants' Union

Since the end of last month, we've had over 400 contacts where people were asking about rent increases. If you use a CPI figure of six per cent, very few of those rent increases were CPI or less. On average, the increases were 25 per cent of the current rent, or \$100 a week. Thirty per cent of those contacts had rent increases of between 25 and 50 per cent of the current rent. They're absolutely unaffordable increases for people.<sup>62</sup>

***Rent increases regardless of the condition of the property***

2.51 The committee heard of instances where rent increases were demanded despite the property being in a state of disrepair.<sup>63</sup>

2.52 The University of Melbourne Student Union Inc. provided the following example of a student's rent increase (see Box 2.1 below).

**Box 2.1 The lived experience of Jia\***

Jia and her housemates received a notice to increase the rent in their share house by over 50%. While the notice cited market rents in the area, it placed the property at the very top of this range, and failed to consider the age and condition of the property.

Throughout their lease, Jia and her housemates had experienced numerous urgent repair and cleaning issues which the landlord had failed to address, many of which were pre-existing. These included mouse and wasp infestations; broken locks, windows and doors; rubbish and refuse left on the premises; extremely poor plumbing; broken essential appliances; and a gas leak. No renovation or general maintenance was done on the property in the 2 years since the beginning of the lease, and the landlord had also failed to provide a condition report or comply with rental minimum standards, in breach of the law.

Despite this, Jia and her housemates received an indication from Consumer Affairs Victoria that the proposed rent increase was reasonable, and therefore felt they had no choice but to move out of the property.<sup>64</sup>

*\*Name changed.*

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of NSW, *Proof Committee Hansard*, 24 August 2023, p. 4; Mr Thomas Chailloux, Policy Officer, Homeless Persons Legal Service, PIAC, *Proof Committee Hansard*, 24 August 2023, pp. 15–16.

<sup>62</sup> Ms Penny Carr, Chief Executive Officer, Tenants Queensland, *Proof Committee Hansard*, 23 August 2023, p. 2.

<sup>63</sup> See, for example, Margaret, *Submission 83*, [p. 1]; Leanne, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 30.

<sup>64</sup> University of Melbourne Student Union Inc., *unpublished submission*, p. 4.

2.53 Many renters may have limited options but to live in unsuitable and inadequate housing because it is all that they can afford. Submitters highlighted that this has a range of detrimental impacts on renters' physical and mental health.<sup>65</sup>

2.54 Consumers of Mental Health WA (CoMHWA) submitted that:

CoMHWA members have described experiences where living in unsuitable or inaccessible housing has contributed to or worsened their mental health challenges because of factors including noise, bad neighbours or neighbourhood violence. For example, a property might have excessive noise and light, which is difficult when a person experiences sensory issues associated with neurodiversity, experiences of trauma and other mental health challenges.<sup>66</sup>

### ***Rent increases forcing people to relocate***

2.55 The committee also heard of renters being forced to relocate to areas where rent is more affordable.<sup>67</sup> The distance that this creates between renters and their social and employment networks poses challenges, as described by Marcel from NSW:

The rent all around us has spiked above what we can afford. Our landlord has also chosen to raise the rent on us too of course, and we know it will be sooner rather than later before we will be forced to uproot ourselves, leave behind our friends and neighbours and move somewhere more affordable. It feels like it's a question of when, not if we will give in and accept we can no longer afford to live where we work. Adding longer commutes, on more and more crowded public transport or join the commuters on the crowded highways in a car that's too expensive for us to maintain and too cheap for it to be reliable.<sup>68</sup>

2.56 Janet, a witness who appeared at the public hearing in Brisbane, spoke of the immense impact of being dislocated from her community and leaving behind treasured possessions:

I had to leave Tasmania due to the rental crisis down there. It was a place that I loved living and I never intended to move from. ... I had to sell and give away everything I owned that made my home a home and my garden a garden, because bringing it back with me was not an option. Everything that I've bought throughout my working life, since I was 16 years of age, and many sentimental items, were included. They're gone. Lost. And my past now feels like it's been erased because of that.<sup>69</sup>

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<sup>65</sup> See, for example, Anglicare WA, *Submission 3*, [p. 4]; Asthma Australia, *Submission 5*, [pp. 1–2]; Headspace, *Submission 23*, p. 5; Australian Health Promotion Association, *Submission 85*, p. 4.

<sup>66</sup> Consumers of Mental Health WA, *Submission 28*, p. 6.

<sup>67</sup> See, for example, AJ, *Submission 87*, [p. 1]; Janet, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 31.

<sup>68</sup> RAHU, *Submission 55*, p. 24.

<sup>69</sup> Janet, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 31.

**Rental stress**

- 2.57 A growing number of renters are experiencing rental stress, as shown by research conducted by The Salvation Army and AHURI.<sup>70</sup>
- 2.58 People experiencing rental stress spoke of its far-reaching impacts on their lives. Amity told the committee at the public hearing in Sydney:
- As renters, we're paying an increasingly huge portion of our wages on homes that increasingly do not meet our needs, and the financial pressures just keep rising. The impact of these things on our physical and psychological wellbeing is huge.<sup>71</sup>
- 2.59 One renter, a grandmother receiving income support payments, said she was constantly worried about spending even on basic items:
- No meds, no haircuts, no extra food just basics, no going out unless free venue and parking plus bring own food ... School supplies, uniforms, work clothes, petrol ... it's so hard ... waiting for rents to increase and petrified of our electricity bill ... it's too hard to be this scared all the time, just too hard.<sup>72</sup>
- 2.60 People under rental stress are being 'forced to make impossible choices',<sup>73</sup> involving trade-offs between different necessities.<sup>74</sup> A renter in Sydney's inner west said:
- The exorbitant cost of rent has consistently placed limitations on my ability to spend on essential necessities like food, household goods, and engaging in the local community.<sup>75</sup>
- 2.61 The committee heard that people often prioritise paying the rent over their other needs, and consequently experience deficiencies in various aspects of their lives.<sup>76</sup>

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<sup>70</sup> The Salvation Army, *Submission 17*, pp. 10–11; AHURI, *Submission 57*, pp. 15–16. This research was conducted prior to the September 2023 increase in income support payments and CRA.

<sup>71</sup> Amity, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 23.

<sup>72</sup> Anglicare WA, *Submission 3*, [p. 5].

<sup>73</sup> The Salvation Army, *Submission 17*, p. 10; Ms Sarah Pennell, Chief Operating Officer, Foodbank Australia, *Proof Committee Hansard*, 24 August 2023, p. 33.

<sup>74</sup> See, for example, The Salvation Army, *Submission 17*, p. 33; University of Melbourne Graduate Student Association, *Submission 68*, p. 9; Tasmanian Council of Social Service, *Submission 146*, p. 3; Anti-Poverty Network SA, *Submission 145*, p. 3; Mr Michael Chester, Co-Chief Executive Officer, Uniting WA, *Proof Committee Hansard*, 30 August 2023, p. 56.

<sup>75</sup> Antony Restifo, *Submission 90*, [p. 3].

<sup>76</sup> See, for example, Financial Wellbeing Collective, *Submission 92*, p. 3; Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 22.

With increasing rent, we're making choices between skipping meals and skipping medical appointments and missing important family milestones because paying the rent always has to come first.<sup>77</sup>

### *The need for emergency relief*

2.62 People experiencing rental stress are increasingly accessing emergency relief, with the St Vincent de Paul Society observing: 'There is a direct relationship between high rents and increased requests for our assistance, across the country'.<sup>78</sup>

2.63 Ms Sarah Pennell, Chief Operating Officer of Foodbank Australia, underscored that food insecurity is a growing issue for people experiencing rental stress:

As rental costs continue to increase ... households are left with reduced disposable income to allocate to other critical needs such as nutritious food. Yes, food has become a discretionary item in the household budget. ... The resulting financial strain leads to compromised diets, skipping meals, purchasing cheaper but less nutritious food and, ultimately, requiring charitable assistance.<sup>79</sup>

2.64 Indeed, the Foodbank Hunger Report 2022 found that renters were the largest category of food insecure households in Australia.<sup>80</sup> A large majority of food insecure renters attributed high living expenses, including housing, as a cause of food insecurity.<sup>81</sup>

2.65 Foodbank Australia noted that a growing number of renters are seeking food relief:

We're seeing new cohorts of people in search of food relief, including a cohort that is typically working at least one job ... We have seen food banks opening on weekends to cater for these people who are no longer able to make ends meet. We have seen food banks conducting pop-ups, essentially bringing Foodbank into new locations and new communities.<sup>82</sup>

### **Tenure security and duration**

2.66 Tenure security and the duration of leases have an enormous impact on renters. Many submitters argued that renters' security of tenure is undermined by the

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<sup>77</sup> Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 22.

<sup>78</sup> St Vincent de Paul Society, *Submission 125*, p. 4. See also, Peninsula Community Legal Centre, *Submission 94*, p. 10.

<sup>79</sup> Ms Sarah Pennell, Chief Operating Officer, Foodbank Australia, *Proof Committee Hansard*, 24 August 2023, p. 33.

<sup>80</sup> Foodbank Australia, *Submission 35*, p. 4; Ms Sarah Pennell, Chief Operating Officer, Foodbank Australia, *Proof Committee Hansard*, 24 August 2023, p. 33.

<sup>81</sup> Foodbank Australia, *Submission 35*, p. 4.

<sup>82</sup> Ms Sarah Pennell, Chief Operating Officer, Foodbank Australia, *Proof Committee Hansard*, 24 August 2023, p. 33.

legality of no-grounds evictions in several Australian jurisdictions.<sup>83</sup> The Committee for Economic Development of Australia (CEDA) stated:

While some jurisdictions have made reforms in this direction in recent years, it is still possible to evict tenants without grounds at the end of a fixed-term tenancy (with a minimum 30 days or less of notice in NSW, Western Australia, South Australia and the Northern Territory) or by demanding a disproportionate rent increase.<sup>84</sup>

2.67 The City Futures Research Centre cautioned on reform to grounds for eviction, specifically regarding the sale of premises:

One of the grounds that they [Queensland] have inserted—a new ground, in addition to the three I mentioned there—is that the landlord is preparing the premises for sale, and I think that's an abusive ground. That shouldn't be a ground for termination. We did some research on property investment in Western Sydney, and we found—I don't have the percentage off the top of my head—that quite a substantial number of premises were bought by investors that had previously been in the rental sector, and they kept the tenant as well. It was in the order of 40 per cent...<sup>85</sup>

2.68 Additionally, AHURI noted that:

Typical rental leases in Australian jurisdictions are initial 12-month (or 6-month) leases, followed by month-to-month less secure tenure. Australian rental systems allow, but do not encourage, longer leases.<sup>86</sup>

2.69 Indeed, the NSW Council of Social Service stated that there is a high degree of movement amongst renters in the state:

Over 80% of renters in NSW have lived in their current rental for less than 5 years, with a third for less than one year. 20-30% of renters move due to an eviction, around a quarter of which are due to 'no fault' termination for 'no grounds' evictions.<sup>87</sup>

2.70 Lack of tenure security combined with the short duration of leases creates constant uncertainty, stress and anxiety for renters.<sup>88</sup> AJ, a renter from Victoria, submitted:

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<sup>83</sup> See, for example, Queensland Council of Social Service, *Submission 36*, [p. 4]; City Futures Research Centre, *Submission 40*, p. 4; PIAC, *Submission 45*, p. 3; Anglicare Australia, *Submission 100*, pp. 6–7; Tenants' Union of Tasmania, *Submission 110*, pp. 7–8.

<sup>84</sup> Committee for Economic Development of Australia (CEDA), *Submission 33*, p. 5.

<sup>85</sup> Dr Chris Martin, Senior Research Fellow, City Futures Research Centre, UNSW, *Proof Committee Hansard*, 24 August 2023, p. 44.

<sup>86</sup> AHURI, *Submission 57*, p. 35.

<sup>87</sup> NSW Council of Social Service, *Submission 106*, p. 11.

<sup>88</sup> See, for example, Everybody's Home, *Submission 52*, p. 6; RAHU, *Submission 55*, p. 27; Anglicare Australia, *Submission 100*, pp. 6–7; Housing for the Aged Action Group, *Submission 130*, pp. 3–4.

Renters including myself have constant anxiety that where we live is temporary and is not our home and we could lose it at any moment and thrust into homelessness.<sup>89</sup>

- 2.71 Amity told the committee that the uncertainty of her housing situation impacted her family's ability to plan for the future:

My 11-year-old has already moved five times. The last few years people have been asking me, 'Which high school will he go to?' 'I don't know,' has been my reply because on a periodic lease I know that I can be evicted at any time for no reason with only 90 days notice.<sup>90</sup>

- 2.72 Organisations reported that the termination of tenancies and the inability to find a new rental property following a lease termination were among the most common concerns of renting households over the last 12 months.<sup>91</sup>

- 2.73 The committee received evidence that searching for a new rental property following a lease termination is incredibly stressful.<sup>92</sup> A member of Suicide Prevention Australia's lived experience panel described the significant mental health impacts:

I was so scared. I was having panic attacks every day. I'm like, where am I gonna go? I can't find anywhere to live ... So especially for someone like me who's already a suicide survivor in my head, my thoughts immediately start going down that tunnel of suicidal thinking that I was like, I'm not safe. I have no where to go. I'm going to end up being a burden on other people if I have nowhere to go ... and all these belongings like, I just need to get rid of them. And then I was like, started thinking I should just get rid of myself.<sup>93</sup>

### **The impact of constant moves**

- 2.74 The process of moving from one rental property to another takes a toll mentally, emotionally and financially.<sup>94</sup> For example, Robyn shared her experience with the committee:

Time spent searching for a suitable place to live, attending property viewings—along with 30, 40 or 50 other people—filling out rental applications, packing and moving is time consuming, expensive, repetitive,

<sup>89</sup> AJ, *Submission 87*, [p. 1].

<sup>90</sup> Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 22.

<sup>91</sup> See, for example, Ms Penny Carr, Chief Executive Officer, Tenants Queensland, *Proof Committee Hansard*, 23 August 2023, p. 1; Mr Leo Patterson Ross, Chief Executive Officer, Tenants' Union of NSW, *Proof Committee Hansard*, 24 August 2023, p. 4.

<sup>92</sup> See, for example, Martina, private capacity, *Proof Committee Hansard*, 23 August 2023, pp. 23–24; Jane, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 25.

<sup>93</sup> Black Dog Institute and Suicide Prevention Australia, *Submission 107*, [p. 5].

<sup>94</sup> See, for example, AJ, *Submission 87*, [p. 1]; Jo, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 21; Jennifer, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 27; Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 22.

counterproductive and always— always—hugely anxiety-producing. Constant renewal of rental contracts every six or 12 months creates ongoing uncertainty and precarity. It diverts our attention away from security of home and place; we don't have that anymore. Our basic essential need for shelter is continually negotiated. It diminishes overall productivity and undermines our sense of wellbeing and safety.<sup>95</sup>

2.75 People testified that they were held back from progressing in various aspects of their lives due to constant moves:

... my ability to progress financially, professionally and personally is often slowed by the fact that I've had to move so many times. It's so stressful. It impacts every part of your life—your health, wellbeing, finances and sense of security.<sup>96</sup>

2.76 The University of Melbourne Graduate Student Association submitted that the stressful and time-consuming nature of rental applications and moving damages the educational outcomes of renters who are studying because they are less able to devote themselves to study commitments and research.<sup>97</sup>

### **Accommodation minimum standards**

2.77 The committee received powerful evidence that many renters across the country are living in conditions that are unsafe, unhygienic, and causing great discomfort.<sup>98</sup>

2.78 In the context of rising rents and low vacancy rates, the committee heard that renters have little choice but to accept substandard properties:

You will see properties not fit for human habitation asking hundreds of dollars per week to rent; cabinetry peeling and rotting, kitchens with carpet in them, peeling lino, mould growing in showers, unsteady floors. Places stinking of cigarette smoke. ... You will see properties with ancient, unsafe heaters, no air conditioning ...

And then worst of all, you will accept one of these places. You're a young poor student and you don't have any other choices. You couldn't afford something habitable, so instead you apply for and take the places with the heater that you're scared to turn on, with no insulation, and run up the heating bill up, cranking an oil heater all through winter.<sup>99</sup>

2.79 It was said that some rental properties were so unsanitary that they caused health issues:

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<sup>95</sup> Robyn, private capacity, *Proof Committee Hansard*, 23 August 2023, pp. 25–26.

<sup>96</sup> Jo, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 21.

<sup>97</sup> University of Melbourne Graduate Student Association, *Submission 68*, p. 9.

<sup>98</sup> See, for example, Anika Legal, *Submission 105*, [p. 2]; Energetic Communities Association, *Submission 108*, Attachment 1; Georgina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 21; Jennifer, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 27.

<sup>99</sup> Hanc Casement, *Submission 77*, [p. 1].

For the past few months, Harley has been living in what I would describe as an attic space in boarding accommodation. ... Harley has suffered skin irritations, including a golden staph infection, whilst living in this space. I would not consider it suitable for an animal, let alone for a human. However, he pays \$300 a week for this space.<sup>100</sup>

2.80 Mould was widely reported in rental properties, in some cases causing respiratory issues and damaging renters' personal items.<sup>101</sup>

### Energy efficiency standards

2.81 A significant number of submissions gave evidence that rental properties are poorly sealed and insulated, leaving renters in extreme discomfort.<sup>102</sup> For example, Jennifer testified at the public hearing in Brisbane:

We have lived in homes that are nothing more than wooden tents—draughty, cold in winter, hot in summer, allowing biting insects such as mosquitoes to enter and cockroaches to infest our home.<sup>103</sup>

2.82 This was echoed at the public hearing by Amity, who said:

I've had houses get so hot in summer that my glasses slide down my nose while I'm working at the computer and we put our bedsheets in the fridge for a while before going to bed. Some houses have been so cold in winter that it's warmer outside than inside.<sup>104</sup>

2.83 Sweltering Cities confirmed that renters are 'more likely [than homeowners] to live in low energy efficiency homes with no insulation or air conditioning'.<sup>105</sup> This means that 'renters often face higher relative energy costs to run their homes'.<sup>106</sup> Research by Better Renting uncovered that renters are 'spending an absolute fortune on heating inefficient homes'.<sup>107</sup>

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<sup>100</sup> Georgina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 21.

<sup>101</sup> See, for example, Name Withheld, *Submission 114*, [p. 1]; Sophie, *Submission 139*, [pp. 1–2]; Ms Fiona Caniglia, Executive Director, Q Shelter, *Proof Committee Hansard*, 23 August 2023, p. 8; Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 23; Ada, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 29.

<sup>102</sup> See, for example, Sweltering Cities, *Submission 16*, [p. 1]; Energetic Communities Association, *Submission 108*, Attachment 1; Anglicare Australia, *Submission 100*, p. 7; Anika Legal, *Submission 105*, [p. 2]; Anti-Poverty Network SA, *Submission 145*, p. 4.

<sup>103</sup> Jennifer, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 27.

<sup>104</sup> Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 23.

<sup>105</sup> Sweltering Cities, *Submission 16*, [p. 1].

<sup>106</sup> Energetic Communities Association, *Submission 108*, p. 4. See also, Anglicare WA, *Submission 3*, [p. 7]; AHURI, *Submission 57*, p. 13.

<sup>107</sup> Ms Sabrina Clarke, Campaigner, Better Renting, *Proof Committee Hansard*, 30 August 2023, p. 8.

- 2.84 Ada, a witness who appeared at the public hearing in Canberra, highlighted the measures she had to take to regulate the temperature in her home while minimising energy costs:

I holed myself up in the room I'd converted into a nursery, which is the smallest room and the room that is easiest to heat. It's got bubble wrap on the windows. The vents are covered over with plastic. The doors are reinforced. So I could heat up that room to a comfortable temperature, and the rest of the house I would heat to 10 to 12 degrees. ... The only time I've heated the whole house this entire winter was when I was in labour, when I thought: 'As a special treat, let's turn on the central heating. We'll go 20 degrees.'<sup>108</sup>

### **Repairs and maintenance**

- 2.85 Inquiry participants widely reported that repairs and maintenance on rental properties are not conducted in a timely manner, and in some cases fail to occur at all.<sup>109</sup> Uniting Communities noted that:

Some landlords are reportedly exceeding what would be considered a reasonable timeframe to respond to both urgent and non-urgent repairs. This includes months or even years beyond what is considered a reasonable timeframe. This presents a major issue for tenants who subsequently live in substandard and poor housing conditions.<sup>110</sup>

- 2.86 The committee heard of renters' requests for repairs and maintenance going unanswered:

My agent took ten days to get hot water maintenance during the middle of winter. They told me hot water was a "luxury" which did not constitute an urgent repair and that I could use boiled water from the stove or facilities such as the gym instead.

Routine maintenance requests were ignored while property inspections were carried out every six months to the day.<sup>111</sup>

- 2.87 Skills and trades shortages are also a significant factor contributing to the delay in repairs and renovations:

Build rates have nearly doubled. They will start to improve, but we still remain with some of the most acute skills shortages and trade shortages for the amount of work that's out there. The reason is partly COVID and the amount of work that's been going on since then, but we've also seen a significant drain of skilled labour into infrastructure projects. Renovation projects, even though new home sales have really fallen off a cliff, have continued to grow quite substantially. The draw on skilled labour is still

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<sup>108</sup> Ada, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 29.

<sup>109</sup> See, for example, RAHU, *Submission 55*, p. 22; Jo, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 20; Jennifer, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 27.

<sup>110</sup> Uniting Communities, *Submission 53*, p. 7.

<sup>111</sup> RAHU, *Submission 55*, p. 28.

very significant, and so we're still at close to the lowest levels of the availability of skilled labour that we've had in our history.<sup>112</sup>

- 2.88 Jo gave evidence at the public hearing in Brisbane that the lack of repairs and maintenance to her rental property created a risk to her health:

In several of the properties I've rented, maintenance has been very poor. During one tenancy, a rusty hole in the bath cut my foot, resulting in the need for a tetanus shot which cost me \$45. Both the landlord and the rental agent ignored my correspondence about this issue and no repairs were carried out.<sup>113</sup>

- 2.89 The SYC submitted that issues with maintenance are 'one of the top three primary presenting reasons for tenants to contact RentRight SA for advice and assistance'.<sup>114</sup>

### *Reprisal against renters for raising repair and maintenance requests*

- 2.90 Renters gave evidence that they had experienced reprisal from real estate agents and landlords for raising repair and maintenance requests.<sup>115</sup> In one case, the landlord refused to renew the lease after deeming the renters 'difficult' for requesting repairs to major subsidence damage.<sup>116</sup>

- 2.91 Cain from Melbourne said he was evicted after raising an issue with a leaking pipe:

When a pipe started leaking in my bathroom ... mould started growing on the carpet. The smell was so strong that I couldn't sleep in my own bedroom anymore ... The landlord sent a cleaner in to vacuum the mould, and within a couple days it had grown back.

When I told the real estate agent that I'd be taking the issue to VCAT, the landlord decided to put the apartment up for sale and evicted me.<sup>117</sup>

- 2.92 AHURI noted that in some Australian jurisdictions, renters can appeal to the Civil and Administrative Tribunal to overturn a retaliatory eviction.<sup>118</sup> However, many inquiry participants pointed out the practical difficulties with enforcing renters' rights.<sup>119</sup> These difficulties will be explored further in the next section.

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<sup>112</sup> Mr David Bare, Executive Director, New South Wales, Housing Industry Association, *Proof Committee Hansard*, 24 August 2023, p. 54.

<sup>113</sup> Jo, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 20.

<sup>114</sup> SYC, *Submission 25*, p. 5.

<sup>115</sup> See, for example, RAHU, *Submission 55*, p. 17; Mark, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 28.

<sup>116</sup> Uniting Communities, *Submission 53*, p. 7.

<sup>117</sup> RAHU, *Submission 55*, p. 17.

<sup>118</sup> AHURI, *Submission 57*, p. 35.

<sup>119</sup> See, for example, Uniting Communities, *Submission 53*, p. 8; RAHU, *Submission 55*, p. 10.

## **Barriers to self-advocacy and enforcement of renters' rights**

- 2.93 Despite various Australian jurisdictions having some protections for renters, inquiry participants voiced the concern that renters are often prevented from advocating and enforcing their rights.<sup>120</sup>
- 2.94 Ms Farah Farouque, representing the National Association of Renters Organisations, told the committee at the public hearing in Canberra that 'essentially, the renter has to become the rental cop, a form of self-enforcement that is actually not viable'.<sup>121</sup>
- 2.95 Anika Legal outlined a range of barriers to self-enforcement of tenancy laws by renters:
- Self enforcement assumes that renters have the understanding and capacity to enforce their legal rights, and courage to tackle the significant power imbalance between themselves and their rental provider or real estate agent. This ignores the reality that many renters face multifaceted social and economic challenges which prevent them from being able to effectively advocate for themselves, and presumes that rental providers and real estate agents are always acting in good faith.<sup>122</sup>

## **The power imbalance between renters and landlords**

- 2.96 Chief among the reasons that renters face difficulties advocating and enforcing their rights, is the power imbalance between renters and landlords.<sup>123</sup> Renters face the risk that any actions they take to stand up for their rights may be met with retaliation from real estate agents and landlords who hold significant power over renters' current and future living circumstances.<sup>124</sup>
- 2.97 Several submitters noted that the current combination of record low vacancy rates and a shortage of affordable housing is exacerbating this power imbalance.<sup>125</sup>

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<sup>120</sup> See, for example, Professor Alan Morris, *Submission 44*, p. 3; Everybody's Home, *Submission 52*, pp. 2 and 6; Southern Homelessness Services Network, *Submission 82*, p. 16; University of Melbourne Graduate Student Association, *Submission 68*, p. 8; Anglicare Australia, *Submission 100*, p. 8; ACT Council of Social Service, *Submission 118*, p. 6; Darwin Community Legal Service, *Submission 109*, p. 11.

<sup>121</sup> Ms Farah Farouque, Director of Community Engagement, Tenants Victoria, National Association of Renters Organisations, *Proof Committee Hansard*, 30 August 2023, p. 2.

<sup>122</sup> Anika Legal, *Submission 105*, [p. 3].

<sup>123</sup> See, for example, PIAC, *Submission 45*, p. 4; Everybody's Home, *Submission 52*, p. 6; Southern Homelessness Services Network, *Submission 82*, p. 16; Anglicare Australia, *Submission 100*, p. 5.

<sup>124</sup> See, for example, SYC, *Submission 25*, p. 5; RAHU, *Submission 55*, p. 10; WA Council of Social Service, *Submission 81*, p. 7; Ms Penny Carr, Chief Executive Officer, Tenants Queensland, *Proof Committee Hansard*, 23 August 2023, p. 7.

<sup>125</sup> See, for example, Anglicare WA, *Submission 3*, [p. 7]; Everybody's Home, *Submission 52*, p. 6.

2.98 Uniting Communities explained the dilemma that renters are faced with when deciding whether to challenge their landlord's actions:

The current system relies on tenants to go to the Tribunal if the landlord is not following the law. Not only is this option a costly and lengthy process for the tenant but also puts tenants in a vulnerable position to repercussions from the landlord such as a rent increase, and a retaliatory eviction. In addition, tenants are reluctant to go to the Tribunal as this may result in a poor review about them on a tenancy database that could prevent them from attaining another rental property.<sup>126</sup>

2.99 Many inquiry participants argued that the availability of no-grounds evictions has a 'chilling effect' as it exposes renters to the threat of retaliatory evictions.<sup>127</sup> Additionally, Mr Andrew Barker, Senior Economist at the CEDA, pointed out that 'tenants can effectively be evicted if they're given an egregious or unreasonable rent increase'.<sup>128</sup>

2.100 Anika Legal provided examples of real estate agents and landlords employing 'intimidatory tactics to coerce [people] out of asserting their rights as renters', including:

- threatening litigation, eviction or blacklisting of the renter without cause;
- submitting a bond claim to the relevant tribunal with little or no evidence to force renters to give up some or all of their bond;
- issuing a notice to vacate, then not following the reason given for the notice.<sup>129</sup>

2.101 Amity, at the public hearing in Brisbane, conveyed the real fear experienced by renters:

... we're putting up with crappy things for fear of another rent increase or a no-grounds eviction. We often talk about how we just pay the rent, stay quiet and hope the landlord will forget about us and leave us there.<sup>130</sup>

2.102 One renter said they are too afraid to request repairs despite living in hazardous conditions:

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<sup>126</sup> Uniting Communities, *Submission 53*, p. 7.

<sup>127</sup> Mr Shane Rattenbury MLA, Attorney-General, Australian Capital Territory Legislative Assembly, *Proof Committee Hansard*, 30 August 2023, p. 61. See also, Tenants' Union of NSW, *Submission 51*, p. 2; Tenants' Union of Tasmania, *Submission 110*, p. 8; ACT Council of Social Service, *Submission 118*, p. 4; Mr Andrew Barker, Senior Economist, CEDA, *Proof Committee Hansard*, 23 August 2023, p. 14.

<sup>128</sup> Mr Andrew Barker, Senior Economist, CEDA, *Proof Committee Hansard*, 23 August 2023, p. 14.

<sup>129</sup> Anika Legal, *Submission 105*, [p. 4].

<sup>130</sup> Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 22.

Our house is cold, mouldy and there are electrical problems and leaks but we don't ask for repairs because we fear being kicked out as a result or having the rent put up...<sup>131</sup>

2.103 Likewise, Rebecca told the committee at the public hearing in Sydney that she feared asserting her rights at the NSW Civil and Administrative Tribunal (NCAT):

Since we moved into the property there has been an urgent repair needed in our main family bathroom. Even though we have been working with the agent and the landlord to have it repaired, it's getting up to 12 months now and the urgent repair has not been completed. I am reluctant to go to NCAT and put in a submission for the rent relief due, because I'm fearful of a termination notice. I have a 13-year-old, a 10-year-old and a seven-year-old, and my 13-year-old has moved 12 times.<sup>132</sup>

2.104 At the National Cabinet on 16 August 2023, agreement was obtained from all states and territories to ensure provisions to allow appeals against retaliatory eviction notices are fit for purpose (e.g. evictions motivated by tenants taking reasonable action to secure or enforce legal rights, complain or disclose information about their tenancy).<sup>133</sup>

### ***Damage to renters' ability to secure future rental housing***

2.105 Inquiry participants argued that real estate agents' power to damage renters' chances of securing future rental housing is a significant deterrent to renters advocating and enforcing their rights.<sup>134</sup> For example, Caitriona stated:

The realtor also holds the power to tarnish my future renting capabilities by giving me a negative rental reference with absolutely no repercussions for them for the handling of the situation, hence, even if you do stand up for yourself to realtors like mine, they still do hold all the power.<sup>135</sup>

2.106 The committee was made aware of the existence of 'tenants blacklists' – databases containing the personal information of renters who have been deemed undesirable by real estate agencies.<sup>136</sup> Some blacklists were said to be accessible by a large number of real estate agencies, thereby effectively barring

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<sup>131</sup> Everybody's Home, *Submission 52*, p. 2.

<sup>132</sup> Rebecca, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 28.

<sup>133</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Meeting of National Cabinet – Working together to deliver better housing outcomes](#)', *Media Release*, 16 August 2023, Attachment 2.

<sup>134</sup> See, for example, Uniting Communities, *Submission 53*, p. 8; Mr Leo Patterson Ross, *Proof Committee Hansard*, 30 August 2023, p. 7.

<sup>135</sup> Caitriona, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 29.

<sup>136</sup> See, for example, Uniting Communities, *Submission 53*, p. 8; Catherine Haggerty, *Submission 140*, [p. 1]; Ms Natalie Bradshaw, Acting Solicitor in Charge, Combined Civil Law Specialist Teams, Legal Aid NSW, *Proof Committee Hansard*, 24 August 2023, p. 18.

people from securing another rental property within the same state or territory, or even within the country.<sup>137</sup>

2.107 Jennifer and Mark told the committee that they had been blacklisted simply for requesting reasonable repairs and maintenance.<sup>138</sup> This was echoed by Mr Leo Patterson Ross, representing the National Association of Renters' Organisations, who testified: 'It is very easy to be blacklisted, to be prevented from finding a new home, because you dared question'.<sup>139</sup>

2.108 Uniting Communities pointed out the opaqueness and unfairness of the blacklisting process, leaving renters vulnerable to the whims of real estate agents:

Some tenants are being blacklisted on a tenants database without their knowledge with no ability to contest the matter if they have been unfairly or inaccurately listed. ... Tenants are vulnerable to poor reviews made against them on a tenants database if they exert their rights by going to the Tribunal when the landlord is not following the law.<sup>140</sup>

### **Lack of knowledge, resources and support**

2.109 The committee received evidence that renters are often unequipped to advocate and enforce their rights due to a lack of knowledge, resources and support.<sup>141</sup>

2.110 The WA Council of Social Service indicated:

It is exceptionally challenging for tenants in the Australian rental markets to challenge increases in rent. ... due to the asymmetry of information, with market data far more readily accessible for landlords and property managers than tenants.<sup>142</sup>

2.111 Sam told the committee at the public hearing in Canberra that she was fortunate enough to have received support from Legal Aid and gained access to a resource called 'The Renting Book' which was crucial in building her understanding of

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<sup>137</sup> See, for example, Frog Safe Inc., *Submission 79*, [p. 5]; Ms Natalie Bradshaw, Acting Solicitor in Charge, Combined Civil Law Specialist Teams, Legal Aid NSW, *Proof Committee Hansard*, 24 August 2023, p. 18.

<sup>138</sup> Jennifer and Mark, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 28.

<sup>139</sup> Mr Leo Patterson Ross, Chief Executive Officer, Tenants' Union of NSW, National Association of Renters Organisations, *Proof Committee Hansard*, 30 August 2023, p. 7.

<sup>140</sup> Uniting Communities, *Submission 53*, p. 8.

<sup>141</sup> See, for example, WA Council of Social Service, *Submission 81*, p. 7; Anika Legal, *Submission 105*, [p. 3]; Peninsula Community Legal Centre, *Submission 94*, p. 6; Darwin Community Legal Service, *Submission 109*, p. 12; Housing Matters Action Group, *Submission 141*, [p. 12]; Sam, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 31.

<sup>142</sup> WA Council of Social Service, *Submission 81*, p. 7.

her rights and responsibilities.<sup>143</sup> However, Sam acknowledged that awareness of renters' rights is not widespread:

There has to be a structure, a proper legal written notice to vacate. I only found that out from getting access to what's called The Renting Book, which is something they have in the ACT, and it was only the other landlords that told me that that existed. I'd never heard of it.<sup>144</sup>

2.112 Sam noted that renters with lower English proficiency and other accessibility needs would have additional difficulties accessing information about their rights:

We are fortunate in that we are well-educated folk. Not everybody would have the privilege that we had, but we just didn't know the rental market. So, perhaps, for people with, maybe, English as a second language and for people with disability, having ways that that information can be accessed through organisations that can help renters would be fantastic.<sup>145</sup>

### **Renters' personal circumstances**

2.113 The committee heard that renters' personal circumstances often make it difficult for them to invest time and energy in challenging landlords' actions.<sup>146</sup>

2.114 The Renters and Housing Union (RAHU) underscored the many competing demands on renters:

Capacity for self-advocacy is modified by the level of understanding of the housing system, current health and demands on a renter's time. A renter is often struggling to get a repair carried out, fighting a rent increase, trying to find another place to live in, working a job and trying to raise a family at the same time.<sup>147</sup>

2.115 Ms Fiona Caniglia, Executive Director at Q Shelter, pointed out that 'many renters will be experiencing aspects of vulnerability and disadvantage', including histories of trauma and poor physical and mental health.<sup>148</sup> Accordingly, she suggested it is understandable that renters may respond to housing issues with 'an extreme fear reaction' and avoidance.<sup>149</sup>

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<sup>143</sup> Sam, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 31.

<sup>144</sup> Sam, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 31.

<sup>145</sup> Sam, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 32. See also, Forcibly Displaced People Network, *Submission 156*, p. 13.

<sup>146</sup> See, for example, RAHU, *Submission 55*, p. 10; Ms Fiona Caniglia, Executive Director, Q Shelter, *Proof Committee Hansard*, 23 August 2023, p. 7.

<sup>147</sup> RAHU, *Submission 55*, p. 10.

<sup>148</sup> Ms Fiona Caniglia, Executive Director, Q Shelter, *Proof Committee Hansard*, 23 August 2023, p. 7.

<sup>149</sup> Ms Fiona Caniglia, Executive Director, Q Shelter, *Proof Committee Hansard*, 23 August 2023, p. 7.

2.116 The arduous and time-consuming nature of the legal processes involved in challenging a landlord's actions may be a further deterrent for renters.<sup>150</sup> As one renter remarked:

Each time I have gone to [the Victorian Civil and Administrative Tribunal] VCAT the process has been mentally exhausting and at every step I have had to meticulously document the issues, take photos and videos, keep emails, document all evidence and be prepared to fight for myself. The burden of proof is heavily weighted on the tenant.<sup>151</sup>

### **Homelessness and marginal housing**

2.117 Inquiry participants consistently conveyed that one of their biggest fears was of becoming homeless.<sup>152</sup> Many people expressed dismay that in the current rental crisis having a roof over one's head is commonly considered a privilege.<sup>153</sup> Georgina stated at the public hearing in Brisbane:

No, I don't have to live in a car or a tent, but I live in an overpriced one-bedroom apartment that is on the street where people live in their cars, down the road from the park where people have spent months now in a tent. We think we've won the luck of the draw if that isn't us, when we should be asking why every person in this country, regardless of economic status, age or disability, doesn't have equal opportunity to live somewhere safe and stable.<sup>154</sup>

2.118 The Salvation Army's research for the 2023 Red Shield Appeal Report found that one of the main concerns for 31 per cent of respondents was facing, or the prospect of facing, homelessness.<sup>155</sup>

2.119 The committee heard that many people across the country are on the brink of homelessness and are resorting to living in marginal housing such as caravans.<sup>156</sup>

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<sup>150</sup> See, for example, Anika Legal, *Submission 105*, [p. 3]; Michelle Tyrrell, *Submission 142*, [p. 1].

<sup>151</sup> Michelle Tyrrell, *Submission 142*, [p. 1].

<sup>152</sup> See, for example, Martina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 23; Caitriona, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 29.

<sup>153</sup> See, for example, Georgina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 22; Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 23.

<sup>154</sup> Georgina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 22.

<sup>155</sup> The Salvation Army, *Submission 17*, p. 11.

<sup>156</sup> See, for example, The Salvation Army, *Submission 17*, p. 33; Southern Homelessness Services Network, *Submission 82*, p. 11; Janet, private capacity, *Proof Committee Hansard*, 23 August 2023, pp. 31–32.

### **People living in caravans and trailers**

2.120 One renter who appeared at the public hearing in Canberra told the committee that she had decided to move into a caravan to cut down on housing costs.<sup>157</sup> This is a sacrifice she felt she had to make to be able to afford to pursue her studies and provide for her children:

At the start of next year I have decided that I am going to be moving into a caravan while I am hopefully waiting for affordable housing and I want to start studying again so that I can afford to send them to swimming lessons. It's going to be very difficult and hard but in a different way from what it is now. I could afford to buy them clothes.<sup>158</sup>

2.121 A Salvation Army housing and homelessness worker similarly spoke of a family living in regional Victoria that was forced to move into a camper trailer because of the shortage of affordable rental housing:

...They applied for rentals all over the state but were unsuccessful. There were very few rentals that were within their affordability. The family ended up, and are currently, living in a camper trailer – camping so that one of the children could still attend the local special school.<sup>159</sup>

2.122 Janet, who appeared at the public hearing in Brisbane, gave evidence of the severe impacts on her health and wellbeing as a result of having to live in a caravan:

For the first time in my life, and beyond my wildest dreams, I'm living in a caravan with my younger brother, who's sharing it with me, on my older brother's property. ... How low can a person's life get? That's what goes through my mind. ... What's happened to me has caused my mental health to crash, and it's crashed big time, along with my physical health. I don't sleep well. I'm a shadow of what I was 2½ years ago. My mind screams from helplessness and hopelessness.<sup>160</sup>

### **People living in boarding houses**

2.123 According to the Southern Homelessness Services Network, the number of people who are homeless and living in private boarding houses (also known as rooming houses) has nearly doubled between 2016 and 2021.<sup>161</sup>

2.124 The Western Homelessness Network emphasised that in many cases boarding houses were the only affordable option for single people.<sup>162</sup>

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<sup>157</sup> Witness A, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 36.

<sup>158</sup> Witness A, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 36.

<sup>159</sup> The Salvation Army, *Submission 17*, p. 33.

<sup>160</sup> Janet, private capacity, *Proof Committee Hansard*, 23 August 2023, pp. 31–32.

<sup>161</sup> Southern Homelessness Services Network, *Submission 82*, p. 11.

<sup>162</sup> Western Homelessness Network, *Submission 143*, p. 16.

2.125 Various submitters raised concerns with the standard of accommodation provided, including safety and hygiene issues.<sup>163</sup> The Southern Homelessness Services Network submitted that:

Rooming house residents overwhelmingly report rooming houses to be dangerous and violent, dirty, and harmful to their mental health. ... Some rooming house operators take advantage of vulnerable people – using standover and extortion tactics – while providing extremely poor housing.<sup>164</sup>

2.126 Alice recounted her negative experience in a boarding house:

... boarding houses aren't nice especially if you're a girl. Like ... anybody could knock the doors open. Like they were locked, but a kick and they were open, so it was awful ... Very unsafe, like really unsafe and then you'd hear couples fighting and screaming and you'd just think, "Please don't knock on my door. Please don't notice me, god no". So yeah, it was bad, it was really bad.<sup>165</sup>

2.127 The Western Homelessness Network warned that the unsafe conditions in boarding houses could lead to re-traumatisation, substance abuse and deteriorating health.<sup>166</sup>

### **Growing demand for homelessness services**

2.128 Homelessness services have recently experienced a considerable uptick in demand, reflecting the increasingly dire situation facing many renters.<sup>167</sup>

2.129 Ms Fiona Caniglia, Executive Director at Q Shelter, told the committee: 'We're seeing homelessness services absolutely overwhelmed'.<sup>168</sup> The Western Homelessness Network also conveyed that homelessness services in their area are unable to keep up with the demand for assistance:

Services report an increasing number of people presenting for assistance, who the service system has no capacity to assist. In 2021/22, one of our two access/front end services was forced to turn away 8,000 people without even an appointment.<sup>169</sup>

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<sup>163</sup> See, for example, WIRE, *Submission 19*, [p. 3]; Professor Alan Morris, *Submission 44*, p. 4; Southern Homelessness Services Network, *Submission 82*, p. 12; Western Homelessness Network, *Submission 143*, p. 16.

<sup>164</sup> Southern Homelessness Services Network, *Submission 82*, p. 12.

<sup>165</sup> Professor Alan Morris, *Submission 44*, p. 4.

<sup>166</sup> Western Homelessness Network, *Submission 143*, p. 16.

<sup>167</sup> See, for example, Woden Community Service, Young Women's Christian Organisation Canberra and Capital Region Community Services, *Submission 22*, [p. 2]; Homelessness Australia, *Submission 54*, [p. 2]; Western Homelessness Network, *Submission 143*, p. 13; Mr Michael Chester, Co-Chief Executive Officer, Uniting WA, *Proof Committee Hansard*, 30 August 2023, p. 56.

<sup>168</sup> Ms Fiona Caniglia, Executive Director, Q Shelter, *Proof Committee Hansard*, 23 August 2023, p. 7.

<sup>169</sup> Western Homelessness Network, *Submission 143*, p. 13.

2.130 Ms Aimee McVeigh, Chief Executive Officer of the Queensland Council of Social Service, similarly noted that:

... our specialist homelessness services are under immense and unprecedented pressure. ... they are seeing a completely different group of people—people who are fully employed, families with children—needing support.<sup>170</sup>

2.131 Numerous organisations observed that the increase in demand for homelessness services is largely being driven by a growing number of private renters who are at risk of homelessness.<sup>171</sup> For example, Uniting Communities' Homeless Connect program in South Australia is seeing:

... a new cohort of people whose rental situations have deteriorated to the extent that they are either at the end of their lease, being evicted or cannot find rental accommodation to move into.<sup>172</sup>

2.132 Ms Kate Colvin, Chief Executive Officer of Homelessness Australia, confirmed that 'the rental crisis is clearly driving increased homelessness in Australia'.<sup>173</sup>

### **Committee view**

2.133 The committee appreciates the brave testimonies of renters and people experiencing homelessness and marginal housing who shared their experiences of hardship.

2.134 Adequate housing was recognised as part of 'the right to an adequate standard of living' in Article 25 of the 1948 *Universal Declaration of Human Rights* and in Article 11.1 of the 1966 *International Covenant on Economic, Social and Cultural Rights*. Disturbingly, the committee heard many personal accounts from people of all walks of life indicating that securing adequate housing has become out of reach for many renters in Australia.

2.135 The experience of prospective renters having to resort to 'rent bidding' to try to secure often substandard housing is extremely concerning, as are the invasive screening practices on prospective renters and reports of discrimination in the private rental market.

2.136 Many renters across the country are struggling to meet the rising costs of rent. The committee heard distressing accounts of deprivation and food insecurity,

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<sup>170</sup> Ms Aimee McVeigh, Chief Executive Officer, Queensland Council of Social Service, *Proof Committee Hansard*, 23 August 2023, p. 40.

<sup>171</sup> See, for example, Western Homelessness Network, *Submission 143*, p. 6; Mr Simon Schrapel, Chief Executive, Uniting Communities, *Proof Committee Hansard*, 30 August 2023, p. 55.

<sup>172</sup> Mr Simon Schrapel, Chief Executive, Uniting Communities, *Proof Committee Hansard*, 30 August 2023, p. 57.

<sup>173</sup> Ms Kate Colvin, Chief Executive Officer, Homelessness Australia, *Proof Committee Hansard*, 30 August 2023, p. 37.

highlighting the struggles of people living in rental stress. The significant increase in people seeking emergency relief and assistance from homelessness services cannot be ignored.

- 2.137 Many inquiry participants talked about the derelict conditions of properties. The committee notes that the fear of losing their accommodation or being 'blacklisted' by real estate agents prevents many renters from asking for basic maintenance or repairs. This is resulting in too many individuals and families living in unsafe and squalid conditions despite paying high rents.
- 2.138 The evidence received by the committee points to the urgent need to rectify the power imbalance between tenants and landlords. Reforming rental regulations is a priority. As referenced at various points throughout this chapter, the committee is encouraged to see that National Cabinet agreed on 16 August 2023 to 'A Better Deal for Renters' to harmonise and strengthen renters' rights across Australia, which intends to address most of the concerns outlined above. The committee urges the Australian Government to continue to take an ambitious coordinating role in this process.

### **Recommendation 1**

- 2.139 The committee recommends that the Australian Government take a coordinating role to implement stronger rental rights.**



# Chapter 3

## Facing additional barriers to renting

3.1 The impacts of the rental crisis are disproportionately felt by a range of people who are already experiencing disadvantage. The committee heard that the rental crisis is exacerbating existing inequalities and leaving many people in increasingly desperate situations.

3.2 In addition to the issues discussed in Chapter 2, the committee received compelling evidence regarding further barriers to renting faced by the following cohorts:

- income support recipients;<sup>1</sup>
- First Nations peoples;<sup>2</sup>
- people with disability;<sup>3</sup>
- victim-survivors of domestic and family violence;<sup>4</sup>
- older Australians;<sup>5</sup>
- younger Australians;<sup>6</sup>
- people living in regional, rural and remote Australia;<sup>7</sup>
- asylum seekers, refugees, and newly arrived migrants;<sup>8</sup>
- international students;<sup>9</sup> and

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<sup>1</sup> See, for example, Economic Justice Australia, *Submission 43*, pp. 1–2; Anglicare Australia, *Submission 100*, p. 9.

<sup>2</sup> See, for example, ANTA, *Submission 111*, pp. 3 and 5; Change the Record, *Submission 128*, p. 4.

<sup>3</sup> See, for example, Children and Young People with Disability Australia, *Submission 102*, [pp. 2–4]; Action for More Independence and Dignity in Accommodation (AMIDA), *Submission 129*, pp. 2 and 4.

<sup>4</sup> See, for example, WIRE, *Submission 19*, [p. 3]; Full Stop Australia, *Submission 126*, pp. 4–5.

<sup>5</sup> See, for example, Council on the Ageing Victoria and Seniors Rights Victoria, *Submission 6*, pp. 3 and 5; Housing for the Aged Action Group, *Submission 130*, pp. 2–5.

<sup>6</sup> See, for example, Headspace, *Submission 23*, p. 7; Youth Affairs Council of South Australia (YACSA), *Submission 80*, [pp. 1–2].

<sup>7</sup> See, for example, Bankwest Curtin Economic Centre, *Submission 112*, [p. 8]; Regional Development Australia (RDA), *Submission 136*, p. 5.

<sup>8</sup> See, for example, Multicultural Australia, *Submission 104*, pp. 3–5; Forcibly Displaced People Network, *Submission 156*, pp. 7–8.

<sup>9</sup> See, for example, University of Melbourne Graduate Student Association, *Submission 68*, p. 7; Redfern Legal Centre, *Submission 113*, [p. 1].

- people exiting prison.<sup>10</sup>
- 3.3 This chapter examines the issues of particular significance to each of these vulnerable cohorts amidst the ongoing rental crisis. The committee recognises that many of these issues overlap and intersect.<sup>11</sup>

### **Income support recipients**

3.4 Income support recipients face acute difficulties securing and maintaining rental housing.<sup>12</sup>

3.5 Ms Emma Greenhalgh, Chief Executive Officer of National Shelter, described the current situation for people receiving income support:

I wouldn't even call it housing stress. It would be housing distress and likely to be homelessness. It's dire.<sup>13</sup>

3.6 While several inquiry participants welcomed the Government's recent increases to income support payments,<sup>14</sup> others pointed out that these payments remain well below the poverty line and are failing to keep up with rising rents and overall cost of living.<sup>15</sup>

3.7 Inquiry participants also noted that the lack of government investment in social and affordable housing is a significant contributor to housing shortages for income support recipients, causing an undue burden on the private housing market to resolve the shortfall:

You have 750,000 people on disability support pension. You have 1.3 million people on JobSeeker. Okay, a proportion of them would be living with family et cetera, but a proportion would be dependent on the private rental sector. As the Anglicare survey illustrates—when they do that one week, one day in April—less than one per cent of rental properties are affordable, as measured by paying less than 30 per cent of your income on accommodation. Obviously, supply is important; no doubt about it. But to leave it totally to the market and expect that to resolve the problem, I think,

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<sup>10</sup> See, for example, Change the Record, *Submission 128*, p. 7; Catholic Health Australia, *Submission 131*, p. 7.

<sup>11</sup> See, for example, Castan Centre for Human Rights Law, *Submission 32*, pp. 4–5; ANTAR, *Submission 111*, p. 11.

<sup>12</sup> See, for example, Economic Justice Australia, *Submission 43*, pp. 1–2; Forcibly Displaced People Network, *Submission 156*, p. 10.

<sup>13</sup> Ms Emma Greenhalgh, Chief Executive Officer, National Shelter, *Proof Committee Hansard*, 30 August 2023, p. 13.

<sup>14</sup> See, for example, Tenants Victoria, *Submission 115*, p. 2; Ms Jennifer Kirkaldy, General Manager, Policy and Advocacy, The Salvation Army, *Proof Committee Hansard*, 30 August 2023, p. 54.

<sup>15</sup> See, for example, Anglicare WA, *Submission 3*, [p. 9]; Headspace, *Submission 23*, p. 10; Anglicare Australia, *Submission 100*, p. 9.

is false. It's not correct. It will not resolve the problem. I think that bottom 20 or 30 per cent are being invisibilised in the housing market.<sup>16</sup>

3.8 According to Anglicare's nation-wide 2023 Rental Affordability Snapshots, the overwhelming majority of available rental properties are unaffordable for income support recipients.<sup>17</sup> For example, out of 45,895 listings across the country on 17 March 2023:

- zero properties (0.0 per cent) were affordable for a single person over 18 years of age receiving Youth Allowance;
- four properties (0.0 per cent) – all of which were rooms in share houses – were affordable for a single person on JobSeeker;
- 66 properties (0.1 per cent) were affordable for a single person over 21 years of age receiving the Disability Support Pension; and
- 162 properties (0.4 per cent) were affordable for a single person receiving the Age Pension.<sup>18</sup>

3.9 In addition to rental affordability issues, income support recipients face discrimination from real estate agents and landlords which further diminishes their prospects of securing rental housing.<sup>19</sup>

### **High rates of rental stress**

3.10 Among renters on income support, a very high number experience rental stress and are 'unable to meet the basic costs of living'.<sup>20</sup> Anglicare Australia submitted that 'the pace and size of rent increases are far outstripping these payments and pushing more Australians into poverty and housing stress'.<sup>21</sup>

3.11 The following case study of a father in receipt of JobSeeker payments demonstrates the financial struggles faced by many income support recipients:

... [Mick] said he found it extremely difficult to cover his rent and all of his basic household expenses. This often meant Mick ran out of money in the second week of his fortnightly payment period, leaving him with no money for public transport, and unable to attend job interviews that weren't within walking distance of his home. He also often couldn't afford to top up the

<sup>16</sup> Professor Alan Morris, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 43.

<sup>17</sup> See, for example, Anglicare WA, *Submission 3*, [p. 4]; Anglicare Australia, *Submission 100*, p. 4; NT Shelter, *Submission 116*, p. 8; Australian Council of Social Service (ACOSS), *Submission 117*, pp. 2–3.

<sup>18</sup> ACOSS, *Submission 117*, pp. 2–3.

<sup>19</sup> See, for example, Family Access Network, *Submission 2*, [p. 2]; Southern Homelessness Services Network, *Submission 82*, p. 17.

<sup>20</sup> Ms Aimee McVeigh, Chief Executive Officer, Queensland Council of Social Service, *Proof Committee Hansard*, 23 August 2023, p. 42. See also, The Salvation Army, *Submission 17*, p. 10; Anglicare Australia, *Submission 100*, p. 9.

<sup>21</sup> Anglicare Australia, *Submission 100*, p. 9.

credit on his phone, which made it hard for him to engage with employers and employment service providers ...<sup>22</sup>

- 3.12 Similarly, a renter receiving the single parent pension testified at a public hearing that she had resorted to borrowing money from friends and family and accessing food banks to meet her family's basic needs.<sup>23</sup>

### Issues with Commonwealth Rent Assistance

- 3.13 The committee received evidence that many people in need of Commonwealth Rent Assistance (CRA) are unable to access it due to narrow eligibility criteria.<sup>24</sup> For example, Anglicare WA noted that:

The CRA is inadequate for people living in share housing, as they are often unable to meet the requirements around lease agreements, and the payment cut-in criteria disadvantages those on lowest incomes, since they have to spend a much larger proportion of their income on rent before they become eligible for the assistance. As a consequence of these issues, only one in three people on the JobSeeker payment is eligible for the payment, and only one in four income support recipients get the payment overall.<sup>25</sup>

- 3.14 There was also widespread criticism of the inadequacy of CRA.<sup>26</sup> Economic Justice Australia, for example, submitted that:

With maximum rent assistance rates currently capped at just \$78 per week for a single nonsharer, rent assistance bears no relation to the private rental market, particularly in capital cities and regional centres.<sup>27</sup>

- 3.15 As at 30 June 2023, there were 70.6 per cent of CRA households paying more than 30 per cent of their income on rent (the measure used for rental stress), before their CRA payment. This reduced to 42.9 per cent after their CRA payment.<sup>28</sup>

- 3.16 As noted in Chapter 1, the Government has pledged to increase the maximum rates of CRA by 15 per cent from 20 September 2023 which will benefit around

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<sup>22</sup> Economic Justice Australia, *Submission 43*, pp. 2–3.

<sup>23</sup> Witness A, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 35.

<sup>24</sup> See, for example, Anglicare WA, *Submission 3*, [p. 6]; Anglicare Australia, *Submission 100*, p. 9; Tenants Victoria, *Submission 115*, p. 2; ACOSS, *Submission 117*, p. 5; ACT Council of Social Service, *Submission 118*, p. 9.

<sup>25</sup> Anglicare WA, *Submission 3*, [p. 6].

<sup>26</sup> See, for example, Anglicare Australia, *Submission 100*, p. 9; ACOSS, *Submission 117*, pp. 4–5; ACT Council of Social Service, *Submission 118*, p. 8; Grattan Institute, *Submission 127*, p. 20; Ms Linda Forbes, Law Reform Officer, Economic Justice Australia, *Proof Committee Hansard*, 24 August 2023, p. 12; Ms Kristin O'Connell, Research and Policy, Antipoverty Centre, *Proof Committee Hansard*, 24 August 2023, p. 32.

<sup>27</sup> Economic Justice Australia, *Submission 43*, pp. 1–2.

<sup>28</sup> Treasury and Department of Social Services (DSS), *Submission 133*, p. 33.

1.1 million households.<sup>29</sup> This would result in an increase in the maximum weekly rate of CRA for a single nonsharer from approximately \$78 to \$90. The proportion of CRA households in rental stress following payment is expected to drop by around three percentage points.<sup>30</sup>

- 3.17 Several submitters remarked that the design of CRA does not account for the differences in rental prices and cost of living across the country, and that the CRA consequently fails to address the needs of many recipients.<sup>31</sup>

### First Nations peoples

- 3.18 Inquiry participants pointed out that First Nations peoples are disproportionately impacted by the rental crisis.<sup>32</sup> As noted by Change the Record, First Nations peoples are:

... disproportionately renters ... First Nations households are consistently more likely than other households to live in a rental, at 56.1% compared with 30.6% of non-Indigenous people.<sup>33</sup>

- 3.19 The increasing unaffordability of rental housing is said to pose additional challenges for First Nations peoples who are overrepresented in low-income households.<sup>34</sup> The First Peoples Disability Network indicated that First Nations households are almost twice as likely as other households to be experiencing rental stress.<sup>35</sup>
- 3.20 First Nations peoples also experience 'structural gendered and racialised inequalities which are known to increase the risk of homelessness and housing precarity', including violence and criminalisation.<sup>36</sup>

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<sup>29</sup> Treasury and DSS, *Submission 133*, p. 33.

<sup>30</sup> Treasury and DSS, *Submission 133*, p. 33.

<sup>31</sup> See, for example, Darwin Community Legal Service, *Submission 109*, p. 8; ACT Council of Social Service, *Submission 118*, p. 9.

<sup>32</sup> See, for example, First Peoples Disability Network, *Submission 15*, p. 2; Headspace, *Submission 23*, pp. 4–5; Castan Centre for Human Rights Law, *Submission 32*, p. 5; ANTAR, *Submission 111*, p. 3; Change the Record, *Submission 128*, p. 4; Mallee District Aboriginal Services, *Submission 132*, p. 5.

<sup>33</sup> Change the Record, *Submission 128*, p. 4. See also, Victorian Aboriginal Housing and Homelessness Forum, *Submission 21*, p. 4; Indigenous Business Australia, *Submission 29*, p. 2.

<sup>34</sup> See, for example, Victorian Aboriginal Housing and Homelessness Forum, *Submission 21*, p. 2; Headspace, *Submission 23*, pp. 4–5; Mallee District Aboriginal Services, *Submission 132*, p. 5.

<sup>35</sup> First Peoples Disability Network, *Submission 15*, p. 2.

<sup>36</sup> Change the Record, *Submission 128*, p. 6.

### **Discrimination in the private rental market**

- 3.21 First Nations peoples reported being frequently subject to racial discrimination when trying to access private rental housing.<sup>37</sup>
- 3.22 Several submitters suggested that it is easier to secure a lease if a person is less easily identifiable as being First Nations.<sup>38</sup> Indeed, Indigenous Business Australia presented the following testimony from an individual:

When we first looked for private rental, we found it very hard because it was me and my husband walking around together, and he's got beautiful dark skin, and... we couldn't get a flat. And I wondered why. So I left him home one day, and because I could talk whitefella still, I was able to get a flat.<sup>39</sup>

### **The shortage of adequate social housing**

- 3.23 Around 14 per cent of public housing residents were First Nations people in 2021–22.<sup>40</sup> Various submitters emphasised that the shortage of adequate social housing disproportionately impacts First Nations peoples.<sup>41</sup> Kimberley Community Legal Services submitted that:

Social housing is an important aspect of housing provision in the region (particularly in remote Aboriginal communities) ... The high levels of homelessness and overcrowding indicate there are insufficient numbers of social housing properties available ...<sup>42</sup>

- 3.24 Likewise, the Victorian Aboriginal Housing and Homelessness Forum argued that the declining availability of social housing within the state had led to higher rates of First Nations homelessness and housing instability.<sup>43</sup> For example, overcrowding was said to be common in First Nations households, resulting from the social housing shortage.<sup>44</sup>

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<sup>37</sup> See, for example, Centre for Excellence in Child and Family Welfare, *Submission 18*, p. 3; Victorian Aboriginal Housing and Homelessness Forum, *Submission 21*, p. 2; Indigenous Business Australia, *Submission 29*, p. 3; ANTAR, *Submission 111*, p. 5; Change the Record, *Submission 128*, p. 4.

<sup>38</sup> See, for example, First Peoples Disability Network, *Submission 15*, p. 4; Change the Record, *Submission 128*, p. 4.

<sup>39</sup> Indigenous Business Australia, *Submission 29*, p. 3.

<sup>40</sup> Treasury and DSS, *Submission 133*, p. 30.

<sup>41</sup> See, for example, Victorian Aboriginal Housing and Homelessness Forum, *Submission 21*, p. 3; NT Shelter, *Submission 116*, p. 9; Kimberley Community Legal Services, *Submission 119*, p. 3; Change the Record, *Submission 128*, p. 10.

<sup>42</sup> Kimberley Community Legal Services, *Submission 119*, p. 3.

<sup>43</sup> Victorian Aboriginal Housing and Homelessness Forum, *Submission 21*, p. 3.

<sup>44</sup> See, for example, NT Shelter, *Submission 116*, p. 9; Change the Record, *Submission 128*, p. 11.

3.25 The committee heard that where First Nations peoples are living in social housing, the properties are often of an inadequate standard:

In 2021, 33.5% of public housing for First Nations households did not meet agreed minimum acceptable standards, compared to 24% of all households. In community housing, 29% First Nations households lived in properties of an unacceptable standard, compared to 18.1% of all households.<sup>45</sup>

3.26 This leaves First Nations households ‘vulnerable to living in dangerous environments’.<sup>46</sup>

## People with disability

3.27 Inquiry participants highlighted the serious challenges faced by people with disability in navigating the private rental market.<sup>47</sup>

### Discrimination in the private rental market

3.28 Action for More Independence and Dignity in Accommodation (AMIDA) pointed out that people with disability frequently experience discrimination based on their income and their access needs.<sup>48</sup>

3.29 The committee heard that in many cases, the ‘hidden costs of managing disabilities’ drive people into poverty.<sup>49</sup> Children and Young People with Disability Australia reported:

Many young people with disability remain disproportionately represented among those experiencing poverty within Australia. This makes it exceedingly difficult for them to afford the ever-increasing rental costs.<sup>50</sup>

3.30 Jane testified at a public hearing that, as the user of a power wheelchair, she was likely to experience discrimination:

... any new landlord that looks at me and sees the chair is going to go: 'Well, I have choices, and she's got a power wheelchair. That small heavy machine is going to do a bit of damage, so I don't really want to rent to her.'<sup>51</sup>

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<sup>45</sup> Change the Record, *Submission 128*, p. 10.

<sup>46</sup> Change the Record, *Submission 128*, p. 11.

<sup>47</sup> See, for example, Children and Young People with Disability Australia, *Submission 102*, [p. 2]; Georgina, private capacity, *Proof Committee Hansard*, 23 August 2023, pp. 21–22; Jane, private capacity, *Proof Committee Hansard*, 24 August 2023, pp. 25–26.

<sup>48</sup> AMIDA, *Submission 129*, p. 2.

<sup>49</sup> AMIDA, *Submission 129*, p. 2.

<sup>50</sup> Children and Young People with Disability Australia, *Submission 102*, [p. 2].

<sup>51</sup> Jane, private capacity, *Proof Committee Hansard*, 24 August 2023, pp. 25–26.

### The need for accessible accommodation

3.31 Evidence to the committee demonstrated that people with disability often struggle to find rental properties that meet their accessibility needs.<sup>52</sup> As noted by Children and Young People with Disability Australia:

Currently, most housing in Australia does not meet the needs of people with disability with problems including poor access and unsuitable internal layouts, particularly inadequately designed bathrooms. Dwellings may also be poorly located to support community participation.<sup>53</sup>

3.32 One submitter wrote:

The fact that so few properties meet my access requirements and that finding them is down to luck, makes it like searching for a needle in a haystack. If I've been told to move, it's also a race against time. 6 weeks might be reasonable for a person who finds all the properties on the market physically accessible but it's a very short time when such a small percentage of properties are possibilities.<sup>54</sup>

3.33 Mr Travis Gilbert, Chief Executive Officer of the ACT Shelter Association, echoed that people with disability have insufficient time to determine whether a rental property is suitable for them:

...you often get a five-minute window—if you're lucky, 10—to view a property to determine whether it meets your needs. ... If you had a physical disability ... I have no idea how you would determine whether that was fit for you to live in, whether you would enjoy living there or whether it was accessible ... in five minutes.<sup>55</sup>

3.34 The lack of accessible rental housing forces people with disability to 'settle for substandard living conditions that are not conducive to their health and well-being'.<sup>56</sup> The committee heard of accessibility issues leading to physical injuries, social isolation, and poorer life outcomes overall.<sup>57</sup> As Jane testified at a public hearing:

...if my house is not accessible enough, it takes me longer to get from in bed to out the door to go to work. If it takes me longer to get ready for work,

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<sup>52</sup> See, for example, Public Interest Advocacy Centre, *Submission 45*, p. 7; Children and Young People with Disability Australia, *Submission 102*, [pp. 3–4]; Mr Travis Gilbert, Chief Executive Officer, ACT Shelter Association, *Proof Committee Hansard*, 30 August 2023, p. 23.

<sup>53</sup> Children and Young People with Disability Australia, *Submission 102*, [p. 3].

<sup>54</sup> Name Withheld, *Submission 120*, [p. 2].

<sup>55</sup> Mr Travis Gilbert, Chief Executive Officer, ACT Shelter Association, *Proof Committee Hansard*, 30 August 2023, p. 23.

<sup>56</sup> Children and Young People with Disability Australia, *Submission 102*, [p. 4].

<sup>57</sup> See, for example, Children and Young People with Disability Australia, *Submission 102*, [p. 4]; Georgina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 22.

then I'm not able to work as many hours, and I'm more tired and I'm less effective, and they all feed into each other.<sup>58</sup>

### ***Inability to make modifications to ensure accessibility***

3.35 The challenge of finding an accessible rental property is exacerbated by the inability of many renters to make modifications to their homes.<sup>59</sup>

3.36 Several submitters underlined that it is common for people with disability to avoid requesting modifications to accommodate their disability for fear of 'retaliation and victimisation from their provider'.<sup>60</sup>

3.37 Indeed, the committee heard of people with disability – such as Karen Thorne, a renter living with fibromyalgia and Scheuermann's disease – who have faced issues negotiating modifications with their landlord:

... Thorne requested a minor modification to her bathroom under her NDIS plan - the installation of a handrail in the shower. However, following her request, she received a no-grounds eviction notice. Thorne interpreted this as retaliation for her attempts to assert her rights as a renter with a disability.<sup>61</sup>

### **Victim-survivors of domestic and family violence**

3.38 The impacts of the rental crisis are acutely felt by victim-survivors of domestic and family violence who are struggling to find safe and secure accommodation.<sup>62</sup>

### **Inability to escape domestic and family violence**

3.39 The committee received widespread reports that the rental crisis is making it more difficult for people to escape situations of domestic and family violence.<sup>63</sup> For example, Ms Nadia Bromley, Chief Executive Officer of the Women's Legal

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<sup>58</sup> Jane, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 27.

<sup>59</sup> See, for example, Public Interest Advocacy Centre, *Submission 45*, p. 7; Better Renting, *Submission 46*, [p. 7]; Ms Penny Carr, Chief Executive Director, Tenants Queensland, *Proof Committee Hansard*, 23 August 2023, p. 8.

<sup>60</sup> AMIDA, *Submission 129*, p. 4. See also, Better Renting, *Submission 46*, [p. 7].

<sup>61</sup> Better Renting, *Submission 46*, [p. 7].

<sup>62</sup> See, for example, WIRE, *Submission 19*, [p. 3]; Ms Anna Baltins, Associate Director, Domestic and Violence, Legal Aid NSW, *Proof Committee Hansard*, 23 August 2023, p. 18; Ms Nadia Bromley, Chief Executive Officer, Women's Legal Service Queensland, *Proof Committee Hansard*, 23 August 2023, p. 43.

<sup>63</sup> See, for example, WIRE, *Submission 19*, [p. 3]; Centre for Non-Violence, *Submission 73*, [p. 3]; Southern Homelessness Services Network, *Submission 82*, p. 15; Peninsula Community Legal Centre, *Submission 94*, p. 12; Domestic Violence NSW, *Submission 101*, [p. 1]; Safe and Equal, *Submission 134*, p. 3.

Service Queensland, testified that ‘the rental crisis in Australia is forcing women to choose between violence and homelessness’.<sup>64</sup>

- 3.40 WIRE underscored that high competition in the private rental market prevents victim-survivors from leaving abusive environments:

Victim-survivors who might otherwise end relationships where there is family violence, feel forced to stay because the rental market presents an insurmountable a [sic] barrier to long term independence.<sup>65</sup>

- 3.41 According to Full Stop Australia, 87.5 per cent of victim-survivors who responded to its July 2023 survey had chosen to remain in an unsafe home due to challenges securing alternative housing.<sup>66</sup>
- 3.42 At the National Cabinet meeting on 16 August 2023, agreement was obtained from all states and territories to implement a number of reforms to better protect tenants who are experiencing domestic and family violence. These were outlined in Chapter 1.
- 3.43 The Housing Australia Future Fund (HAFF) includes measures for people experiencing acute housing needs, including women and children impacted by domestic violence. These were outlined in Chapter 1.

### **Difficulties securing rental housing**

- 3.44 Inquiry participants highlighted a variety of additional barriers that victim-survivors face when trying to obtain rental housing.<sup>67</sup> These barriers were described by the following victim-survivor:

I wasn’t able to access private rental due to multiple barriers: no income after escaping DV, no rental history in my name so no real estate agent was willing to consider my application, I was homeless for almost two years after escaping violence moving through women’s shelter and transitional housing...<sup>68</sup>

- 3.45 Victim-survivors may have limited financial resources for a number of reasons, including a history of caregiving and experiences of financial abuse and coercive control.<sup>69</sup> Victim-survivors may also have poor rental references or been

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<sup>64</sup> Ms Nadia Bromley, Chief Executive Officer, Women’s Legal Service Queensland, *Proof Committee Hansard*, 23 August 2023, p. 43.

<sup>65</sup> WIRE, *Submission 19*, [p. 3].

<sup>66</sup> Full Stop Australia, *Submission 126*, p. 4.

<sup>67</sup> See, for example, The Salvation Army, *Submission 17*, p. 34; Ms Nadia Bromley, Chief Executive Officer, Women’s Legal Service Queensland, *Proof Committee Hansard*, 23 August 2023, pp. 43–44.

<sup>68</sup> Full Stop Australia, *Submission 126*, p. 5.

<sup>69</sup> See, for example, WIRE, *Submission 19*, [p. 3]; Ms Nadia Bromley, Chief Executive Officer, Women’s Legal Service Queensland, *Proof Committee Hansard*, 23 August 2023, pp. 43–44.

blacklisted by real estate agencies because of damage to a previous rental property caused by the perpetrator.<sup>70</sup>

### **The shortage of suitable crisis accommodation**

3.46 The severe shortage of suitable crisis accommodation across the country further limits the options available to victim-survivors.<sup>71</sup> Change the Record submitted that in 2021–22, 31 per cent of people experiencing family violence who approached a specialist homelessness service to request crisis accommodation were turned away.<sup>72</sup>

3.47 The committee heard that where crisis accommodation is available, it is often unsuitable for victim-survivors due to the lack of safety and privacy.<sup>73</sup> Domestic Violence NSW underlined the lack of viable options for victim-survivors:

At present, the private rental market is largely unaffordable for women leaving violence, crisis refuges are stretched beyond capacity and experiencing ‘bottle-necks’ due to a lack of social and community housing.<sup>74</sup>

3.48 As such, there is a clear link between experiences of family or domestic violence and homelessness.<sup>75</sup> 83.3 per cent of respondents to Full Stop Australia’s survey reported having experienced homelessness, or being at risk of homelessness, due to domestic or family violence.<sup>76</sup>

### **Older Australians**

3.49 A large number of older Australians are profoundly impacted by the rental crisis.<sup>77</sup> Council on the Ageing Victoria (COTA Victoria) pointed out that a significant proportion of older Australians are renting and are concerned about their risk of homelessness.<sup>78</sup> COTA Victoria reported a substantial increase in

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<sup>70</sup> See, for example, The Salvation Army, *Submission 17*, p. 34; Darwin Community Legal Service, *Submission 109*, p. 11.

<sup>71</sup> See, for example, Domestic Violence NSW, *Submission 101*, [p. 2]; Change the Record, *Submission 128*, p. 8.

<sup>72</sup> Change the Record, *Submission 128*, p. 8.

<sup>73</sup> Professor Alan Morris, *Submission 44*, p. 3.

<sup>74</sup> Domestic Violence NSW, *Submission 101*, [p. 2].

<sup>75</sup> See, for example, National Aboriginal and Torres Strait Islander Women’s Alliance (NATSIWA), *Submission 88*, p. 6; Ms Anna Baltins, Associate Director, Domestic and Violence, Legal Aid NSW, *Proof Committee Hansard*, 23 August 2023, p. 12.

<sup>76</sup> Full Stop Australia, *Submission 126*, p. 4.

<sup>77</sup> See, for example, The Salvation Army, *Submission 17*, p. 33; Housing for the Aged Action Group, *Submission 130*, p. 5; Catholic Health Australia, *Submission 131*, p. 6.

<sup>78</sup> Council on the Ageing Victoria and Seniors Rights Victoria, *Submission 6*, p. 3.

calls over the last three months from older renters experiencing difficulties accessing rental housing or who were at risk of losing their tenancy.<sup>79</sup>

### **Rental affordability**

3.50 The growing unaffordability of rental housing poses major challenges for older Australians, as noted by Catholic Health Australia:

Older Australians are limited in their ability to combat rising rental costs, often experiencing declining health, complex needs, ageism in the workplace resulting in a limited capacity to earn their own funds to meet the rental demand.<sup>80</sup>

3.51 Submitters remarked that older women, in particular, commonly have scarce financial resources and are the fastest growing population group at risk of homelessness.<sup>81</sup>

... due to time spent out of the paid workforce and in caring roles and age discrimination in employment, [older women] are more likely to have little superannuation or savings, and sometimes no credit history.<sup>82</sup>

3.52 A significant number of older Australians rely on the Age Pension and JobSeeker payments as their main source of income, but these have failed to keep pace with the costs of renting.<sup>83</sup> The Housing for the Aged Action Group pointed out:

Assuming an older person gets the maximum rate of CRA, age pension and pension supplement (\$1313.70), they will be left with very little money every fortnight for all other expenses including food, utilities, health expenses and other bills. To avoid rental stress the maximum amount of rent an older person on age pension can pay is approximately \$400 a fortnight or \$200 a week. Given the current rental crisis, this means that older people are either forced to live under tremendous rental stress or being forced to find share housing options that are likely untenable.<sup>84</sup>

3.53 Everybody's Home gave evidence that although the private rental market is unsuitable for many older Australians, there are few other options:

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<sup>79</sup> Council on the Ageing Victoria and Seniors Rights Victoria, *Submission 6*, p. 3.

<sup>80</sup> Catholic Health Australia, *Submission 131*, p. 6.

<sup>81</sup> See, for example, Anna Howe, *Submission 121*, p. 2; Older Women's Network NSW, *Submission 135*, [p. 5].

<sup>82</sup> Older Women's Network NSW, *Submission 135*, [p. 5].

<sup>83</sup> See, for example, Council on the Ageing Victoria and Seniors Rights Victoria, *Submission 6*, p. 5; The Salvation Army, *Submission 17*, p. 33; Everybody's Home, *Submission 52*, p. 4; Housing for the Aged Action Group, *Submission 130*, pp. 2–5.

<sup>84</sup> Housing for the Aged Action Group, *Submission 130*, p. 5.

Survey participants expressed a high degree of anxiety about ageing in the private rental market, particularly the prospect of evictions and arbitrary rent increases. Yet with waiting lists at record-highs, many have no choice.<sup>85</sup>

### **Younger Australians**

3.54 The committee heard that younger Australians face distinct barriers to securing rental housing and are increasingly missing out on home ownership.<sup>86</sup>

### **Rental affordability**

3.55 Inquiry participants indicated that rising rents are a particular challenge for many younger Australians on low and unstable incomes.<sup>87</sup> For example, a member of the Headspace Youth National Reference Group mentioned that younger Australians who are full-time university students often experience financial instability due to reliance on casual employment.<sup>88</sup>

3.56 Orygen confirmed that younger Australians' limited financial resources pose significant difficulties for securing rental housing:

Compared to other age cohorts, young people are: still often trying to establish themselves in gainful employment; more likely to work in lower-paying jobs; and more likely to be unemployed or underemployed. Limited earning capacity and higher rates of renting means young people are disproportionately impacted by the currently high rental prices and tight rental market.<sup>89</sup>

3.57 Of the 3,107 young Australians surveyed in Headspace's 2022 National Youth Mental Health Survey, 61 per cent reported being 'fairly' or 'very' worried about the cost of rent.<sup>90</sup> Housing affordability was young Australians' second largest concern after rising cost of living.<sup>91</sup>

3.58 The lack of affordable housing options has contributed to high rates of younger Australians experiencing 'hidden' forms of homelessness such as couch surfing and living in severely overcrowded accommodation.<sup>92</sup>

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<sup>85</sup> Everybody's Home, *Submission 52*, p. 4.

<sup>86</sup> See, for example, Orygen, *Submission 76*, p. 2; YACSA, *Submission 80*, [p. 1].

<sup>87</sup> See, for example, Headspace, *Submission 23*, p. 7; YACSA, *Submission 80*, [p. 2].

<sup>88</sup> Headspace, *Submission 23*, p. 3.

<sup>89</sup> Orygen, *Submission 76*, p. 2.

<sup>90</sup> Headspace, *Submission 23*, p. 3.

<sup>91</sup> Headspace, *Submission 23*, p. 3.

<sup>92</sup> YACSA, *Submission 80*, [p. 2].

### **Intergenerational inequity**

3.59 Several submitters highlighted that the current rental system exacerbates intergenerational inequity.<sup>93</sup> Submitters pointed out that with younger Australians needing to spend a large proportion of their income on rent, they have less ability to save for their own home.<sup>94</sup>

3.60 The Youth Affairs Council of South Australia outlined what the growing unattainability of home ownership means for younger Australians:

Owning a home is a significant driver of wealth in Australia. Decreasing rates of home ownership and increasing rates of young people renting, paired with other changes to the housing market, heavily contributes to Australia's widening intergenerational inequality. With young people essentially excluded from the housing market, their ability to build wealth is impacted ...<sup>95</sup>

3.61 Think Forward echoed that the rental crisis perpetuates existing wealth disparities:

Young adults who don't get parental assistance lose the opportunity to grow wealth through homeownership like their counterparts, reinforcing wealth inequality over generations.<sup>96</sup>

### **People living in regional, rural and remote Australia**

3.62 Inquiry participants gave evidence about the features of the rental crisis that are particularly apparent in regional, rural and remote areas of the country.<sup>97</sup>

3.63 The committee heard that there is extreme shortage of affordable rental housing in many regional, rural and remote areas.<sup>98</sup> For example, various submitters remarked on the declining number of rental listings and extremely low vacancy rates across regional Victoria and Western Australia.<sup>99</sup> According to Kimberley Community Legal Services, at the time of writing their submission:

... there [was] one private rental available in Kununurra. This lone property [was] advertised at \$600.00 a week. In Broome, there [were] 12 private

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<sup>93</sup> See, for example, YACSA, *Submission 80*, [p. 1]; Think Forward, *Submission 122*, p. 15.

<sup>94</sup> See, for example, Think Forward, *Submission 122*, p. 17.

<sup>95</sup> YACSA, *Submission 80*, [p. 1].

<sup>96</sup> Think Forward, *Submission 122*, p. 20.

<sup>97</sup> See, for example, Bankwest Curtin Economic Centre, *Submission 112*, [p. 8]; Regional Australia Institute (RAI), *Submission 123*, pp. 11–12; RDA, *Submission 136*, p. 5.

<sup>98</sup> See, for example, Darwin Community Legal Service, *Submission 109*, p. 6; Bankwest Curtin Economic Centre, *Submission 112*, [p. 8]; Kimberley Community Legal Services, *Submission 119*, p. 3; RAI, *Submission 123*, pp. 7 and 11.

<sup>99</sup> See, for example, Bankwest Curtin Economic Centre, *Submission 112*, [p. 8]; RDA, *Submission 136*, p. 5; Australian Education Union (AEU), *Submission 137*, pp. 3–4.

rentals available, ranging from \$650 to \$1,500.00 a week. Rental prices were reported to have increased in Kununurra by 47%, and by 37% in Broome since early 2022. As a result, private rentals in the region are inaccessible to a growing number of people.<sup>100</sup>

3.64 Analysis by the Bankwest Curtin Economic Centre revealed that ‘overall rent in regional areas is less affordable for all households than in the capital cities’, and very few regional areas are affordable for low-income households.<sup>101</sup>

3.65 The mining and resources industry was said to be a major influence on rental prices in regional, rural and remote areas:

Mining and other large companies rent properties from the private market to accommodate their employees, boosting rents and reducing property stock. Lower middle-class workers not employed in the mining sectors cannot afford the high rents but are ineligible for Public or Social housing.<sup>102</sup>

3.66 Indeed, the Australian Education Union reported that:

Where public housing is not provided, educators experience acute housing precarity where their salaries lag significantly behind local wages – typically, and most acutely, in remote communities whose principal economic activities include mining.<sup>103</sup>

### **Accommodation standards**

3.67 Inquiry participants commented on the poor standard of rental accommodation in regional, rural and remote communities.<sup>104</sup> The committee received evidence that:

Most houses in remote communities are old, poorly constructed and poorly maintained, with tenants often living in dilapidated houses with no refrigerators, proper doors, windows or insulation, and relying on prepaid power cards that result in extreme rates of electricity disconnection.<sup>105</sup>

3.68 Kimberley Community Legal Services similarly attested to the inadequate standard of housing in the Kimberley area, with ‘houses ... in a poor state of repair and ... unable to deal with the tropical, and increasingly hot, climate’.<sup>106</sup>

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<sup>100</sup> Kimberley Community Legal Services, *Submission 119*, p. 3.

<sup>101</sup> Bankwest Curtin Economic Centre, *Submission 112*, [p. 13].

<sup>102</sup> Pilbara Community Legal Service, *Submission 138*, p. 3.

<sup>103</sup> AEU, *Submission 137*, pp. 3–4.

<sup>104</sup> See, for example, ANTAR, *Submission 111*, p. 6; Kimberley Community Legal Services, *Submission 119*, p. 6; AEU, *Submission 137*, pp. 3–4.

<sup>105</sup> ANTAR, *Submission 111*, p. 6.

<sup>106</sup> Kimberley Community Legal Services, *Submission 119*, p. 6.

- 3.69 Pilbara Community Legal Service pointed out that repairs and maintenance take significantly longer to be completed in regional, rural and remote areas – ‘even urgent maintenance requests can take several days or weeks to be remedied’.<sup>107</sup>
- 3.70 The Australian Education Union highlighted the health and safety risks posed by substandard housing, pointing to the example of a teacher ‘in a remote community [who] was exposed to asbestos due to unrepaired damage to the building’.<sup>108</sup>

### **The impact of natural disasters**

- 3.71 Natural disasters exacerbate rental supply and affordability issues in regional, rural and remote Australia and drive many people into unstable temporary accommodation arrangements.<sup>109</sup>
- 3.72 Headspace noted that people affected by natural disasters often end up staying in temporary shelters for years due to a lack of affordable alternatives.<sup>110</sup> This has a range of detrimental impacts, including isolation from community services and networks as well as the potential for overcrowding and exposure to drug and alcohol use.<sup>111</sup>
- 3.73 Additionally, Ms Natalie Bradshaw of Legal Aid NSW told the committee that people living in temporary shelters have ‘very limited protections’ as they are not covered by residential tenancies legislation.<sup>112</sup>
- 3.74 Ms Linda Forbes, Law Reform Officer at Economic Justice Australia, expressed her concern that in regions affected by natural disasters, ‘people who were renting may never get back into the rental market’.<sup>113</sup>
- 3.75 Regional Development Australia pointed out that many people are trapped in extended periods of housing limbo:

For example, the October/November 2022 floods through the Loddon Mallee left many homes legally uninhabitable and in need of serious repair. ... Many people displaced by these floods have had to join the Victorian

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<sup>107</sup> Pilbara Community Legal Service, *Submission 138*, p. 2.

<sup>108</sup> AEU, *Submission 137*, p. 4.

<sup>109</sup> See, for example, Headspace, *Submission 23*, p. 5; RDA, *Submission 136*, p. 6.

<sup>110</sup> Headspace, *Submission 23*, p. 5.

<sup>111</sup> Headspace, *Submission 23*, p. 6.

<sup>112</sup> Ms Natalie Bradshaw, Acting Solicitor in Charge, Combined Civil Law Specialist Teams, Legal Aid NSW, *Proof Committee Hansard*, 24 August 2023, p. 20.

<sup>113</sup> Ms Linda Forbes, Law Reform Officer, Economic Justice Australia, *Proof Committee Hansard*, 24 August 2023, p. 16.

Housing Register are still not in housing, further extending wait times for community housing in these regions.<sup>114</sup>

### **Asylum seekers, refugees, and newly arrived migrants**

3.76 The committee received a range of evidence about the struggles of asylum seekers, refugees, and newly arrived migrants to obtain rental housing in Australia.<sup>115</sup> These struggles have significant implications for their settlement journeys and place them at risk of re-traumatisation.<sup>116</sup>

3.77 Inquiry participants highlighted that many asylum seekers, refugees, and newly arrived migrants may be unable to afford rent.<sup>117</sup> These groups often possess limited financial resources upon arrival in Australia and some may be ineligible for income support.<sup>118</sup> Further, their ability to find stable employment may be complicated by visa restrictions.<sup>119</sup> The Jesuit Refugee Service explained:

Visa precarity – characterised by a temporary or conditional migration status – often complicates an individual’s or a family’s ability to secure or maintain their tenancy. Some people facing visa precarity do not have work rights, or their visas with work rights are not renewed in a timely manner to avoid gaps in work authorisation. Without access to a financial safety net, many are left at risk of homelessness.<sup>120</sup>

3.78 Asylum seekers, refugees, and newly arrived migrants also face difficulties navigating the rental application process and meeting application requirements.<sup>121</sup> Language barriers and a lack of familiarity with the Australian housing system can make it very challenging for these groups to understand the rental application process.<sup>122</sup> Additionally, identity documents are commonly

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<sup>114</sup> RDA, *Submission 136*, p. 6.

<sup>115</sup> See, for example, Australian Red Cross, *Submission 91*, pp. 6–7; Multicultural Australia, *Submission 104*, p. 3; Jesuit Refugee Service, *Submission 157*, [p. 2].

<sup>116</sup> Multicultural Australia, *Submission 104*, p. 3.

<sup>117</sup> See, for example, Australian Red Cross, *Submission 91*, p. 6; Multicultural Australia, *Submission 104*, pp. 4–5.

<sup>118</sup> See, for example, Australian Red Cross, *Submission 91*, p. 6; Multicultural Australia, *Submission 104*, pp. 4–5; St Vincent de Paul Society, *Submission 125*, p. 7; Ms Linda Forbes, Law Reform Officer, Economic Justice Australia, *Proof Committee Hansard*, 24 August 2023, p. 15.

<sup>119</sup> See, for example, Safe and Equal, *Submission 134*, p. 4; Jesuit Refugee Service, *Submission 157*, [p. 2].

<sup>120</sup> Jesuit Refugee Service, *Submission 157*, [p. 2].

<sup>121</sup> See, for example, Australian Red Cross, *Submission 91*, p. 7; Forcibly Displaced People Network, *Submission 156*, p. 8.

<sup>122</sup> See, for example, Multicultural Australia, *Submission 104*, pp. 3–5.

lost or destroyed when people flee their country of origin,<sup>123</sup> and these people often have no ability to demonstrate their rental history.<sup>124</sup>

- 3.79 The committee also received evidence that asylum seekers, refugees, and newly arrived migrants frequently face discrimination in the private rental market based on their race, culture, migration status or English proficiency.<sup>125</sup>

### **International students**

- 3.80 International students often face additional difficulties securing rental housing and enforcing their rights as renters.<sup>126</sup>
- 3.81 A University of Melbourne graduate student mentioned the difficulty of providing ‘detailed, individualised references’ to support a rental application given that many international students lack established connections in Australia.<sup>127</sup> International students’ chances of securing a lease are further impacted by their lack of a rental history in Australia.<sup>128</sup>
- 3.82 International students are especially vulnerable to exploitation in the private rental market.<sup>129</sup> This is due to a variety of factors, including:
- ... limited familiarity with local laws, insufficient awareness of their legal rights, language barriers that hinder effective communication, and a reliance on temporary visas that can create a sense of insecurity.<sup>130</sup>
- 3.83 Evidence to the committee demonstrated a widespread lack of awareness of tenancy rules and regulations among international students.<sup>131</sup> For example, Lam, an international student renting in Victoria, said: ‘When it comes to renter

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<sup>123</sup> Forcibly Displaced People Network, *Submission 156*, p. 8.

<sup>124</sup> See, for example, Australian Red Cross, *Submission 91*, p. 7; Multicultural Australia, *Submission 104*, pp. 4–5.

<sup>125</sup> See, for example, Multicultural Australia, *Submission 104*, p. 3; Forcibly Displaced People Network, *Submission 156*, p. 7.

<sup>126</sup> See, for example, University of Melbourne Graduate Student Association, *Submission 68*, p. 7; Redfern Legal Centre, *Submission 113*, [p. 1].

<sup>127</sup> University of Melbourne Graduate Student Association, *Submission 68*, p. 7.

<sup>128</sup> See, for example, University of Melbourne Graduate Student Association, *Submission 68*, p. 7; Mr Leo Patterson Ross, Chief Executive Officer, Tenants’ Union of NSW, *Proof Committee Hansard*, 24 August 2023, p. 5.

<sup>129</sup> See, for example, Renters and Housing Union (RAHU), *Submission 55*, p. 22; Redfern Legal Centre, *Submission 113*, [p. 1]; Ethnic Communities Council of Western Australia, *Submission 124*, p. 2.

<sup>130</sup> Redfern Legal Centre, *Submission 113*, [p. 1].

<sup>131</sup> See, for example, RAHU, *Submission 55*, p. 22; Ethnic Communities Council of Western Australia, *Submission 124*, p. 2.

rights, I don't even know where to start and search'.<sup>132</sup> The Redfern Legal Centre reported that international students frequently hold misconceived fears that issues around their tenancy might impact their visa, and are therefore more reluctant to assert their legal rights.<sup>133</sup>

- 3.84 Martina testified at the public hearing in Brisbane that she was aware of international students who were living in a precarious housing situation and being exploited by their landlord:

... [my friend] has been living in a one-bedroom apartment with seven other people who are international students, and they were paying \$300 to \$400 for seven bodies sleeping in one small bedroom.<sup>134</sup>

### People exiting prison

- 3.85 Research conducted with people exiting prison revealed that 'securing private tenancies [is] "extremely challenging" and "for many, impossible"'.<sup>135</sup> As outlined by Change the Record, these difficulties include:

... [rental] unaffordability, stigma from property managers and landlords, gaps in rental histories, lack of references, and property managers and landlords refusing to let properties to people with support animals.<sup>136</sup>

- 3.86 Submitters emphasised that the stigma associated with having been incarcerated considerably affects people's prospects of obtaining stable employment and housing.<sup>137</sup> Since people exiting prison commonly find themselves in precarious and poorly paid work, many are unable to finance the rising costs of rent.<sup>138</sup>

- 3.87 The shortage of social housing across the country heightens the risk that people exiting prison will experience homelessness and reincarceration.<sup>139</sup> As uncovered by AHURI research in 2021, 'more than half (54%) of incarcerated

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<sup>132</sup> RAHU, *Submission 55*, p. 22.

<sup>133</sup> Redfern Legal Centre, *Submission 113*, [p. 1].

<sup>134</sup> Martina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 24.

<sup>135</sup> Change the Record, *Submission 128*, p. 7. See also, Public Interest Advocacy Centre, *Submission 45*, p. 6.

<sup>136</sup> Change the Record, *Submission 128*, p. 7.

<sup>137</sup> See, for example, Public Interest Advocacy Centre, *Submission 45*, p. 6; Change the Record, *Submission 128*, p. 7; Ms Kristin O'Connell, Research and Policy, Antipoverty Centre, *Proof Committee Hansard*, 24 August 2023, p. 38.

<sup>138</sup> See, for example, Public Interest Advocacy Centre, *Submission 45*, p. 6; Catholic Health Australia, *Submission 131*, p. 7.

<sup>139</sup> See, for example, Victorian Aboriginal Housing and Homelessness Forum, *Submission 21*, p. 2; Change the Record, *Submission 128*, p. 7; Catholic Health Australia, *Submission 131*, p. 7.

people leaving custody were homeless upon release'.<sup>140</sup> According to the Victorian Aboriginal Housing and Homelessness Forum, homelessness and housing instability exponentially increase the risk of recidivism.<sup>141</sup>

### **Committee view**

- 3.88 As vulnerable cohorts have the highest levels of renters, they are the most affected by the rental crisis. The committee is concerned by the evidence it received in relation to the negative impacts the rental crisis has on significant aspects of their lives.
- 3.89 The committee acknowledges the struggles faced by those with few resources to meet the rising costs of rent and to understand and navigate the complex private rental market. The committee also notes the high level of discrimination experienced by vulnerable cohorts seeking to rent or already renting in the private market. This points to the urgent need for strengthening and adding to state and territory assistance programs supporting and advising private renters.
- 3.90 The committee is cognisant that the current housing system can work to entrench existing inequalities and exacerbates the disadvantage faced by the most vulnerable members of our communities, placing an undue burden on private providers to accommodate the housing shortfall, without adequate supply of social and affordable housing by government. There is clear evidence that identified vulnerable cohorts face an increase in the risk of homelessness.
- 3.91 The evidence strongly demonstrates that many people are often not adequately served by the private rental market. The current crisis is not the fault of the private landowners, who are currently being asked to carry the burden for governments' shortfall of public and social housing. Yet, the chronic underinvestment in public housing by successive Commonwealth and State governments has meant that, at present, there are not enough viable alternatives to private renting.
- 3.92 In this respect, the committee is encouraged by the Australian Government's recent commitment of an additional \$1 billion to support public and community housing through the National Housing Infrastructure Facility, and the ongoing funding of social and affordable housing through the Housing Australia Future Fund, including crisis housing for cohorts at risk of, or already experiencing, homelessness. The committee emphasises the need for sustained investment in social and affordable housing to meet the needs of vulnerable members of our communities.
- 3.93 The committee recognises that specific measures and programs are required to address the additional barriers faced by vulnerable cohorts. These matters will

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<sup>140</sup> Change the Record, *Submission 128*, p. 7.

<sup>141</sup> Victorian Aboriginal Housing and Homelessness Forum, *Submission 21*, p. 2.

be further explored as the inquiry progresses. The committee will continue to keep the lived experience of those affected by the rental crisis at the forefront of the inquiry. Understanding the human impact of the rental crisis is central to identifying solutions.

## **Recommendation 2**

**3.94 The committee recommends the Australian Government continue investment in public, social, community and genuinely affordable housing.**



# Chapter 4

## Factors underlying the current rental crisis

- 4.1 This chapter discusses the key issues identified by submitters, which affect the affordability, the demand and supply of rental housing. It also explores the operations of tenancy law across Australian jurisdictions, and measures to further protect renters, including rent controls and oversight of tenancy laws.
- 4.2 The chapter ends with the committee’s concluding comments, which signal areas that will be further examined in the final report.

### Unaffordability of rental housing

- 4.3 The thrust of many submissions in relation to rental affordability can be summed up as follows: ‘Rental housing has been unaffordable for many for a long period, but affordability is further worsening at an alarming rate’.<sup>1</sup> A joint statement submitted to the committee by over 80 organisations stated:

Too many renting households are spending too much of their income on rent, leaving very little for other necessary ever-increasing expenses.<sup>2</sup>

### Cost of renting

- 4.4 The ANZ and Core Logic *Housing Affordability Report* released in May 2023 highlights some of the affordability trends that have contributed to pronouncements of a ‘rental crisis’ in Australia. Examples include:
- median weekly rent value across Australian dwellings rose by \$115 (to \$570) between September 2020 and April 2023; and
  - ‘growth in Australian rent values has gone from low, stable rates through much of the 2010s, to unprecedented levels in the past year’.<sup>3</sup>
- 4.5 Anglicare Australia’s 2023 *Rental Affordability Snapshot* assessed that the housing market ‘has never been less affordable or more volatile’. Surveying the almost 46,000 rental listings available across Australia on a sample weekend in mid-March 2023, Anglicare Australia found only a tiny fraction to be affordable for each of the following cohorts:
- 15.9 per cent were affordable for a family of four on the full-time minimum wage;

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<sup>1</sup> Professors Emma Baker and Andrew Beer, *Submission 89*, [p. 1].

<sup>2</sup> National Association of Renters’ Organisations, *Submission 47*, p. 1. The joint statement describes as follows the almost 90 organisations endorsing this submission: ‘a broad and diverse range of organisations, including renting and housing, health, youth and community advocacy organisations, community legal centres, unions and faith based organisations’.

<sup>3</sup> ANZ and CoreLogic, [Housing Affordability Report](#), May 2003, pp. 3–4.

- 0.7 per cent were affordable for a single parent on the full-time minimum wage;
  - 0 per cent were affordable for a person looking for work on the JobSeeker payment;
  - 0.4 per cent were affordable for a retiree on the Age Pension; and
  - 0.1 per cent were affordable for a person on the Disability Support Pension.<sup>4</sup>
- 4.6 On one estimate, only 0.9 per cent of Greater Melbourne’s private rental properties ‘are affordable for households receiving income support payments’.<sup>5</sup>
- 4.7 The Australian Housing and Urban Research Institute (AHURI) described poor rental affordability as ‘a long-term issue, including the shortages of social and affordable housing’; and argued that the COVID-19 pandemic had adversely affected many renters despite efforts to provide some protections for renters from the impacts of the pandemic.<sup>6</sup>
- 4.8 The City Futures Research Centre provided the committee with the graph at Figure 4.1 as evidence that ‘despite considerable sector expansion, the shortfall in private tenancies affordable to low-income private renters has deepened’; and explained that graph as follows:

Over the past 20 years, ... the distribution of rental price points in the sector has shifted dramatically up the scale. Whereas in 1996, the most common rental price points in the market were around \$200-250 per week (in 2016 dollars), by 2016 the number of properties in the market had not only grown but moved up the scale of real rental prices, with the most common price points around \$450-\$500 per week and many more dwellings than previously renting about that.<sup>7</sup>

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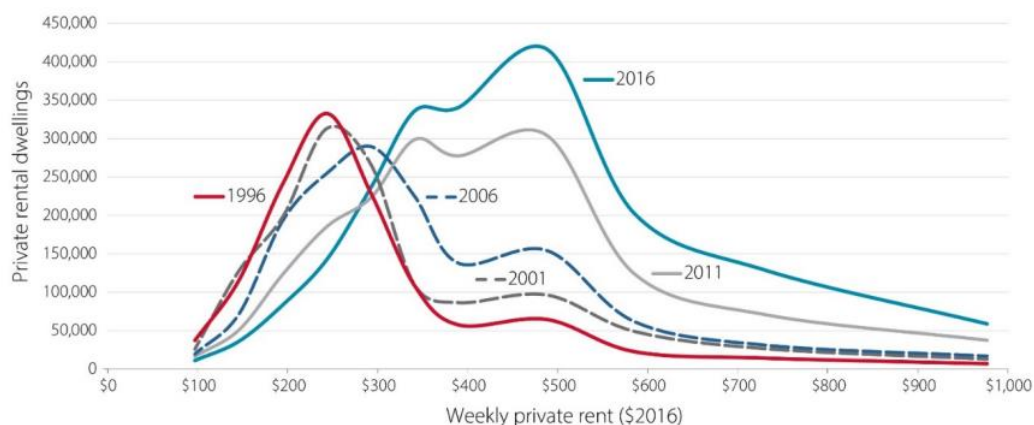
<sup>4</sup> Anglicare Australia, [Rental Affordability Snapshot: National Report 2023](#), 2023, pp. 7, 11 and 15. Here, ‘affordable’ means ‘no more than 30 percent of a household budget’.

<sup>5</sup> Centre for Excellence in Child and Family Welfare, *Submission 18*, p. 1 (citing Habitat for Humanity Victoria, *Victoria’s Housing Crisis*, [www.habitatvic.org.au/victorias-housing-crisis](http://www.habitatvic.org.au/victorias-housing-crisis) (accessed 13 September 2023)).

<sup>6</sup> AHURI, *Submission 57*, pp. 2, 14–15 and 16–17.

<sup>7</sup> City Futures Research Centre, *Submission 40*, pp. 6–7.

**Figure 4.1 The changing distribution of private rents, 1996-2016**



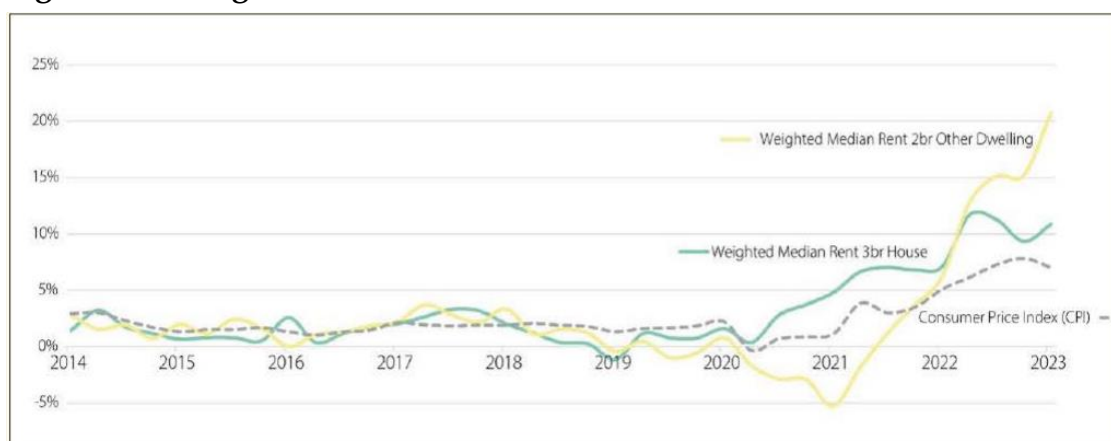
Note: Derived from analysis of customised matrices from the ABS Census of Population and Housing 1996, 2001, 2006, 2011 and 2016 and refers to all rents paid at these Census years rather than 'new' rentals derived from other sources such as state level rental bond boards.

Source: City Futures Research Centre, *Submission 40*, p. 7 (citing Kath Hulse et al., AHURI, *The supply of affordable private rental housing in Australian cities: short-term and longer-term changes*, December 2019, p. 28; Chris Martin et al., AHURI, *Regulation of residential tenancies and impacts on investment*, November 2022, p. 11).

### **Price of rent relative to incomes and CPI**

4.9 Some submitters argued that rental prices have in fact not kept pace over time with consumer price index (CPI) increases. The Real Estate Institute of Australia (REIA), for instance, said 'rents historically have fallen well below CPI and are expected to return to this trajectory once inflation has abated and housing supply returns to adequate levels'; and provided the graph at Figure 4.2.<sup>8</sup>

**Figure 4.2 Weighted median rents versus CPI, 2014-23**

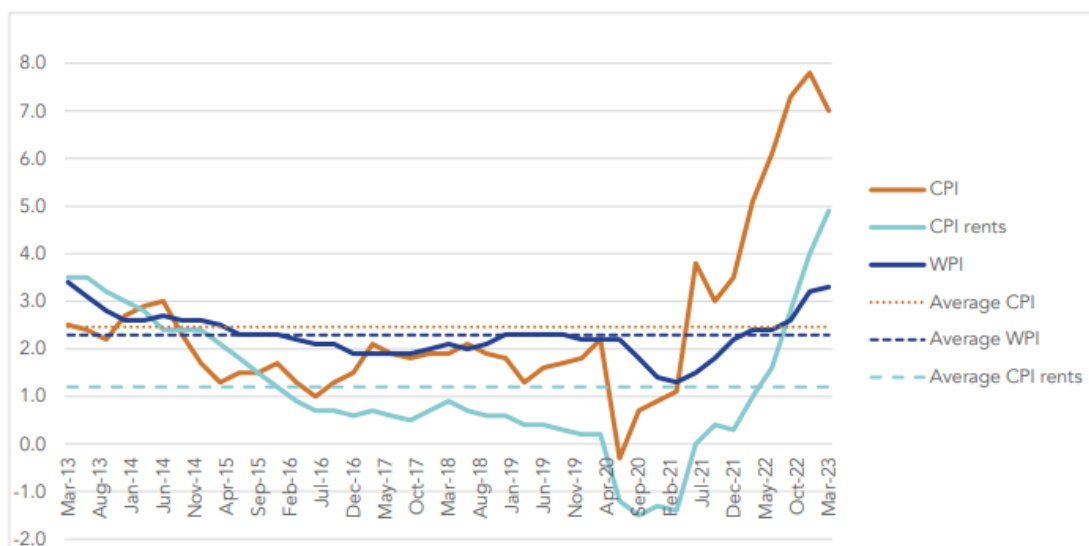


Source: REIA, *Submission 56*, p. 13.

<sup>8</sup> REIA, *Submission 56*, p. 13.

4.10 Per Capita concluded, after tracking the past decade's wage growth against both CPI and CPI rents (Figure 4.3) that 'rental affordability is driven by a failure of wage growth more than it is by any long-term growth in rent prices'.<sup>9</sup>

**Figure 4.3 Wage growth, inflation and rental increases, annual percentage and average annual**



Source: Per Capita, Submission 61, p. 13

### ***Impact of increasing rents on overall cost of living***

4.11 Rents make up around six per cent of the basket of goods and services used to measure CPI,<sup>10</sup> so rising rents themselves contribute to rising living costs as measured by the CPI. However, this may understate the extent to which rising rents add to cost-of-living challenges for new or prospective tenants.

4.12 The Reserve Bank of Australia has published analysis comparing two rental measures: rents as measured in the CPI (i.e. price changes for the stock of all rentals); and advertised rents (i.e. the asking price for currently vacant properties). Advertised rents have risen over recent years far more steeply than CPI rents.<sup>11</sup>

### ***Backdrop of rising cost of living***

4.13 At the same time as rental prices have increased, tenants have faced increases in the overall cost of living with steep rises in CPI from 2021.<sup>12</sup>

<sup>9</sup> Per Capita, Submission 61, p. 13.

<sup>10</sup> Fred Hanmer and Michelle Marquardt, Reserve Bank of Australia, '[New Insights into the Rental Market](#)', Bulletin June 2023, 24 April 2023, p. 13.

<sup>11</sup> Fred Hanmer and Michelle Marquardt, Reserve Bank of Australia, '[New Insights into the Rental Market](#)', Bulletin June 2023, 24 April 2023, p. 14.

<sup>12</sup> Per Capita, Submission 61, pp. 13–14.

4.14 The combined impact of these pressures was described in detail to the committee by many submitters, as outlined in Chapters 2 and 3. Renters living on low incomes are the least able to reduce expenditure on non-essentials and are therefore the most affected by cost-of-living pressures.

### **Rental stress**

4.15 As also highlighted in Chapter 2, the committee heard compelling evidence that rental stress is a significant issue among renting households, particularly those on lower incomes.

4.16 Per Capita argued that ‘there has been a rental availability and affordability crisis for decades for people reliant on minimum wages or income support payments, as both social housing and welfare payments have declined in real terms’.<sup>13</sup>

4.17 Dr Chris Martin and Professor Hal Pawson from the City Futures Research Centre describe the private rental sector as ‘the site of the worst affordability outcomes in the Australian housing system’:

The median low-income private renter household (i.e. in the lowest two quintiles of the population by income) spent 36% of its income on rent in 2019–20, with 20% of this cohort spending over half of their income on rent.<sup>14</sup>

4.18 Analysis by the Committee for Economic Development of Australia (CEDA) estimated that ‘renters among the poorest fifth of Australian households could be paying an average of 44 per cent of their disposable income on rents in 2023–24, based on a 20 per cent increase in asking rents from 2021–22 as of February 2023’.<sup>15</sup>

4.19 Bankwest Curtin Economic Centre has calculated median price-income ratios for rentals in 2022 of established houses in Australian capital cities and regional areas. It found that all major cities were ‘affordable’ for households on median incomes, ‘with median rents representing on average 26.4 per cent of their incomes’ – ranging from 21 per cent in Melbourne to 28 per cent in Sydney. However, rentals were less affordable for lower-income households (the bottom quartile): the average rent-to-income ratio across capital cities was 28 per cent, with ratios of around 32 per cent for both Sydney and Hobart and 36 per cent for Perth.<sup>16</sup>

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<sup>13</sup> Per Capita, *Submission 61*, p. 16.

<sup>14</sup> City Futures Research Centre, *Submission 40*, p. 6.

<sup>15</sup> CEDA, *Submission 33*, p. 1.

<sup>16</sup> Bankwest Curtin Economic Centre, *Submission 112*, [pp. 11–13].

- 4.20 Analysis in Western Australia indicates that in areas historically considered more affordable, over the five years to December 2022 ‘housing costs had grown much faster in the cheaper areas and for those at the bottom of the market’.<sup>17</sup>
- 4.21 As mentioned earlier in this report, organisations have reported that they are increasingly assisting people who have not previously experienced housing insecurity or homelessness.<sup>18</sup>

### **Rent increases**

- 4.22 The Reserve Bank’s June 2023 *Bulletin* observed that:

Over the past year, rents have increased for almost three-quarters of properties, up from around one-quarter every year pre-pandemic. ...

Rent inflation has picked up and is broadly based across new and existing tenants, property types and the states. Rent increases have also become more common, and larger on average.<sup>19</sup>

- 4.23 Rents paid across Australia rose by 2.5 per cent in the June quarter 2023 and by 6.7 per cent annually. This was the largest annual increase since 2009, with especially high increases in Brisbane (8.9 per cent), Perth (8.2 per cent) and Sydney (7.3 per cent).<sup>20</sup> Median advertised rents rose by 11.5 per cent in capital cities in the 12 months to June 2023 (and by 13 per cent in each of Sydney, Melbourne and Perth).<sup>21</sup>
- 4.24 Numerous submissions, including many tenancy advocacy groups, called for some form of limits on rent increases.<sup>22</sup> The Grattan Institute noted that ‘all states and territories already limit the frequency of rent increases for ongoing tenancies to between 6-to-12 months’, and most jurisdictions ‘allow tenants to contest rent increases via an independent tribunal’.<sup>23</sup>

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<sup>17</sup> Bankwest Curtin Economic Centre, *Submission 112*, [pp. 13–15].

<sup>18</sup> See, for example, Centre for Non-Violence, *Submission 73*, [p. 4]; Bridge Housing, *Submission 74*, [pp. 1–2]; Brisbane Youth Service, *Submission 97*, [pp. 1–2].

<sup>19</sup> Fred Hanmer and Michelle Marquardt, Reserve Bank of Australia, ‘[New Insights into the Rental Market](#)’, *Bulletin June 2023*, 24 April 2023, pp. 17 and 19–20. This assessment was based on a new ABS dataset comprising information entered by property managers about properties in the private rental market (a different source to that used for CPI rent).

<sup>20</sup> Australian Institute of Health and Welfare (AIHW), *Housing affordability*, 7 September 2023, [www.aihw.gov.au/reports/australias-welfare/housing-affordability](http://www.aihw.gov.au/reports/australias-welfare/housing-affordability) (accessed 13 September 2023).

<sup>21</sup> AIHW, *Housing affordability*, 7 September 2023 (accessed 13 September 2023).

<sup>22</sup> See, for example, Centre for Urban Research, Royal Melbourne Institute of Technology, *Submission 11*, [p. 20]; WIRE, *Submission 19*, [p. 2]; Better Renting, *Submission 46*, [p. 3]; Renters and Housing Union (RAHU), *Submission 55*, pp. 6–8; Grattan Institute, *Submission 127*, pp. 22–23.

<sup>23</sup> Grattan Institute, *Submission 127*, p. 22.

## High demand for rental housing

4.25 Key factors affecting demand for rental housing in Australia include reductions in home ownership affordability and average household size; and patterns of international and internal migration.

## Declining home ownership affordability

4.26 Australia is experiencing a decline in the affordability of home ownership, as noted in Chapter 1. A reduction in the homeownership proportion of the population can be expected to cause increased demand for rental housing.<sup>24</sup>

4.27 According to PropTrack, home ownership affordability is now at its worst level in at least 30 years, based on 'the share of homes that households can afford to purchase across the whole income distribution'.<sup>25</sup>

## Declining household size

4.28 The Australian Institute of Family Studies noted in its submission that, while the number of Australian households is increasing (as is population size), the average household size has declined to 2.5 in 2021. Of all households in 2021:

- 71 per cent were family households (down from 78 per cent in 1981);
- 26 per cent were individuals living alone (up from 18 per cent in 1981); and
- 4 per cent were groups of unrelated persons.<sup>26</sup>

4.29 The committee heard that smaller-sized households mean that a greater number of dwellings are needed to house the same number of people.<sup>27</sup>

4.30 The increased incidence of working from home during the COVID pandemic is thought to have driven interest in greater household space, fuelling demand for an additional 120,000 households and thus greater demand for dwellings.<sup>28</sup>

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<sup>24</sup> See, for example, Real Estate Institute of Queensland (REIQ), *Submission 38*, p. 4; Community Housing Industry Association, *Submission 41*, p. 8; Housing Industry Association, *Submission 49*, [p. 2]; AHURI, *Submission 57*, p. 40; Grattan Institute, *Submission 127*, p. 4.

<sup>25</sup> PropTrack, [Housing Affordability Report – 2023](#), September 2023, p. 2.

<sup>26</sup> Australian Institute of Family Studies, *Submission 10*, p. 4.

<sup>27</sup> Grattan Institute, *Submission 127*, pp. 3–4.

<sup>28</sup> CEDA, *Submission 33*, p. 1. See also, Grattan Institute, *Submission 127*, pp. 2–3.

## International and internal migration

### *International migration flows*

- 4.31 A number of inquiry participants noted that the recent net gains in overseas migration have contributed to boosting housing demand.<sup>29</sup>
- 4.32 For example, CEDA submitted that with the post-pandemic reopening of Australia's borders, population growth reached a record annual high of almost 500,000 in 2022, 'requiring roughly 200,000 additional dwellings per year based on the national average household size'.<sup>30</sup> The Institute of Public Affairs (IPA) said net migration to Australia over the period 2023–28 is expected to exceed 1.7 million people, equating this to the establishment of 117,000 new households per year and a cumulative shortfall of around 250,000 dwellings (relative to the expected increase over that period in housing supply).<sup>31</sup>
- 4.33 AHURI submitted that while the post-pandemic reopening of Australia's borders is 'not a key reason for housing affordability stress in the last two years', it is a contributing factor to the increased demand for rental housing.<sup>32</sup> Per Capita similarly told the committee:

There is undoubtedly a relationship between high returning migration figures and rental prices and availability. However, blaming the rental crisis on immigration does not stand up to scrutiny: net migration numbers are well below the 2009-2019 trend when rents were growing at a very low rate.<sup>33</sup>

### *Internal migration flows*

- 4.34 The demand for rental housing is also affected by internal migration flows.
- 4.35 The Regional Australia Institute (RAI) reported that the population of regional Australia had increased annually by an average of over 76,000 in the decade to 2020 – with the number of new home construction approvals declining in half of those years. RAI also observed that 'net city to regional migration flows ... are still more than 16% higher than they were pre-pandemic, despite coming off

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<sup>29</sup> See, for example, CEDA, *Submission 33*, p. 1; Dr Cameron Murray, *Submission 48*, p. 10; AHURI, *Submission 57*, p. 5; Institute of Public Affairs (IPA), *Submission 60*; pp. 1–2; Grattan Institute, *Submission 127*, pp. 4 and 17–18.

<sup>30</sup> CEDA, *Submission 33*, p. 1.

<sup>31</sup> IPA, *Submission 60*, p. 2.

<sup>32</sup> AHURI, *Submission 57*, p. 5.

<sup>33</sup> Per Capita, *Submission 61*, p. 33.

record highs'.<sup>34</sup> For regional Victoria, that figure is 30 per cent above pre-pandemic levels, according to Regional Development Australia (RDA).<sup>35</sup>

- 4.36 Such net population flows to regional areas apply pressure to both availability and affordability in regional rental housing markets, which in turn adversely affects regional labour markets.<sup>36</sup>
- 4.37 The Reserve Bank of Australia has published analysis showing rent inflation since 2019 has been higher in regional areas than in capital cities.<sup>37</sup>

### **Supply of rental housing**

- 4.38 The following section provides an overview of the housing stock to rent and the supply shortage of private rental dwellings. It also outlines key factors affecting supply of rental stock. Rental affordability problems are often ascribed to a shortage of available housing stock for rent, with high demand relative to supply placing upward pressure on rent.

### **Social housing (public housing and community housing)**

- 4.39 As noted in Chapter 1, the number of households in public housing fell by 13.6 per cent (to 286,000) between 2002 to 2022, while over that same period the number of households in community housing almost tripled (to 102,600).<sup>38</sup> This trend is illustrated in Figure 4.4.

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<sup>34</sup> RAI, *Submission 123*, pp. 11–12.

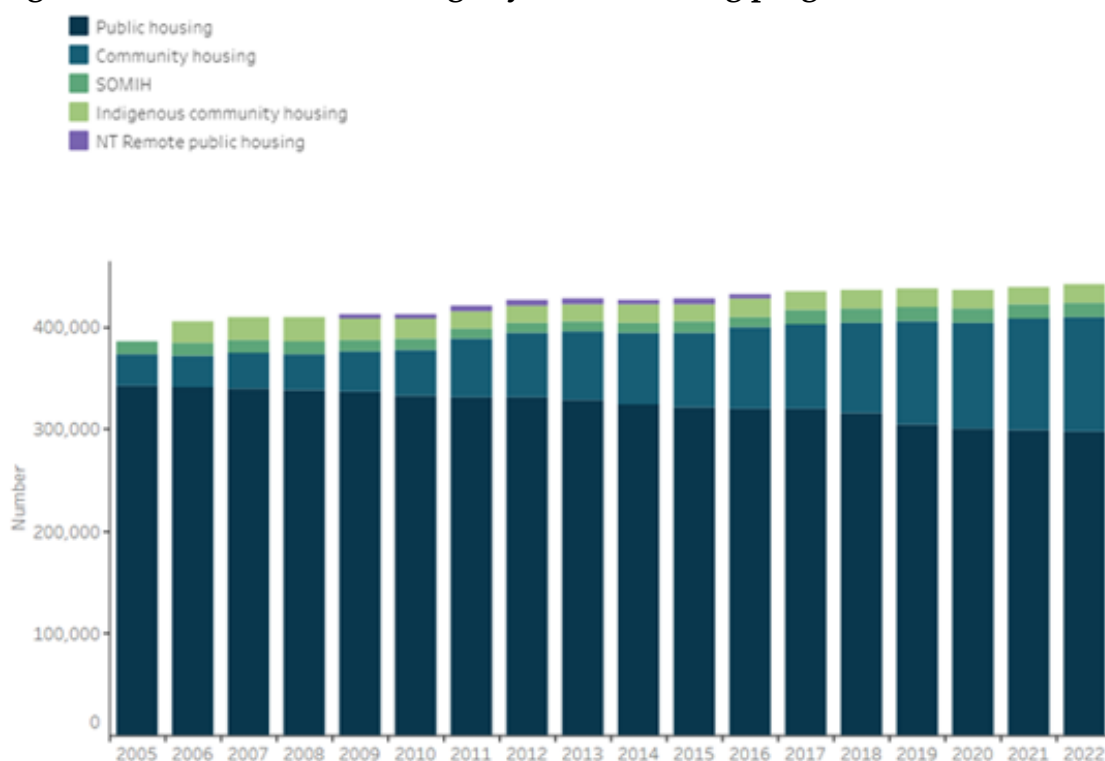
<sup>35</sup> RDA, *Submission 136*, p. 5.

<sup>36</sup> RAI, *Submission 123*, pp. 5 and 11–12; RDA, *Submission 136*, p. 5. RDA said the 'lack of housing availability and affordability in regional Victoria is a central deterrent to workforce attraction and retention'. RAI added that: 'A booming labour market is putting further pressure on an already stressed rental market'.

<sup>37</sup> Fred Hanmer and Michelle Marquardt, Reserve Bank of Australia, '[New Insights into the Rental Market](#)', *Bulletin June 2023*, 24 April 2023, p. 16.

<sup>38</sup> AIHW, *Housing assistance in Australia*, 14 July 2023, [www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/social-housing-dwellings](http://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/social-housing-dwellings) (accessed 13 September 2023).

**Figure 4.4 Number of dwellings by social housing program**



Source: AIHW, *Housing assistance in Australia*, 14 July 2023, [www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/social-housing-dwellings](https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/social-housing-dwellings) (accessed 13 September 2023).

- 4.40 The Grattan Institute observes that social housing stock has barely grown in 20 years, while the population has increased by 33 per cent.<sup>39</sup> Similarly, the City Futures Research Centre notes that annual social housing lettings have fallen since the mid-1990s from 52,000 to 29,000: ‘a nominal reduction of 44 per cent, but pro rata to population, down by over 60 per cent’.<sup>40</sup>
- 4.41 Waiting lists for social housing are extremely long, demonstrating the inability of supply to keep up demand.<sup>41</sup> AHURI highlighted the sheer extent of this demand:

If we add together all the households on the waiting list and those already in social housing, we find that over half a million (close to 565,000, or just over 6 per cent) Australian households were living in, or had requested to live in, a form of social housing. AHURI research has projected growth in

<sup>39</sup> Grattan Institute, *Submission 127*, p. 12.

<sup>40</sup> City Futures Research Centre, *Submission 40*, p. 8. ‘Over the past decade, annual social housing construction has been typically running at only around 3,000 dwellings across Australia’, barely offsetting sales and demolitions; while, by contrast, maintaining the current proportion of social housing in housing stock to keep pace with Australia’s population growth would require 10,000 new units per year – or around 5 per cent of all housebuilding (pp. 9–10).

<sup>41</sup> See, for example, Queensland Council of Social Service, *Submission 36*, [p. 5]; REIQ, *Submission 38*, p. 11; Per Capita, *Submission 61*, p. 21.

demand for social housing to the year 2037, estimating that over 1.1 million social dwellings will be needed by that point ...<sup>42</sup>

4.42 The Community Housing Industry Association argued that:

The evidence is that Australia needs around 8-9% of its total housing stock to be social housing for low income households and around another 3% to be affordable rental housing for moderate income households. This is about three times the current supply.<sup>43</sup>

4.43 On 14 September 2023, the Housing Australia Future Fund Bill 2023 (HAFF Bill) was passed, committing additional funding for social housing that is estimated to result in an extra 30,000 new social and affordable dwellings over five years.

4.44 To date, a number of inquiry participants have expressed support for the passage of the HAFF Bill.<sup>44</sup> For instance, Mr Hayden Groves, President of the REIA, stated that:

The Housing Australia Future Fund does give an important injection of social and affordable housing funding for the states and territories, in order to help them catch up with an area that has been long neglected by the states and territories. It is very important legislation to try to get more housing, more quickly into the market, at the affordable end, right now.<sup>45</sup>

4.45 The committee will examine the views of inquiry participants on the new legislation in its final report.

### **Private rental housing**

4.46 As noted in Chapter 1, the national residential property rental vacancy rate in July 2023 was 1.3 per cent, with some capital cities vacancy rates closer to 1 per cent.<sup>46</sup> This is well below a 'healthy' vacancy rate of between 2.6 and 3.5 per cent.<sup>47</sup>

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<sup>42</sup> AHURI, *Submission 57*, p. 42.

<sup>43</sup> Community Housing Industry Association, *Submission 41*, p. 14.

<sup>44</sup> See, for example, Ms Maiy Azize, Campaign Spokesperson, Everybody's Home, *Proof Committee Hansard*, 30 August 2023, p. 14; Mr Hayden Groves, President, REIA, *Proof Committee Hansard*, 30 August 2023, p. 42; Dr Michael Fotheringham, Managing Director, AHURI, *Proof Committee Hansard*, 30 August 2023, p. 51.

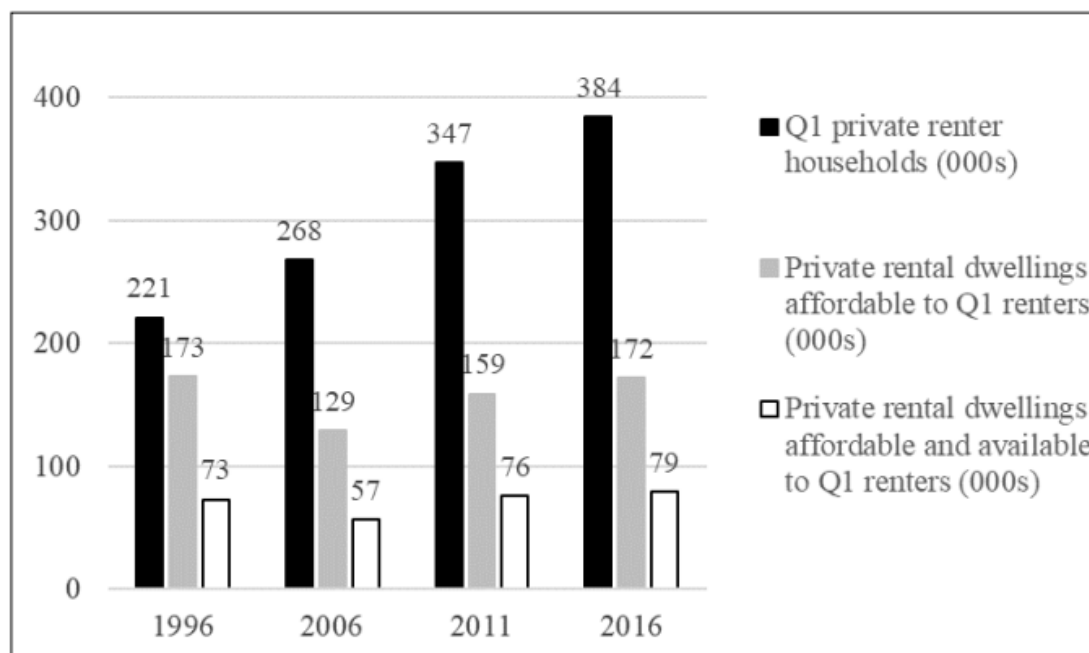
<sup>45</sup> Mr Hayden Groves, President, REIA, *Proof Committee Hansard*, 30 August 2023, p. 42.

<sup>46</sup> SQM Research, *Residential Vacancy Rates: National*, [https://sqmresearch.com.au/graph\\_vacancy.php?national=1&t=1](https://sqmresearch.com.au/graph_vacancy.php?national=1&t=1) (accessed 13 September 2023).

<sup>47</sup> REIQ, *Submission 38*, p. 4; Ms Antonia Mercorella, Chief Executive Officer, REIQ, *Proof Committee Hansard*, 23 August 2023, p. 56. See also REIA, *Submission 56*, p. 12, suggesting 3 per cent to 3.5 per cent as 'a health rental availability'.

- 4.47 Of properties in the private rental market, 80 per cent are owned by individual investors with the remaining 20 per cent owned by self-managed superannuation funds, institutional investors and employers.<sup>48</sup>
- 4.48 Nearly half of Australia's private rental dwellings are owned by landlords who own a single investment property; and about 90 per cent are owned by landlords who own four or fewer investment properties.<sup>49</sup>
- 4.49 Properties and owners tend to enter and exit the private rental sector quite rapidly. One analysis of rental bond data found that over half of rental properties in Sydney and Melbourne had exited the sector five years after first having been observed in the sector. A similar proportion of landlords leave the sector at five years.<sup>50</sup>
- 4.50 The growing gap over the two decades to 2016 between the number of lowest-quintile ('Q1') renter households and the number of private rental dwellings affordable and available to such households is shown at Figure 4.5.

**Figure 4.5 Indicators of supply shortage of private rental dwellings for Q1 households, 1996-2016**



Source: City Futures Research Centre, *Submission 40*, p. 19, (citing Kath Hulse et al., AHURI, *The supply of affordable private rental housing in Australian cities: short-term and longer-term changes*, December 2019).

- 4.51 The REIA characterises the main factors affecting current rental housing supply as follows:

<sup>48</sup> Treasury and Department of Social Services (DSS), *Submission 133*, p. 9.

<sup>49</sup> City Futures Research Centre, *Submission 40*, p. 6.

<sup>50</sup> City Futures Research Centre, *Submission 40*, p. 7.

... inadequate housing, combined with a shrinking of the existing pool, is the absolute dominant factor in the current supply of rentals.

Australia's building program has not kept up with consumer demand; and existing rental inventory has become stressed by economic conditions, excessive regulation, taxation and reduced returns.<sup>51</sup>

### ***Build to rent***

4.52 AHURI explains the concept of 'build to rent' (BTR) as:

... the process whereby developers and their financiers build multi-unit buildings and, instead of selling the units, retain them to rent to tenant households. Rents may be set at market rent or, for affordable and social housing, at an appropriate discount to market rents.<sup>52</sup>

4.53 The BTR sector accounts for about 0.2 per cent (by value) of Australia's residential housing sector, consisting of about 3,000 completed units and some 19,000 in development.<sup>53</sup> It has been incentivised by some recent changes to tax settings (both state-level land tax and federal-level withholding tax).<sup>54</sup> The commercial BTR sector currently operates at the higher end of the residential housing market.<sup>55</sup>

### ***'Affordable housing'***

4.54 The need for an increased supply of more affordable housing, especially for low- and moderate-income earners, was a major theme of evidence before the committee.<sup>56</sup>

4.55 There is no universally used definition of 'affordable housing' in Australia. AHURI has observed that the term is variously used across jurisdictions and government programs to refer to:

- a household's ability to pay, determined by its income;

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<sup>51</sup> REIA, *Submission 56*, p. 17.

<sup>52</sup> AHURI, *What is 'Build to rent'?*, 2 August 2023, [www.ahuri.edu.au/analysis/brief/what-build-rent#:~:text=Build%20to%20rent'%20\(BTR,appropriate%20discount%20to%20market%20rents.](http://www.ahuri.edu.au/analysis/brief/what-build-rent#:~:text=Build%20to%20rent'%20(BTR,appropriate%20discount%20to%20market%20rents.) (accessed 13 September 2023).

<sup>53</sup> AHURI, *What is 'Build to rent'?*, 2 August 2023 (accessed 13 September 2023). See also Property Council of Australia, *Submission 147*, pp. [5–6].

<sup>54</sup> Mr Peter Mares, *Submission 86*, p. 7. For example, the 2023–24 Federal Budget provided (subject to the passage of legislation) for the managed investment trust withholding tax rate to be halved from 30 per cent to 15 per cent, and for the capital works tax deduction (depreciation) rate to be increased from 2.5 to 4 per cent per year for newly constructed build-to-rent properties (Treasury and DSS, *Submission 133*, p. 38).

<sup>55</sup> Mr Peter Mares, *Submission 86*, p. 7.

<sup>56</sup> See, for example, Professor Alan Morris, *Submission 44*, p. 7; Everybody's Home, *Submission 52*, pp. 3–5 and 9–10; RAHU, *Submission 55*, pp. 3 and 7; AHURI, *Submission 57*, pp. 7 and 26; Per Capita, *Submission 61*, p. 19; PowerHousing Australia, *Submission 65*, pp. 2–4 and 13.

- rental housing with rent lower than the prevailing local market rate; and
  - rental housing only, or also home ownership.<sup>57</sup>
- 4.56 As noted in Chapter 1, a range of government programs aim to promote housing affordability. Of these, several programs attempt to boost the supply of affordable housing;<sup>58</sup> some assist people to pay their rent;<sup>59</sup> and others focus on assisting people to enter home ownership.<sup>60</sup>
- 4.57 Many submitters stressed the need to focus on the composition as well as on the quantum of the required additional rental supply, in order to ensure that the needs of moderate- and low-income earners are met.<sup>61</sup> For example, Mr Thomas Chailloux of the Public Interest Advocacy Centre (PIAC) told the committee:
- ... it's really, really important, when we talk about supply of housing, that we talk about targeted supply – supply of social and affordable housing that people on the lowest income can actually afford—because you cannot guarantee, when you focus on general supply, that this supply will actually flow down to the people who need it the most, and those people often are our clients.<sup>62</sup>

### **Factors impacting supply of private rental stock**

- 4.58 Inquiry participants suggested that a variety of factors influence the supply of private rental housing, including incentives and disincentives for property investors; short-stay rental housing; and levels of construction activity.

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<sup>57</sup> AHURI, *What is the difference between social housing and affordable housing - and why do they matter?*, 28 February 2023, [www.ahuri.edu.au/analysis/brief/what-difference-between-social-housing-and-affordable-housing-and-why-do-they-matter#:~:text=What%20is%20social%20housing%3F,or%20have%20other%20complex%20needs](http://www.ahuri.edu.au/analysis/brief/what-difference-between-social-housing-and-affordable-housing-and-why-do-they-matter#:~:text=What%20is%20social%20housing%3F,or%20have%20other%20complex%20needs). (accessed 13 September 2023). As an example of the below-market-rent approach, AHURI instances the discontinued National Rental Affordability Scheme (NRAS) – which deemed affordable housing to be that with rents under the prevailing local market rate, and capped rents at 20 per cent below market rates to eligible tenants for a 10-year period.

<sup>58</sup> Examples include the Housing Australia Future Fund, Affordable Housing Bond Aggregator and the Social Housing Accelerator.

<sup>59</sup> Commonwealth Rent Assistance (CRA) is one example.

<sup>60</sup> Examples of home purchase assistance include the Home Guarantee Scheme, First Home Super Saver Scheme, Indigenous Home Ownership Program, and the Help to Buy Scheme.

<sup>61</sup> See, for example, Professor Nicole Gurrán, Professor of Urban and Regional Planning, University of Sydney, *Proof Committee Hansard*, 23 August 2023, p. 47; Mr Thomas Chailloux, Policy Officer, Homeless Persons Legal Service, PIAC, *Proof Committee Hansard*, 24 August 2023, p. 15.

<sup>62</sup> Mr Thomas Chailloux, Policy Officer, Homeless Persons Legal Service, PIAC, *Proof Committee Hansard*, 24 August 2023, p. 15.

### *Tax incentives for small investors*

- 4.59 As noted above, 80 per cent of Australian rental properties are owned by individual investors.<sup>63</sup>
- 4.60 As noted in Chapter 1, the main tax incentives for investment in the housing market, in terms of cost to the Commonwealth budget, are negative gearing and capital gains tax concessions.
- 4.61 In 2020–21, approximately 1 million out of 2.2 million individuals with an interest in rental property reported a net loss in rental income (i.e. they were negatively geared), while 1.25 million individuals reported net capital gains.<sup>64</sup>
- 4.62 In their joint submission, Treasury and the Department of Social Services (DSS) contended that ‘current settings provide a marginal incentive for individuals to invest in rental housing’.<sup>65</sup> They also argued that ‘while changes to tax systems can affect investor incentives, current rental affordability dynamics have not been driven by tax settings’.<sup>66</sup>
- 4.63 Some inquiry participants argued that the removal of tax concessions for investors would result in an exodus of investors from the private rental market, which would lead to worse outcomes for renters.<sup>67</sup> On the other hand, a number of submitters linked the availability of tax concessions to negative outcomes for tenants.<sup>68</sup> For example, Per Capita argued that:

The instability of the hobby landlord class is the major cause of short tenancies and housing insecurity for tenants, and of the spikes in rental prices that occur when properties change hands or are leased to new tenants. It is in large part driven by Australia’s unusually generous tax concessions for property investors, which incentivise ordinary income earners, without high levels of capital, to speculate on the housing market.<sup>69</sup>

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<sup>63</sup> Treasury and DSS, *Submission 133*, p. 9.

<sup>64</sup> Australian Taxation Office (ATO), *Individuals statistics*, 8 June 2023, [www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Taxation-statistics/Taxation-statistics-2020-21/?anchor=IndividualsStatistics#Chart10Individuals](http://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Taxation-statistics/Taxation-statistics-2020-21/?anchor=IndividualsStatistics#Chart10Individuals) (accessed 13 September 2023).

<sup>65</sup> Treasury and DSS, *Submission 133*, p. 27.

<sup>66</sup> Treasury and DSS, *Submission 133*, p. 27.

<sup>67</sup> See, for example, REIQ, *Submission 38*, pp. 8–9; Daryl, *Proof Committee Hansard*, 23 August 2023, pp. 34–35; Simon, *Proof Committee Hansard*, 24 August 2023, p. 30.

<sup>68</sup> See, for example, Antipoverty Centre, *Submission 39*, p. 14; Everybody’s Home, *Submission 52*, pp. 9–10; Per Capita, *Submission 61*, p. 8.

<sup>69</sup> Per Capita, *Submission 61*, p. 23. See also, Centre for Urban Research, Royal Melbourne Institute of Technology, *Submission 11*, p. 10.

### *Institutional investors*

- 4.64 Evidence before the committee highlighted the relatively small role of institutional investors in the Australian housing market.<sup>70</sup> For example, CEDA noted that the largest investors hold only a few thousand units, contrasting this with Germany and the US where the largest institutional investors hold a combined total of over half a million dwellings.<sup>71</sup>
- 4.65 REIA told the committee that institutionalised investment assets will be useful in that they will provide rental supply, albeit at the upper and more bespoke end of the rental continuum, which will free up other rental supply in the market.<sup>72</sup>
- 4.66 As outlined in Chapter 1, the Government announced in its 2023–24 Budget incentives for investment in build-to-rent accommodation.

### *Short-stay rental housing*

- 4.67 The committee heard a range of views about the extent to which short-stay rentals exacerbate rental affordability and supply issues.
- 4.68 AHURI research suggested that short-stay rentals arranged through platforms like Airbnb ‘are probably not significantly worsening rental affordability at the metropolitan scale’, with commercial Airbnb listings comprising only 1-2 per cent of rental stock in Melbourne and Sydney. However, AHURI found that such platforms are having an impact on rental supply in ‘high-demand inner city areas that have significant tourism appeal’.<sup>73</sup>
- 4.69 The Productivity Commission noted that Airbnb listings as a proportion of the rental housing stock were 12 per cent in Hobart (2020) and 48 per cent in Byron Bay (2017). It argued that short-term rentals ‘highlight – rather than cause – broader supply problems’.<sup>74</sup>
- 4.70 Airbnb pointed to the complexities involved in the housing market:

At its core, the issue of housing is challenging and complicated. The causes of housing or rental availability and affordability differ from place to place, with legacy factors – which often pre-date the founding of Airbnb by decades – ranging from the supply of new homes, the ratio of affordable to social housing stock, demographic changes, the number of empty dwellings and rooms, shrinking household sizes, migration, interest rates, taxation

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<sup>70</sup> See, for example, CEDA, *Submission 33*, pp. 1–2; City Futures Research Centre, *Submission 40*, p. 6; Per Capita, *Submission 61*, p. 23.

<sup>71</sup> CEDA, *Submission 33*, p. 1.

<sup>72</sup> Mr Hayden Groves, President, REIA, *Proof Committee Hansard*, 30 August 2023, p. 45.

<sup>73</sup> AHURI, *Submission 57*, p. 39.

<sup>74</sup> Productivity Commission, *Submission 148*, p. 11.

settings, as well as state and federal policy and broader economic conditions.<sup>75</sup>

- 4.71 Professor Nicole Gurran told the committee at the public hearing in Brisbane that it was difficult to isolate the impact of short-term rentals from other types of demand shifts. However, she said there was ‘quite robust international economic literature’ finding that the impact did entail upward pressure on rents. Professor Gurran stressed that, with vacancy rates low, ‘anything that reduces the availability of properties will further exacerbate that rental vacancy rate’.<sup>76</sup>

### *Construction activity*

- 4.72 The committee heard that a variety of factors influence the rate at which rental housing is constructed across the country. These factors may include planning and zoning regulations, development approvals, and issues with labour shortages and supply chains.

### *Planning and zoning regulations*

- 4.73 A number of submitters argued that housing supply in Australia has been constrained by the operation of planning rules.<sup>77</sup> For example, Treasury and DSS said in a joint submission:

A key deterrent to new dwelling construction in Australia has been planning, zoning and land release systems. Such regulations, when restrictive, can substantially increase the cost of supplying new housing. For example, planning delays increase costs and uncertainty to developers, which can restrict housing supply.

...

Planning, zoning and land release regulations have been diverting housing development away from well-located areas, where it would best satisfy household preferences. Proponents suggest that dense development in the ‘missing middle’ of major Australian cities, where households can reside closer to jobs in areas with higher quality amenities and infrastructure, has been restricted by regulations put in place by local governments.<sup>78</sup>

- 4.74 The Centre for Independent Studies argued that planning restrictions are the ‘fundamental cause’ of rental supply issues which lead to overly high rents.<sup>79</sup>

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<sup>75</sup> Airbnb, *Submission 63*, p. 1.

<sup>76</sup> Professor Nicole Gurran, Professor of Urban and Regional Planning, University of Sydney, *Proof Committee Hansard*, 23 August 2023, p. 48.

<sup>77</sup> See, for example, Housing Industry Association, *Submission 49*, pp. 2 and 25; REIA, *Submission 56*, p. 17; Centre for Independent Studies, *Submission 59*, pp. 4 and 8–9; Abundant Housing Network Australia, *Submission 64*, p. 11; Grattan Institute, *Submission 127*, pp. 2, 9–10; Master Builders Australia, *Submission 149*, pp. 3 and 18–19.

<sup>78</sup> Treasury and DSS, *Submission 133*, pp. 22–23.

<sup>79</sup> Centre for Independent Studies, *Submission 59*, p. 4.

4.75 Others questioned whether planning and zoning rules are the major delaying factor – in view of the lag times observed in practice between planning approvals and commencement of construction.<sup>80</sup> For example, Sustainable Population Australia submitted:

There is no evidence that more government efforts for rezoning or reducing ‘red tape’ will increase the rate of housing construction, since developers already have access to land they choose not to develop yet.<sup>81</sup>

4.76 Researchers from the University of Sydney gave evidence that planning and zoning regulations are not the main barriers to the construction of new rental housing.<sup>82</sup> Dr Cameron Murray pointed out that ‘plans are rules about where things go, and only property owners can decide when or how fast to build them’.<sup>83</sup> This was echoed by Professor Nicole Gurran who indicated that the real problem is ‘getting projects off the ground once they’re approved’.<sup>84</sup>

#### *Development approvals*

4.77 Government agencies submitted that dwelling approvals provide an indication of future construction levels.<sup>85</sup> Master Builders Australia pointed out that in the June quarter of 2023, new home building approvals were 15.5 per cent down on a year earlier, with higher-density home building approvals down by 14.4 per cent’.<sup>86</sup> Figure 4.6 shows the trajectory of dwelling approvals since 2009.

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<sup>80</sup> Professor Nicole Gurran, Professor of Urban and Regional Planning, University of Sydney, *Proof Committee Hansard*, 23 August 2023, p. 49.

<sup>81</sup> Sustainable Population Australia, *Submission 67*, p. 7.

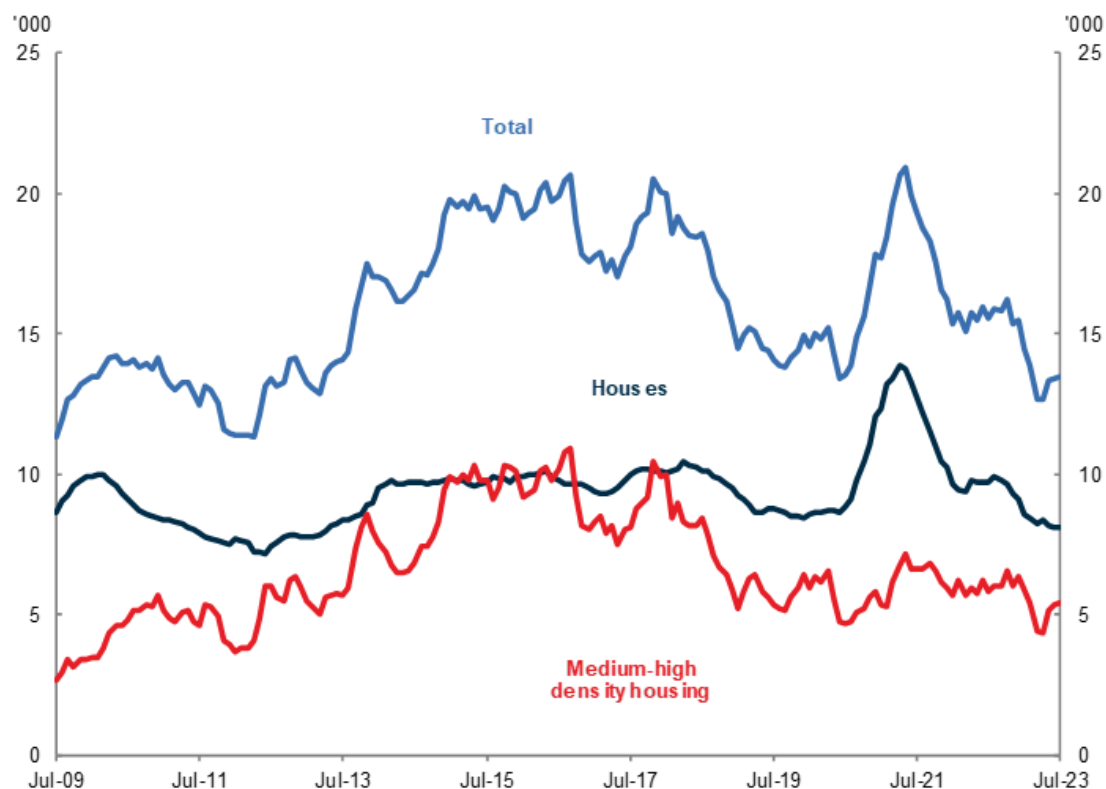
<sup>82</sup> Dr Cameron Murray, Research Fellow, University of Sydney, *Proof Committee Hansard*, 23 August 2023, p. 19; Professor Nicole Gurran, Professor of Urban and Regional Planning, University of Sydney, *Proof Committee Hansard*, 23 August 2023, p. 49.

<sup>83</sup> Dr Cameron Murray, Research Fellow, University of Sydney, *Proof Committee Hansard*, 23 August 2023, p. 19.

<sup>84</sup> Professor Nicole Gurran, Professor of Urban and Regional Planning, University of Sydney, *Proof Committee Hansard*, 23 August 2023, p. 49.

<sup>85</sup> Treasury and DSS, *Submission 133*, p. 25.

<sup>86</sup> Master Builders Australia, *Submission 149*, p. 3.

**Figure 4.6 Dwelling approvals**

Source: Treasury and DSS, *Submission 133*, p. 25 (citing ABS, *Building Approvals, Australia*, 30 August 2023, [www.abs.gov.au/statistics/industry/building-and-construction/building-approvals-australia/latest-release](http://www.abs.gov.au/statistics/industry/building-and-construction/building-approvals-australia/latest-release) (accessed 1 August 2023)).

4.78 On the other hand, several inquiry participants suggested that development approvals do not significantly influence the rate of construction activity, as developers are free to choose when to commence developments once they have been approved.<sup>87</sup> According to Sustainable Population Australia:

Housing supply is largely controlled by developers, who choose to drip-feed stock to ensure the market remains tight and prices keep rising, while holding large parcels of land already approved for development (land banking).<sup>88</sup>

#### *Labour and supply chain issues*

4.79 Numerous submitters indicated that labour and supply chain issues are limiting the rate and amount of rental housing being built.<sup>89</sup>

<sup>87</sup> See, for example, Sustainable Population Australia, *Submission 67*, p. 7; Dr Cameron Murray, Research Fellow, University of Sydney, *Proof Committee Hansard*, 23 August 2023, p. 19; Dr Chris Martin, Senior Research Fellow, City Futures Research Centre, University of New South Wales Sydney, *Proof Committee Hansard*, 24 August 2023, p. 46.

<sup>88</sup> Sustainable Population Australia, *Submission 67*, p. 7.

<sup>89</sup> See, for example, Anglicare WA, *Submission 3*, [p. 10]; Centre for Urban Research, Royal Melbourne Institute of Technology, *Submission 11*, p. 8; AHURI, *Submission 57*, p. 5; Treasury and DSS, *Submission 133*, p. 24.

- 4.80 Peak bodies for the housing and construction industry noted the impact on the construction sector of labour shortages and increased costs of building materials.<sup>90</sup> For example, Mr David Bare, Executive Director at the Housing Industry Association, testified that construction costs have increased over the past 12 to 18 months ‘on average by 20 per cent’.<sup>91</sup> In Sydney, this equates to an additional cost of \$130,000 for an average build.<sup>92</sup>
- 4.81 The Housing Industry Association outlined the substantial increases in the cost of building material from pre-pandemic levels:
- All home building inputs have increased in price between the December Quarter 2019 (pre-pandemic period) to the latest March Quarter 2023. Notable inputs that have saw a large price increase over this timeframe are reinforcing steel (+59.0%), steel products (+46.7 per cent) and timber, board, and joinery (+40.9 per cent).<sup>93</sup>
- 4.82 The committee heard that the combination of labour shortages and supply chain issues is causing ‘significantly extended build times’, with some people renting in the private market for long periods of time while waiting for their home to be built.<sup>94</sup>

### **Rights and obligations of landlords and tenants under tenancy law**

- 4.83 Residential tenancy laws and tenancy support services affect security, safety, and accessibility for renters.<sup>95</sup> As noted in Chapter 1, state and territory governments have responsibility for tenancy laws, but the Commonwealth Government has recently become more engaged in coordinating efforts towards greater harmonisation of tenancy laws across Australian jurisdictions – with a view to enhancing protections of renters’ rights.
- 4.84 Residential tenancy laws provide legal protections for tenants around rent and conditions of rental leases.<sup>96</sup> The differing levels of tenancy protections across Australian jurisdictions are summarised in Table 4.1.

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<sup>90</sup> Housing Industry Association, *Submission 49*, [p. 28]; Master Builders Australia, *Submission 149*, [p. 3].

<sup>91</sup> Mr David Bare, Executive Director, New South Wales, Housing Industry Association, *Proof Committee Hansard*, 24 August 2023, p. 54.

<sup>92</sup> Mr David Bare, Executive Director, New South Wales, Housing Industry Association, *Proof Committee Hansard*, 24 August 2023, p. 54.

<sup>93</sup> Housing Industry Association, *Submission 49*, [p. 37].

<sup>94</sup> Mr David Bare, Executive Director, New South Wales, Housing Industry Association, *Proof Committee Hansard*, 24 August 2023, p. 52.

<sup>95</sup> Productivity Commission, *Submission 148*, [p. 14].

<sup>96</sup> AHURI, *Submission 57*, [p. 33].

**Table 4.1 Key features of private rental tenancy protections by jurisdiction**

	<b>Restrict rent rises</b>	<b>Rent rate bids</b>	<b>No-cause evictions</b>	<b>Keeping pets</b>	<b>Protect personal info</b>	<b>Other</b>
<b>NSW</b>	Permitted every 12 months, no cap	Permitted	Being considered, currently 30 or 90 days	Being considered	Being considered	Transfer of bonds, other reforms being considered
<b>Vic</b>	Permitted every 12 months, no cap	Prohibited	At end of first fixed term or with reason	Landlord discretion	No restriction	Minimum standards, allowable modification, right to reasonable repairs
<b>Qld</b>	Permitted every 6 months, no cap	Permitted	End of lease 60 days, otherwise not permitted	Landlord discretion	No restriction	Personal modification, fees and charges, bond transfer being considered
<b>WA</b>	Announced restricted to one a year, no cap	Announced	Permitted 30 days before end of fixed term, 60 days periodic lease	Announced allowing pets with reasonable refusal only	No restriction	Announced allowing modifications, announced streamlining bond release, announced dispute process
<b>SA</b>	Permitted every 12 months, no cap	Soliciting bids prohibited (tenants can initiate)	Legislating prescribed reasons during lease, allowed at end of lease	Legislating allowing pets with reasonable refusal only	Prescribed application form and restrictions on info collected/stored/destroyed	Longer leases being considered, bond limit to 4 weeks' rent
<b>Tas</b>	Permitted every 12 months, no cap	Advertising price range not permitted (tenants can initiate)	End of lease 42 days Otherwise not permitted	Landlord discretion	No restriction	Basic minimum standards required
<b>NT</b>	Permitted every 6 months with 30 days' notice, no cap	Permitted	Permitted 42 days during lease, 14 days at end of fixed term lease	Landlord discretion	No restriction	
<b>ACT</b>	Permitted every 12	Soliciting bids	Permitted 26 weeks	Landlord discretion	Landlord discretion	Growing food Compost

months with, prohibited  
for periodic (tenants  
tenancies, can  
'prescribed initiate)  
amount'

Source: adapted from Australian Council of Social Service (ACOSS), *Submission 117*, [pp. 6-7]

- 4.85 All states and territories are currently reviewing, or have recently reviewed and amended, relevant legislation.<sup>97</sup> For example, the ACT Government recently amended its legislation to place limits on rent increases; ban no-cause evictions; ban solicitation of rent bidding; require rental properties to be advertised with a fixed rental rate; and make it easier for tenants to have pets or make modifications to their home.<sup>98</sup>
- 4.86 As outlined in Chapters 2 and 3, the experiences of many renters point to the need to better protect renters, and many submitters called for profound reforms of tenancy laws.<sup>99</sup>
- 4.87 Inquiry participants who participated in the recent public hearings which took place after the National Cabinet announcement of 'A Better Deal for Renters'<sup>100</sup> were broadly supportive of the initiative.<sup>101</sup> However, many of these were of the view that 'A Better Deal for Renters' does not go far enough, especially in the area of rent increase control.<sup>102</sup> For example, Ms Maiy Azize, the campaign spokesperson for Everybody's Home told the committee:

The recent National Cabinet meeting, for example, was a real lost opportunity to protect renters from the worst of the housing crisis. The recent agreement we've seen is not going to end unfair rent increases.

<sup>97</sup> See, for example, Chris Martin, *A brief history of Australian residential tenancies law reform: from the nineteenth century to COVID-19*, City Futures Blog, City Futures Research Centre, University of NSW, <https://blogs.unsw.edu.au/cityfutures/blog/2020/09/a-brief-history-of-australian-residential-tenancies-law-reform-from-the-nineteenth-century-to-covid-19/> (accessed 18 August 2023).

<sup>98</sup> ACT Government, *Submission 9*, [pp. 3–8].

<sup>99</sup> See, for example, Per Capita, *Submission 61*, pp. 41–42; South Australian Council of Social Service, *Submission 75*, pp. 9–10; Darwin Community Legal Service, *Submission 109*, pp. 3–4; Tenants' Union of Tasmania, *Submission 110*, pp. 6–11.

<sup>100</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, '[Meeting of National Cabinet – Working together to deliver better housing outcomes](#)', *Media Release*, 16 August 2023, paras 10–11 and Attachment 2.

<sup>101</sup> See, for example, Ms Emma Greenhalgh, Chief Executive Officer, National Shelter, *Proof Committee Hansard*, 30 August 2023, p. 14; Ms Jennifer Kirkaldy, General Manager, Policy and Advocacy, The Salvation Army, *Proof Committee Hansard*, 30 August 2023, p. 54.

<sup>102</sup> See, for example, Ms Penny Carr, Chief Executive Officer, Tenants Queensland, *Proof Committee Hansard*, 23 August 2023, p. 8; Mr Andrew Barker, Senior Economist, CEDA, *Proof Committee Hansard*, 23 August 2023, p. 14; Ms Aimee McVeigh, Chief Executive Officer, Queensland Council of Social Service, *Proof Committee Hansard*, 23 August 2023, p. 38.

Limiting those increases to once a year won't change anything for nine out of 10 renters across the country who already enjoy that protection.<sup>103</sup>

- 4.88 On the other hand, in its submission to the inquiry, the Productivity Commission told the committee that while tenancy law reform can increase security of tenure, renter autonomy, and minimum dwelling standards, it may also increase costs and risks for landlords.<sup>104</sup>
- 4.89 AHURI submitted that rental reforms need to achieve a balance between improving conditions for renters while not disincentivising investment and limiting supply of fit for purpose rental housing (which in turn can increase rental prices).<sup>105</sup> The different views on the impact of rental reforms on property investors were discussed earlier in the chapter.
- 4.90 Evidence before the committee highlighted varying views on the appropriate balance between the rights and obligations of tenants and landlords in a variety of areas, including:
- rent regulation;<sup>106</sup>
  - tenancy application processes, including privacy considerations;<sup>107</sup>
  - tenants' use of rental properties, such as pets and minor modifications;<sup>108</sup>
  - minimum accommodation standards, such as energy efficiency;<sup>109</sup>
  - 'no-grounds' evictions;<sup>110</sup> and
  - enforcement of tenants' rights.<sup>111</sup>

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<sup>103</sup> Ms Maiy Azize, Campaign Spokesperson, Everybody's Home, *Proof Committee Hansard*, 30 August 2023, p. 10.

<sup>104</sup> Productivity Commission, *Submission 148*, p. 14.

<sup>105</sup> AHURI, *Submission 57*, [p. 33].

<sup>106</sup> See, for example, Abundant Housing Network Australia, *Submission 64*, pp. 21–22; Property Owners' Association of Victoria, *Submission 66*, [p. 1]; Financial Wellbeing Collective, *Submission 92*, p. 7; Anika Legal, *Submission 105*, [pp. 2–3].

<sup>107</sup> See, for example, Centre for Urban Research, Royal Melbourne Institute of Technology, *Submission 11*, p. 2; Digital Rights Watch, *Submission 26*, p. 9.

<sup>108</sup> See, for example, Queensland Council of Social Service, *Submission 36*, [pp. 4–5]; Better Renting, *Submission 46*, [p. 7].

<sup>109</sup> See, for example, Sweltering Cities, *Submission 16*, [p. 1]; Energetic Communities Association, *Submission 108*, pp. 3–6.

<sup>110</sup> See, for example, Queensland Council of Social Service, *Submission 36*, [p. 4]; Property Investment Professionals of Australia, *Submission 96*, [p. 4]; Tenants' Union of Tasmania, *Submission 110*, pp. 7–8.

<sup>111</sup> See, for example, Consumers of Mental Health WA (CoMHWA), *Submission 28*, p. 7; REIQ, *Submission 38*, p. 12; NSW Council of Social Service, *Submission 106*, p. 13.

### **Rent controls**

- 4.91 A significant number of inquiry participants called for the introduction of rent controls, though there were differing views as to the precise form these regulations should take.<sup>112</sup> It was said by these submitters that rent controls are needed to ease the financial pressures on renters; increase certainty and stability for renters; and address the recent issue of some rental providers demanding excessive, and sometimes punitive, rent increases.<sup>113</sup>
- 4.92 The committee heard that for rent controls to be effective, they must be accompanied by stronger protections for renters.<sup>114</sup> For example, Ms Penny Carr, Chief Executive Officer of Tenants Queensland, indicated that:

... protecting people from arbitrary eviction goes hand in hand with limiting rents because, if you have one without the other, you use the other lever to effect the change you want as a landlord.<sup>115</sup>

### **Limiting rent increases**

- 4.93 Many submitters suggested restrictions on the amount and frequency that rents can be increased.<sup>116</sup> There were suggestions that rent increases should be tied to official indexes such as CPI or median wage increases.<sup>117</sup> The system of regulating rent increases in the ACT was widely cited as a model that could be replicated in other Australian jurisdictions.<sup>118</sup>
- 4.94 Dr Chris Martin, Senior Research Fellow at the City Futures Research Centre, noted that the ACT has had some form of guideline in place since 1997 on the

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<sup>112</sup> See, for example, Anika Legal, *Submission 105*, [p. 5]; Redfern Legal Centre, *Submission 113*, pp. 2–3; Think Forward, *Submission 122*, p. 31;

<sup>113</sup> See, for example, Better Renting, *Submission 46*, [p. 3]; Anika Legal, *Submission 105*, [p. 5]; Energetic Communities Australia, *Submission 108*, pp. 2–3; Darwin Community Legal Service, *Submission 109*, p. 11.

<sup>114</sup> See, for example, AHURI, *Submission 57*, p. 53; Ms Natalie Bradshaw, Acting Solicitor in Charge, Combined Civil Law Specialist Teams, Legal Aid NSW, *Proof Committee Hansard*, 24 August 2023, p. 11.

<sup>115</sup> Ms Penny Carr, Chief Executive Officer, Tenants Queensland, *Proof Committee Hansard*, 23 August 2023, p. 4.

<sup>116</sup> See, for example, Centre for Excellence in Child and Family Welfare, *Submission 18*, p. 4; Better Renting, *Submission 46*, [pp. 3–5]; RAHU, *Submission 55*, p. 6; Abundant Housing Network Australia, *Submission 64*, p. 23; WA Council of Social Service, *Submission 81*, p. 7; Anika Legal, *Submission 105*, [p. 5].

<sup>117</sup> See, for example, RAHU, *Submission 55*, p. 6; WA Council of Social Service, *Submission 81*, p. 7; Anika Legal, *Submission 105*, [p. 5]; NSW Council of Social Service, *Submission 106*, p. 9; Energetic Communities Australia, *Submission 108*, p. 3.

<sup>118</sup> See, for example, City of Adelaide, *Submission 27*, p. 5; Black Dog Institute and Suicide Prevention Australia, *Submission 107*, [pp. 3 and 9]; Energetic Communities Australia, *Submission 108*, p. 3.

amount by which rents can be increased.<sup>119</sup> According to Dr Martin, such a guideline helps to protect existing tenants from being dislocated from their communities due to excessive rent increases.<sup>120</sup>

4.95 The ACT Government explained the model as follows:

The rules work by permitting lessors to increase rent by a certain amount, which is known as the ‘prescribed amount’. The formula for calculating the prescribed amount uses the percentage increase in the rents component of the housing group of the Consumer Price Index for Canberra published by the Australian Bureau of Statistics.

The prescribed amount is: 110 percent of the increase in the rents component of CPI for Canberra since the last rental increase or the start of the tenancy (whichever is the later). ...

A lessor may only increase the rent in a periodic tenancy by more than the prescribed amount if either:

- the tenant agrees in writing to the proposed increase, or
- the lessor obtains an order from the ACT Civil and Administrative Tribunal (ACAT) permitting the increase. The lessor must be the person to commence the ACAT application if they wish to secure approval for the increase.<sup>121</sup>

4.96 Several inquiry participants stated that rent increases should be limited to once every 12-month period.<sup>122</sup> For example, rents for fixed term and periodic tenancies in the ACT cannot be increased more than once every 12 months (from the start of the tenancy or the date of the most recent increase).<sup>123</sup>

### *Rent freezes*

4.97 Other inquiry participants called for rent controls to include an immediate temporary freeze on rents to provide urgent relief for renters.<sup>124</sup> For example, Amity told the committee at the public hearing in Sydney that:

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<sup>119</sup> Dr Chris Martin, Senior Research Fellow, City Futures Research Centre, University of New South Wales Sydney, *Proof Committee Hansard*, 24 August 2023, p. 40. See also, Mr Daniel Ng, Executive Branch Manager, Civil and Regulatory Law Branch, Justice and Community Safety Directorate, Australian Capital Territory, *Proof Committee Hansard*, 30 August 2023, p. 66.

<sup>120</sup> Dr Chris Martin, Senior Research Fellow, City Futures Research Centre, University of New South Wales Sydney, *Proof Committee Hansard*, 24 August 2023, p. 40.

<sup>121</sup> ACT Government, *Submission 9*, [pp. 3–4].

<sup>122</sup> See, for example, NSW Council of Social Service, *Submission 106*, p. 9; Darwin Community Legal Service, *Submission 109*, p. 11.

<sup>123</sup> ACT Government, *Submission 9*, [p. 3].

<sup>124</sup> See, for example, Mr Stephen Bates, *Submission 71*, [p. 8]; Margaret, *Submission 83*, [p. 2]; AJ, *Submission 87*, [p. 2].

A short- to medium-term freeze on rents would provide much-needed relief to renters while we wait for long-term solutions to come into place.<sup>125</sup>

4.98 The City Futures Research Centre noted that:

... the notion of such a [rent] freeze in 'emergency conditions' is far from alien to Australia; the height of the COVID-19 pandemic saw such action implemented across much of the country. In the circumstances prevailing at the time of this inquiry – the extraordinary rent increases seen over the past three years – there is some justification for arguing that a different kind of housing market emergency is indeed ongoing.<sup>126</sup>

4.99 However, AHURI argued that the evidence demonstrated that:

...blanket provision of rent caps is harmful, particularly in the absence of sufficient supply and particularly in the absence of minimum standards. So we need to make sure we have a rapid increase in supply. That's clearly a priority. Funding the HAFF, for example, would be a really positive step in that direction. We need to make sure we do move on minimum standards across the country. There are some movements in some jurisdictions already, but there is a lot more to be done in that space. But then also we need to think about how we would target any kind of rent controls. Typically in North America it's done on very specific measures, at a municipal level rather than a state level or a federal level, and done to particular segments of the market. In Europe it's more often targeted to particular rent-pressurised zones rather than entire cities or states. It's much more targeted to where there are specific pressures. That's how you avoid getting the sorts of knock-on effects that we're concerned about.<sup>127</sup>

### *Impacts of rent controls*

4.100 On the other hand, several submitters warned of the risk that rent controls would operate as disincentives to landlords.<sup>128</sup> Private investors suggested that any attempt to introduce stringent rent controls would be the 'nail in the coffin of affordable rental accommodation'.<sup>129</sup> Simon, a witness who owns investment properties in Sydney and Canberra, warned of the following 'unintended reactions from investors':

<sup>125</sup> Amity, *Proof Committee Hansard*, 24 August 2023, p. 23.

<sup>126</sup> City Futures Research Centre, *Submission 40*, p. 32.

<sup>127</sup> Dr Michael Fotheringham, Managing Director, AHURI, *Proof Committee Hansard*, 30 August 2023, p. 49.

<sup>128</sup> See, for example, REIQ, *Submission 38*, pp. 8–9; Landlords Association of South Australia, *Submission 50*, [p. 1]; REIA, *Submission 56*, p. 18; Financial Wellbeing Collective, *Submission 92*, p. 7; Property Investment Professionals of Australia, *Submission 96*, [pp. 3 and 5–6]; Treasury and DSS, *Submission 133*, p. 3; Simon, *Proof Committee Hansard*, 24 August 2023, p. 30.

<sup>129</sup> Maria, *Proof Committee Hansard*, 23 August 2023, p. 34. See also, Property Investment Professionals of Australia, *Submission 96*, [p. 3]; Daryl, *Proof Committee Hansard*, 23 August 2023, p. 35; Mr Tim McKibbin, Chief Executive Officer, Real Estate Institute of New South Wales, *Proof Committee Hansard*, 24 August 2023, p. 49.

Investors will move their investments into alternative opportunities, so investment funds will come out of the housing industry. ... Alternatively, it may lead to investors staying in housing but seeking to circumvent the legislation. ... It may lead to additional charges that are hidden charges, such as the notorious 'key money', or requiring tenants to pay for repainting and so forth. And it may just lead to neglect of basic repairs and upkeep.<sup>130</sup>

4.101 Concerns were raised, in particular, regarding rent freezes.<sup>131</sup> According to some inquiry participants, the supply of affordable rental housing and the level of maintenance conducted on rental properties decreased as a result of rent freezes in countries where they had been implemented.<sup>132</sup> Per Capita also submitted that a blanket rent freeze would be unable to account for differences in local rental market conditions.<sup>133</sup>

4.102 The REIA contended that rent controls would be 'disastrous for rental supply, rental affordability and, ultimately, tenants'.<sup>134</sup> Similarly, the REIQ argued that by eroding people's confidence to invest in residential rental property, rent controls would:

... result in further supply depleting from the market, and more competitive conditions for tenants, driving rents even higher and seeing more tenants become homeless. Rent caps will only perpetuate this cycle.<sup>135</sup>

4.103 The Housing Industry Association surmises that rental caps will incentivise 'mum and dad investors' to abandon the standard residential market and turn to short-term rentals or sell their properties, reducing private stock available for rent:

They'll either ... go into short-term rental-type approaches or take a profit and sell because the value of the home has increased. There is a risk with that.<sup>136</sup>

4.104 However, Dr Cameron Murray questioned the extent to which rental housing stock would be depleted if rent controls were introduced:

... for 150 years landlords have always threatened to leave the market, but it's not clear to me where they're going to take their land when they sell.

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<sup>130</sup> Simon, *Proof Committee Hansard*, 24 August 2023, p. 30.

<sup>131</sup> See, for example, CEDA, *Submission 33*, p. 5; AHURI, *Submission 57*, pp. 52 and 61; Per Capita, *Submission 61*, p. 51; Abundant Housing Network Australia, *Submission 64*, p. 23; NSW Fair Trading, *Submission 151*, p. 3.

<sup>132</sup> See, for example, Per Capita, *Submission 61*, pp. 11 and 51; Mr Andrew Barker, Senior Economist, CEDA, *Proof Committee Hansard*, 23 August 2023, p. 14.

<sup>133</sup> Per Capita, *Submission 61*, pp. 11 and 15.

<sup>134</sup> Mr Hayden Groves, President, REIA, *Proof Committee Hansard*, 30 August 2023, p. 42.

<sup>135</sup> REIQ, *Submission 38*, p. 9. See also, REIA, *Submission 56*, p. 18.

<sup>136</sup> Mr David Bare, Executive Director, New South Wales, Housing Industry Association, *Proof Committee Hansard*, 24 August 2023, p. 55.

Every seller has a buyer. In fact, today we've got more landlords than we had 45 years ago.<sup>137</sup>

4.105 Mr Shane Rattenbury MLA, Attorney-General of the ACT, gave evidence at a public hearing that there has been no adverse effect on rental housing supply since rent controls have been in place in the ACT, and in fact:

... we have seen an increase in the proportion of the ACT population who rent and a significant increase in the number of rental properties over that period.<sup>138</sup>

4.106 Additionally, a number of inquiry participants pointed to countries such as Germany and Spain where rent controls have been implemented and there has not been a depletion of rental housing stock.<sup>139</sup>

### **Enforcement and oversight**

4.107 As discussed in Chapter 2, renters face various barriers to self-advocacy and enforcement of their rights under tenancy legislation. Throughout the inquiry, participants emphasised the need for stronger enforcement and oversight of tenancy laws, including 'active regulators and visible consequences for noncompliance'.<sup>140</sup> As Ms Farah Farouque, representing the National Association of Renters Organisations, told the committee:

We need better enforcement, oversight and accountability so that compliance is the norm. Enough of the renter being their own cop. That has to end. At the most basic level, the current enforcement paradigm across the country for residential rental laws relies on the renters to enforce the laws despite the deep power disparity that persists.<sup>141</sup>

4.108 The committee was made aware that NSW and Victoria have recently introduced a Commissioner for Residential Tenancies and a Rental Commissioner, respectively.<sup>142</sup> These commissioners are responsible, amongst

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<sup>137</sup> Dr Cameron Murray, Research Fellow, University of Sydney, *Proof Committee Hansard*, 23 August 2023, p. 13.

<sup>138</sup> Mr Shane Rattenbury, Attorney-General, Australian Capital Territory Legislative Assembly, *Proof Committee Hansard*, 30 August 2023, p. 66.

<sup>139</sup> See, for example, Emeritus Professor David Hayward and Terry Burke, *Submission 14*, p. 5; CEDA, *Submission 33*, p. 5; WA Council of Social Service, *Submission 81*, p. 7; Mr Andrew Barker, Senior Economist, CEDA, *Proof Committee Hansard*, 23 August 2023, pp. 14–15.

<sup>140</sup> Ms Penny Carr, Chief Executive Officer, Tenants Queensland, *Proof Committee Hansard*, 23 August 2023, p. 7. See also, Mr John Engeler, Chief Executive Officer, Shelter NSW, *Proof Committee Hansard*, 24 August 2023, pp. 3–4.

<sup>141</sup> Ms Farah Farouque, Director of Community Engagement, Tenants Victoria, National Association of Renters Organisations, *Proof Committee Hansard*, 30 August 2023, p. 2.

<sup>142</sup> See, for example, AHURI, *Submission 57*, pp. 59–60; Shelter SA, *Submission 150*, p. 6; NSW Fair Trading, *Submission 151*, p. 3; Mr John Engeler, Chief Executive Officer, Shelter NSW, *Proof Committee Hansard*, 24 August 2023, pp. 3–4.

various duties, for ‘exposing market practices and regulatory gaps that erode the rights of renters, [and] working to increase renters’ understanding and knowledge of their rights’.<sup>143</sup> AHURI noted that these have been well-received ‘policy innovation[s] that would be anticipated to improve the experience of renters across the nation’.<sup>144</sup>

4.109 Several submitters underlined the importance of collaboration and coordination at the national level to effectively safeguard renters’ rights.<sup>145</sup> Abundant Housing Network Australia advocated for the development of a ‘national renters rights accord’ with independent oversight, as well as a ‘national renters’ voice’ that could be delivered through a national rental commissioner.<sup>146</sup>

### **Concluding comments**

4.110 This chapter outlined key factors contributing to the worsening of the rental crisis. The committee is yet to review all the evidence it has received and a further hearing in Melbourne is scheduled shortly after the tabling of this interim report. The complex issues raised in this final chapter will be further examined in the final report.

4.111 The committee notes that significantly different approaches to boosting the supply of and investment in rental housing have been proposed. Possible solutions will be investigated in the final report.

4.112 The committee made two recommendations in this interim report. Guaranteeing stronger rental rights will better protect all renters and help achieve minimum standards for rental properties. Investing in public and genuinely affordable housing is imperative to address the needs of our most vulnerable communities.

**Senator Janet Rice**  
**Chair**

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<sup>143</sup> AHURI, *Submission 57*, p. 59.

<sup>144</sup> AHURI, *Submission 57*, p. 62.

<sup>145</sup> See, for example, AHURI, *Submission 57*, pp. 60 and 62; Abundant Housing Network Australia, *Submission 64*, p. 22.

<sup>146</sup> Abundant Housing Network Australia, *Submission 64*, p. 22.



# Additional Comments from the Australian Greens

## Introduction

By almost every measure, Australia is facing a nationwide housing emergency.<sup>1</sup>

*National Shelter*

- 1.1 The Australian Greens thank all those who made submissions, provided evidence and shared the traumatic experience of being a renter during this inquiry and to those who have advocated for meaningful reforms to improve renters' rights and security.
- 1.2 Australia is in a housing crisis. With successive governments chronically underfunding and privatising public housing, there is currently a shortfall of public and genuinely affordable housing of around 750,000 homes,<sup>2</sup> the private rental market is increasingly the only option for renters, which has led to a system of exponential rental increases and stress and insecurity for renters. The current state of renting and its impacts are encapsulated in the following quotes:

I feel exploited, exhausted and increasingly angry at the way that I'm being treated in this country. My sole purpose in life is not to feather the nests of others, yet all I work for is to pay someone else's mortgage and ensure their comfortable retirement whilst jeopardising my own. This system is so broken it is killing people, limiting the potential of others and seriously damaging the social cohesion of our society. The market requires a systematic overhaul, and so I'm asking you: 'Please can you commit to giving everyone a fair go at securing a home?' That's all I need. I just need somewhere where I can feel safe.<sup>3</sup>

*Jo, renter and witness*

...renting should not be the system of duress it currently is for so many people. It should not be a poverty trap. It should not require ever-increasing amounts of money just to keep a roof over our head, diminishing savings and the ability of people to save for future purposes.<sup>4</sup>

*Robyn, renter and witness*

- 1.3 The Greens believe that the evidence provided to the committee makes it clear what needs to be done to address the worsening rental crisis. Urgent reforms are needed, beyond those currently being undertaken by Government.

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<sup>1</sup> National Shelter, *Submission 163*, p. 2.

<sup>2</sup> Everybody's Home, *Submission 52*, p. 3.

<sup>3</sup> Jo, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 21.

<sup>4</sup> Robyn, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 26.

- 1.4 These reforms are reflected in our recommendations. They include rent controls and rent freezes to limit rental increases; the strengthening of renters' rights and a dramatic increase in investment in public and community housing, commensurate with the shortfall.
- 1.5 We find it extraordinary and extremely disappointing that both Labor and Liberal have not committed to stronger recommendations in this report that reflect the severity and urgency of the housing crisis. The weak recommendations that have been made ignore the heartfelt evidence presented to the committee about the impact that the rental crisis is having on people.

### **Stronger renters' rights**

- 1.6 In the hearings, the committee heard powerful, personal evidence from renters across jurisdictions about the inadequacy of tenant protections and its impacts.

- 1.7 Jennifer said:

In the entirety of living in private rentals, this has been our experience. Where there is a huge disparity in power, there is exploitation. The power imbalances between landlords and tenants are vast; therefore, tenants are exploited, manipulated and coercively controlled by landlords and real estate agents. We have lived in fear and been coercively controlled by real estate agents and landlords for 40 years. Living in fear has shaped our lives and has had an enormous impact on our mental health.<sup>5</sup>

- 1.8 Leanne said:

There's inequality and unfairness in our current rental system, and it favours our landlords. The system is failing us. Asking for the leaky gas stove to be repaired or for the hole in the back deck to be repaired so we don't step through it in the dark is a risk. Asking not to have to set rat traps under your bed at night so that you can sleep is not good enough. But it's okay because the rent's cheap. Every conversation with my landlord is a mental calculation about how much this is going to cost me. I've just waited two weeks for a new washing machine. There are eight people in our flats using one washing machine. I looked on Google, and \$600 is all that costs, but that's a mental calculation in my mind: where's the next rent increase coming from? The list goes on with the repairs, and I wish that the rat trap under the bed was a joke. But it's not.<sup>6</sup>

- 1.9 Renters across the country are having to live in inadequate and unsafe conditions due to the fundamental power imbalance between landlords and tenants. Many submissions pointed to tenancy legislation as an exacerbating factor in this imbalance.

- 1.10 For example, the Public Interest Advocacy Centre stated in relation to tenancy legislation that allows for no-grounds evictions:

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<sup>5</sup> Jennifer, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 26.

<sup>6</sup> Leanne, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 30.

Because people who rent their home know they might be evicted without the landlord having to provide any grounds, they are fearful or at least hesitant to assert any other rights they have at law, including requesting minor alterations to the property or even basic repairs and maintenance.<sup>7</sup>

1.11 A submission from a group of national renter's organisations noted:

Without better protections against no-cause evictions, including at the end of fixed-term leases, renters cannot enforce other rights without fear of reprisal. We recommend the prioritising of reforms to ensure landlords must provide renters with a valid reason for terminating a tenancy to provide better protection against arbitrary and unfair evictions.<sup>8</sup>

1.12 Many submitters raised issues with the liveability and maintenance of rental properties. Better Renting stated:

Many rental properties make it virtually impossible for people to achieve a healthy temperature indoors in summer and winter. It's not just a case of being able to afford the energy — in some cases, the physics of the substandard property are such that people simply can't heat it enough to get it to a liveable temperature in winter.<sup>9</sup>

1.13 The Renters and Housing Union said:

Rental properties are often in poor states of repair and lack insulation. This makes for both uncomfortable and expensive living due to the cost of heating and cooling. Renters often have to supply their owners with heating and cooling hardware.<sup>10</sup>

1.14 They also highlighted the inconsistency of renters' rights across Australia:

Renter's rights vary from state to state and territory. Someone moving even a few kilometres may have completely different protections under local laws, leading to vastly different quality of outcomes.<sup>11</sup>

1.15 The Australian Greens are profoundly concerned about the current lack of protections for renters. We believe that the current patchwork of ineffective and inadequate tenancy laws does not uphold the right to safe and secure housing. The Australian Government must urgently take a role in guaranteeing stronger rental protections.

### Recommendation 3

**1.16 The Australian Government take a coordinating role to guarantee stronger rental rights, including:**

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<sup>7</sup> Public Interest Advocacy Centre, *Submission 45*, p. 4.

<sup>8</sup> National Association of Renters' Organisations, *Submission 47*, p. 2.

<sup>9</sup> Better Renting, *Submission 46*, p. 7.

<sup>10</sup> Renters and Housing Union, *Submission 55*, p. 10.

<sup>11</sup> Renters and Housing Union, *Submission 55*, p. 4.

- a presumed right to longer leases;
- minimum standards covering ventilation, heating, cooling and insulation, sufficient for a changing climate;
- genuine end to no ground evictions, including at the end of a fixed term lease;
- grounds for eviction to be clearly defined, with a requirement for a landlord to prove to the tribunal that the ground can be established. Grounds should be limited to:
  - sale of the property;
  - landlord or immediate family member moving into the property;
  - demolition of the property; or
  - reconstruction, renovation or repair of the property only where the work cannot be carried out unless the property is vacated, and only after relevant permits have been obtained.

### **Urgently increase investment in public, social and community housing**

1.17 Overwhelming evidence was presented to the committee about the need for a substantial increase in funding for public, social and community housing.

1.18 Community Housing Industry Association revealed:

The evidence is that Australia needs around 8-9% of its total housing stock to be social housing for low income households and around another 3% to be affordable rental housing for moderate income households. This is about three times the current supply.<sup>12</sup>

1.19 Everybody's Home stated:

Poor planning and chronic underinvestment has also led to ballooning social housing waitlists, with an estimated shortfall of anywhere between 640,000-750,000 social homes. ... Between 165,000 and 240,000 new dwellings were built across the country each year over the last decade. Increasing supply in the private market has failed to make housing more affordable. Instead, wealthier households have simply become smaller and become more likely to own more than one home. Australia's undersupply is not in generic housing, but in social and affordable housing.<sup>13</sup>

1.20 Homelessness Australia urged:

The most impactful policy response ... is to address the market failure in the rental market by provision of social and affordable rentals at a significant scale to deliver urgently needed homes, and simultaneously to relieve inflationary pressure in the private rental market.<sup>14</sup>

1.21 Housing for the Aged Action Group said:

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<sup>12</sup> Community Housing Industry Association, *Submission 41*, p. 12.

<sup>13</sup> Everybody's Home, *Submission 52*, p. 3.

<sup>14</sup> Homelessness Australia, *Submission 54*, p. 5.

Given the intensity of the housing crisis, there is a need to both rapidly expand affordable housing provision for older people and reduce housing stress and precarity. Although the commitment to build 30,000 social and affordable homes over 5 years through National Housing Accord is a welcome development, there is a clear need to significantly increase the public and community housing stock across the country at a much larger scale.<sup>15</sup>

1.22 The Australian Greens welcome the Commonwealth Government's investment in social and affordable housing through the implementation of the Housing Australia Future Fund (HAFF). However, it is clear that this investment will not meet the deficit in social, public and community housing.

1.23 Under the HAFF the Commonwealth Government has promised to build 20,000 new social homes in five years<sup>16</sup> and 10,000 affordable homes. An additional \$1 billion investment in public and community housing and \$2 billion to the Social Housing Accelerator Fund<sup>17</sup> was also gained by the Australian Greens through negotiations. Although submissions to the inquiry closed prior to the HAFF passing parliament, the need to invest substantially more than is committed in the HAFF was noted by many submitters. For example, Everybody's Home recommended the government:

Urgently begin a program to end Australia's social housing shortfall by funding and building at least 25,000 homes each year.<sup>18</sup>

1.24 Similarly, Housing for the Aged Action Group said:

The Federal government in collaboration with State and Territory governments should fund the construction of social and affordable housing as a matter of priority. Given the current shortage and the future demand ... the government should fund the construction of 26,000 social and affordable homes per year as a matter of priority.<sup>19</sup>

1.25 National Shelter noted:

There is a need to significantly lift the investment into social and affordable housing to respond to the current demand, meet the backlog, and future demand. At least a minimum of 30,000 social and affordable dwellings needs to be delivered annually to meet this demand. Alternatively, we need to aim for social and affordable housing to be 10% of housing stock. This

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<sup>15</sup> Housing for the Aged Action Group, *Submission 130*, p. 7.

<sup>16</sup> Jessica Riga, 'Where will these new homes be built? Here's what the government's new housing bill means for you', *ABC News*, 12 September 2023, [www.abc.net.au/news/2023-09-12/the-albanese-greens-housing-bill-explained-new-homes-location/102844292](http://www.abc.net.au/news/2023-09-12/the-albanese-greens-housing-bill-explained-new-homes-location/102844292) (accessed 20 September 2023).

<sup>17</sup> The Hon Julie Collins MP, Minister for Housing, Homelessness and Small Business, and The Hon Anthony Albanese MP, Prime Minister of Australia, '[Delivering on the \\$10 billion Housing Australia Future Fund](#)', *Media Release*, 11 September 2023.

<sup>18</sup> Everybody's Home, *Submission 52*, p. 5.

<sup>19</sup> Housing for the Aged Action Group, *Submission 130*, p. 8.

quantum does not need to be delivered from 2023/24, but a well laid out plan and commitment that ramps up delivery of a pipeline of 30,000 new dwellings per year. The current funding regime, including both the NHHA and the HAFF will not achieve this aim.<sup>20</sup>

1.26 Additionally, submitters noted that the shortfall in public and community housing was contributing to skyrocketing private rents.

1.27 The Community Housing Industry Association said:

Rising rents are also having an impact on the community housing sector's ability to head lease homes from the private sector. Responses to our survey indicated that around 80% are finding it difficult to source homes to head lease and a similar number report an increase in private landlords leaving the schemes.<sup>21</sup>

1.28 Given this overwhelming evidence, the Greens are disappointed with the recommendation that has been agreed to by the committee which is essentially to maintain the status quo of inadequate funding. Much more investment is needed to boost supply if we are to significantly reduce public and community housing waiting lists and have an impact on the current extremely low vacancy rates in the private rental market which have led to large rent increases.

#### **Recommendation 4**

**1.29 The Australian Government urgently commit investment in public, social, community and genuinely affordable housing commensurate with the shortfall.**

#### **Rent freezes and rent caps are needed to stop rapidly increasing rent rises**

Australia is in the midst of the worst rental crisis that many Australians have ever lived through. Asking rents have gone up by 35 per cent since the start of the pandemic, and they're forecast to go up by another 10 per cent this year. A record number of Australians are set to rent for life, and a record number of Australians are currently renting. Six hundred and forty thousand households are in severe rental stress.<sup>22</sup>

*Maiy Azize, Everybody's Home*

1.30 Many witnesses told the committee how unrelenting and devastating rental increases can be to a person's finances and wellbeing.

1.31 Amity said:

With increasing rent, we're making choices between skipping meals and skipping medical appointments and missing important family milestones because paying the rent always has to come first. Househunting queues are

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<sup>20</sup> National Shelter, *Submission 163*, p. 7.

<sup>21</sup> Community Housing Industry Association, *Submission 41*, p. 8.

<sup>22</sup> Ms Maiy Azize, Campaign Spokesperson, Everybody's Home, *Proof Committee Hansard*, 30 August 2023, p. 25.

getting longer more competitive, and we're putting up with crappy things for fear of another rent increase or a no-grounds eviction. We often talk about how we just pay the rent, stay quiet and hope the landlord will forget about us and leave us there.<sup>23</sup>

1.32 Leanne told the committee:

I have always lived with the anxiety that others have told you today: the fear of the next rent increase and eviction at short notice.<sup>24</sup>

1.33 Martina said:

We were told that we had to move out of our property of \$600 per week rent. It's a three bedroom that I shared with two other persons. The owner wanted to increase the property to \$650, and we negotiated it to \$640. Initially they agreed, but one of the housemates decided that he could not afford the property, so we lost the property. Then the other housemate and I were trying to secure the property, saying that we're happy to pay \$650 and asking them to give us a chance to find another housemate. Because of that, the real estate came back to us to say that the owner had changed his mind. They increased the rent to \$680. Sorry.<sup>25</sup>

1.34 Jo shared that since moving to Queensland she has had to move seven times, costing her over \$14,000. She told the committee that:

In several of the properties I've rented, maintenance has been very poor. ... Getting air conditioning installed in a top-floor flat with no ceiling fans in Queensland was problematic, despite temperatures exceeding 40 degrees Celsius. This same landlord increased the rent at every chance she could. When I finally called time and moved out, she did the same to the next tenant and the next tenant and the next tenant. In the year following my departure, she drove three tenants out with this aggressive approach. Her response? It's what the market demands.<sup>26</sup>

1.35 The committee also heard how unregulated rental hikes have driven a family to move into a caravan<sup>27</sup> and a single mother being forced to live in a share house with her baby.<sup>28</sup>

1.36 The many stories of significant hardship that the inquiry heard illustrate the dire situation of renters across the country and the need for immediate relief from skyrocketing rents. Intervention measures such as rental caps and/or freezes were proposed by many of the witnesses with lived experience.

1.37 Robyn noted:

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<sup>23</sup> Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 22.

<sup>24</sup> Leanne, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 26.

<sup>25</sup> Martina, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 23.

<sup>26</sup> Jo, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 20.

<sup>27</sup> Witness A, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 36.

<sup>28</sup> Ada, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 28.

So what will help? Immediate intervention. There has to be immediate intervention. From our perspective, based on my renting experience, we need an immediate cap on rent increases—a flat rate or linked to the CPI. Low rental vacancies and high demand mean that it's very difficult, if not impossible, to negotiate smaller rent increases. They won't; that's it. The proposal—which I think has been proposed by National Cabinet or by governments in the media—to limit rent increases to once every 12 months as a way of relieving rental pressure on tenants is absolute nonsense, as my own experience demonstrates: with a 12-month lease it went up 33 per cent.<sup>29</sup>

1.38 Samira suggested:

There are actions that can be taken by the government to reduce rent rises—that property owners can only raise the rent by a percentage of the value of any repairs or improvements made over the year to that property, in line with CPI increases.<sup>30</sup>

1.39 Amity said:

There's just no end in sight to our rent increases. Some of the rent increases people are getting are just awful, and it feels like it's this system that is about to explode. I don't think a rent freeze will fix any of that, but I feel like it could give us some breathing room to go: 'Okay, we are in a crisis. Let's just bring some balance back into the system while we sort out the more systemic stuff and stuff that might take a bit longer.'<sup>31</sup>

1.40 Many submissions supported the testimonials of renters and recommended an urgent limit to rental increases.

1.41 The Renters and Housing Union stated:

Regulating rents is central to resolving the housing affordability crisis. This can be done by limiting the frequency of rent increases, regardless of occupancy and requiring empty houses to be put onto the rental market or acquired by the state to be added to the housing market.<sup>32</sup>

1.42 Better Renting highlighted that:

Limits are not just an affordability measure — they also support stability for both individual households and for neighbourhoods. They recognise the legitimate interest that tenants have in being able to remain in their home, and so part of their benefit is making it less likely that households are forced out by sudden and large rent increases.<sup>33</sup>

1.43 Urgent action is needed to alleviate the burdens placed on renters by ongoing rent hikes that are largely a product of a lack of investment by governments in

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<sup>29</sup> Robyn, private capacity, *Proof Committee Hansard*, 23 August 2023, p. 25.

<sup>30</sup> Samira, private capacity, *Proof Committee Hansard*, 30 August 2023, p. 34.

<sup>31</sup> Amity, private capacity, *Proof Committee Hansard*, 24 August 2023, p. 24.

<sup>32</sup> Renters and Housing Union, *Submission 55*, p. 5.

<sup>33</sup> Better Renting, *Submission 46*, p. 3.

public and community housing over the decades. The Commonwealth Government must listen to the powerful evidence provided by renters at this inquiry and immediately work with states and territories to freeze and cap rental increases.

#### **Recommendation 5**

**1.44 The Australian Government coordinate with the states and territories to freeze rental increases for two years, followed by a limit on rental increases of 2 per cent every 2 years. Both freeze and the ongoing limits should be attached to the property, not the specific tenancy or lease. The reference date for the freeze on rental increases should be backdated to avoid rents being increased in anticipation of the restrictions. The freeze and ongoing cap should apply to new properties where starting rents are set at the median rent for the area and property type.**

**Senator Janet Rice  
Chair**



# Additional Comments from Coalition Senators

## Introduction

- 1.1 The Coalition members thank all stakeholders who have participated in this inquiry to date, acknowledging the concerns expressed in the evidence of the witnesses who made submissions and appeared before the inquiry's hearings.
- 1.2 The Coalition members have always believed in the principle of home ownership. Nevertheless, it also acknowledges that many Australians, whether by choice or necessity, rent instead.
- 1.3 As noted in submissions to this Committee, there are complex and evolving pressures on the Australian rental market making it increasingly difficult to rent. Coalition members note the views expressed in the recommendations presented in the inquiry's interim report and would like to highlight additional comments below.

## The issue of affordability

- 1.4 Since the election of the Albanese Labor Government in 2022, Australia has witnessed a marked escalation in its rental crisis, characterised by significant increases in rental and housing costs nationwide. Sixteen months into the tenure of the Albanese Labor Government, the absence of notable improvements is both disheartening and anticipated. The Coalition remains focused on holding the Government to account in what we consider to be a broader housing crisis, encompassing a rental crisis as well.
- 1.5 Of particular concern to the Coalition is the issue of affordability. Data indicates a 3.2 per cent quarterly rise in rents for three-bedroom properties, with an increase of 9.9 per cent over the past year. The weighted average median rent for 2-bedroom other dwellings increased over the quarter by 3.6 per cent, and annually by 18.7 per cent.<sup>1</sup> Anglicare Australia's submission to the inquiry highlighted this issue:

Rents increased by nearly 11 percent in the past year, with no sign of slowing down... as prices continue to rise, there are few signs this climb will slow down.<sup>2</sup>

## Vulnerable cohorts and the lack of public housing

- 1.6 The St Vincent de Paul Society highlighted that cost-of-living pressures are intensifying housing stress, with individuals resorting to living in their cars or

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<sup>1</sup> Real Estate Institute of Australia, *Real Estate Market Facts*, June Quarter 2022.

<sup>2</sup> Anglicare Australia, *Submission 100*, p. 4.

motels.<sup>3</sup> Addressing the increased risk of homelessness during this housing and rental crisis must be a priority for the Albanese Labor Government.

- 1.7 Several submissions relay heartbreaking personal stories. The Salvation Army provided the example of Joanne, who remains at risk of homelessness despite securing a rental property through the National Rental Affordability Scheme (NRAS):

Joanne was 27 years old when she became homeless following a relationship breakdown in 2021... she was forced to sleep rough for a period of two years... Joanne then applied and secured a NRAS property... Joanne remains at risk of homelessness in the event of a rent increase at the end of the lease period.<sup>4</sup>

- 1.8 The psychological and emotional toll on families as a result of government inaction is evident from a multitude of submissions.
- 1.9 The Coalition members observe that this Committee has so far focused on the testimonies of vulnerable rental cohorts struggling to compete in the private rental market. This underscores all levels of government's failures to provide clear and consistent policy surrounding public and community housing, placing the onus on private landlords to reverse-engineer solutions to government-made problems.

### **The private rental market's role in rental supply**

- 1.10 The Coalition members note the Albanese Labor Government's silence on the matter of property rights. It is important to note that most private landlords are 'mum and dad' style investors, investing in property to create wealth and safeguard their retirement. These investors are by no means the 'big end of town' and are overwhelmingly quiet, aspirational Australians looking to safeguard their retirement. Over 70 per cent of the investment property pool consists of these investors,<sup>5</sup> defined as those who own a single investment property aside from their primary residence.<sup>6</sup>
- 1.11 Maintaining the rights of property owners is essential, given the important role private investors play in maintaining rental supply. With approximately 30 per cent of Australians renting, only 3 per cent of rental stock is currently provided

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<sup>3</sup> St Vincent de Paul Society, *Submission 125*, p. 3.

<sup>4</sup> The Salvation Army, *Submission 17*, p. 20.

<sup>5</sup> Mr Lynton Sheehan, Executive Manager, Housing and Homelessness Services, Woden Community Service, *Proof Committee Hansard*, 30 August 2023, p. 19.

<sup>6</sup> Mr Hayden Groves, Real Estate Institute of Australia, *Proof Committee Hansard*, 30 August 2023, p. 46.

by state or territory governments as social and affordable housing, while 27 per cent is provided by 'mum and dad' style investors in the private rental market.<sup>7</sup>

- 1.12 The Housing Industry Association surmises onerous policy initiatives such as rent caps will incentivise 'mum and dad' style investors to abandon the standard residential market and turn to short-term rentals or sell their properties, reducing private stock available for rent:

They'll either do as Tim suggested and go into short-term rental-type approaches or take a profit and sell because the value of the home has increased. There is a risk with that.<sup>8</sup>

- 1.13 As outlined in the Productivity Commission's submission, rent control is not an effective way to improve affordability for renters, as this artificially depresses rents and decreases supply of new properties.<sup>9</sup> Such a policy has not been introduced in most Australian jurisdictions except for the ACT. Coalition Senators do not support a policy that will only have short-term benefits for renters.

### **Other factors contributing to rental supply pressures**

- 1.14 High rental demand is also being driven by international migration since the re-opening of Australia's borders. Net overseas migration was driven by a large increase in arrivals, up 103 per cent from last year.

- 1.15 The Albanese Labor Government's plan to bring 1.5 million migrants to Australia over five years, without a plan to house them, will only exacerbate the existing housing and rental crisis. By their own account, Labor's Housing Australia Future Fund proposes to construct merely 30,000 homes within that period, falling considerably short of the anticipated need. The Committee heard evidence that the net migration increases between 2023-28 requires approximately 250,000 additional dwellings.<sup>10</sup>

- 1.16 Sustainable Population Australia highlighted the detrimental impact of increased migration intakes on the rental market:

The Albanese Government appears to be committed to a 'Big Australia' policy of rapid population growth, which will only serve to exacerbate the existing rental affordability crisis.

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<sup>7</sup> Mr Hayden Groves, Real Estate Institute of Australia, *Proof Committee Hansard*, 30 August 2023, p. 46.

<sup>8</sup> Mr David Bare, Executive Director, Housing Industry Association, *Proof Committee Hansard*, 24 August 2023, p. 55.

<sup>9</sup> Productivity Commission, *Submission 148*, pp. 10–11.

<sup>10</sup> Committee for Economic Development of Australia, *Submission 33*, p. 1; Institute of Public Affairs, *Submission 60*, p. 2.

This financial year, net overseas migration will swell Australia's population by 350,000, far surpassing all previous records.<sup>11</sup>

- 1.17 Skill and trade pressures also significantly influence heightened rental demand. The Housing Industry Association detailed to the Committee that rising costs in construction, repairs, and renovations are curtailing the availability of suitable rental stock:

The additional costs to build have gone up on average by 20 per cent. In Sydney that's adding, say, \$130,000 to an average build.

[Trade and material] costs in particular have gone up very significantly because of supply chain issues, and they don't tend to come back down.

We still remain with some of the most acute skills shortages and trade shortages for the amount of work that's out there. The reason is partly COVID and the amount of work that's been going on since then, but we've also seen a significant drain of skilled labour into infrastructure projects. Renovation projects, even though new home sales have really fallen off a cliff, have continued to grow quite substantially. The draw on skilled labour is still very significant, and so we're still at close to the lowest levels of the availability of skilled labour that we've had in our history.<sup>12</sup>

### **Disincentivising vacant properties**

- 1.18 Injecting new supply to the housing market is of little utility if supply remains underutilised. Disincentives should be considered to address ongoing vacancies in our property market.
- 1.19 The 2021 Census revealed that over 1 million dwellings remain unoccupied nationally.<sup>13</sup> The Committee heard evidence that as at 1 July 2023, the national residential property vacancy rate was 1.3 per cent, with some capital cities approaching 1 per cent.<sup>14</sup> The Committee further heard evidence these rates are 'very low' and exacerbate the challenges marginalised communities face within the property market.
- 1.20 With such low vacancy rates, urgently freeing up additional stock is imperative.

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<sup>11</sup> Sustainable Population Australia, *Submission 67*, pp. 2–3.

<sup>12</sup> Mr David Bare, Executive Director, Housing Industry Association, *Proof Committee Hansard*, 24 August 2023, p. 54.

<sup>13</sup> Australian Bureau of Statistics, *Census of Population and Housing: Housing data summary 2021: Table 1 – Dwelling Type by State and Territory*, 28 June 2022.

<sup>14</sup> SQM Research, *Weekly Rents: Capital City Average*, <https://sqmresearch.com.au/weekly-rents.php?avg=1&t=1> (accessed 12 September 2023); SQM Research, *Residential Vacancy Rates: National*, [https://sqmresearch.com.au/graph\\_vacancy.php?national=1&t=1](https://sqmresearch.com.au/graph_vacancy.php?national=1&t=1) (accessed 12 September 2023).

**Conclusion**

1.21 The Coalition members call upon the Albanese Labor Government to address the issues raised above as a priority and acknowledge that their migration policy is adding further pressure to a housing system that is stretched to its limits.

**Senator Maria Kovacic**

**Senator Kerryne Liddle**

**Senator Wendy Askew**



## **Additional Comments from Labor Senators**

- 1.1 Labor Senators support the report and associated recommendations and thank everyone who has given evidence to the inquiry so far, particularly those with, or advocating on behalf of those with, lived experience. The significant housing challenges, especially for renters, facing those we heard from during this inquiry, and those we have heard from in our communities, deserve significant policy focus. Safe and affordable housing is central to the security and dignity of all Australians and will always be a priority of a Labor government.
- 1.2 Labor Senators note that many of the issues discussed in the report remain the responsibility of the states and territories. However, the Albanese Government continues to work with state, territory and local governments to deliver better housing outcomes for Australians who are doing it tough, especially renters.
- 1.3 Additionally, the Albanese Government has committed to an ambitious housing reform agenda which will boost the supply of all housing – more public and social housing, more affordable housing, more homes to rent and more homes to buy. Improving supply is critical to delivering more affordable housing. This work has been outlined below.

### **Better Deal for Renters**

- 1.4 At National Cabinet in August this year the Commonwealth, state and territory governments committed to ‘A Better Deal for Renters’ to harmonise and strengthen renters’ rights across Australia.
- 1.5 This encompassed developing a nationally consistent framework including a requirement for genuine reasonable grounds for eviction, moving towards limiting rental increases to once a year and phasing in minimum rental standards.
- 1.6 The full scope of measures agreed to be progressed by the states and territories at this meeting were to:
  - develop a nationally consistent policy to implement a requirement for genuine reasonable grounds for eviction, having consideration to the current actions of some jurisdictions;
  - ensure provisions to allow appeals against retaliatory eviction notices are fit for purpose (e.g. evictions motivated by tenants taking reasonable action to secure or enforce legal rights, complain or disclose information about their tenancy);
  - move towards a national standard of no more than one rent increase per year for a tenant in the same property across fixed and ongoing agreements;
  - implement a ban on soliciting rent bidding;
  - allow tenants experiencing domestic or family violence to:

- end agreements without penalty and with a streamlined process and evidence e.g. a declaration by a prescribed professional such as a doctor or support service worker;
  - change the locks and make security improvements without the landlord's permission;
  - have their name removed from databases due to property damage caused by family or domestic violence; and
  - with jurisdictions to consider further action to protect tenants who are victim survivors of domestic or family violence e.g. the ability to apply to have the perpetrator removed from the tenancy.
- limit break lease fees for fixed term agreements to a maximum prescribed amount which declines according to how much of the lease has expired (e.g. a maximum of four weeks' rent if less than 25 per cent of the fixed term has expired);
  - make rental applications easier and protect renters' personal information:
    - prescribe a rental application form in each jurisdiction, with required documents limited to two in each of the following categories: identity, financial ability to pay rent, suitability;
    - require the destruction of renters' personal information three years after a tenancy ends and three months after tenancy begins for an unsuccessful applicant;
    - require tenants' personal information to be provided and corrected within 30 days of a request by a tenant or prospective tenant; and
    - specify information not allowed to be collected from a tenant or more generally (e.g. disputes with landlords).
  - consider options for better regulation of short-stay residential accommodation; and
  - phase in minimum quality standards for rental properties (e.g. stovetop in good working order, hot and cold running water).

1.7 These significant changes will make a tangible impact for the almost one-third of Australian households who rent.

### **Additional Support for Housing**

1.8 In addition to reforms to support renters' rights, there is additional work being delivered through National Cabinet to provide more secure and affordable rental housing supply. Significant measures include:

- the National Housing Accord that will support planning and zoning reforms, as well as investing \$350 million in additional federal funding to deliver 10,000 affordable rental homes over five years from 2024 – matched by the state and territories;
- federal funding of \$2 billion through the Social Housing Accelerator to deliver thousands of social rental homes across Australia;

- federal funding of \$3 billion through the New Homes Bonus to help incentivise states and territories to build more homes where people need them to meet a new national target of 1.2 million new homes over five years;
- a \$500 million Housing Support Program for initiatives to help kick start housing supply including connecting essential services, amenities to support new housing development or building planning capability; and
- a National Planning Reform Blueprint with planning, zoning, land release and other measures to improve housing supply and affordability.

1.9 These measures are in addition to work already underway, including:

- the \$10 billion Housing Australia Future Fund to support 30,000 new social and affordable rental homes over its first five years has now passed the Parliament;
- the National Housing Infrastructure Facility (NHIF) has been expanded making up to \$575 million available to invest in social and affordable rental homes, with projects already under construction as a result of this funding. The NHIF will also receive an additional \$1 billion in federal funding to support more social housing;
- the National Housing Finance and Investment Corporation's liability cap has been increased by \$2 billion to provide lower cost and longer-term finance to community housing providers through the Affordable Housing Bond Aggregator;
- Commonwealth Rent Assistance has been increased for the first time in more than 30 years, with a 15 per cent increase in the maximum rate;
- tax incentives have been provided to encourage more build-to-rent developments to boost new supply in the private rental market; and
- federal funding of \$1.7 billion has been provided for a one-year extension of the National Housing and Homelessness Agreement with States and Territories, including a \$67.5 million boost to homelessness funding over the next year.

1.10 The consequences of the previous government's decade of delay and failure to adequately invest in affordable housing have led to significant challenges across the country. The Albanese Government is committed to supporting Australians doing it tough and will continue to deliver our important reforms designed to make a meaningful impact on the availability of affordable housing in Australia. These are evidence-based reforms backed by some of the most significant investments in housing in a generation.

1.11 Labor Senators urge all levels of government to continue to strengthen support for Australians in accessing affordable housing, especially renters.

**Senator Marielle Smith**

**Senator Louise Pratt**

# Appendix 1

## Submissions and Additional Information

### Submissions

- 1 Strata Solve
- 2 Family Access Network
- 3 Anglicare WA
- 4 Tatiara District Council
- 5 Asthma Australia
- 6 Council on the Ageing Victoria and Seniors Rights Victoria
- 7 Australian Bureau of Statistics
- 8 Housing All Australians
- 9 ACT Government
- 10 Australian Institute of Family Studies
- 11 Centre for Urban Research, Royal Melbourne Institute of Technology
- 12 Australian Youth Affairs Coalition
- 13 Victorian Public Tenants Association
- 14 Emeritus Professors David Hayward and Terry Burke
- 15 First Peoples Disability Network
- 16 Sweltering Cities
- 17 The Salvation Army
- 18 The Centre for Excellence in Child & Family Welfare
- 19 Women's Information and Referral Exchange
- 20 National Indigenous Australians Agency
- 21 Victorian Aboriginal Housing and Homelessness Forum
- 22 Woden Community Service, Young Women's Christian Organisation Canberra and Capital Region Community Services
- 23 Headspace (National Youth Mental Health Foundation)
- 24 Progressive Therapeutic Collective
- 25 Service to Youth Council
- 26 Digital Rights Watch
- 27 City of Adelaide
  - Attachment 1
  - Attachment 2
- 28 Consumers of Mental Health WA
- 29 Indigenous Business Australia
- 30 Advocacy and Rights Centre Justice and Housing Justice
- 31 Dr John Hawkins, Hugh Meredith and Dr Yogi Vidyattama
- 32 Castan Centre for Human Rights Law

- 33 Committee for Economic Development of Australia
- 34 Professor Rachel Ong Viforj, Dr Janjodh Singh and Jack Hewton (Curtin University)
- 35 Foodbank Australia
- 36 Queensland Council of Social Service
- 37 Women's Legal Services Australia
- 38 Real Estate Institute of Queensland
- 39 Antipoverty Centre
- 40 City Futures Research Centre
- 41 Community Housing Industry Association
- 42 Legal Aid NSW
- 43 Economic Justice Australia
- 44 Professor Alan Morris
- 45 Public Interest Advocacy Centre (PIAC)
- 46 Better Renting
- 47 National Association of Renters' Organisations
  - 47.1 Supplementary submission
- 48 Dr Cameron Murray
- 49 Housing Industry Association
- 50 Landlords Association South Australia
- 51 Tenants' Union of NSW
  - Attachment 1
  - Attachment 2
- 52 Everybody's Home
- 53 Uniting Communities
- 54 Homelessness Australia
- 55 Renters and Housing Union
- 56 Real Estate Institute of Australia
- 57 Australian Housing and Urban Research Institute (AHURI)
- 58 Uniting WA
- 59 Centre For Independent Studies
- 60 Institute of Public Affairs
- 61 Per Capita
- 62 BPW (Business & Professional Women) Coffs Coast
- 63 Airbnb
- 64 Abundant Housing Network Australia
- 65 PowerHousing Australia
- 66 Property Owners' Association of Victoria
- 67 Sustainable Population Australia
- 68 University of Melbourne Graduate Student Association
- 69 Aware Super
- 70 Australian Catholic Bishops Conference
- 71 Mr Stephen Bates

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- 72 The Room Xchange
  - 73 Centre for Non-Violence
  - 74 Bridge Housing
  - 75 South Australian Council of Social Service
  - 76 Orygen
  - 77 Hanc Casement
  - 78 Federation of Ethnic Communities' Councils of Australia
  - 79 Frog Safe Inc.
  - 80 Youth Affairs Council of South Australia
  - 81 WA Council of Social Service
  - 82 Southern Homelessness Services Network
    - Attachment 1
  - 83 Margaret
  - 84 Kylea Tink MP
  - 85 Australian Health Promotion Association
  - 86 Mr Peter Mares
  - 87 AJ
  - 88 National Aboriginal and Torres Strait Islander Women's Alliance (NATSIWA)
  - 89 Professors Emma Baker and Andrew Beer
  - 90 Antony Restifo
  - 91 Australian Red Cross
  - 92 Financial Wellbeing Collective
  - 93 CREATE Foundation
  - 94 Peninsula Community Legal Centre
  - 95 Sydney University Postgraduate Representative Association (SUPRA)
  - 96 Property Investment Professionals of Australia (PIPA)
  - 97 Brisbane Youth Service
  - 98 Council of Single Mothers and their Children (CSMC)
  - 99 Domain
  - 100 Anglicare Australia
  - 101 Domestic Violence NSW
  - 102 Children and Young People with Disability Australia
  - 103 Victorian Equal Opportunity and Human Rights Commission
  - 104 Multicultural Australia
  - 105 Anika Legal
    - Attachment 1
  - 106 NSW Council of Social Service (NCOSS)
  - 107 Black Dog Institute and Suicide Prevention Australia
  - 108 Energetic Communities Association
    - Attachment 1
  - 109 Darwin Community Legal Service
    - Attachment 1

- 110 Tenants' Union of Tasmania
- 111 ANTAR
- 112 Bankwest Curtin Economic Centre
- 113 Redfern Legal Centre
- 114 *Name Withheld*
- 115 Tenants Victoria
  - Attachment 1
  
- 116 NT Shelter
- 117 Australian Council of Social Service (ACOSS)
- 118 ACT Council of Social Service
- 119 Kimberley Community Legal Services
  - Attachment 1
  
- 120 *Name Withheld*
- 121 Dr Anna Howe
- 122 Think Forward
- 123 Regional Australia Institute
- 124 Ethnic Communities Council of Western Australia
- 125 St Vincent de Paul Society National Council
- 126 Full Stop Australia
- 127 Grattan Institute
- 128 Change the Record
- 129 Action for More Independence and Dignity in Accommodation (AMIDA)
- 130 Housing for the Aged Action Group
- 131 Catholic Health Australia
- 132 Mallee District Aboriginal Services
- 133 Treasury and Department of Social Services
- 134 Safe & Equal
- 135 Older Women's Network NSW
- 136 Regional Development Australia
- 137 Australian Education Union (AEU)
- 138 Pilbara Community Legal Services
- 139 Sophie
- 140 Catherine Haggerty
- 141 Housing Matters Action Group
- 142 Michelle Tyrrell
- 143 Western Homelessness Network
- 144 Regional Alliance West
- 145 Anti-Poverty Network SA
- 146 Tasmanian Council of Social Service (TasCOSS)
- 147 Property Council of Australia
- 148 Productivity Commission
- 149 Master Builders Australia
- 150 Shelter SA

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- 151 NSW Fair Trading
- 152 Registered Accommodation Association of Victoria
- 153 *Name Withheld*
- 154 *Name Withheld*
- 155 Property Investors Council of Australia
- 156 Forcibly Displaced People Network
- 157 Jesuit Refugee Service
- 158 Monash Law Students' Society, Just Leadership Program
- 159 Construction, Forestry, Maritime, Mining and Energy Union
- 160 Swinburne University of Technology
- 160.1 Supplementary submission
- 161 New South Wales Nurses and Midwives' Association
- 162 South-East Monash Legal Service Inc (SMLS)
- 163 National Shelter
- 164 The McKell Institute
- 165 ACT Greens
- 166 Collaboration for Evidence, Research and Impact in Public Health Curtin School of Population Health
- 167 Northern Territory Department of Territory Families, Housing and Communities
- 168 West End Community Association
- 169 Property Owners Association of Queensland (POAQ)
- 170 Australian Pet Welfare Foundation
- 171 Real Estate Institute of WA (REIWA)
- 172 Grounded Community Land Trust Advocacy
- 173 YWCA Australia
- 174 Child and Family Services Ballarat (CAFS)
- 175 Monte Carlo Residents Association Inc
- 176 Northern Territory Council of Social Service (NTCOSS)
- 177 Westjustice
- 178 Associate Professor Nicholas Rohde and Professor Andreas Chai
- 179 Sellicks Woodlands and Wetlands Action Network
- 180 Circle Green Community Legal
- 181 City of Sydney
- 182 Western Sydney University
- 183 University of Sydney Students' Representative Council
- 184 Mx Joel MacKay
- 185 Mr Jack Britton
- 186 Muhammad
- 187 Ms Jo Valentine
- 188 Mr David Howard
- 189 Erin
- 190 Mr Don Owers

- 191** Laura Pieraccini
- 192** Mr John Black
- 193** Mr Max Cook

# Appendix 2

## Public Hearings

***Wednesday, 23 August 2023***

Wickham Room, Hotel Grand Chancellor  
23 Leichhardt Street  
Brisbane

*Tenants Queensland*

- Ms Penny Carr, Chief Executive Officer (in-person)

*QShelter*

- Ms Fiona Caniglia, Executive Director (in-person)

*Committee for Economic Development of Australia*

- Mr Andrew Barker, Senior Economist (in-person)

*Dr Cameron Murray, University of Sydney (in-person)*

*Short statements from individuals with lived experience*

*Queensland Council of Social Service*

- Ms Aimee McVeigh, Chief Executive Officer (in-person)

*Women's Legal Services Queensland*

- Ms Nadia Bromley, Chief Executive Officer (in-person)

*Professor Nicole Gurrán, University of Sydney (via teleconference)*

*Real Estate Institute of Queensland*

- Ms Antonia Mercorella, Chief Executive Officer (in-person)
- Ms Katerina Beavon, General Counsel and Company Secretary (in-person)

*Landlords Association of South Australia*

- Mrs Margaret Kohlhagen, President (in-person)

***Thursday, 24 August 2023***

Corinthian Room, Sydney Masonic Centre  
66 Goulburn Street  
Sydney

*Tenants' Union of NSW*

- Mr Leo Patterson Ross, Chief Executive Officer (in-person)
- Dr Jemima Mowbray, Policy and Advocacy Manager (in-person)

*Shelter NSW*

- Mr John Engeler, Chief Executive Officer (in-person)

*Legal Aid NSW*

- Ms Anna Baltins, Associate Director, Domestic and Family Violence (in-person)
- Ms Natalie Bradshaw, Acting Solicitor in Charge, Combined Civil Law Specialist Teams (in-person)

*Public Interest Advocacy Centre*

- Mr Thomas Chailloux, Policy Officer

*Economic Justice Australia*

- Ms Linda Forbes, Law Reform Officer

*Short statements from individuals with lived experience**Antipoverty Centre*

- Ms Kristin O'Connell, Research and Policy (in-person)

*Foodbank Australia*

- Ms Sarah Pennell, Chief Operating Officer

*City Futures Research Centre*

- Dr Chris Martin, Senior Research Fellow

*Professor Alan Morris, UTS Sydney (in-person)**Housing Industry Association*

- Mr David Bare, Executive Director - NSW (in-person)

*Real Estate Institute of NSW*

- Mr Tim McKibbin, Chief Executive Officer (in-person)

*Community Housing Industry Association*

- Ms Wendy Hayhurst, Chief Executive Officer

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## ***Wednesday, 30 August 2023***

Parliament House  
Canberra

### *Better Renting*

- Mr Joel Dignam, Executive Director
- Ms Sabrina Clarke, Campaigner

### *National Association of Renters' Organisations*

- Ms Farrah Farouque, Director of Community Engagement, Tenants Victoria; appearing for NARO (via teleconference)
- Mr Leo Patterson Ross, CEO, Tenants NSW; appearing for NARO (via teleconference)

### *Renters and Housing Union*

- Mr J.R. Hewitt, Media and Communications Officer

### *Everybody's Home*

- Ms Maiy Azize, Campaign Spokesperson

### *National Shelter*

- Ms Emma Greenhalgh, Chief Executive Officer (via teleconference)

### *Legal Aid ACT, Tenancy Advice Service*

- Mr Derek Schild, Head of Practice, Civil Justice Legal Practice

### *Woden Community Service*

- Mr Lynton Sheehan, Executive Manager, Housing and Homelessness Services

### *ACT Shelter*

- Mr Travis Gilbert, Chief Executive Officer

### *Short statements from individuals with lived experience*

#### *Homelessness Australia*

- Ms Kate Colvin, Chief Executive Officer (via teleconference)

#### *Real Estate Institute of Australia*

- Mr Hayden Groves, President (via teleconference)

#### *Australian Housing and Urban Research Institute (AHURI)*

- Dr Michael Fotheringham, Managing Director

#### *The Salvation Army*

- Ms Jennifer Kirkaldy, General Manager of Policy and Advocacy

*Uniting Communities*

- Mr Simon Schrapel AM, Chief Executive (via teleconference)

*Uniting WA*

- Mr Michael Chester, Co-Chief Executive Officer

*Mr Shane Rattenbury MLA, ACT Attorney-General*

- Mr Daniel Ng, Executive Branch Manager, Civil and Regulatory Law Branch

*Australian Taxation Office*

- Mr Tim Loh, Assistant Commissioner, Individuals Risk and Strategy (via teleconference)

*Defence Housing Australia*

- Mr Nathan Dascarolis, Acting Chief Financial Officer, Defence Housing Australia
- Mr Brett Jorgensen, General Manager, Service Delivery, Defence Housing Australia