Australian Council of Social Service

Senate Inquiry on Social Housing

ACOSS Submission – October 2026

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 metropolitan, 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.

Summary

Social housing is essential for meeting everyone's basic need for affordable, secure, accessible and quality housing. But current social housing investment is not enough to reverse the declining share of housing stock or meet growing unmet need.

Governments must substantially boost investment in social housing to increase social housing to 10% of all housing as soon as possible and within two decades, guided by nationally coordinated targets calibrated to address unmet housing need across jurisdictions.

Governments should also make social housing delivery more cost effective through greater use of upfront capital investment, land provision and lowest-cost public finance, in addition to increasing overall investment in social housing.

To comprehensively address unmet housing need, governments must also strengthen rental regulation including to limit excessive rent increases; improving home energy performance across all tenure types; boosting working age income support payments; investing more in homelessness services and prevention; and resourcing and empowering First Nations self-determined housing solutions.

In brief, our key recommendations are that the federal government should:

1. Substantially boost investment in social housing to **increase social housing to 10% of all housing as soon as possible and within two decades**, guided by nationally coordinated targets calibrated to address unmet housing need across jurisdictions.
2. Undertake **more cost-effective funding of social housing**, including through greater use of upfront capital investment, provision of land, and lowest-cost public financing.
3. Coordinate and incentivise States and Territories to **strengthen rental protections to improve rental affordability, security and quality**, including limits on excessive rent increases.
4. Invest and regulate to improve **housing energy efficiency, electrification and solar and battery systems** to provide more energy efficient and climate resilient housing across tenure types, especially for people on low incomes and First Nations people.
5. **Lift base rates of working age payments** including JobSeeker, Youth Allowance, and Parenting Payment, and ensure costs faced by people with specific needs are met through supplementary payments.
6. Boost investment in **homelessness prevention and services** benchmarked to community need.
7. Resource and empower the development and delivery of self-determined, national **First Nations housing and homelessness plan**.

© ACOSS 2025, Locked Bag 4777 Strawberry Hills NSW 2012
Ph (02) 9310 6200 E: info@acoss.org.au W: www.acoss.org.au

Contents

1. Social housing is key to meeting everyone's basic need for affordable, secure, accessible, quality housing 3

2. Social housing has declined as a share of housing stock and has not kept up with housing need 4

3. Current social housing investment is not enough to reverse the declining share of housing stock or meet growing unmet need 4

4. Australia should set a target for social housing as a share of housing stock based on unmet need 5

5. Federal and state governments must substantially invest to boost social housing to 10% of housing as soon as possible 5

6. Governments should make social housing delivery more cost-effective to help reach the 10% target sooner 6

7. Federal incentives for strengthening regulation of rental affordability, security and safety are also essential 8

8. To address housing need, we must also improve home energy performance, income support, homelessness supports, and First Nations self-determined housing 9

1. Social housing is key to meeting everyone's basic need for affordable, secure, accessible, quality housing

Everyone needs an affordable, secure, safe and accessible home. Adequate housing is an essential public good that governments have a responsibility to directly provide and regulate, especially where the private market fails to provide sufficient supply of housing that people can genuinely afford.

The problem is not that there are too many people for not enough homes: we now have more homes per person than ever before.[1] The problem is not enough of the right *type* of housing – homes that are genuinely affordable and of adequate quality for everyone, especially people on low incomes or who experience disadvantage.

Over half of people on low incomes are in rental stress, most of them for years at a time.[2] One in 5 of those affected are severely stressed (paying over 50% of their income on rent)[3] – forcing impossible choices between paying for basics like medicine or decent food, or paying the rent.[4] Homelessness – the most acute form of housing stress – is becoming more widespread and more persistent.[5] And despite the strength of First Nations communities and organisations, First Nations people continue to experience significantly worse housing outcomes than others.[6]

Social housing is a critical solution to addressing unmet housing need. Every additional social housing dwelling transforms the life of a person on the lowest incomes for the better: it helps avoid homelessness, improves health and wellbeing, and reduces harms arising from inadequate housing. It also avoids government expenditure on the more costly downstream responses to these issues.[7] Social housing supports participation in education, employment and community life, while delivering broader social and economic benefits including broader productivity.[8]

Social housing guarantees affordability for tenants on the lowest incomes because rents are limited to no more than 30% of their incomes, rather than set by a private market where rents are unaffordable. Social housing also supports affordability for other people on low and modest incomes by reducing competition for private rentals that social housing tenants would otherwise occupy.[9]

Other kinds of housing supply do not effectively help people in greatest housing need. 'Affordable' housing where rents are set around 75% of market rates are unaffordable to people on the lowest incomes, and can cost up to around two or three times the rent of a social housing dwelling.[10] Market rental supply is unaffordable to people on low incomes (around $15,000 p.a.

[1] Australia Institute (2025), *Migrants are not to blame for soaring house prices*.
[2] National Housing Supply & Affordability Council (NHSAC) (2025), *State of the Housing System 2025*, 79-80. Statistics relate to 2023.
[3] Ibid.
[4] Davidson & Bradbury (2025), *Poverty in Australia 2025: Overview*, ACOSS & UNSW Poverty & Inequality Partnership.
[5] ACOSS (2026), *Submission on Intergenerational Housing Inequity*, 25; ACOSS analysis of ROGS (series to 2026) and AIHW SHS Report (2025).
[6] NHSAC (2025), *State of the Housing System 2025*, chapter 6.
[7] See eg Nygaard & Salari (2025), *Maximising investment in Social and Affordable Housing in Australia Part 1*; Nygaard (2022), *Cost of inaction: Social and economic losses due to the social and affordable housing shortage*.
[8] See eg Maclennen et al (2021), *Housing: Taming the elephant in the economy*; Maclennan et al (2019), *Strengthening economic cases for housing policies.*
[9] See eg Pollak (2022), *Housing allocations and the vacancy chain: how coordinating chains can better meet housing needs and tenant choice;* Ferrari (2011) *Conceptualising Social Housing within the Wider Housing Market: A Vacancy Chain Model*.
[10] ACOSS analysis of Productivity Commission (2026) *Report on Government Services - Housing*, Table 18.2 and ABS (2025) *Latest insights into the rental market.* Social housing tenants typically pay no more than $7,020 to $14,144 in annual rent as of 2025 for a single tenant (depending on the jurisdiction, according to ROGS), which is a key indicator of an affordable level of rent set as no more than 30% of income for low income earners. By contrast, 75% of median geographically-weighted market rent of around $30,000 nationally (and more in capital cities, based on ABS data), can be two or three times that typical range for social housing rent.

higher than what they can afford)[11] and new market supply does not reliably 'filter' down to improve affordability for people on lowest incomes.[12]

2. Social housing has declined as a share of housing stock and has not kept up with housing need

Social housing supply in Australia has declined as a share of housing stock from around 6% in the 1990s to around 4% today.[13] This is significantly below the average for G7 countries at 6.5%, OECD countries at 7.1% and EU countries at 8%.[14] Across various jurisdictions in Australia, the lowest social housing shares of housing stock are in Queensland and Victoria (around 2.5-3%), NSW and WA sit roughly around the national average (around 4%), while larger social housing shares are in South Australia, Tasmania and the ACT (around 6%).[15]

Social housing once comprised around 16% of housing construction on average in the decades immediately after the second world war, but now represents only around 2% of dwellings built today.[16] The long-term decline in social housing was briefly interrupted by the Rudd government's Social Housing Initiative in 2009-12, when social housing rose to around 7% of housing construction at its peak.[17]

Social housing has not kept up with rising unmet housing need. The social housing waitlist now comprises a record high of 206,000 households nationally.[18] The severity of need is worsening, with a greater proportion of households on the social housing waitlist experiencing or being at risk of homelessness (rising from 26% to 41% over the past decade).[19]

Unmet housing need was around 640,000 low-income households as of 2021 – being households in rental stress, experiencing homelessness or overcrowded dwellings, and this is projected to rise to around 940,000 over two decades based on population and dwelling growth.[20] Unmet need has continued to grow in recent years, as the share of construction that is social housing has not increased and private rental affordability has worsened.[21]

3. Current social housing investment is not enough to reverse the declining share of housing stock or meet growing unmet need

Federal and state governments have increased their investment in social housing in recent years. ACOSS welcomes this. At the federal level, these investments include the Housing Australia Future Fund, the Social Housing Accelerator, and continuing funding under the National Agreement on Social Housing and Homelessness.

However current social housing investment is only enough to pause rather than reverse the decline in social housing as a share of all stock. Social housing dwelling stock will increase by around 13% dwellings this decade (net demolitions), and population will grow by roughly the same amount during the 2020s.[22]

---

[11] ACOSS (2026), *Curb tax breaks, build social homes, fix housing affordability*, 2-3.
[12] See eg Nygaard et al (2022), *Filtering as a source of low-income housing in Australia*. Filtering does not reliably improve affordability for low-income households in Australia including because housing prices and rents tend to rise faster than properties depreciate, and many dwellings are redeveloped, upgraded or removed from the rental market before they become genuinely affordable.
[13] See ACOSS (2026), *Submission on Intergenerational Housing Inequity*; Pawson & Martin (2026), *The revival of social housing construction in Australia 2020-2030*. Since the early 2000s, governments have also increasingly transferred public housing (owned by government) into community housing (owned by community housing), a process which has not meaningfully changed the overall numbers of social housing dwellings.
[14] See ACOSS (2026), *Submission on Intergenerational Housing Inequity*, 22.
[15] NHSAC (2025) *State of the Housing System 2025*, 58.
[16] Pawson & Martin (2026), *The revival of social housing construction in Australia 2020-2030*, 13; ACOSS (2026), *Submission on Intergenerational Housing Inequity*.
[17] Pawson & Martin (2026), *The revival of social housing construction in Australia 2020-2030*, 7-8.
[18] AIHW (2026) *Housing assistance in Australia*.
[19] See ACOSS (2026), *Submission on Intergenerational Housing Inequity*, 22.
[20] Van den Nouwelant, Troy & Soundararaj (2022) *Quantifying Australia's unmet housing need*.
[21] See eg NHSAC (2026) *State of the Housing System 2026* 55-57; ABS (2025) *Latest insights into the rental market.*
[22] Hal Pawson & Chris Martin (2026) *The revival of social housing construction in Australia 2020-2030*, 20.

Current social housing investment over this decade falls far short of need. Existing commitments by all governments will see a net increase of around 55,000 social housing dwellings over the decade, of which the federal government is estimated to be funding around 25,000.[23] This is significantly less than the 640,000 households with unmet housing need as of 2021, and the 206,000 households on the social housing waitlist as of June 2025 (which increased by 23,000 from the previous year to a record high).

4. Australia should set a target for social housing as a share of housing stock based on unmet need

The federal government should work with state and territory governments to develop nationally coordinated targets for boosting the supply of social housing as a share of housing stock. The targets should be based on the extent of *unmet housing need* for people on low incomes across jurisdictions. Since the objective is to ensure everyone has an affordable, safe, secure housing, the target should be based on people's needs, rather than on other metrics that are not tied to need such as historical levels of construction.

The target should be for the supply of *social housing* where rents are limited to no more than 30% of income. As explained earlier, other types of housing supply such as 'affordable' housing (where rents are set at around 75% of market rent) are not reliably affordable for people on the lowest incomes, even if they can indirectly provide affordability benefits to people on low incomes over time.

The strongest evidence available supports the need for an overall national target to increase social housing to 10% of all housing stock to address unmet housing need. That is, to avoid rental stress, homelessness and overcrowding for people in the lowest two income quintiles, 1 in 10 dwellings need to be social housing where rents are no more than 30% of income.[24] Interim targets such as increasing social housing supply to at least historical levels of around 6% of housing stock can be useful to motivate progress but must be accompanied by an ultimate target based on unmet need.

The overall national target should be accompanied by targets for state and territory governments calibrated to the level of unmet housing need across different geographical areas. This is because different cities and regions require differing levels of social housing as a share of all housing to address unmet need, and are starting from varying levels of social housing as a share of all housing.[25]

The targets for social housing supply should be updated according to ongoing measurement of unmet housing need. This measurement needs to account for the many factors affecting unmet housing need including changes to incomes, rents, vacancy rates, population, and household sizes. An independent, reliable and public mechanism is also needed for regular monitoring and reporting on progress against the nationally coordinated targets. Timely, accurate information on progress towards the targets are a key part of ensuring governments hold themselves and are held accountable to the target, and as a way to learn and improve.

5. Federal and state governments must substantially invest to boost social housing to 10% of housing as soon as possible

Meeting a 10% social housing target will require significant government subsidy. Private developers will not deliver social housing at scale without government subsidy as it does not return sufficient profit.[26] Social housing is essential public infrastructure that government has a responsibility to provide. The government subsidy needed for social housing is worthwhile to transform the lives of low-income tenants for the better, to support their economic and social

[23] Ibid, 4, 11.
[24] Van den Nouwelant, Troy & Soundararaj (2022) *Quantifying Australia's unmet housing need*; Lawson et al (2018) *Social housing as infrastructure: an investment pathway*.
[25] See eg NHSAC (2025) *State of the Housing System 2025*, 58.
[26] See eg Troy & Van den Nouwelant (2023), *Costing social and affordable housing delivery across Australia*, 1, 15; Lawson et al (2018) *Social housing as infrastructure: an investment pathway*, 6, 44.

participation, and to avoid more costly downstream responses to issues arising from inadequate housing.[27]

The aim should be to achieve the 10% target as quickly as possible because adequate housing is a fundamental need for everyone and the level of unmet housing need is urgent and rising. Rental stress is becoming increasingly severe, especially among people on the lowest incomes in private rentals, even after recent increases in Commonwealth Rent Assistance.[28] People who seek support for homelessness services are increasingly not able to be provided with long term accommodation.[29] Additional social housing supply is needed to stop these trends from worsening further.

ACOSS considers that increasing social housing to 10% of dwellings within 20 years reflects the urgency of the task and is achievable. Achieving the 10% target within 20 years would require around 50,000 additional social homes each year on average, in addition to maintaining existing stock.[30] The capacity of the construction sector across the economy (which builds around 180,000 annually, and previously around 220,000 dwellings per year)[31] is more than enough to deliver these social housing dwellings, so long as the government provides enough cost-effective investment to deliver it. The delivery of social housing currently relies on the same sector capacity and pricing as in the delivery of market housing, though differs in that the investment in, development, ownership and management of public and community housing does not seek a profit margin.[32]

The cost of boosting social housing to 10% of housing stock over 20 years is approximately $20 billion per year nationally if delivered using an upfront capital funding model and as a not-for-profit development (discussed further later).[33] This cost could be shared by federal and state / territory governments. If the federal government funded half of the cost (around $10 billion per year), this would still be significantly less than federal expenditures on other important public goods, such as education ($57bn), aged care ($44bn), healthcare ($37bn), medical benefits ($37bn), child care ($17bn) for 2026-27.[34]

Recommendation 1

Governments should substantially boost investment in social housing to increase social housing to 10% of all housing as soon as possible and within two decades, guided by nationally coordinated targets calibrated to address unmet housing need across jurisdictions.

6. Governments should make social housing delivery more cost-effective to help reach the 10% target sooner

In addition to increasing overall investment in social housing, governments should explore more cost-effective delivery of social housing, including greater use of upfront equity, lower-cost public

[27] See eg Nygaard & Salari (2025) *Maximising investment in social and affordable housing in Australia*. This report estimates that the 30,000 additional social and affordable dwellings provided for 25 years under the HAFF will provide economic and social benefits (including avoided public costs) of $3.2 billion and provide $7.15 billion in cost of living relief to tenants.
[28] See ACOSS (2026), *Submission on Intergenerational Housing Inequity*, 24-25. The share of people receiving Commonwealth Rent Assistance who are in severe rental stress (paying over 50% of income on rent) has more than doubled from 8.1% to 18.3% from 2004 to 2025.
[29] See eg Australian Institute of Health and Welfare (2025), *Specialist homelessness services annual report 2024-25*. In the decade to 2024-25, the proportion of people already homeless when engaging with homelessness services increased by over 20%, and the proportion of people engaging with homelessness services who are not provided with accommodation they need increased by 19% (for medium term accommodation) and 14% (for long term accommodation).
[30] Everybody's Home (2025), *Out of Reach: Australia's rental crisis and the decline of social housing*. This would be a significant increase on the roughly 7,000 new social homes being built each year on average during the 2020s: Hal Pawson & Chris Martin (2026) *The revival of social housing construction in Australia 2020-2030*.
[31] NHSAC (2026) *State of the Housing System 2026*, 70-71.
[32] Troy & Van den Nouwelant (2023), *Costing social and affordable housing delivery across Australia*, 4; Lawson et al (2018) *Social housing as infrastructure: an investment pathway*.
[33] Troy & Van den Nouwelant (2023), *Costing social and affordable housing delivery across Australia*, Figure 13.
[34] Treasury (2026) *Budget Paper No.1, Statement 6*, Tables 6.1.3 and 6.3.

financing, and provision of land. Some form of government subsidy will always be required to deliver social housing because the return on investment is not adequate to motivate private market investment.[35] A key question for government is how they can make the government subsidy for social housing most cost-effective.

Government funding of social housing through upfront equity is more cost-effective over time than through debt finance. This is because the earlier and greater the equity provided, the more the government agency or community housing developer can avoid the costs of paying interest on any debt finance.[36] This reduces the total government subsidy required for the same dwelling output by providing it earlier and as a capital investment. Modelling shows that funding of social housing through upfront equity can be around 50% more cost effective than through annual availability payments (the dominant form of funding provided through the Housing Australia Future Fund).[37]

In providing upfront capital investment to social housing, government contribution of land can sometimes be more cost-effective than cash grants. The cost of purchasing land at market rates comprises a significant portion of social housing development costs and can sometimes be the largest cost of development such as in metropolitan areas (where unmet need for social housing is often highest).[38] Where land can be contributed without cost (or at discount to market rate), this can be more cost-effective and efficient than a cash grant then used to buy land at market rates.[39] Governments can also use planning powers to help consolidate private and public land to allow greater utilisation for social housing.[40] A significant portion of surplus and underutilised land across all tiers of government is sold off to boost government revenue, but could be used for social housing among other public purposes. For example, recent reviews of land owned by the NSW, Victorian and Commonwealth governments have identified land that could support tens of thousands of additional dwellings.[41]

Where social housing is not fully funded by upfront capital investment (whether cash grants or land), it will be more cost-effective to meet any debt finance needs through low-cost public finance over private finance. Public debt finance is cheaper than private debt finance because public finance is backed by government taxation powers and does not seek a profit margin.[42] A significant portion of social housing funded via the HAFF still relies on private debt as the government subsidy, concessional Housing Australia loans and ongoing rental income is not enough to cover costs.[43] A greater use of concessional public finance over private finance would lower the government subsidy required over time. In addition, governments could achieve a lower cost of public finance by more directly borrowing and taking on risk, such as through Commonwealth and State government bonds,[44] in the same way that governments raise funding for other essential public infrastructure like healthcare, education and utilities.

Recommendation 2

Governments should undertake more cost-effective funding of social housing, including through greater use of upfront capital investment, provision of land, and lowest-cost public financing, in addition to increasing overall investment in social housing.

[35] Troy & Van den Nouwelant (2023), *Costing social and affordable housing delivery across Australia*, 1, 15; Lawson et al (2018) *Social housing as infrastructure: an investment pathway*, 6, 44.
[36] See eg Troy & Van den Nouwelant (2023), *Costing social and affordable housing delivery across Australia*, 14-15.
[37] Troy & Van den Nouwelant (2023), *Costing social and affordable housing delivery across Australia*, Figure 13.
[38] Lawson et al (2018) *Social housing as infrastructure: an investment pathway*. This report analysed a sample of social and affordable housing development costs found that land costs averaged 31% of total development costs, with a range from 10% to 72% depending on location and project characteristics.
[39] See eg Randolph et al (2018), *Paying for affordable housing in different market contexts*, 42-44.
[40] See eg Gurran et al (2018), *Supporting affordable housing supply: inclusionary planning in new and renewing communities;* Lawson, Legacy & Parkinson (2016), *Transforming public housing in a federal context*.
[41] Cth Dept of Defence (2026) *Defence estate audit report*; NSW Government (2026) *Land Audit grows housing pipeline by 670 homes*; Victorian Government (2024) *Unlocking government land for more homes in Kew*.
[42] See eg Troy & Van den Nouwelant (2023), *Costing social and affordable housing delivery across Australia*, 14-15
[43] ANAO (2026), *Auditor-General Report: Treasury's Design & Delivery of the HAFF and the NHAF*.
[44] For example see and compare Housing Australia (2024) *Annual Report 2023-24*, Table 5 and RBA (2026) *Capital Market Yields – Government Bonds – Monthly*.

7. Federal incentives for strengthening regulation of rental affordability, security and safety are also essential

While social housing most reliably and directly provides affordable housing, stronger government regulation of the private rental market is also needed to ensure adequate housing, especially for people in most acute housing need. Renting should be a reliable form of tenure that offers a minimum level of affordable, secure, accessible and safe housing; these basic needs should not be limited to home owners. Around one third of households (or around 8 million people) live in homes they rent in Australia, and nearly half of people in Australia are not owners of the home they live in.[45] Governments need to recognise the necessity of better regulating renting, just as they have recognised the necessity of regulating other essential services like healthcare, water and energy to ensure they are affordable and reliable.[46]

Too many renters experience insecure, unaffordable and poor-quality housing, especially people experiencing disadvantage. Among private renters nationally, half live in homes needing repairs; almost seven in ten are worried that asking for repairs could trigger a rent rise; and a third say they would struggle to afford even a 4% rent increase.[47] The majority of households on the waitlist for social housing are in the private rental market, and lower income renters tend to experience worse rental affordability, security and quality of rental dwellings.[48]

Inadequate and inconsistent renter protections are a key contributor to these rental affordability, security and quality issues. Only the ACT provides protections against unlimited rent increases through a standard formula.[49] Most jurisdictions don't have adequate minimum quality standards including energy efficiency standards (which only exist in Victoria).[50] And several jurisdictions still allow no grounds evictions in whole (as in NT & WA, though changes have been announced) or in part (as in Qld & Tas for fixed term tenancies).[51]

National Cabinet's *Better Deal for Renters* was an important scaffold to guide improvements across jurisdictions, but there has been significant variation in implementation, and no sustained federal government monitoring or transparent national coordination to ensure commitments are met.[52] It did not address limits on the amount of rent increases (only the frequency), nor comprehensive minimum standards for safety and energy efficiency (beyond vague standards like 'habitable').[53] It did not address the need for greater enforcement and accountability mechanisms, such as active regulators and effective penalties, noting enforcement generally relies on renters initiating tribunal action (despite power imbalances and vulnerability to landlord retaliation) and penalties for landlord breaches are insufficient.[54]

The federal government should build on their work with the *Better Deal* and play a more active role to negotiate with and incentivise states and territories to strengthen rental regulations to improve the affordability, security and quality of rentals. This could include through national standard-setting and coordination of monitoring and reporting, as well as conditional funding in return for implementing and maintaining strong rental protections, enforced through formal agreements where funding release is linked to reforms and transparent reporting.

As part of this, governments should regulate to limit excessive rent increases in private rentals. This would improve affordability with the greatest benefits to low income renters who tend to experience higher rates of rental stress. The ACT is the only jurisdiction with limits on rent increases, and is the only jurisdiction where rents grew in line with wages in the five years after

[45] Grounded (2026), *Person-level measure of Australian home ownership, 2006 to 2021*.
[46] Better Renting (2026), *Essential homes: Why renting is an essential service*.
[47] Martin, Hartley & Pawson (2025), *Rights at risk: rising rents and repercussions*, 19.
[48] ACOSS (2026), *Submission on intergenerational housing inequity*, 9-15.
[49] National Shelter and National Association of Renters' Organisations (2025), *The Rental Report: A 2-year performance report on the progress of A Better Deal for Renters*, 10.
[50] Ibid 12-13.
[51] See eg ibid 8-10.
[52] Ibid 7.
[53] Ibid 10, 12.
[54] Ibid 15.

implementation – while nationally rents grew three times more than wages.[55] The ACT remained the jurisdiction with the lowest rent to income ratio for new leases as of the end of 2025.[56]

Without limits on rent increases, rents can grow much faster than wages, allowing affordability to worsen. For example, in June 2023, around three quarters of tenants entering rentals experienced annual rent increases of over 10% while annual wage growth was just 3.6%.[57] Over the year to June 2026, rents have grown about twice as fast as wages.[58] Limiting rent increases also helps address rising inflation, reducing the rent component of CPI directly and reducing home price inflation by curbing speculation that relies on unlimited rent increases.[59]

Recommendation 3

The federal government should coordinate and incentivise state and territory governments to implement stronger rental protections to improve rental affordability, security and quality, including limits on excessive rent increases.

8. To address housing need, we must also improve home energy performance, income support, homelessness supports, and First Nations self-determined housing

To comprehensively address housing need, ACOSS also makes the following recommendations, detailed in our recent submission on intergenerational housing inequity.

Energy performance – existing dwellings

Recommendation 4

ACOSS is calling for at least $50 billion over 10 years to fund the *Repower Our Homes: Energy Bill Savings Plan*[60] to invest in energy retrofits to homes and community buildings to cut energy bills, reduce climate emissions and improve health and wellbeing, prioritising people and communities with the least.

ACOSS recommends establishing a Special Purpose Funding Vehicle (SPFV) to provide funds that can be scaled up each year with contributions from other sources.[61] The funds would be used to deliver tailored programs to people in different low-income housing types. Whether via the SPFV or the Federal Government budget, ACOSS is advocating for investment in the following programs:

1. **Public housing home energy upgrades**. In partnership with states and territories, contribute to fully funding energy efficiency, electrification and solar retrofits to all public housing, prioritising First Nations public housing. A First Nations social housing retrofit program should be designed in partnership with First Nations communities, generate First Nations jobs and include pre-paid metering reform.
2. **Community Housing Home Energy Upgrade Fund**. Establish a grant and finance mechanism administered through Housing Australia, to enable community housing providers to undertake home energy upgrades to the housing stock they own or manage. First Nations Community-Owned projects should be prioritised.
3. **Subsidies for low-income owner-occupier** - Provide subsidies, access to no-interest loans and tailored and culturally appropriate services to deliver home energy upgrades over the next 7 years to low-income owner-occupiers.

[55] See eg Redman (Feb 2026), *Where landlords have been able to put rents up most – and least.*
[56] NHSAC (2026) *State of the housing system*, chart 3.3
[57] ABS (2025) *Latest insights into the rental market*; ABS (2026) *Wage Price Index, Australia*.
[58] Cotality (2026) *Monthly housing pack*; ABS (2026) *Wage price index, Australia*.
[59] See eg Stephen (2026) *Rent regulation as financial regulation*.
[60] Renew Australia for All (2024), *Repower Our Homes*.
[61] See further information on the SPFV in ACOSS (2024), Funding and Financing Energy Performance and Climate Resilient Retrofits for Low-income Housing.

4. **Private rental property upgrades** – provide conditional and targeted funding and finance to support 'enabling' mechanisms that will incentivise States and Territories to implement mandatory energy performance rental standards. This could include:
    a. Targeted and conditional subsidies to landlords alongside measures to protect renters (limit on rent increases and no evictions for a defined period), and fund appropriate services to assist landlords to access energy efficiency audits, available financial support, and trades.
    b. Amending tax laws so that capital works deductions for new or replacement appliances for rental properties are only available for accredited energy-efficient and electric appliances.
5. Partner with Local Government to **scale up home energy upgrades for homeowners and private renters.** Establish a strategic partnership with local government to establish a scalable home energy upgrade service (a one-stop-shop), that provides tailored education and community outreach, connection between households and vetted suppliers, sustainable property linked finance, and targeted subsidies, all under the guidance of trusted local councils.[62]
6. Funding for a federal agency to **coordinate investment, policy, standards and regulations for demand side and energy performance measures.** Provide oversight functions for delivery partners, and enable education and communication, as well as coordination across states.
7. **Workforce and Industry package**. Increase funding for training and apprenticeships to address labour shortfalls, diversity and post-trade-skilling. Support domestic manufacturing and local suppliers to expand capacity to deliver appliances for upgrades. Develop accreditation and licensing frameworks to ensure high quality and safe installations, along with ensuring labour protections and standards.[63]

Energy performance – new dwellings

Recommendation 5

State and Territory Governments should implement National Construction Code (NCC) 2022 updates to implement the 7-star NatHERS rating and the NCC 2025 updates. Social Housing should be built to a higher standard and include solar. In addition, First Nations social and affordable housing should be designed in consultation with First Nations communities and be culturally appropriate

Recommendation 6

Continue regular three yearly reviews to update new building standards to ensure the safety and well-being of all residents. The NCC 2029 update should not be delayed and must include promised climate resilience measures and aim to achieve zero carbon homes (best practice thermal efficiency, all-electric, and powered by renewables).

[62] See further information in ACOSS (2026) *Budget Priorities Statement 2026-27*.
[63] See Repower our Homes proposal for further information

Income support

Recommendation 7

Lift JobSeeker, Youth Allowance, Parenting Payment and related income support to parity with pensions (including the pension supplement), at least $618 per week on current rates, and index payments to wages as well as prices.

Recommendation 8

Improve the adequacy of supplementary payments to meet additional living costs, including by lifting the maximum threshold for Commonwealth Rent Assistance (CRA) by 60% (resulting in a 100% increase in the payment)[64], establishing a $60 per week Disability and Illness Supplement, and providing a Single Parent Supplement benchmarked to the additional costs of single parenthood (to replace Family Tax Benefit (FTB) Part B, see our Budget Submission).

Homelessness supports

Recommendation 9

Increase homelessness service funding by $670 million per annum, with indexation to wage and price movements and benchmarking to community need and allocate $500 million to homelessness prevention and early intervention.

First Nations-led housing

Recommendation 11

Resource and enable the National Aboriginal and Torres Strait Islander Housing Association to lead, design and deliver a self-determined National First Nations Housing and Homelessness Plan.

Contact

James Hall
Senior Advisor
james@acoss.org.au

[64] ACOSS has calculated this increase by benchmarking the CRA maximum rent threshold to average, lowest quartile rents paid in outer Sydney and Brisbane across three dwelling sizes (one-bed unit, two-bed unit, three-bed house) as at September 2025. Melbourne data was unavailable.