

14 November 2023

Dear Federal, State, and Territory Ministers for Housing,

Australia's Housing Crisis

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

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

We recognise and welcome the commitment by Federal, State and Territory Ministers for Housing to come together to work strategically and make decisions to address the housing crisis and it's impacts on communities. When Ministers for Housing meet on 20 November, commitments must be made by all leaders to take further steps to end the housing crisis.

We are jointly submitting this letter to you as Ministers for Housing to emphasise the extent of the housing crisis in Australia, and the need for immediate action to ease the pressure on low-income households.

Complexity of current crisis

There are over 640,000 low-income Australian households with an unmet housing need experiencing housing insecurity (people who are homeless, living in overcrowded housing, or spending more than 30 per cent of income on rent).¹ Social housing has not kept pace with population growth and demand, declining as a proportion of overall housing,² leading

¹ Van den Nouwelant, R. Troy, L. & Soundararaj, B. (2022). <u>"Quantifying Australia's unmethousing need: A National snapshots"</u>. Sydney: UNSW City Futures Research Centre.

² Australian Institute of Health and Welfare, (2021), *Housing Assistance in Australia,* Australian Government, <u>https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2021/contents/summary</u>

to an increase in housing waiting lists.³ Rental costs are also continuing to rise and, as a result, housing is becoming increasingly unaffordable.⁴

The extent and complexity of the crisis is clear.

Long-term

Together with comprehensive and interconnected long-term planning, significant additional investment in social and affordable housing is needed to end the housing crisis. The commitment to long-term action must include:

- Development and implementation of purpose-oriented interconnected National, State and Territory long-term housing plans that start from the position that housing is a human right and that everyone must have access to adequate housing.⁵
- Setting a target in the new National Housing and Homelessness Plan (NHHP) Federal, State and Territory governments to increase social housing stock to meet the demand for social housing in Australia within 10 years.
- Enshrining a commitment in the NHHP that a proportion of all new government funded social housing constructed under the NHHP is quarantined for First Nations people. The proportion should be based on the specific need in each jurisdiction.
- Allocating funding to significantly increase the supply of affordable housing using an agreed definition of affordable housing and to meet the predicted level of need for this type of housing in the next 10 to 20 years.
- Establish a new, fit-for-purpose National Housing and Homelessness
 Agreement under the NHHP that significantly increases funding for Specialist
 Homelessness Services to meet growing demand.
- **Resetting the tax system** by incrementally reducing the capital gains tax discount and negative gearing deductions accessed by housing investors.⁶

Immediate

In addition to long-term commitments, there are several actions that can be taken now to immediately improve the devasting impacts of homelessness and housing stress across Australia. Immediate action must include:

 Increasing rates of JobSeeker, Commonwealth Rent Assistance and other associated payments to protect people from poverty. The rate of JobSeeker and other allowance payments needs to be raised to parity with pensions (currently \$76 a

³ Australian Institute of Health and Welfare, (2023), *Households and waiting lists*, Australian Government, <u>https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists</u>

⁴ Domain, June 2023 Rental Report, <u>Domain Rental Report - June 2023 | Domain,</u> <u>https://www.domain.com.au/research/rental-report/september-2023/#nationwide</u>

⁵ Martin, C., Lawson, J., Milligan, V., Hartley, C., Pawson, H. and Dodson, J. (2023) AHURI Final Report No. 401 Towards an Australian Housing and Homelessness Strategy: understanding national approaches in contemporary policy, Australian Housing and Urban Research Institute Limited, Melbourne, https://www.ahuri.edu.au/research/ final-reports/401, doi: 10.18408/ahuri7127901, 20.

⁶ Everybody's Home, (October 2023), Policy Platform – Putting Homes First, https://everybodyshome.com.au/wp-content/uploads/2022/03/EH_5manifesto_030518_D1-1.pdf

day) and indexed to wages so everyone can keep a roof over their head and food on the table. Commonwealth Rent Assistance should be benchmarked to actual rents paid, increased substantially and provided to all those in need of support.

- **Improving rent affordability and security** by progressing and enhancing work that started through the National Cabinet Better Deal for Renters Agreement. This must include:
 - Limiting rent increase amounts to the rental component of the Consumer Price Index, or other appropriate measure, and include mechanisms to limit the frequency of increases to a minimum of 12 months to stabilise rents and affordability (noting this has already been implemented in some jurisdictions).
 - Ending no-grounds evictions in all jurisdictions to provide greater housing security for renters and to discourage the practice of using no-grounds evictions to enable the rent to be increased under a new lease. This should include ending no-grounds evictions at the end of a fixed term tenancy, which would build on reforms already implemented in some jurisdictions.
 - Implementing minimum energy efficiency standards for rental homes to improve wellbeing and reduce cost of living. We draw particular attention to the *Community Sector Blueprint: A National Framework for Minimum Energy Efficiency Rental Requirements.*⁷ This presents a great opportunity to develop a nationally coordinated and consistent approach to the energy efficiency needs of rental housing stock, building on minimum standards for rental homes that are already in place in some jurisdictions.
 - Increasing funding for services that provide support to people at risk of homelessness, including specialist homelessness services, specialist family violence services, community legal and tenancy advocacy programs and financial counselling, to ensure the service system is adequately resourced to meet increased demand for services and able to connect people into permanent housing options as quickly as possible.

Conclusion

The housing crisis in Australia requires long-term commitments and immediate action to address the current distressing levels of unmet housing need. Without government intervention, housing will continue to be unaffordable and insecure for many people on low and moderate incomes. Long-term purpose-oriented planning and a collaborative commitment to increased funding to increase the supply of social and affordable housing is needed across Australia. Together with immediate actions to permanently increase JobSeeker and other support payments, rental law reform, and increased funding for Specialist Homelessness Services, and other services providing support to people at risk, these measures can help to end the housing crisis in Australia.

Yours sincerely,

⁷ Healthy Homes for Renters, Community Sector Blueprint: a National Framework for Minimum Energy Efficiency Rental Requirements, (November, 2022)

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