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Dear Committee Secretary

I am writing on behalf of the ACT Government in relation to the Inquiry into the worsening rental crisis in Australia established on 22 June 2023 (the **Inquiry**) being conducted by the Committee. The ACT Government's submission to the Inquiry is enclosed with this letter.

I trust that our submission will assist the Inquiry and I look forward to the Committee's interim and final reports.

Yours sincerely

Shane Rattenbury MLA  
Attorney-General

25/7/23



**ACT Government Submission**  
**Senate Community Affairs References Committee**  
**Inquiry into the Worsening Rental Crisis in Australia**  
**July 2023**

1. The ACT Government has in recent years embarked on a significant, progressive tenancy law reform agenda to strengthen renters' rights and make the law clearer and fairer. This submission shares information on the ACT's tenancy laws, as well as on issues affecting the rental market in Canberra and Government initiatives to support renters, and other related issues.
2. The submission is limited to those terms of reference where the ACT Government has relevant information to share ((b) – (e) and (g) – (h)).

**(b) Rising rents and rental affordability**

3. The ACT Government notes that a wide range of factors influences rental prices, including vacancy rates, the pace of growth in demand compared to the growth in stock, the average income of renters and the costs associated with providing property for rent.
4. Based on land tax data, the supply of rental properties in ACT has increased from about 37,000 in 2012-13 to more than 56,500 in 2022-23.
5. As at July 2023, the median weekly rent for houses in Canberra was \$707, the second highest in Australia, and the median weekly rent for units was \$581, the second highest in Australia.<sup>1</sup>
6. In recent years the rate of dwelling growth in the ACT has been faster than the rate of population growth, and this is impacting the rental market. Canberra's rental vacancy has risen from 1.2 per cent in the July Quarter of 2022 to 2.2 per cent in July Quarter of 2023, the second highest in Australia<sup>2</sup>.
7. Rents in Canberra have stabilised in the last 12 months. Rents for houses have declined by 4.0 per cent in the last 12 months, the only jurisdiction in Australia where rents have declined. Rents for units have increased by 0.6 per cent in the last 12 months, the lowest growth across Australia. Over the last ten years, rental rates for houses in Canberra have increased by 27 per cent, the third lowest growth across Australia, and for units by 25.4 per cent, the fourth lowest growth across Australia.<sup>3</sup>
8. Rental yields in the ACT have been historically strong and the rental market in the ACT is competitive – indicating a healthy climate for investment. According to the latest REIA

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<sup>1</sup> CoreLogic, *Quarterly Rental Review* (Quarter 2, July 2023).

<sup>2</sup> CoreLogic, *Quarterly Rental Review* (Quarter 2, July 2023).

<sup>3</sup> CoreLogic, *Quarterly Rental Review* (Quarter 2, July 2023).

Market Facts Report,<sup>4</sup> Canberra's 5-year average annual return for houses was 11.5 per cent and 10.6 per cent for other residential dwellings – both the second highest in Australia.

9. Rental affordability is an important area of focus in the ACT, as it is nationally. A recent report by the National Housing Finance and Investment Corporation (**NHFIC**) notes that affordability has worsened recently across most major cities and regions (although to substantially varying degrees).<sup>5</sup> According to the latest REIA Housing Affordability Report, the ACT is the second most affordable jurisdiction to rent a home, with 20.8 percent of average family income required to meet rent payments.<sup>6</sup> While the ACT results are good on average, this is because of our higher-than-average income. These results mask the extent of the issues faced by households in lower income quintiles. The ACT Government is committed to increasing the supply of affordable rentals for lower income households (see further term of reference (e) for priority initiatives in this area).

### (c) Actions that can be taken by governments to reduce rents or limit rent rises

#### Rent increase limits

10. The ACT Government has legislation in place that limits excessive rent rises. Tenancy laws are contained in the [Residential Tenancies Act 1997](#) (**RTA**) and the [Residential Tenancies Regulation 1998](#) (the **Regulation**).<sup>7</sup> The rules governing rent increases differ depending on whether the tenancy is fixed term (it has a set end date) or periodic (it has no fixed end date, known colloquially as 'month to month' tenancies). These rules are explained below.
11. However, in both fixed term and periodic tenancies, the law provides that rent may not be increased more than once every 12 months, from the start of the tenancy or the date of last rent increase (cl 35, Standard Residential Tenancy Terms, RTA).

#### *Rent increase limits in periodic tenancies*

12. The ACT's current rent increase regime for periodic tenancies was introduced in November 2019. The rules are not a strict 'rent cap' and they are not intended to reduce rents. Rather, they are intended:
- to provide guidance to tenants and landlords in the ACT about what a reasonable rent increase is, and
  - to protect tenants against excessive rent increases.
13. 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

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<sup>4</sup> Real Estate Institute of Australia (REIA) Real Estate Market Facts Report, March 2023.

<sup>5</sup> Australian Government, National Housing Finance and Investment Corporation, *State of the Nation's Housing 2022-23* (April 2023) <<https://www.nhfc.gov.au/research/state-nations-housing-report-2022-23>>, p. 76.

<sup>6</sup> Real Estate Institute of Australia (REIA) Housing Affordability Report, March Quarter 2023.

<sup>7</sup> ACT legislation is available on the ACT Legislation Register: <<https://www.legislation.act.gov.au/>>.

percentage increase in the rents component of the housing group of the Consumer Price Index for Canberra published by the Australian Bureau of Statistics.<sup>8</sup>

14. 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). That is, a landlord may increase the rent on a property by ten percent more than the increase in CPI (for Canberra rents) over the relevant period.
15. For example, a tenant is in a period tenancy commencing from 1 January 2022 with weekly rent of \$600. From 1 January 2023, the landlord is permitted to increase the rent on the property to \$640. This is because over the preceding four quarters the percentage increase in CPI (for Canberra rents) is just over 6 per cent, making 110% of the increase roughly 6.6 percent. This allows a rent increase of \$40 from 1 January 2023 (rounded up).
16. 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.
17. Tenants may agree to increases above the rent increase threshold for a range of reasons, including, for example, because they perceive the rent increase to be fair in all of the circumstances of their tenancy, because they do not understand their legal rights, or because they fear eviction if they do not agree. One of the reasons that the ACT Government has recently removed all forms of 'no cause' evictions from tenancy law (see further below under term of reference (d)) is to support tenants to feel empowered to exercise their legal rights, including in relation to rent increases.
18. If the lessor brings an application to ACAT to secure approval for a rent increase above the prescribed amount, ACAT may only permit the increase if satisfied that it is 'not excessive'. The onus is on the landlord to demonstrate this. The RTA allows ACAT to take into account a range of factors in deciding whether an increase is excessive, including:
  - the general state of repair of the premises
  - any repairs or upgrades made to the premises
  - the lessor's costs in relation to the premises, and
  - the market rate for comparable premises.
19. While the RTA requires a lessor who wishes to increase rent above the prescribed amount to apply to ACAT to seek permission for the rent increase (where the tenant does not agree), the RTA also permits tenants to challenge a proposed rent increase, regardless of whether it is above the prescribed amount. For example, a tenant may wish to challenge

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<sup>8</sup> Australian Bureau of Statistics, 'Price Indexes and Inflation' <<https://www.abs.gov.au/Price-Indexes-and-Inflation>>.

an increase that they consider is excessive even where it is below the prescribed amount because the premises is in a poor state of repair, or because of market rates of comparable properties. As noted above, ACAT can take into account a range of factors in deciding whether to permit a proposed rent increase.

20. The number of applications made to ACAT (by lessors and by tenants) for an order in relation to a proposed rental increase is low.<sup>9</sup>
21. The law also imposes notice requirements that lessors must follow when proposing a rent increase. For any rent increase to be effective, the lessors must give the tenants eight weeks' notice in writing of the proposed increase. The notice must state:
- the amount of the proposed increase
  - whether the proposed increase is more than the prescribed amount, and
  - if the proposed increase is more than the prescribed amount – that if the tenant does not agree to the increase, the landlord must seek the approval of ACAT to make the proposed increase.
22. These notice requirements are intended to support tenants to exercise their rights, including to refuse a proposed increase where they wish to do so.

#### *Rent increase limits in fixed term tenancies*

23. Under a fixed term tenancy agreement, rent may not be increased during the term of the agreement unless the amount of the increase, or a means for working it out, is included within the tenancy agreement.
24. There are no rules in ACT law that govern rent increases between fixed term tenancies. At the end of a fixed term tenancy, if the parties agree on a new fixed term (e.g. for a second year in the property), the new rent payable will be a matter for negotiation between them as they are entering into a new tenancy agreement. If the parties do not agree on a fixed term, and the tenancy is not lawfully ended, it will automatically convert to a periodic tenancy (in which case the rent increase rules described above will apply).

#### Prohibition on solicited rent bidding

25. The most recent round of tenancy law reforms initiated by the ACT Government took effect on 1 April 2023. One of the reforms introduced at that time is a ban on solicited rent bidding. "Rent bidding" is where applicants for rental properties offer, or are asked to pay, rent above the advertised rental price to secure the property.
26. It is now a strict liability offence under ACT law for agents or landlords to invite prospective tenants to engage in rent bidding. This offence carries a maximum penalty of 20 penalty

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<sup>9</sup> ACT Civil and Administrative Tribunal, *ACAT Annual Review 2021-22*, p. 49,  
<[https://www.acat.act.gov.au/data/assets/pdf\\_file/0005/2119478/ACAT-Annual-Review-2021-22.pdf](https://www.acat.act.gov.au/data/assets/pdf_file/0005/2119478/ACAT-Annual-Review-2021-22.pdf)>.

units (\$3,200 for individuals or \$16,200 for corporations). This reform responds to community concerns that in some cases tenants may be pressured into offering rent bids and that where this practice is widespread it may drive up rental prices.

27. The ACT Government did not ban voluntary rent bidding and so prospective tenants may still make, and lessors may still accept, higher offers that are voluntarily made (without being initiated by the agent or lessor). This is because in consultations during the reform process, community views on voluntary rent bidding were mixed, with many landlords and agents, and some tenants, arguing strongly that tenants should be able to voluntarily offer to pay more rent. Some tenants felt that offering rent bids helped them to secure a property.<sup>10</sup>
28. Landlords or agents are also now prohibited from advertising a property without a fixed rental rate. This is to prevent landlords or agents from indirectly inviting rent bids, by offering a property without a price or for a price range. Landlords are still able to advertise the property with several fixed rates, if they wish to offer different inclusions with the property (e.g. additional car parking or storage spaces).
29. The ACT Government has produced a factsheet with further information on how the new laws on rent bidding are intended to apply.<sup>11</sup>

#### **(d) Improvements to renters' rights, including rent stabilisation, length of leases and no grounds evictions**

30. Since 2016, the ACT Government has embarked on successive reforms to tenancy law to strengthen renters' rights. This agenda has included:
  - enacting reforms that ease cost of living pressures by placing limits on rent increases, banning solicited rent bidding and reducing the amount of rent that can be charged in advance
  - changes that allow tenants to feel more at home, by making it easier for them to keep pets and by allowing them to make modifications to their home to suit their needs
  - increasing protections for vulnerable renters, for example, making it easier for tenants impacted by domestic violence to change their living arrangements and for tenants who are entering social housing or aged care to end their fixed-term leases early and without penalty, and

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<sup>10</sup> A listening report outlining the feedback received from the community in the ACT Government's consultation processes prior to the 1 April 2023 reforms is available at ACT Government's YourSay Conversations website, 'Rental reforms': <<https://yoursayconversations.act.gov.au/expanding-rights-renters>>.

<sup>11</sup> ACT Government, Justice and Community Safety Directorate, 'Reforms to Tenancy and Occupancy Laws in 2023', <[https://www.justice.act.gov.au/\\_\\_data/assets/pdf\\_file/0015/2200443/Fact-Sheet-Rent-Bidding.pdf](https://www.justice.act.gov.au/__data/assets/pdf_file/0015/2200443/Fact-Sheet-Rent-Bidding.pdf)>.

- changes to support share-house living, so that the law is better adapted to the realities of share-house life (for example, clearer laws around housemates moving in and out of the home, and how to manage the bond in such circumstances).

31. In addition to tenants, protections for occupants have been strengthened. Occupants in the ACT have minimum guaranteed rights and access to dispute resolution options to enforce them. People in occupancies are typically those living in student accommodation, crisis accommodation, mobile home parks, or boarding houses.
32. Most recently, in April 2023, the ACT introduced nation-leading tenancy reforms which, among other things, removed all forms of ‘no cause’ evictions and introduced a minimum standard for ceiling insulation. More detail on these reforms follows.

### Ending ‘no cause’ evictions

33. Prior to 1 April 2023, landlords in the ACT could issue tenants with a 26 week ‘no-cause’ notice to vacate, as long as the vacate date did not require the tenant to leave the property during a fixed term. This provision has now been removed from the RTA. This means that landlords cannot lawfully end a tenancy unless there is a specific and legitimate reason for doing so. The RTA now sets out all the grounds on which a tenancy can be ended and no other grounds for termination are permissible.<sup>12</sup> In particular, lessors in the ACT cannot lawfully terminate a tenancy simply because a fixed term is ending or because they wish to raise the rent.
34. The removal of all forms of ‘no cause’ evictions is intended to protect tenants from arbitrary or unfair evictions and give them greater confidence in asserting their rights, as they no longer need to fear being evicted in retaliation for doing so.
35. In enacting these reforms, the ACT Government gave careful consideration to ensuring that lessors will still be able to manage their properties effectively, by updating the RTA so it now includes all legitimate grounds for needing to remove a tenant from a property. For example, new termination provisions have been made available so that a tenancy can be ended:
- where the landlord wants to convert the use of the property to a lawful alternate purpose (such as running a business), or
  - where a party to the tenancy agreement threatens, harasses, abuses or intimidates the other party.

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<sup>12</sup> A list of grounds on which private landlords can end a tenancy are available in the factsheet: ACT Government, Justice and Community Safety Directorate, “Tenancy Termination Grounds for Landlords”, [https://www.justice.act.gov.au/\\_data/assets/pdf\\_file/0014/2200442/Fact-Sheet-Tenancy-Termination-Provisions-1-April-2023.pdf](https://www.justice.act.gov.au/_data/assets/pdf_file/0014/2200442/Fact-Sheet-Tenancy-Termination-Provisions-1-April-2023.pdf). Note: this does not include the termination grounds specific to public housing or subsidised accommodation.

36. This is in addition to the grounds for termination that already exist under the law, which allow landlords to end tenancies in a wide range of circumstances. For example, tenancies can be ended where:
- the property will be substantially renovated or sold
  - the lessor wishes to move back into the property, or
  - the tenant is in breach of the tenancy agreement.
37. The RTA also includes protections to ensure that the permissible grounds for termination will not be misused. For example, where a lessor wishes to terminate a private tenancy agreement other than for breach, the lessor will be required to show evidence of their genuine reliance on a termination provision (for example, architects' plans for a renovation, or a statutory declaration as to their intention to move into the property).
38. As the RTA governs the provision of public housing and other subsidised forms of accommodation (such as community or affordable housing) as well as the private rental sector in the ACT, additional bespoke termination provisions were also included for these types of tenancies. This is in recognition that these tenancies are distinct in nature to private tenancies. Public housing and subsidised accommodation programs are publicly funded to support the most vulnerable members of our community. It is important for tenancy law to ensure that these tenancies can be managed so that they benefit those most in need.
39. Important safeguards are in place in respect of terminations of tenancies in public housing or subsidised accommodation, in recognition of the vulnerability of these cohorts of tenants. In particular, the ACAT may only allow a tenancy to be terminated using the termination provisions specific to public housing or subsidised accommodation where this is 'reasonable and proportionate' in all of the circumstances.

#### Minimum energy efficiency standard for ceiling insulation

40. From 1 April 2023, ACT law contains a new minimum energy efficiency standard for ceiling insulation in residential rental properties.<sup>13</sup> The standard requires rental homes with no insulation or existing ceiling insulation below an R-value of R2, to install or upgrade the ceiling insulation to a minimum R-value of R5. The new minimum standard will help improve energy performance, increase thermal comfort, reduce greenhouse gas emissions, and contribute to climate change resilience.
41. Rental homes with ceiling insulation rated at R2 or above will not require any upgrades as they will already meet the minimum standard. It is estimated that over 60% of rental properties in the ACT are already compliant with the standard.

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<sup>13</sup> For more information on the minimum ceiling insulation standard, see ACT Government, Justice and Community Safety Directorate, 'Minimum energy efficiency standards for rental homes', <https://www.justice.act.gov.au/renting-and-occupancy-laws/energy-efficiency-standards-for-rental-homes>.



42. There is a phase-in period extending to 30 November 2026 to stagger compliance with the new standard:

- From 1 April 2023, lessors are required to indicate whether their property meets the minimum standard in rental advertisements and new lease agreements. Tenants have the right to request evidence on the property's compliance from lessors.
- Between 1 April 2023 and 30 November 2026, landlords will have nine months from when a new lease is signed for the property to comply with the standard (unless they have an exemption).
- Rental properties that have an existing lease which does not get renewed before 30 November 2026, must nevertheless comply by that date.
- After 30 November 2026, all properties entering the rental market will have 3 months to comply with the standard (unless they have an exemption).

43. It is an offence for lessors to fail to disclose the required information about the minimum standard in a rental advertisement or new lease for a property, or to make a false or misleading statement in rental advertisements about a key aspect of the property's compliance with the minimum standard. A penalty of up to \$800 for individuals or up to \$4050 for corporations may apply. The RTA also grants rights to tenants where the property does not meet the minimum standard within the designated time period or where false or misleading representations were made with respect to the standard. In such circumstances, tenants may apply to ACAT to terminate the tenancy or to seek a rent reduction or compensation for other losses.

#### COVID-19 Response Measures

44. In addition to the above measures implemented by the ACT Government to improve renters' rights, additional protections were implemented as extraordinary measures in response to the COVID-19 pandemic. Although these measures ended in May 2022, they were important in supporting renters to sustain their tenancies in the Territory during a period of significant uncertainty.

45. The measures included eviction prevention measures, rent and occupancy fee measures, social distancing measures (e.g. limits on property inspections), protections related to database listings and ending fixed term tenancies, and financial support measures (land tax relief) for landlords.

#### *Financial support for tenants*

46. In 2021, the ACT Government established a Rent Relief Fund of \$133,000 to support eligible tenants or occupants who were having difficulties paying their rent or occupancy fees. The Fund was intended as a COVID-19 support measure. It provided one-off grants of up to \$1000 to eligible tenants or occupants who are experiencing rental stress or severe financial hardship. The Fund ended in 2022.

### *Eviction prevention measures*

47. Eviction prevention measures were implemented to support social distancing and to support those impacted financially by the pandemic to remain in their homes. These included:

- a 12 week eviction moratorium from 2 September 2021 to 24 November 2021, which protected households impacted by COVID-19 from eviction due to rent arrears; and
- a post-moratorium transitional period preventing eviction based on debt accrued during the moratorium period in certain circumstances, which was in place from 25 November 2021 until 11 May 2022 (after being extended from the initial 12 week period for an additional 12 weeks); and
- the ability to extend a notice to vacate (issued for any reason), or for the ACT Civil and Administrative Tribunal to suspend orders or stay warrants, while a person at the rental property was subject to a quarantine direction.

### *Rent and occupancy fee measures*

48. The rent and occupancy fee measures included:

- the ability for landlords and tenants to agree to a temporary rent reduction or rent deferral;
- a temporary occupancy fee reduction provision to support occupants; and grantors wanting to put in place temporary occupancy fee reductions, and
- a rent increase freeze for COVID-19 impacted households which operated during the moratorium period only.

### *Protections relating to tenancy databases*

49. A restriction was put in place on listing tenants from impacted households on a tenancy (blacklist) database due to COVID-19 related rent arrears.

### *Facilitating early end to fixed term tenancies*

50. COVID-19 impacted tenants in fixed-term tenancies were also permitted to terminate their agreements early and without penalty, by providing their landlord with 3 weeks' notice of their intention to leave and evidence that they have been impacted.

### *Financial support for landlords*

51. Residential landlords who provided a temporary rent reduction of at least 25% between 1 August to 31 December 2021 were eligible for a credit on their residential land tax of up to \$100 per week. This scheme was intended to share the cost (between landlords and Government) of passing rent relief on to tenants who had lost income due to COVID-19.

### **(e) Factors impacting supply and demand of affordable housing**

52. The ACT Government is focusing on increasing the supply of affordable rentals for lower income households. This includes working to strengthen the community housing sector supported by a \$60 million Affordable Housing Project Fund established in the 2023-24 ACT Budget. The Government is also encouraging large scale Build-to-Rent developments with a minimum of 15 per cent affordable rentals.

- The ACT Government is offering funding assistance in the form of upfront grants and ongoing availability payments to support Community Housing Providers to grow their affordable housing stock.
- In the ACT's 2023-24 Budget, funding support was announced for three Community Housing Provider projects that will deliver up to 161 affordable dwellings, starting from August 2024.
- The ACT Government is incentivising private property owners to offer dwellings as affordable rentals through a Land Tax Exemption scheme. Community Housing providers must be engaged to manage the tenancy. There are around 140 properties participating in the scheme.
- Build-to-Rent developments increase the long-term supply of rentals and deliver a significant boost in stock in one development. The ACT Government offers incentives for Build-to-Rent developments which include a minimum of 15 per cent affordable rentals. In 2023-24:
  - The ACT Government will finalise the tender process for the Turner Build-to-Rent land release to deliver 270 dwellings in total, 40 as affordable rental dwellings.
  - The Government will also release a site in the Gungahlin Town Centre for a large-scale Build-to-Rent development with a minimum affordable rental component.

53. In addition to strengthening the community housing sector, we are reforming our planning system, which is focused on facilitating the growth required without compromising valued characteristics of the city.

- An updated Territory Plan and the introduction of District Strategies will enable a greater range of housing options near employment, transport, recreational infrastructure, education facilities, shops and services.
- Through reforms such as the permitting of community housing (affordable rental) in the community facility zone and Build-to-Rent development in residential zones, as well as updated provisions for residential development, the new planning system will help facilitate growth of low and medium density housing in existing suburbs.

### **(f) The impact of government programs on the rental sector**

54. The ACT Government (through Housing ACT) currently provides 2 programs that offer direct assistance to private rental tenants and funds a small number of complementary programs that provide tenancy support and advice to private rental tenants. These programs provide important, practical assistance to people accessing the rental market.

### Rental Bond Help Program<sup>14</sup>

55. Like all other states and territories in Australia, the ACT offers rental bond loans to private market renters. In the ACT, rental bond loans are available for up to 100% of the bond amount. Housing ACT pays all or part of the bond on behalf of loan recipients who then repay the amount in small instalments (either weekly, fortnightly or monthly) over an agreed period, up to 2 years. During 2020-21, Housing ACT issued 480 rental bond loans with a total value of \$759,348.26.<sup>15</sup> Almost 600 (593) were issued in 2019-20 and 406 were issued in 2018-19.<sup>16</sup>

### Safer Families Assistance Program<sup>17</sup>

56. The Safer Families Assistance (**SFA**) program gives grants of \$2,000 to people affected by domestic or family violence to help meet the costs associated with maintaining or establishing a home in the ACT. The grant can be used to cover a broad range of expenses including mortgage<sup>18</sup> and rental payments, purchasing white goods, furniture and furnishings, accessing legal services related to sustaining or establishing a family home, supporting children to participate in recreational activities, and providing pet care, transport and other related expenses.

57. Over the first three quarters of 2021-22, Housing ACT provided SFA grants to 79 individuals and families.<sup>19</sup> During 2020-21, 109 individuals and families received SFA grants,<sup>20</sup> while 138 individuals and families received SFA grants in 2019-20.<sup>21</sup>

### Complementary funded services

58. Housing ACT funds a small number of complementary programs using Specialist Homelessness Services funding. While they are not private rental assistance programs, they

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<sup>14</sup> ACT Government, Housing, 'Rental Bond Help', <https://www.communityservices.act.gov.au/housing/rental-bonds-and-other-help/rental-bond-help>

<sup>15</sup> ACT Government, Community Services Directorate (2021), *Annual Report 2020-21*, <https://www.communityservices.act.gov.au/publications/annual-reports/2020-21/organisational-overview-and-performance/output-class-1-social-housing-services>.

<sup>16</sup> Australian Institute of Health and Welfare (AIHW) (2022). *Housing Assistance in Australia*, Supplementary data tables – 'Private Rent Assistance' Table 'PRA.2 Households receiving Private Rent Assistance by type of assistance and states and territories, 2013-14 to 2020-21', <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/data>.

<sup>17</sup> ACT Government, Housing, 'Safer Families Assistance', <https://www.communityservices.act.gov.au/hcs/policies/safer-families-assistance>.

<sup>18</sup> Although it is classified as a private rental assistance program, SFA is not limited to renters.

<sup>19</sup> ACT Government, Housing, Unpublished data (2022).

<sup>20</sup> ACT Government, Community Services Directorate (2021), *Annual Report 2020-21*, <https://www.communityservices.act.gov.au/publications/annual-reports/2020-21/organisational-overview-and-performance/output-class-1-social-housing-services>.

<sup>21</sup> Australian Institute of Health and Welfare (AIHW) (2022), *Housing Assistance in Australia*, 'Supplementary data tables – Private Rent Assistance', Table 'PRA.2 Households receiving Private Rent Assistance by type of assistance and states and territories, 2013-14 to 2020-21'.

do complement the work of those programs and meet similar objectives. These programs include the Supportive Tenancy Service run by the Woden Community Service, that provides outreach support to people in housing stress and assists people to establish and maintain tenancies, and the Housing Information Advice and Support service run by Council on the Ageing (**COTA**) ACT that advises older people on how to change or maintain their current housing situation.

### Rent Relief Fund

59. In April 2023, in recognition of the growing cost of living pressures affecting Canberrans, the ACT Government established the Rent Relief Fund (the **Fund**). The Fund built on an earlier initiative in 2021-22 that offered financial assistance to people experiencing rental stress resulting from the impacts of the COVID-19 pandemic.
60. The Fund provides grants for up to four weeks' rent, capped at \$2,500, for low-income households in the ACT's private rental sector. To be eligible, applicants need to be experiencing either rental stress or severe financial hardship. All applicants also need to meet an income threshold test.<sup>22</sup>
61. The Fund is being administered on behalf of the ACT Government by Care Financial Incorporated (Care), a local not-for-profit organisation that works with people in financial stress. Care offers a range of services that may assist tenants in financial difficulty, including financial counselling and community loans. A key aim of the Fund is to connect applicants to other services that may help them to sustain their tenancy over the longer term.
62. The ACT Government dedicated \$700,000 for grant payments. Demand for the Fund has been high and the Fund has now closed. The Fund was intended as a short-term measure only, as the Commonwealth Government provides Rent Assistance payments to eligible people who rent in the private rental market or community housing.

### **(h) Any other related matters**

63. While the Inquiry focuses on the private rental market, the ACT Government notes the importance of the housing spectrum being considered holistically, including the consideration of social housing as a "related matter". The 2023-24 ACT Budget included a \$55.9 million investment to deliver 140 new social housing dwellings through the Growing and Renewing program. The 2023-24 Budget also saw the announcement of a \$60 million Affordable Housing Project Fund that will help to grow the community housing sector and position the government to meet its target of delivering 600 affordable rental homes by 2025-26.

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<sup>22</sup> For the purposes of eligibility under the Fund, 'rental stress' means paying more than 30% of income on rent, while also having \$5000 or less in liquid assets and 'severe financial hardship' means the applicant must have less than \$3,000 in liquid assets. See further ACT Government, Justice and Community Safety Directorate, 'Rent Relief Fund' <https://www.justice.act.gov.au/renting-and-occupancy-laws/rent-relief-fund>.

64. The scale of social and affordable housing required, however, requires a concerted national approach with Commonwealth Government leadership and capital contributions. The ACT Government welcomes the commitment of the Commonwealth Government to increase the supply of social and affordable housing through measures like the National Housing Accord and the Social Housing Accelerator.