



Australian
**HEALTH
PROMOTION**
Association

A submission to the Community Affairs
References Committee from the
Australian Health Promotion Association
on

The worsening rental crisis in Australia

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INTRODUCTION

The Australian Health Promotion Association Ltd (AHPA®) welcomes the opportunity to provide a submission of the worsening rental crisis in Australia. AHPA advocates for the development of healthy living, working and recreational environments for all people. Through our work we support the participation of communities and groups in decisions that affect their health. Recognising the importance of housing as a key social determinant of health, AHPA calls for action to improve access to appropriate, affordable, safe, and secure housing for all. Australia is one of the healthiest countries in the world. This is largely because of effective public health and its core services – protection, prevention and health promotion which includes action to create and support the social and environmental conditions that enable Australians to enjoy a healthy and happy life. We are now more aware than ever of just how complex the circumstances are by which human health is influenced – policies and actions shaped by the unfair distribution of wealth, power and resources, both locally and internationally. We are also more cognisant of the range of skills and practices required to enhance individual and community capacity and act to address those forces that lead to health inequities - the unfair and avoidable differences in health status seen within and between countries. **Health promotion's role has never been so significant.**

About Us

Incorporated in 1990, AHPA is the only professional association specifically for people interested or involved in the practice, policy, research and study of health promotion. Our member-driven national Association represents over 1000 members and subscribers and is governed by a Board at the national level with operational branches representing all states and territories. Our membership is diverse, and includes designated health promotion practitioners, researchers and students, as well as others involved in promoting physical, mental, social, cultural and environmental health, whose primary profession or area of study may be something different, but whose responsibilities include promoting health. Members represent a broad range of sectors including health, education, welfare, environment, transport, law enforcement, town planning, housing, and politics. They are drawn from government departments and agencies, universities, non-government organisations, community-based organisations, private companies, and students.

Our activities include: national registration of health promotion practitioners for the International Union for Health Promotion and Education (IUHPE) in Australia; national health promotion university learning and teaching network; early career support; national and local conferences and events; a tri-yearly Population Health Congress; a website providing professional and membership information; a national listserv providing members with sector news, employment, advocacy and events information; stakeholder and member communication across a range of platforms; advocacy action; strong partnership working with a range of organisations; awards; traineeships; mentoring; scholarships and bursaries; and the Health Promotion Journal of Australia, which has a strong focus on health equity and participation by First Nations people.

Our Vision

A healthy, equitable Australia.

Our Purpose

Leadership, advocacy and workforce development for health promotion practice, research, evaluation and policy.

Our Principles

- Ethical practice - Supporting culturally informed, participatory, respectful, and safe practice.
- Health equity - Addressing the sociocultural, economic, political, commercial and ecological determinants of health in order to build health equity.
- Innovative and evidence informed approaches - Promoting and supporting evidence informed research, policy and practice.
- Collaboration - Working in partnership with other organisations to improve health and wellbeing.

Our Strategy

1. Promote our profession and members
2. Advocate for health promotion
3. Build professional capacity of AHPA members
4. Support career pathways in health promotion
5. Promote equity, diversity and inclusion
6. Provide responsible and sustainable governance and management

Detailed actions to achieve the strategy can be found in our [Strategic Plan](#) document.

Achieving change

Shelter is a critical pre-requisite to health as stated in the Ottawa Charter for Health Promotion (World Health Organization, 1986). The right to housing has also been codified in the Universal Declaration of Human Rights (United Nations, 1948) and the International Convention on Economic, Social and Cultural Rights (United Nations, 1966). AHPA notes that the Organisation for Economic Co-operation and Development (OECD) has identified housing as one of several elements essential for quality of life, along with health, safety, income, jobs, and community (OECD, 2020).

However, not everyone has equal access to housing or to housing that meets their needs or protects their health and wellbeing. Increasing cost of living pressures have exacerbated existing faultlines in Australia's housing system, amplifying the need for a range of strategies to address the current crisis and create a sustainable plan to ensure every Australian is housed for the future. Urgent action is needed to address the widening inequities in access to housing and the wider impacts of the rental crisis. We encourage the inquiry to consider the impact of increasingly unaffordable housing on physical and mental health, social participation, and access to other social services.

Broadly, the Australian Health Promotion Association calls for:

- Access to safe and secure housing as a human right and as part of the right to an adequate standard of living.
- Access to appropriate, affordable, safe and secure housing as a key social determinant of health.
- Recognition that poor quality and unaffordable housing and homelessness have adverse effects on physical and mental health and immediate steps to address these issues.
- Provision of sufficient affordable and appropriate housing to meet need which would provide significant positive impacts for health, safety, income, jobs, and the community.
- Strategies to meet the housing needs of those most vulnerable as a matter of urgency.
- Strategies to ease cost of living pressures which contribute to the housing and rental crisis.
- Expedited action on development of Australia's new National Housing and Homelessness Plan and sufficient resourcing for its implementation and monitoring.

Specifically, we call for:

- minimum standards for energy efficiency natural light, lockable doors and windows, absence of mould and vermin infestations, and provision of working essential appliances and plumbing.
- renters to have the right to modify their home where necessary to ensure it is accessible and they can live safely and independently.
- further investment to deliver a sufficient pipeline of social housing investment.
- further increase rent assistance and cap rent increases.
- further boosting basic rates of JobSeeker and other income support payments beyond the current proposed levels of increase.
- bans on no grounds evictions including for those at the end of fixed-term tenancies.
- high quality tenancy advocacy advice and assistance across Australia.
- phasing out tax concessions that overwhelmingly benefit the already wealthy.
- national guidance which recommends that all jurisdictions follow the example currently underway in South Australia and implemented in Queensland to enact reforms so that tenants who apply to keep a pet in a rental property cannot have their request unreasonably refused.
- primary prevention strategies to address homelessness, scaled up Housing First approaches and increased resourcing for homelessness support, with current services overwhelmed across Australia.

More about our vision for a healthy, equitable Australia can be found in our [Health Promotion and Illness Prevention Policy](#).



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The following are our broad responses to key areas of the inquiry.

The experience of renters and people seeking rental housing

People who rent have a right to a healthy home that is safe and meets appropriate standards of living (National Shelter and National Association of Renters' Organisation, 2023). Stability of rental housing, along with security and quality drives better health and wellbeing (Oswald et al., 2023). Housing instability, suitability, security and affordability affects factors such as safety, social support and living practices which in turn affect health outcomes (VicHealth, 2011). For example, the Australian Healthy Housing Centre for Research Excellence (HHCRE) (2021) argues that unaffordable housing makes us sick, with poorer mental health, overcrowding for those in the community vulnerable to other health conditions, homes that are too hot or cold and which expose people to mould, toxins, and pathogens. Other evidence suggests that having accommodation that is too small, or building defects, results in negative implications for health (Oswald et al., 2023).

The onset of the COVID-19 pandemic accentuated existing problems in the Australian housing system such as homelessness, the supply of social housing, and rental availability and affordability (Baker et al., 2019). Renters were more vulnerable because they were overrepresented in the most affected industries (hospitality and service industries), they often have lower incomes, and are at risk of eviction (Oswald et al., 2023). During the pandemic, people renting from a private landlord were much more likely to report that they experienced a negative impact on their mental health (Oswald et al., 2023).

In 2020, it was estimated that up to 40% of renters were experiencing energy hardship due to both rapidly rising energy costs and a large stock of rental properties that are poor quality and energy-inefficient (AHURI, 2020). Given recent further increases in energy costs the percentage experiencing energy hardship is likely much higher now. Inability to keep sufficiently warm in winter impacts adversely on health. Australian rental homes are colder than is considered safe by the World Health Organization (Convery, 2022).

There are particular populations who may be more vulnerable to housing stress related to renting. According to the Productivity Commission (2019) this includes individuals who rely on government support (e.g. pensions and allowances), particularly those who are older, unemployed or in single person households.

- **AHPA supports calls from a range of national organisations for minimum standards for energy efficiency natural light, lockable doors and windows, absence of mould and vermin infestations, and provision of working essential appliances and plumbing.**
- **AHPA supports calls from the HHCRE for renters to have the right to modify their home where necessary to ensure it is accessible and they can live safely and independently.**

Rising rents and rental affordability

The rental crisis is affecting more and more people the longer it goes on without urgent action to curb the extent of rises in rental costs. Concerningly, the 2023 Everybody's Home report found that 82% of respondents who are renters were experiencing housing stress (Azize, 2023).

There has been a rapid escalation of rent inflation since 2020. Annual national increases in rents accelerated to over 8% in the third quarter of 2021, and increases were even higher in regional areas (Pawson et al., 2021). Wage growth has been low for a decade, and currently remains well below inflation so that real wages are declining (Australian Bureau of Statistics, 2023). Rent increases have far exceeded wage growth in the past three years.

Housing costs represent a much higher percentage of disposable household income for people on lower incomes (Per Capita, 2022). ABS data on housing costs as a percentage of household disposable income showed that housing costs for the lowest income quintile increased from 22% of disposable income in 1994-95 to 29% of disposable income in 2017-18 (Per Capita, 2022). Over the same period, housing costs increased by 2-3% for the middle 60% and were unchanged for the top 20% (Per Capita, 2022). Data from the ANZ/CoreLogic Housing Affordability Report show that median house rental costs increased sharply with the onset of the pandemic to more than 30% of income, the highest ever rate and one that exceeds the threshold of housing stress for the average renter (ANZ and CoreLogic, 2021).

Evidence from Anglicare's Rental Affordability Snapshot reports even more dire statistics on housing affordability. The April 2022 Rental Affordability Snapshot found that out of 45,992 rental property listings, only 8 were affordable for a single person on Jobseeker, only 1 was affordable for a young person on Youth Allowance, and only 1.4% of rentals were affordable for a couple living on the Age Care Pension. Only 1.6% of rentals were affordable for a single person working full time in a minimum wage job (Anglicare, 2022).

Affordable housing is housing where costs are no more than 30% of disposable household income. Anglicare's August 2023 Rental Affordability Snapshot focused on essential workers employed full-time. Out of 45,895 rental listings, only 2.4% were affordable for an ambulance worker only 1.5% were affordable for a nurse, only 1.3% were affordable for a construction worker, only 0.9% were affordable for an early childhood educator or a hospitality worker (Anglicare, 2023).

Actions that can be taken by governments to reduce rents or limit rent rises

In the medium to long term the supply needs to increase, and the stock of public housing in particular needs to increase. From 1945 to 1970 social housing properties (primarily public housing) averaged 16% of total national residential construction and between 1951 and 1996 there were between 8,000 and 14,000 social housing dwellings build per year (Per Capita, 2022; Lawson et al., 2019). The public housing stock began declining in 1996, and only grew by 4% from 1996 to 2016, far below the 30% population growth over this period (Lawson et al., 2019). In 2016 it was estimated that there was a shortfall of 433,000 social dwellings, and Australia would need 726,000 new social housing properties by 2036 taking population growth into account (Lawson et al., 2018). Separate research in 2019 calculated a very similar estimate of 728,600 new social housing properties needing to be built by 2036 (Troy et al., 2018). Meeting this need for social housing would require 36,000 new social housing properties to be built per year (Per Capita, 2022).

In 2017-18, Australia's stock of social housing represented 3.1% of total housing. This is much lower than in the UK where social housing is 16% of total housing, and in Austria, for example where social housing is 37.7% of total housing (Per Capita, 2022).

The government's proposed Housing Australia Future Fund is unlikely to be effective in bridging the gap between current social housing and the number of dwellings needed. Direct investment in public housing is the most effective means of increasing the supply of affordable housing, rather than relying on the private sector to provide the bulk of social housing (Lawson et al., 2018). A reliable pipeline of public and social housing dwellings will put downward pressure on rents.

- **AHPA echoes ACOSS' recommendation that further investment is needed to deliver a sufficient pipeline of social housing investment.**
- **In the shorter term, AHPA supports recommendations from the COSS network to further increase rent assistance and cap rent increases.**
- **Over the longer term, AHPA recommends further boosting basic rates of JobSeeker and other income support payments beyond the current proposed levels of increase.**

Improvements to renters' rights, including rent stabilisation, length of leases and no grounds evictions

Current policies such as the combination of the Capital Gains Tax Discount and negative gearing provide an incentive for investors to pursue capital gains through the property market with negative gearing acting as a subsidy. Almost half the benefits from negative gearing go to the top 20% of income earners, and more than 80% of benefits from the capital gains tax discount go to the top 20% of income earners (Per Capita, 2022), fuelling income and wealth inequality and contributing to growing inequality between people who own their own their own home and people for whom buying their own home is now out of reach due to the negative impact of these policies on housing affordability.

Tax concessions such as the capital gains tax discount and negative gearing have pushed many first home buyers out of the housing market and these policies and the reduction in the public housing stock have undermined security of tenure for renters (Per Capita, 2022). Negative gearing and the capital gains tax discount provide incentives to chase capital gains in the short term instead of longer-term income streams from rental properties (Per Capita, 2022).

Services to provide tenants with advocacy and advice have been highlighted as important supports to increase housing stability for renters by reducing renter debt, evictions and homelessness. A range of social services suggest that the current scope of services is insufficient to meet demand (National Shelter and National Association of Renters' Organisation, 2023).

- **AHPA supports calls from the COSS network to ban no grounds evictions including for those at the end of fixed-term tenancies.**
- **AHPA supports calls from a range of national organisations for high quality tenancy advocacy advice and assistance across Australia.**
- **AHPA also supports phasing out tax concessions that overwhelmingly benefit the already wealthy.**

Factors impacting supply and demand of affordable rentals

Housing in Australia has been rated as extremely unaffordable to buy since the early 2000s (Demographia, 2023). The introduction of the Capital Gains Tax discount in 1999 caused growth in house prices to diverge sharply from growth in wages (Per Capita, 2022). In the 1990s the average house price was around 2.5 times annual household income. Average house prices were more than six times household income in 2020 (Per Capita, 2022). Increasingly unaffordable housing has resulted in increasing demand for rental properties, and low wage growth over the past decade has increased demand for affordable rental properties. Strong population growth including from migration has added to the demand for affordable rentals (Parliament of Australia, 2008).

Inadequate funding for social housing has impacted on the supply of affordable rental properties as detailed in our response related to rising rents and rental affordability. In addition, efforts by governments to reduce the costs of housing by releasing land are undermined by developers who limit the pace of release of land to maximise profits. A 2022 report by Prosper Australia investigated the rate of lot sales in nine master-planned housing developments, finding that developers used a staged release approach aimed at securing profits by avoiding supply-led price declines (Fitzgerald, 2022). The Master Planned Communities still held more than three quarters of land vacant after almost 10 years of production time (Fitzgerald, 2022). The report provides evidence that planning constraints are not the reason for the delayed land releases, which were found to be responsive to price-growth (Fitzgerald, 2022).

The combination of housing being severely unaffordable to purchase, low wage growth resulting in housing costs representing a higher percentage of disposable income, inadequate funding for social housing and profit driven developers has resulted in stark inequities in access to affordable, appropriate, and quality housing. AHPA suggests that rezoning of land will not improve affordability with developers rationing land releases and controlling how quickly supply can increase.

h. any other related matters.

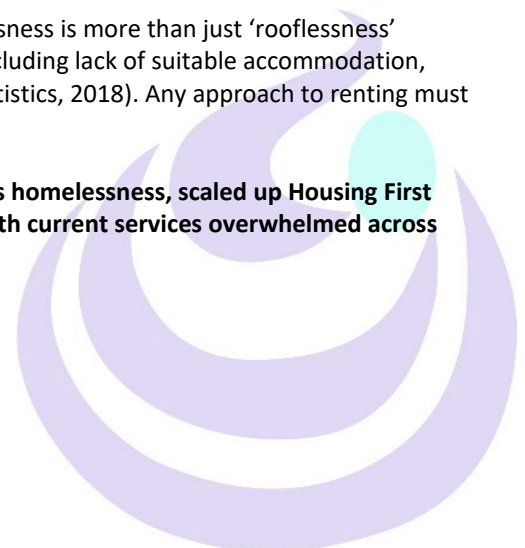
The RSPCA SA has reported that at least one in five animals surrendered is due to owners unable to find a rental property that allows pets (Lim and Toomevska, 2022). Pets play an important health promoting role, particularly for people who lack support from families and close friends (Friedmann and Thomas, 2016).

- **While we recognise this is predominantly a state and territory issue, AHPA encourages national guidance which recommends that all jurisdictions follow the example currently underway in South Australia and implemented in Queensland to enact reforms so that tenants who apply to keep a pet in a rental property cannot have their request unreasonably refused.**

Homelessness

One of the outcomes of the worsening rental crisis is homelessness. Homelessness is more than just 'rooflessness' (Crawford et al., 2014). Homelessness incorporates a range of experiences including lack of suitable accommodation, inadequate housing conditions and unstable tenure (Australian Bureau of Statistics, 2018). Any approach to renting must consider the outcomes of unstable tenure which includes homelessness.

- **AHPA supports all calls for primary prevention strategies to address homelessness, scaled up Housing First approaches and increased resourcing for homelessness support, with current services overwhelmed across Australia.**



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