

Submission to the People's Commission into the Housing Crisis

17 May 2024

About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metro, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

Submissions

Thank you for the opportunity to make this submission, which addresses all the Commission's terms of reference in various ways. ACOSS is pleased to submit the following for consideration by the Commissioners:

- ACOSS's [Budget Priorities Statement](#) Submission to the Treasury (January 2024), particularly sections 5, 8 and 9 regarding housing
- ACOSS's [Submission](#) to the Department of Social Service on the National Housing and Homelessness Plan (October 2023)
- ACOSS's [Submission](#) to the Senate inquiry into the worsening rental crisis in Australia (September 2023)
- ACOSS's [Submission](#) to the Productivity Commission's review of the National Housing and Homelessness Agreement (March 2022)

Recommendations

Across these submissions, ACOSS makes the following main recommendations focused on ensuring affordable, adequate, safe and sustainable housing for all people, especially people experiencing disadvantage.

First Nations

1. Empower and resource First Nations' organisations and communities to develop and implement a First Nations housing and homelessness plan, including to:

- a. Improve the viability of Indigenous Community Housing Organisations around the country and support their capacity to take advantage of new financing options; and
- b. Boost funding for a new inter-governmental remote housing agreement and substantially increase the stock of social housing dwellings in remote communities to meet the demand and maintain existing dwellings (by at least 5000 dwellings).

Planning

2. Resource and implement a National Housing and Homelessness Plan which:

- a. Adopts Sustainable Development Goal 11.1 (ensure access for all to adequate, safe and affordable housing and basic services, by 2030) and Goal 1 (end poverty in all its forms everywhere) as overarching goals, and
- b. Sets specific and measurable targets including:
 - i. Ending homelessness within 10 years and halving it within 5 years;
 - ii. Expanding social housing stock to meet need within a decade;
 - iii. Ending rental stress within 10 years and halving the number of low-income households experiencing rental stress within 5 years;
 - iv. Ensuring all social housing is all electric and energy efficient by 2030; and
 - v. Reducing homelessness service turn-away rates to zero within 10 years.

Social and Affordable Housing

- 3. Substantially boost social housing funding to meet social housing need within a decade, as a step towards a target of at least 10% of all housing stock being social and affordable housing.

Homelessness Services

- 4. Increase homelessness services funding by at least \$450 million per year to meet current and projected demand, and ensure ongoing indexation to wage and price movements and benchmarking to community need.
- 5. Establish an annual \$500m investment in a separate funding pool for prevention and early intervention programs in line with Productivity Commission recommendations.

6. Ensure all services funding is delivered in a way that meets our recommendations on community services funding,¹ including that funding:
 - a. Uses long-term contracts of at least 7 years in duration;
 - b. Covers the full cost of service delivery, including by use of transparent indexation that reflects actual cost increases; and
 - c. Empowers recipients to redirect rather than be required to return any surplus funding.

Rental Affordability and Standards

7. Increase the maximum threshold for Commonwealth Rent Assistance (CRA) by 60%, resulting in a 90% increase in the payment², and ensure ongoing indexation to wage and price movements and benchmarking to actual rents.
8. Increase Jobseeker and related income support payments to parity with pensions, with ongoing indexation to wages and price movements, and supplementary payments for additional costs of disability and sole parenting.
9. Develop and implement minimum standards for private rental properties including standards:
 - a. Limiting the quantum and frequency of rent increases;
 - b. Requiring minimum energy efficiency (aligned with the Community Sector Blueprint³ and legislating modelled performance standards by 2025) and climate resilience standards; and
 - c. Providing greater amenity for tenants, such as for keeping pets and making improvements.

Energy Efficiency and Affordability

10. Resource and ensure retrofitting of all existing social housing by 2030 and low-income housing to ensure it meets at least a 5-star energy efficiency rating, and is electric and renewable-powered, and prioritise the retrofitting of Aboriginal and Torres Strait Islander social housing.
11. Resource and ensure all new social housing meets at least a 7.5 star energy efficiency rating, and is electric and renewable-powered.

¹ See ACOSS (2021), *Valuing Australia's Community Sector: Better Contracting for Capacity, Sustainability and Impact*, available [online](#), accessed 17 May 2024.

² Note this takes into account the 10% increase to Commonwealth Rent Assistance in the federal 2024-25 Budget, assuming it will be legislated.

³ Healthy Homes for Renters (2022), *Community Sector Blueprint: A National Framework for Minimum Energy Efficiency Rental Requirements*, available [online](#), accessed 17 May 2024.

12. Develop and implement a strategy with timelines to phase out gas and electrify all existing homes, including targeted support for people on low incomes and policies for rental properties.
13. Establish a First Nations Remote Communities Clean Energy Program to replace diesel with solar and batteries. The program should be developed and implemented in partnership with First Nations communities, be community-owned and lead to community jobs.
14. Fully fund the Small-scale Renewable Energy Scheme (which subsidises the cost of installing small-scale renewable energy sources), instead of recouping costs from consumers through electricity bills (which are disproportionately contributed to by people on low incomes).
15. Provide energy debt relief payments of up to \$2,000 per household, for households in energy hardship programs. The Government should also work with retailers to provide additional relief to those customers with debts greater than \$2,000, and help customers reduce their bills going forward.

Tax Reform

16. Reduce the capital gains tax discount for individuals and trusts from 50% to 25%, phased in within five years.
17. Restrict deductions for personal investment expenses (negative gearing) so that:
 - d. Personal investment expenses can only be offset against income from the same class of investments; and
 - e. Deductions for rental property investment expenses are permitted only for portions of the year when the property is rented on a long-term lease.
18. Amend the property repairs, maintenance and capital expenditure tax rebate to require replacement with energy efficient, electric appliances.

Support for Advocacy and Participation in Housing Policy

19. Increase funding for housing and homelessness peak bodies, and community sector organisations representing people affected by housing issues, to engage in advocacy to address housing issues, and ensure funding is delivered in a way that meets our recommendations on community services funding, in line with recommendation 6 above.
20. Establish mechanisms and provide resources to ensure people affected, especially those experiencing disadvantage, participate in genuine co-design of housing and homelessness policy and oversee its implementation.

Reflections on the Federal Budget 2024-25

The Albanese government's 2024-25 budget appears to acknowledge the scale of the housing crisis, but fails to deliver the bold solutions needed to address it. There were minor steps in the right direction related to rent assistance, community housing, and homelessness services, but these were insufficient. Our recommendations on First Nations housing, rental standards, energy efficiency, tax reform, and housing advocacy, have not been addressed.

The budget's modest Commonwealth Rent Assistance (CRA) increase builds on last year's rise, giving a single person an extra \$9.40 a week if they're receiving the maximum rate. Based on median rents, private renters receiving JobSeeker or Youth Allowance will still be in deep housing stress because their base rate of payment is so low. Even with the increase, they will be paying half of their income in rent alone. In a press conference held by the Anti-Poverty Centre shortly after budget release, one person affected by these issues said:

We are insulted to be told that this is a cost of living...budget. \$6 in rent assistance for people who live in a share house is nothing. \$9 for people living alone is nothing...In the last six to 12 months, my rent has gone up \$120. It is shameful that the government wants to convince us and the broader community that they are doing anything meaningful to help.

People on low incomes are more likely to live in the least energy efficient homes, spend disproportionately more of their income on energy, and are at greater risk of illness and death.⁴ The budget's \$300 energy rebate will be the only cash support the majority of people on JobSeeker and Youth Allowance will receive. Extending it to everyone – regardless of income – is extraordinarily wasteful. It does not target support to people most in need. As lived experience advocate Peter Sutton has said:

The top 20% of income earners prior to this budget receive \$4363 per week before tax. Those individuals like everyone have witnessed higher living costs, but \$300 energy payment is quite insignificant to them but a huge difference to other households. Had that payment been means tested, then perhaps a higher energy payment of \$400 or \$500 could have been delivered. The budget entrenches inequality.

The budget's investments in renewable energy are welcome and critical if we are to address the climate crisis. However, we also needed to see similar investment to support people on the lowest incomes to transition to renewables, including having rooftop solar on their homes. People on the lowest incomes are worst affected by the climate crisis but have the least resources to manage the transition. As Anna from NSW who is affected by these issues has said:

I have air conditioning but it is old and inefficient so it costs a lot to run. The house is poorly designed and has a black roof...The price of electricity makes it

⁴ ACOSS (2023), *Submission to the Department of Social Service on the National Housing and Homelessness Plan*, available [online](#), accessed 17 May 2024, pp. 13-14.

prohibitively expensive and because I'm in a rental I can't get solar. It's stressful seeing ads for rebates on solar when I can't get it. We can't go out to cooler places to escape the heat, I have kids with autism who can't handle crowds for too long...I cannot function when I'm hot.

The budget has also effectively maintained current inadequate funding levels for the National Agreement for another five years when there is huge demand for social housing. We welcome some additional funding for homelessness services and community housing, but ultimately many people will still be without an affordable home after this budget. Providing social housing is a matter of utmost urgency for people experiencing intersectional disadvantage, such as for Kate from South Australia who said:

I was forced to move from my home in Adelaide as I could not survive on my own with a rent of \$285 a week...I suffer major depression, severe anxiety, [and] feel like just a number to this government. I've now got a Centrelink debt of \$1700 and an electricity debt of \$1300. I'm sinking and sooo scared of being homeless as I nearly was. I feel unsafe here. I need help, I've been on the social housing waiting list for over 3 years now for a home in Adelaide.

Overall, the budget housing measures do little to support those experiencing greatest disadvantage or on the lowest incomes.⁵ As lived experience advocate Peter Sutton has said:

The talking points will talk about the commitment to build 1.2 million houses over 5 years. The difficulty is people are in poverty now. Building houses is a decent change but does not relieve pressure on the single mother who has fled domestic violence and cannot afford to rent, it does not help the university students living away from home. It does not help the older women living in cars after a relationship breakdown. The budget does little to help our most vulnerable.

This budget was an opportunity for the government to take bold action to address the housing crisis, especially for people who are on low incomes and people experiencing disadvantage. While the budget has identified the challenges, its actions fall well short of delivering solutions.

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⁵ See also ACOSS (2024), *Impact of Major Budget Cost-of-Living Measures on Different Households*, available [online](#), accessed 17 May 2024.