



# **Submission to the Inquiry into the Worsening Rental Crisis in Australia**

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July 2023



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# Table of contents

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<b>Our Commitment to Inclusion</b> .....	<b>iv</b>
<b>Executive Summary</b> .....	<b>v</b>
<b>Summary of Recommendations</b> .....	<b>vi</b>
<b>1 Rental Affordability and the Experience of People Seeking Rental Housing</b> .....	<b>9</b>
<i>Cost of Living</i> .....	9
<i>Rental Affordability</i> .....	11
<i>Homelessness</i> .....	13
<b>2 The Role of Government</b> .....	<b>19</b>
<i>Social Housing</i> .....	19
<i>Tenancy Laws</i> .....	20
<i>National Housing and Homelessness Plan</i> .....	22
<b>3 The Impact of Government Programs on the Rental Sector</b> .....	<b>26</b>
<i>Housing as a Continuum</i> .....	26
<i>Income Support</i> .....	27
<b>4 Conclusion</b> .....	<b>30</b>
<b>Appendix A About The Salvation Army</b> .....	<b>31</b>
<b>Appendix B Case Studies and Experiences of Our Housing and Homelessness Staff</b> .....	<b>32</b>





## Our Commitment to Inclusion

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The Salvation Army Australia acknowledges the Traditional Owners of the land on which we meet and work and pay our respect to Elders, past, present and future.

We value and include people of all cultures, languages, abilities, sexual orientations, gender identities, gender expressions and intersex status. We are committed to providing programs that are fully inclusive. We are committed to the safety and wellbeing of people of all ages, particularly children.

Our values are:

- Integrity
- Compassion
- Respect
- Diversity
- Collaboration

Learn more about our commitment to inclusion: <[salvationarmy.org.au/about-us](https://salvationarmy.org.au/about-us)>

The Salvation Army is an international movement and our mission is to preach the gospel of Jesus Christ and to meet human needs in his name without discrimination.

More information about The Salvation Army is at **Appendix A**.





## Executive Summary

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The Salvation Army welcomes the opportunity to provide this submission to the Senate Standing Committee on Community Affairs inquiry into the Worsening Rental Crisis in Australia. This submission focuses on items (a), (b), (c), and (g) of the Committee's terms of reference.

The Salvation Army believes that every person should be able to live with dignity. We envision a world where all Australians have access to safe, appropriate, and affordable housing (with support available where required), and the financial means to access the other essentials of life.

The current housing market is characterised by a manifestly inadequate supply of social and affordable housing properties, high and often inaccessible mortgages, and rapidly rising rent. Coupled with rising costs of living, these conditions are pushing even more people that The Salvation Army serves to the point of poverty and homelessness. Social supports, such as the JobSeeker payment and Commonwealth Rent Assistance remain inadequate and fail individuals experiencing financial hardship.

It is the role of the Commonwealth Government (along with state and territory counterparts within the constraints of their respective powers) to intervene where markets have failed.

This includes acting to rapidly increase the supply of social and affordable housing supply to reduce the pressure at all points along the housing spectrum. It also includes ensuring people can afford the other basics for survival including food, utilities, and healthcare.

The current housing system not only fails to meet the housing needs of low-income households, but also exacerbates the deprivations of poverty and housing insecurity. This submission identifies housing affordability as the main factor for increasing homelessness in Australia over the last decade. The most pressing and immediate need is sufficient provision of housing suited to the needs of the full range of household affordability capacities and support requirements.

The Salvation Army's submission focuses on the implications of the lack of social and affordable housing on the housing spectrum. We call for immediate work to increase the supply of social and affordable housing, including through incentives to facilitate community sector investment. The submission also recommends that a dedicated youth housing strategy be developed to focus on the needs of that cohort, both in terms of housing supply and other supports and programs. This is designed to facilitate choice and foster improved outcomes.

The Salvation Army has made **14** recommendations for the Committee to consider. A summary of these recommendations follows on the next page.





## Summary of Recommendations

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### Recommendation 1

1.32 The Salvation Army recommends that the Australian Government acts immediately to reduce housing stress for the most vulnerable.

### Recommendation 2

1.33 The Salvation Army recommends that the Australian Government commits to the eradication of homelessness, with clear targets to achieve that goal.

### Recommendation 3

1.34 The Salvation Army recommends that the Australian Government release a plan of action to end rough sleeping and couch surfing in collaboration with state and territory governments.

### Recommendation 4

1.35 The Salvation Army recommends that the Australian Government work alongside state and territory governments to ensure housing responses acknowledge the varying needs of different cohorts.

### Recommendation 5

1.36 The Salvation Army recommends that the Australian Government work alongside state and territory governments to invest in increasing crisis accommodation and transitional housing – particularly in regions where there are no or limited crisis options. This includes capital investment and operating costs.

### Recommendation 6

1.37 The Salvation Army recommends that the Australian Government commits to a dedicated children and youth housing and homelessness strategy.

### Recommendation 7

2.19 The Salvation Army recommends that the Australian Government extends its commitment to the National Rental Affordability Scheme to prevent people falling into homelessness.

### Recommendation 8

2.20 The Salvation Army recommends that the Australian Government work alongside state and territory governments to provide a very substantial increase to social and affordable housing. This should include the articulation of clear, ambitious targets that are proportionate to the need for social and affordable housing.

### Recommendation 9

2.21 The Salvation Army recommends that the Australian Government, in partnership with state and territory governments, businesses, and Community Housing Providers (CHP's), undertakes a review of existing vacant and under-utilised government buildings and land that have the potential to be re-purposed for affordable housing.





## Recommendation 10

2.22 The Salvation Army recommends that the Australian Government works alongside state and territory governments to introduce nationally consistent rental policy to improve fairness and affordability across Australia. This should include:

- *An end to no cause terminations, including at the end of fixed-term leases,*
- *Reforms to stabilise rent prices including by setting clear limits for rent prices and increases,*
- *Minimum energy efficiency standards for rental homes,*
- *Enhanced frameworks to support compliance and introduce accountability for non-compliance within existing laws, including around privacy.*

## Recommendation 11

2.23 The Salvation Army recommends that the Australian Government fulfills its commitment to a national housing and homelessness plan with a particular focus on addressing the extreme shortfall of social and affordable housing. The plan should:

- *Draw together the key policy portfolio and funding areas across all three levels of government that impact on housing affordability and homelessness.*
- *Have bipartisan support.*
- *Address the structural causes of poverty, homelessness and housing unaffordability through a review addressing the adequacy of income support, CRA and other supplements.*
- *Be informed by evidence, including current and projected affordable housing and homelessness need for all cohorts.*
- *Include a dedicated strategy (or adjunct) to address housing-related issues and homelessness among young people.*
- *Commit to the eradication of homelessness, with clear targets to achieve that goal.*
- *Commit to clear social and affordable housing targets that are ambitious and proportionate to need.*
- *Include the need for significant and ongoing investment in renewal, refurbishment, and upgrades of existing public and social housing stock to extend the useful life of the housing assets.*
- *Develop shared funding, co-investment and incentives needed to grow social housing stock in partnership with business and the not-for-profit sector.*
- *Ensure planned and ongoing funding pipelines to maximise the capacity of the community housing sector.*
- *Be adequately and transparently resourced, including clear responsibilities to address short, medium, and long-term housing and homelessness need.*
- *Engage key partners in its development and implementation - including all levels of government, research and evaluation experts, practice experts, and people with lived experience.*
- *Support the provision of improved data and reporting for housing and homelessness providers.*
- *Provide examples of best practice or innovative solutions that can be scaled.*



### **Recommendation 12**

3.20 The Salvation Army recommends that the Australian Government considers that interventions in one part of the housing continuum will have implications for other parts of the continuum.

### **Recommendation 13**

3.21 The Salvation Army recommends that the Australian Government immediately and meaningfully increase the rate of the JobSeeker and Youth Allowance payments to ensure that recipients are able to live with dignity.

### **Recommendation 14**

3.22 The Salvation Army recommends that the Australian Government review the rate and eligibility criteria for Commonwealth Rent Assistance.





# 1 Rental Affordability and the Experience of People Seeking Rental Housing

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- 1.1 Access to appropriate, affordable, and secure housing is fundamental to living with dignity. Having a home provides the foundation for a person's ability to access and maintain employment, education, training, family and social networks, health, and wellbeing.
- 1.2 Adequate housing is also consistent with Article 25 of the United Nations Declaration of Human Rights.<sup>1</sup> The Salvation Army identifies that the provision of social housing and access to affordable housing are essential in ensuring this right.
- 1.3 We also consider the role of housing as essential infrastructure, where both social and affordable housing represent the infrastructure required in supporting the economic, social, and cultural participation of all Australians.
- 1.4 As a major provider of homelessness, housing, youth, family and domestic violence and emergency relief services, The Salvation Army's exposure to the rental and housing affordability crisis is extensive and our experience is informed by those that we serve and by our own service delivery perspectives.
- 1.5 The current housing system not only fails to meet the housing needs of low-income households in general, but also exacerbates the deprivations of poverty and housing insecurity among particular cohorts.

## Cost of Living

- 1.6 Consumer price inflation has risen considerably over the past year, with broad-based increases in the prices of most goods and services. Renters are now more likely to be lower income households compared with owner-occupiers, they are also less likely to be able to substitute towards less expensive goods and services.<sup>2</sup>
- 1.7 According to recent data from the Australian Bureau of Statistics (ABS), the monthly Consumer Price Index (CPI) indicator rose 5.6 per cent in the 12 months to May 2023, where the most significant price rises were for Housing (+8.4 per cent). Rent prices increased 6.3 per cent in the twelve months to May 2023, up from 6.1 per cent in April, reflecting ongoing, strong demand for rental properties and tight rental markets.<sup>3</sup>

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<sup>1</sup> United Nations. (1948). *Universal Declaration of Human Rights*. <https://www.un.org/sites/un2.un.org/files/udhr.pdf>.

<sup>2</sup> Agarwal, Nalini, Robert Gao, and Megan Garner. (March, 2023). *Renters, Rent Inflation and Renter Stress*. <http://www.rba.gov.au/publications/bulletin/2023/mar/renters-rent-inflation-and-renter-stress.html>.

<sup>3</sup> Australian Bureau of Statistics. (2023, May). *Monthly Consumer Price Index Indicator*. <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/monthly-consumer-price-index-indicator/latest-release>.



- 1.8 There have been 11 interest rate rises since May 2022, the highest number in 10 years. Interest rates for mortgage holders have more than doubled from 2022 to 2023, putting financial pressure on many Australians.<sup>4</sup>

### Experience of The Salvation Army

Many individuals and families are forced to make impossible choices. The Salvation Army's 2023 Red Shield Appeal Report, *At Breaking Point*, highlights how most respondents struggled to get by, living on a limited income with many unable to afford their rent, household bills or buy enough food to eat for themselves and their families.<sup>5</sup>

Findings from the report include:

- Respondents spent approximately 41 per cent of their total income on housing. These rates are significantly higher than the general Australian population, who typically only spend 14 per cent of their income on housing.
- The prevalence of housing stress among respondents was high. Three in four (75 per cent) of all respondents experienced housing stress, spending 30 per cent or more of their household income on rent or a mortgage, and four in ten (40 per cent) experienced extreme housing stress, spending 50 per cent or more of their income on rent or a mortgage.
- Respondents on low or limited incomes were particularly vulnerable to housing stress and experiences of hardship. Those receiving JobSeeker or Parenting payments spent a higher proportion of their household income (44 per cent) on housing and were more likely to experience housing stress and extreme housing stress than those on other Centrelink payments.
- More than one in four (26 per cent) respondents could not afford to pay their rent or mortgage on time because of a shortage of money.
- More than one in four (27 per cent) respondents reported they were late in paying their rent, mortgage or accommodation costs. Of these, half (51 per cent) were behind by at least two weeks and nearly eight in ten (78 per cent) were behind by up to a month.
- Those paying a mortgage fared the worst, with nearly two in five (39 per cent) respondents behind on their payments, a considerably higher rate than other respondents in arrears in other housing situations (26 per cent).
- Nearly three in ten (29 per cent) respondents reported that finding or maintaining a safe and affordable place to live was one of their greatest challenges in the past 12 months. The rising cost of housing and intense competition in the rental market has pushed many into financial distress. Some respondents expressed their concerns about being evicted or even becoming homeless due to their inability to afford their housing costs.

<sup>4</sup> Russell, C., Verrelli, S., Taylor, E., & Xu, H. (2023). *Salvos community hardship snapshot 2023: At breaking point*. The Salvation Army: unpublished.

<sup>5</sup> Ibid.





- More than one in three (35 per cent) private renters reported finding and maintaining a safe and affordable place to live, as well as almost becoming homeless, were some of their greatest challenges of the past 12 months.
- For three in ten (31 per cent) of respondents, one of their main concerns in the past 12 months was facing or almost facing homelessness. This highlights the tenuous and unstable housing situations encountered by many respondents and the increasing vulnerability they face in maintaining stable housing.<sup>6</sup>

“

*“...I’d been looking at 19 places a week for rentals, lining up with 45 other people...”*

**- Salvation Army Still Waters Service User**

”

“

*“I live in a rural area and landlords are getting upwards of 30 applications per property.”*

**- Salvation Army Housing and Homelessness Worker**

”

## Rental Affordability

- 1.9 As mortgage interest rates continue to rise, so too does the cost of rental properties. Annual rental growth has increased 10 per cent in the past 12 months alone. The national median rent in Australia is now \$550 per week, with Canberra and Sydney being the most expensive cities to rent in Australia at approximately \$680 per week.<sup>7</sup> These high rental rates are unaffordable for people on low incomes or government income support benefits, making those already vulnerable even more susceptible to housing stress, and at a higher risk of homelessness.<sup>8</sup>
- 1.10 Rent increases have become larger and more common over the past year for most properties. This is the case regardless of whether properties have a new tenant or not, although increases have been more pronounced for those with a new tenant. Over the past year, rents have increased for almost three-quarters of properties, up from around one-quarter every year

<sup>6</sup> Russell, C., Verrelli, S., Taylor, E., & Xu, H. (2023). *Salvos community hardship snapshot 2023: At breaking point*. The Salvation Army: unpublished.

<sup>7</sup> CoreLogic. (2023, January 10).. <https://www.corelogic.com.au/news-research/news/2023/pressure-on-australias-rental-market-shows-tentative-signs-of-easing-despite-new-10.2-record-for-annual-rent-growth>.

<sup>8</sup> Russell, C., Verrelli, S., Taylor, E., & Xu, H. (2023). *Salvos community hardship snapshot 2023: At breaking point*. The Salvation Army: unpublished.





pre-pandemic. Rental prices for properties with new tenants are more likely to change than for properties with existing tenants.<sup>9</sup>

- 1.11 Actual rents paid by new tenants increased by 14 per cent over the year to February 2023. Since the onset of the pandemic in 2020, rents paid by new tenants have increased by 24 per cent and the CoreLogic advertised rent series has increased by 22 per cent.<sup>10</sup>
- 1.12 On the supply side, rental listings remain well below the previous five-year average, with a national shortfall of approximately -32.4 per cent or 47,500 rental listings recorded over the four weeks to 3 June 2023. National vacancy rates remain well below the pre-Covid decade average (3.3 per cent).<sup>11</sup>

“

*“Investors are taking properties out of the rental market and offering them as short stay/holiday rentals where they can get a better return.”*

”

**- Salvation Army Housing and Homelessness Worker**

- 1.13 While the government explores ideas that may address rental affordability in the longer term, it must acknowledge the urgency and critical position for those already exposed to extreme housing stress. It must introduce immediate measures to keep people housed and able to afford the essentials for living. The situation is so urgent for many individuals and families that failure to respond adequately will result in further rises in homelessness and the disengagement of sections of the community from participation in social and economic life. With already severely constrained housing options due to the lack of social and transitional housing, homelessness service providers will be unable to meet the increasing demand of these pressures.

### Salvation Army Housing

As a Community Housing Provider (CHP), Salvation Army Housing is able to house people under social and affordable rental arrangements, that is between 25 and 30 per cent of a household's income. The social and affordable rent charge aims to help community members experiencing financial hardship maintain a tenancy while coping with other living costs. Despite this initiative, many single individuals are struggling to keep pace with the current cost of living pressures, even when in social and affordable rental tenancies. This is even worse for those on JobSeeker or Youth Allowance. The Salvation Army has seen an increase in rental arrears, and community members are jeopardising their affordable accommodation to purchase essentials, including food and health services.

<sup>9</sup> Australian Bureau of Statistics. (2023, April 24). *New insights into the rental market*. ABS. <https://www.abs.gov.au/statistics/detailed-methodology-information/information-papers/new-insights-rental-market>.

<sup>10</sup> Ibid.

<sup>11</sup> Australia, CoreLogic. (2023, July 10). *Quarterly Rental Review Australia | Released July 2023*. <https://www.corelogic.com.au/news-research/reports/quarterly-rental-review>.







## Homelessness

- 1.14 Where homelessness and the risk of homelessness were once the domains of a small minority of particularly disenfranchised individuals and families, Australia is now witnessing entire segments of society being excluded from affordable housing.
- 1.15 On Census night in 2021, 122,494 people were estimated to be experiencing homelessness - an increase of 5.2 per cent since the last report in 2016. Most importantly, 23.0 per cent of all people experiencing homelessness were aged from 12 to 24 years and 19,378 people aged 55 years and over were experiencing homelessness, representing one in seven (15.8 per cent).<sup>12</sup>
- 1.16 Within our homelessness services, The Salvation Army sees many community members who are 'couch surfing', or otherwise do not have permanent accommodation. This means that they lack the facilities to keep cheaper bulk items, store fresh produce in a fridge or freezer, and are unable to cook for themselves. In this way homelessness and insecure housing compounds affordability and the health impacts of food insecurity. Insecure work also impacts on a person's ability to secure and maintain private accommodation and increases the risk of homelessness.

“I have recently supported a young family with a 6-week-old baby. This family has two full-time working parents and were unable to get into the private rental market... The family had recently applied for more than 10 rentals with rejection. I supported them to apply for a property and was told we needed to book an inspection. We arrived at the inspection the next day and was told by the real estate that they wrote the inspection date down incorrectly and that the property was now under application. This family had to resort to living in a bungalow, with no cooking facilities, at the back of a private landlord's house. The landlord advised the family that the property was run-down and only suitable for storage, however, the family were so desperate for somewhere to live that they accepted the property, despite it being rented for above market value (\$250 p/w).”

- Salvation Army Housing and Homelessness Worker

- 1.17 Features of affordable and social housing, and homelessness services need to provide a range of housing types, tenure options and locations. One size does not fit all. Therefore, The Salvation Army believes that there must be critical consideration of the different cohorts impacted by housing affordability and homelessness and their varying support needs. For

<sup>12</sup> Australian Bureau of Statistics. (2021). Estimating Homelessness: Census. ABS. <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/2021>.



example, young people may operate well in shared accommodation, but older people often require independent living.

- 1.18 Tailored and flexible support that meets the needs of individuals is a necessity alongside housing itself. Members of cohorts experiencing vulnerabilities may require these supports for the duration of their housing insecurity, and possibly long after they have found secure private accommodation. This means that government and organisational strategies must reflect the voice of those with a lived experience of homelessness in relation to the type of affordable housing that needs to be built, as well as coordinate with service providers to maximise residents' access to suitable support.
- 1.19 One of the significant observations of The Salvation Army is the identification of different cohorts who are either experiencing or are at-risk of homelessness. Through our homelessness services, we either have services dedicated to a particular cohort, or can identify cohorts through our more generic responses. These include:
- People who are sleeping rough,
  - Women and children escaping family or domestic violence,
  - People of Aboriginal and Torres Strait Islander descent,
  - Young people,
  - Older women,
  - Single men,
  - Veterans,
  - People with ill-health, including mental ill-health and disability,
  - People seeking asylum.
- 1.20 In addition to the actual cohort, there are often co-occurring and sometimes multiple individual circumstances that also contribute to their experience of homelessness, disadvantage and the nature of housing and support that is required including:
- Low educational attainment,
  - Level of employment - whether working, unemployed or underemployed,
  - Experience of ill health (including mental health issues) or living with a disability,
  - An experience of trauma,
  - Substance misuse,
  - Identify as LGBTIQ+,
  - Is culturally and linguistically diverse.
- 1.21 These cohorts not only experience higher levels of poverty and disadvantage, but each has unique housing and support requirements that are often not met in their interaction with the housing market.





- 1.22 For example, Family and Domestic Violence is one of the typical pathways into homelessness for Australian women and children, rising on average 9 per cent each year,<sup>13</sup> and remains the primary cause for women and their children seeking Salvation Army homelessness services. Finding appropriate, safe, secure housing for this cohort often proves challenging due to the complexity of meeting affordability requirements with those of safety, and at a location that can assure some connection with community and the provision of support services. Discrimination by landlords and agents has also been widely reported.

### Sarah's\* Story

Sarah became homeless because of domestic and family violence and was couch surfing for several months prior to securing a vacancy at crisis accommodation.

Prior to arriving at the service, Sarah started casual work in the hospitality industry. Sarah also had an active social housing application and had been on the waitlist since 2017, and an active affordable housing application.

Sarah's case manager provided regular advocacy to the Department of Housing and supported Sarah to follow up her community housing applications to no avail. Sarah attended several rent-connect meetings to explore options through the rental-subsidy scheme, despite exploring this prior to arriving at the service and being unsuccessful.

During this time, Sarah was making significant progress at work. She gradually increased her hours, and eventually transitioned to a full-time management role, though still on a casual basis. Sarah was now working regular 42-hour weeks, earning her standard wage plus penalty rates.

Sarah's social housing application was reviewed, and due to her increasing income, was put on hold. Sarah increased her efforts in searching for housing – viewing and applying for affordable housing properties, National Rental Affordability Scheme (NRAS) properties and private rentals which were scarce within her price range. Sarah remained unsuccessful in her efforts to secure housing.

After staying at the crisis service for 12 months, Sarah received a one-bedroom social housing property.

*\*Name changed*

- 1.23 The Salvation Army maintains that the lack of affordable housing options remains the single most critical factor leading to homelessness and social disengagement for individuals and communities. The development of a National Housing and Homelessness Plan should provide critical consideration of the quantum and nature of different cohorts impacted by housing

<sup>13</sup> Australian Institute of Health and Welfare. (2019). *Specialist homelessness services annual report 2017–18*. Retrieved from <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-2017-18>.



unaffordability and homelessness, and their varying support needs. See chapter two of this submission for further discussion.

“

*“Homelessness cannot be remediated with any single measure — it is complex and multidimensional and often an accumulation of multiple risk factors, including adverse economic, social and personal circumstances.”*

”

**Legal and Social Issues Committee (Legislative Council), Parliament of Victoria, Inquiry into Homelessness in Victoria – Final Report (2021)**

### *Children and Young People*

- 1.24 Among the many cohorts for which tailored housing and homelessness policies and services are required, we highlight young people. Young people represent a particular group that The Salvation Army advocates the need for a dedicated housing and homelessness plan.
- 1.25 With the housing crisis being experienced at levels not previously seen in Australia, it is now a mainstream rather than marginal issue. Whether a person is a would-be home buyer or looking for somewhere to rent, those who manage to achieve affordable housing are now becoming scarce. Unfortunately, this untenable situation manifests more significantly amongst young people in general.
- 1.26 According to the 2021 census, 23 per cent of all people experiencing homelessness were aged from 12 to 24 years.<sup>14</sup>
- 1.27 It has been established that the earlier someone becomes homeless, the more likely they are to be homeless later in life. A national study commissioned by the Australian Housing and Urban Research Institute (AHURI) found that on average, 28.9% of those experiencing homelessness had their first experience of homelessness before the age of 18.<sup>15</sup>
- 1.28 AHURI has also found that homelessness research has consistently identified young people as having different needs and presenting issues to those of adults experiencing homelessness.<sup>16</sup>
- 1.29 Young people have a unique experience when interacting with social and affordable housing programs. This is unlike other cohorts experiencing homelessness, for whom permanent social and affordable housing may be necessary, such as older people or those living with a

<sup>14</sup> Australian Bureau of Statistics. (2021). *Estimating Homelessness: Census*.  
<https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/2021>.

<sup>15</sup> Flatau, P., Conroy, E., Spooner, C., Edwards, R., Eardley, T., & Forbes, C. (2013). *Lifetime and intergenerational experiences of homelessness in Australia*, Ahuri Final Report No.200. Melbourne: Australian Housing and Urban Research Institute.  
[https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI\\_Final\\_Report\\_No200\\_Lifetime-and-intergenerational-experiences-of-homelessness-in-Australia.pdf](https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI_Final_Report_No200_Lifetime-and-intergenerational-experiences-of-homelessness-in-Australia.pdf)

<sup>16</sup> Black, C., & Gronda, H. (2011). *Evidence for Improving access to homelessness services*. AHURI Research Synthesis Service.  
[https://www.ahuri.edu.au/sites/default/files/migration/documents/SYN059\\_Evidence\\_for\\_improving\\_access\\_to\\_homelessness\\_services.pdf](https://www.ahuri.edu.au/sites/default/files/migration/documents/SYN059_Evidence_for_improving_access_to_homelessness_services.pdf).



significant permanent disability. The housing and support needs for most young people do not need to be predicated on the need for life-long social housing or other subsidy.

- 1.30 These experiences significantly contribute to long-term psychological, social, and economic harm. Most importantly, many young people will remain isolated and excluded from society and not be provided the opportunities necessary to achieve their potential as adults.
- 1.31 Young people require housing and support responses that empower, inspire, and build confidence, self-sufficiency, and resilience. Permanent social housing or subsidy should not become the default destination, but a transition point within the broader housing continuum (should an effective housing continuum be restored), where young people may move through and ultimately exit the supported housing system.

### **The Salvation Army's Youth Private Rental Accommodation Program**

The Youth Private Rental Accommodation Program (YPRAP) supports young people and families to establish independent or shared private rental tenancies. The program provides brokerage for tapered rent assistance to allow young people to access and afford shared private rentals. Providing brokerage to assist with housing costs is critical in supporting young people to gain fair and equitable access to the private rental market. It also normalises their experience of young adulthood and allows the opportunity to leave the homeless service system. The program has proven particularly successful in assisting young people to transition from our youth refuges and education pathways programs.

### **Recommendation 1**

- 1.32 **The Salvation Army recommends that the Australian Government acts immediately to reduce housing stress for the most vulnerable.**

### **Recommendation 2**

- 1.33 **The Salvation Army recommends that the Australian Government commits to the eradication of homelessness, with clear targets to achieve that goal.**

### **Recommendation 3**

- 1.34 **The Salvation Army recommends that the Australian Government release a plan of action to end rough sleeping and couch surfing in collaboration with state and territory governments.**





#### **Recommendation 4**

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#### **Recommendation 5**

**1.36 The Salvation Army recommends that the Australian Government work alongside state and territory governments to invest in increasing crisis accommodation and transitional housing – particularly in regions where there are no or limited crisis options. This includes capital investment and operating costs.**

#### **Recommendation 6**

**1.37 The Salvation Army recommends that the Australian Government commits to a dedicated children and youth housing and homelessness strategy.**



## 2 The Role of Government

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### Social Housing

- 2.1 Access to public and community housing remains a critical issue in Australia. Each year, waitlists for public and social housing continue to increase, with demand surpassing the capacity to provide low-cost accommodation.<sup>17</sup>
- 2.2 In Australia as of June 2021, there were 163,500 households on a waitlist for public housing and more than 12,000 on the waitlist for state-owned and managed Indigenous housing.<sup>18</sup>
- 2.3 A 2018 study estimated a national shortfall of social and affordable housing of 437,586 dwellings<sup>1</sup>. It also estimated that by 2036 there will be a shortfall of nearly 730,000 dwellings.<sup>19</sup>
- 2.4 In 2020–21, There were 10,708 dwellings that were considered to be underutilised and 3,818 dwellings that were considered to be overcrowded.<sup>20</sup>
- 2.5 Housing that is affordable to those on the lowest incomes, together with the provision of tailored support so individuals can both access and maintain housing, is the foundation of an effective approach to ending homelessness in Australia. In view of the severe and increasing shortage of social housing in every state and territory and a worsening private rental market (that is already largely inaccessible to people on low incomes or income support), national leadership is urgently required to address the housing affordability and homelessness trajectory.
- 2.6 With the last homes due to expire in 2026, The Salvation Army also remains concerned about the housing futures of those still in possession of affordable housing provided under the National Rental Affordability Scheme (NRAS). About half the properties have been owned by private investors, many of whom choose to sell once their subsidy expires, while others are raising rents to market rates upon expiry (sometimes at nearly double the price). In the absence of any safety net for NRAS renters as their homes reach the end of the subsidy paid to owners, tenants are required to engage with a private rental market that is vastly more expensive and competitive than when they left it.

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<sup>17</sup> Australian Institute of Health and Welfare. (2022, June). *Housing assistance in Australia*. <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists>.

<sup>18</sup> Ibid.

<sup>19</sup> Lawson, J., Pawson, H., Troy, L., Nouwelant, R., and Hamilton, C. (2018). *Social housing as infrastructure: an investment pathway*. AHURI Final Report No. 306. <https://www.ahuri.edu.au/research/final-reports/306>, doi:10.18408/ahuri-5314301.

<sup>20</sup> Australian Institute of Health and Welfare. (2022). *Housing assistance in Australia*. Retrieved from <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia>.







### Joanne's\* Story

Joanne was 27-years-old when she became homeless following a relationship breakdown in 2021. Joanne had no accommodation options at her disposal and was forced to sleep rough for a period of two years. Joanne was still sleeping rough upon connection with our Street to Home service after seeking housing support at a community lunch.

Joanne was on a Disability Support Pension and was paying child support and daycare expenses for her two-year-old son who was living with her ex-partner. As a result, Joanne was unable to afford board and lodging fees at emergency accommodation services.

Our Street to Home service collaborated with the HEART assertive outreach team to present Joanne's case at the Rough Sleepers Coordination Group and secured a room for Joanne at a local women's temporary accommodation service. Street to Home oversaw Joanne's relocation and settlement into the temporary accommodation. Joanne then applied and successfully secured a NRAS property.

On receiving the property, Joanne was able to accommodate 50 per cent of the care of her son, and no longer needed to pay child support or daycare fees.

Despite securing an NRAS property, Joanne remains at risk of homelessness in the event of a rent increase at the end of the lease period, or when the NRAS scheme comes to an end at the end of 2026.

With an increasing number of properties leaving the NRAS program each year, Joanne's rental property may become unavailable at the conclusion of the lease period, or Joanne will be unable to afford rent that reflects the market rate of the property if the lease is renegotiated at the conclusion of the program, leading to yet another revolving door into homelessness.

Signing the lease for her current accommodation resulted in the removal of Joanne's name from the public housing list, meaning she would be required to lodge a new application, and be placed at the bottom of the waiting list in the event her current accommodation is no longer a viable option.

In this instance, Joanne will need to ensure she remains in contact with the property manager, to either access alternative rental options, or to obtain a rent estimate once the NRAS incentive expires.

*\*Name changed*

### Tenancy Laws

- 2.7 Escalating media reports and client stories from our service providers highlight ongoing concerns about the adequacy of rent laws and of the problems being experienced by tenants. These include crippling rent increases, no-fault evictions, failure of landlords to undertake





basic maintenance, and the fear and uncertainty of tenants to lodge repairs requests or other claims for fear of termination.

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*“...within a year, [my rent] went from \$250 up to \$400 and then 6 months before my lease was to be renewed it went to \$500... then they said, ‘we won’t be continuing your lease because we’re renovating, so you have to move.’ I needed to move anyway because I couldn’t afford \$500 a week”*

”

**- Salvation Army Still Waters Service User**

2.8 While the status and details of specific rental policy and regulation varies between jurisdictions, The Salvation Army joins with colleagues from the National Association of Tenant Organisations, National Shelter, Everybody’s Home and Better Renting in calling for the following measures to improve the stability and affordability of renting across Australia:

- An end to no cause terminations, including at the end of a fixed-term lease,
- Reforms to stabilise rent prices - including by setting clear limits for rent prices and increases,
- Minimum energy efficiency standards for rental homes,
- Enhanced frameworks to support compliance and introduce accountability for non-compliance within existing laws, including around privacy.

“

*“The removal of the 120-day notice has been extremely positive for renters, as the service often saw this issued frequently in the past to tenants who reported maintenance issues on their property. The threat of the 120-day notice stopped people feeling like they could report maintenance issues such as property dangerous property mould for fear of eviction”*

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**- Salvation Army Housing and Homelessness Worker**

2.9 The strengthening of tenancy law in favour of people who rent would go some way to stabilising prices and providing tenants with greater housing security, while managing the risk of unintended consequences such as landlords exiting the rental market.



“

*“It became illegal for agents to enter “rental bidding”, however we are still receiving feedback from clients that this is occurring, as the legislation does not prevent agents from accepting a higher rent, if the tenant offers it (they just can’t ask for it).”*

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**- Salvation Army Housing and Homelessness Worker**

### National Housing and Homelessness Plan

- 2.10 The Salvation Army welcomes the long-awaited efforts initiated by the Albanese Government to introduce a suite of initiatives intended to respond to housing and homelessness, including the proposed development of a new National Housing and Homelessness Plan.
- 2.11 Our consultations with staff and clients consistently tell us that the depth, breadth, and ongoing escalation of unaffordable housing is seriously impacting on the lives and welfare of an increasing number of Australians and resulting in poverty and homelessness.
- 2.12 The current housing system fails to meet the housing needs of low-income households and exacerbates the harms to individuals and communities arising from housing insecurity, the inability to access affordable housing, and ultimately homelessness.
- 2.13 There is also a broader set of policies affecting the housing market that is beyond the supply or provision of housing itself. For example, income support, population and immigration, financial regulation, and taxes on housing, which all influence the market. These are policy levers within the control of the Commonwealth that can be used to address the structural drivers of housing affordability.
- 2.14 The Salvation Army has been calling for comprehensive national housing and homelessness strategy - a strategy that is more than a vehicle that simply provides funding but would provide the framework for such vehicles. A comprehensive strategy would take into account the critical areas of homelessness need, at-risk cohorts, population dynamics and the breadth of the housing continuum (including the private rental market). It would set clear, achievable, and measurable goals. This Strategy would outline what investment in the supply of affordable and social housing is necessary, with clear responsibility for state and Commonwealth input. In particular, it would bring together the economic and social levers for change.
- 2.15 The success of the Strategy will rely upon forward planning that is based on up-to-date population modelling, as well as plans for urban planning reform to ensure that the construction lag of housing properties and other infrastructure does not impact the ability to respond to housing need.



- 2.16 The Commonwealth also has leverage over the demand side of housing affordability as they control policy levers related to programs, subsidies and incentives for investors, renters and prospective homeowners. Taxation or financial market regulation, represent significant levers that can exert some influence on housing affordability, both in terms of rental affordability and housing prices. These are tools that directly, and indirectly can place upward and downward pressure on housing affordability.
- 2.17 Much of the demand for housing is not simply with those who will consume the housing, but who are engaging with the market for investment purposes. This investment capital, which is generally only available to people in higher income quintiles presents additional pressures upon the market and increases the costs of accommodation at all levels of the housing spectrum – including the consequences of potential owner-occupiers being outbid by investors with competing opportunities and interests in property acquisition.
- 2.18 With responsibilities and opportunities across all levels of government, available data and research experts, a highly skilled and willing community sector, and individuals throughout communities, we believe the critical shortfall of appropriate, secure, and long-term social and affordable housing can be addressed through new policy and funding responses that are commensurate with this need and by engaging all stakeholders in their design.



### **Recommendation 7**

**2.19 The Salvation Army recommends that the Australian Government extends its commitment to the National Rental Affordability Scheme to prevent people falling into homelessness.**

### **Recommendation 8**

**2.20 The Salvation Army recommends that the Australian Government work alongside state and territory governments to provide a very substantial increase to social and affordable housing. This should include the articulation of clear, ambitious targets that are proportionate to the need for social and affordable housing.**

### **Recommendation 9**

**2.21 The Salvation Army recommends that the Australian Government, in partnership with state and territory governments, businesses, and Community Housing Providers (CHP's), undertakes a review of existing vacant and under-utilised government buildings and land that have the potential to be re-purposed for affordable housing.**

### **Recommendation 10**

**2.22 The Salvation Army recommends that the Australian Government works alongside state and territory governments to introduce nationally consistent rental policy to improve fairness and affordability across Australia. This should include:**

- **An end to no cause terminations, including at the end of fixed-term leases,**
- **Reforms to stabilise rent prices including by setting clear limits for rent prices and increases,**
- **Minimum energy efficiency standards for rental homes,**
- **Enhanced frameworks to support compliance and introduce accountability for non-compliance within existing laws, including around privacy.**



## **Recommendation 11**

**2.23 The Salvation Army recommends that the Australian Government fulfills its commitment to a national housing and homelessness plan with a particular focus on addressing the extreme shortfall of social and affordable housing. The plan should:**

- Draw together the key policy portfolio and funding areas across all three levels of government that impact on housing affordability and homelessness.
- Have bipartisan support.
- Address the structural causes of poverty, homelessness and housing unaffordability through a review addressing the adequacy of income support, CRA and other supplements.
- Be informed by evidence, including current and projected affordable housing and homelessness need for all cohorts.
- Include a dedicated strategy (or adjunct) to address housing-related issues and homelessness among young people.
- Commit to the eradication of homelessness, with clear targets to achieve that goal.
- Commit to clear social and affordable housing targets that are ambitious and proportionate to need.
- Include the need for significant and ongoing investment in renewal, refurbishment, and upgrades of existing public and social housing stock to extend the useful life of the housing assets.
- Develop shared funding, co-investment and incentives needed to grow social housing stock in partnership with business and the not-for-profit sector.
- Ensure planned and ongoing funding pipelines to maximise the capacity of the community housing sector.
- Be adequately and transparently resourced, including clear responsibilities to address short, medium, and long-term housing and homelessness need.
- Engage key partners in its development and implementation - including all levels of government, research and evaluation experts, practice experts, and people with lived experience.
- Support the provision of improved data and reporting for housing and homelessness providers.
- Provide examples of best practice or innovative solutions that can be scaled.





## 3 The Impact of Government Programs on the Rental Sector

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### Housing as a Continuum

- 3.1 The rental, investment, owner occupier, and social housing markets are not isolated. They exist on a continuum where all forms of accommodation interrelate with one another. Changes in affordability and availability at any point along this continuum will have impacts upon the system as a whole.
- 3.2 The shortfall, and lack of significant growth in social housing supply is intrinsically linked to the overall housing market, putting increased pressure at all points along the housing continuum, including the private rental and purchaser market. Lengthy social housing waiting lists force up demand in the private market, leading to a worsening housing affordability crisis.
- 3.3 The biggest strain on the rental market is the lack of new rental supply. Investors are exiting the market at a greater rate than new investors are entering, and it seems unlikely that the strong demand and insufficient rental supply will be rectified any time soon.<sup>21</sup>
- 3.4 Similarly, the challenges for renters are being exacerbated by the fact that higher interest rates have reduced borrowing capacities. This is making it harder for renters to transition into first home buyers and for investors to purchase properties, restricting rental supply
- 3.5 There is no single solution to addressing housing affordability. Interventions across the housing continuum are required to provide relief in different parts of the market.
- 3.6 For The Salvation Army and the people accessing our services, the most pressing need is for solutions that focus on people experiencing the most disadvantage. These solutions need to be tailored for people who are never likely to consider home ownership, and people for whom sustainable and affordable private rental remains elusive for reasons including affordability and the support needs required to maintain a tenancy.
- 3.7 There needs to be recognition that there are many people who will experience lifelong disadvantage and who will always find themselves within the lowest income quintiles. Others will simply remain on very low incomes. Without long-term housing subsidy and support, the mainstream housing marketplace will never meet the personal and affordability needs of this cohort.
- 3.8 The Government must recognise the housing continuum (including homelessness) in its efforts to address rental affordability.

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<sup>21</sup> Kusher, C. (2023, April 27). *PropTrack Rental Report-March 2023 quarter*. <https://www.realestate.com.au/insights/proptrack-rental-report-march-2023-quarter/>





## Income Support

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*“Complexities in dealing with Centrelink and frustrating delays in processing new payments is leading to homelessness.”*

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**- Salvation Army Housing and Homelessness Worker**

- 3.9 The links between income inadequacy, poverty, housing affordability and homelessness are well established. These links can operate in both directions, such that any one of these can cause a person to experience the other forms of disadvantage.
- 3.10 The Salvation Army has long called for a permanent increase to the JobSeeker Payment and Youth Allowance. In the light of the expiry of the Coronavirus Supplement, the Commonwealth Government has implemented a permanent increase of \$50 per fortnight to the JobSeeker Payment, Youth Allowance and other related payments. This increase does not resolve in any way the depths of disadvantage in our country and fails to support a person to meet housing expenses and avoid poverty in general.
- 3.11 Similarly, we consider that Youth Allowance in any of its classifications is not able to meet young people’s needs.<sup>22</sup> The number of young people in housing stress has significantly risen over the last few years, arguably as a result of stagnating wages, increasing living expenses, and the increase of work casualisation. Research showed that 1.2 million Australians under the age of 24 years were living in poverty. This represents 37 per cent of the total population living in poverty in Australia, estimated at 3.24 million.<sup>23</sup>
- 3.12 The Salvation Army experience has shown that people on income support prioritise accommodation costs, and that following the cost of housing, many live on as little as \$16 per day. Current inflationary pressures upon other essentials including food, transport and utilities have further stretched household budgets and continue to place pressure on those already experiencing disadvantage due to the inadequacy of their income.
- 3.13 The issue of income and income support adequacy, which ensures a minimum acceptable standard of living, is intrinsically linked to housing affordability and homelessness, and falls within the responsibility of the Commonwealth in setting payments and their interaction with supplements such as Commonwealth Rent Assistance (CRA).

### *Commonwealth Rent Assistance and Other Supplements*

- 3.14 CRA payment is available to renters in the private rental market and community housing who are receiving a social security payment. Its objective is to prevent even more widespread

<sup>22</sup> For example, the estimated maximum fortnightly payment from 1 April 2021 for a single young person with children will be \$656.  
<sup>23</sup> Davidson, P., Saunders, P., Bradbury, B. & Wong, W. ACOSS/UNSW Poverty and Inequality Partnership Report, Sydney: ACOSS (2020). *Poverty in Australia 2020: Part 1, Overview*. <https://povertyandinequality.acoss.org.au/poverty-in-australia-2020-overview-html-version/>.



housing stress and housing affordability issues. Although there has been a welcome 15% increase announced in the Federal Budget 2023-24, the CRA will still not be sufficient remediation within the context of its existing inadequacy and ongoing rental increases and household costs. The Productivity Commission found that 29.4 per cent of low-income households receiving CRA at the end of June 2020 still experienced rental stress.<sup>24</sup>

- 3.15 Partners within the sector have found that as much as 50 per cent of those who receive the CRA payment remain in rental stress due to the low rate of the payment. This rises to almost two thirds or people under the age of 24.<sup>25</sup>
- 3.16 In the 2022-23 financial year, 88 per cent of people seeking emergency relief are those reliant on government payments. This demonstrates how the JobSeeker payment, along with the social security system as a whole, fails to act as a safety net for those experiencing economic hardship, relying on the charity sector to fill the gap.<sup>26</sup>
- 3.17 Additional payments, such as the Energy Supplement and CRA provide some critical relief but are not sufficient. Neither are these available for people on low incomes who are not recipients of income support but are experiencing housing stress. Together with income support payments, there is a need to review CRA to ensure that it is effective and better targeted to address the variable cost of rent and is responsive to changes in the housing market.
- 3.18 In the face of record and rising housing unaffordability in the private rental market, all payments must be reassessed for their adequacy and directly linked with the actual cost of living for recipients to live with dignity.
- 3.19 Consideration of income adequacy and its interface with housing affordability and poverty is the most critical policy lever that should be brought forward within the remit of a future National Housing and Homelessness Plan, which cannot be effective without it.

## **Recommendation 12**

**3.20 The Salvation Army recommends that the Australian Government considers that interventions in one part of the housing continuum will have implications for other parts of the continuum.**

<sup>24</sup> Productivity Commission. (2021). *Report on Government Services 2021*. <https://www.pc.gov.au/research/ongoing/report-on-government-services/2021>.

<sup>25</sup> Anglicare Australia. (2023). *Reforming Rent Assistance: Ending Rental Stress Across Australia*. 8. <https://www.anglicare.asn.au/wp-content/uploads/2023/01/Reforming-Rent-Assistance.pdf>.

<sup>26</sup> Ibid.





### **Recommendation 13**

**3.21 The Salvation Army recommends that the Australian Government immediately and meaningfully increase the rate of the JobSeeker and Youth Allowance payments to ensure that recipients are able to live with dignity.**

### **Recommendation 14**

**3.22 The Salvation Army recommends that the Australian Government review the rate and eligibility criteria for Commonwealth Rent Assistance.**



## 4 Conclusion

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- 4.1 The Salvation Army thanks the Senate Standing Committee on Community Affairs for the opportunity to provide a written submission to the Inquiry into the Worsening Rental Crisis in Australia.
- 4.2 The Salvation Army would welcome the opportunity to discuss the content of this submission should any further information be of assistance. Further information can be sought from [government.relations@salvationarmy.org.au](mailto:government.relations@salvationarmy.org.au).

**The Salvation Army Australia Territory**

**July 2023**





## Appendix A About The Salvation Army

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The Salvation Army is an international Christian movement with a presence in more than 130 countries. Operating in Australia since 1880, The Salvation Army is one of the largest providers of social services and programs for people experiencing hardship, injustice and social exclusion.

The Salvation Army Australia provides more than 1,000 social programs and activities through networks of social support services, community centres and churches across the country.

Programs include:

- Financial counselling, financial literacy and microfinance
- Emergency relief and related services
- Homelessness services
- Youth services
- Family and domestic violence services
- Alcohol, drugs and other addictions
- Chaplaincy
- Emergency and disaster response
- Aged care
- Employment services

As a mission-driven organisation, The Salvation Army seeks to reduce social disadvantage and create a fair and harmonious society through holistic and person-centred approaches that reflect our mission to share the love of Jesus by:

- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for justice

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

Further information about The Salvation Army can be accessed at: <  
<https://www.salvationarmy.org.au/>>







## Appendix B Case Studies and Experiences of Our Housing and Homelessness Staff

### Amy's\* Story

Amy was living in Papua New Guinea (PNG) and caring for her son. Amy had tertiary qualifications and worked full-time in logistics.

In August of 2022, Amy fled PNG as a result of long-term domestic violence, and threats to her life. On arrival, Amy secured a vacancy in crisis accommodation, applied for a protection visa, and was granted a bridging visa.

Amy's initial main priority was to get her son to Australia from PNG, which was prolonged due to a lack of income and housing options. After searching for several months, Amy was successful in obtaining full-time employment which was labour-heavy, and not relevant to her career, qualifications or interests.

Amy requested a transfer to a more suitable sector for her to comfortably maintain her job, where she earned \$1600 per fortnight. Amy built her savings and began applying for private rentals, which was her only housing option due to her visa status which made her ineligible for social or community housing.

Over a period of three months, Amy submitted 30-40 applications, before being approved for a one-bedroom property. In this instance, Amy was able to speak with the agent at the viewing regarding her story, which the agent happened to resonate with due to their own life experience and personal connection to PNG. The agent encouraged Amy to apply, and she was approved the following day.

Amy's rent is \$265 per week, and the property is quite small and outdated, Amy recognised this would likely be her only option due to the nature of the current rental market, and identified the benefit of establishing a rental history in Australia.

Amy is still hoping to one day bring her son to Australia.

*\*Name changed*

“

*“Almost every day I am getting calls from clients who state that they have received a Notice to Vacate. Maintenance issues are not being actioned within specified time frames and real estate agents aren't meeting all of their obligations under the Residential Tenancies Act.”*

”

**- Salvation Army Housing and Homelessness Worker**



### Ken's\* Story

Ken is a 72-year-old man who recently returned to Australia from overseas. Ken is on an Age Pension and working part-time to cope with the high cost of living. Ken has been living in local backpacker accommodation as he has been unable to find appropriate or affordable rental properties.

Ken approached The Salvation Army Darwin House 49 seeking assistance with accommodation as the daily rate at the backpacker's accommodation increased due to peak season.

Ken is not interested in applying for public housing since the waitlist is estimated to be more than 8 years long. Private rentals are not viable options for Ken with one-bedroom units in Darwin costing between 300 and 400 dollars per week, or approximately 35 per cent of his total income.

Ken attended inspections as arranged for him by his case manager and applied for a few properties to no avail. Ken reported at least 15 people inspecting each property, and that prospective tenants were offering to pay more to secure a property.

As there are not many accommodation options in Darwin in comparison to other capital cities in Australia, many senior citizens like Ken are struggling financially with their only income source being the Age Pension.

*\*Name changed*

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*“I am currently working with a family who have seven children of their own. The family were in a long-term rental in a small regional Victorian town. The property owner stated that with the rise in interest rates they cannot afford to keep the property and sold it. The family were left homeless. They applied for rentals all over the state but were unsuccessful. There were very few rentals that were within their affordability. The family ended up, and are currently, living in a camper trailer - camping so that one of the children could still attend the local special school.”*

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**- Salvation Army Housing and Homelessness Worker**

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*“In Warrnambool renters are at the mercy of landlords/real estate agencies. For the past few years, rents have increased considerably. This also means that bond payments have too. Families are going without heating/food/social activities to cover the rises. Parents that are the carers for children are having to return to work in order to be able to afford rent increases.”*

”

**- Salvation Army Housing and Homelessness Worker**



“A couple were trying to move out of a dilapidated property where they also faced abuse from the owner/landlord. Both were on Disability Support Pension payments, and one works part-time. They applied for over 100 properties in their price range and followed up with inspections by contacting the property managers. As yet, they have had no luck and have given up for the moment as the situation is emotionally draining on them. Our homelessness service is providing emotional support to the couple, while maintaining contact with property managers in efforts to take some of the strain from them.”

**- Salvation Army Housing and Homelessness Worker**

“We are concerned about the lack of provision to provide context in rental references. I have been advised by property managers that many of the questions in the reference process are either Yes or No, with no ability to provide context. For example, if a person has escaped family violence and there was damage to the property during the tenancy, there is no ability for the agent to provide this context. The answer to the question, was there property damaged during the tenancy, would be yes. In a rental market where there could be over 50 applicants, for a property on a lower price point, that person’s application may not even be taken to the landlord for review. People with one negative rental reference, can find themselves at a point where they are shut out of the market through no fault of their own.”

**- Salvation Army Housing and Homelessness Worker**

“High rental prices making suitable rentals unaffordable for people suffering disadvantage. Large demand for lower priced properties. Rental payment increases along with rising cost of living expenses are impacting the ability to maintain rentals and lifestyle.”

**- Salvation Army Housing and Homelessness Worker**



“In Horsham 90% of my clients have a history of being late with rental payments. Because of the demand for housing, they are not getting a look in when it comes to applications. When a renter vacates a property, if they have a housing department bond loan and the Landlord is to take this for damages etc, they have to apply to VCAT. Because the process often takes time, we have been advised by real estates that ticking the box to say you are applying for a bond loan can be a deterrent itself for landlords.”

**- Salvation Army Housing and Homelessness Worker**

“Requirements of a new tenancy causes extreme financial hardship. Rent is \$400 per week, (2 weeks rent in advance of \$800) and a \$1730 Bond. Income support recipients and low-income earners are unable to pay this amount up front. One crisis can cause such a ripple affect with rent affordability, where some tenancy’s break down due to the rising costs of rent.”

**- Salvation Army Housing and Homelessness Worker**

“Recent changes to improve renters rights may have caused further issues with the unintended consequence of landlords selling their properties.”

**- Salvation Army Housing and Homelessness Worker**

“Shortage of social housing is driving competition in the private rental market due to very low vacancy rates that are driving rent costs up.”

**- Salvation Army Housing and Homelessness Worker**



“The impact of supply is one of the causes of rent increases and lack of affordable tenancies. The demand far outweighs the availability for low-income earners and income support recipients. Due to the increased interest rates and value of houses, a high percentage of rental properties have been sold; this also reduces the availability.”

- Salvation Army Housing and Homelessness Worker

“Agents are providing feedback that rising rents are having a lot to do with costs of rising interest rates. Landlords are passing their mortgage increases on to tenants. Due to the low vacancy rate in Geelong (1.3%), people often feel that they have no choice but to remain in properties that they can no longer afford. The service recently had contact with a single mother, who advised the service that her rent had increased by \$100 per week.”

- Salvation Army Housing and Homelessness Worker

### Carrie's\* Story

Carrie moved to Australia from overseas, and has 4 children – 2 born in Australia. Carrie is also 38 weeks pregnant.

Carrie is only eligible for and is receiving the Family Tax Benefit payment from Centrelink.

Due to medical concerns, Carrie was advised by her GP not to continue working in her current job.

Carrie was already two weeks in rental arrears when she contacted The Salvation Army's Private Rental Assistance Program (PRAP).

PRAP paid the two weeks' arrears, and a further month's rent to assist Carrie until the baby was born, and her income support payments would increase. Carrie would also then receive the baby bonus.

Without PRAP assistance, Carrie and her family could have been evicted, or Carrie would have had to return to work within two weeks of having a baby.

\*Name changed





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*“Government programs like PRAP need to be increased to cover larger geographical areas. An increase in the Tenancy Assistance and Advocacy Program would also help to provide tenants with more support around their rights and the law; and help to sustain tenancies. The program is currently delivered by a sole worker who is covering the entire Wimmera South-West (Victoria) area. I would refer at least one person to his service per week. It would be very beneficial to increase the EFT for this program and provide increased support for tenants.”*

”

**- Salvation Army Housing and Homelessness Worker**

### Jean's\* Story

Jean is a single mother of three children. Jean recently left a relationship due to family and domestic violence and is struggling to adjust financially following the loss of her ex-partner's portion of payments towards rent and household costs.

Jean's rent has been increased from \$380 to \$450 per week, and she is waiting for Centrelink to update her payments to reflect her new circumstances as a single parent.

The PRAP program assisted Jean by paying three weeks of rent, and completing a budget with Jean to ensure she was able to sustain her tenancy.

*\*Name changed*

“

*“Our service is experiencing a high level of referrals from outside agencies to our PRAP plus programs, for those requesting to find cheaper rental properties. Due to the overwhelming level of referrals coming through, the service is no longer able to provide immediate support to families with rents over 55% of their income, as the vacancy rate in Geelong is less than 1.3%. Reported figures indicate that homelessness has gone up by over 400% in the Barwon area.”*

”

**- Salvation Army Housing and Homelessness Worker**



### The Jones Family's\* Story

The Jones' family consists of two adults and six children from a non-english speaking background. One of the adults in the family has several significant health concerns, some requiring surgery and imminent treatment.

The family have been residing in a four bedroom private rental for 10 months, paying \$360 per week. The rent has always been paid on time, with no arrears throughout the tenancy – only repairs needing to be actioned due to the age and condition of the property which the rental provider refused to complete.

The family then received a 90-day Notice to Vacate, ending the fixed-term lease as the landlord was not willing to renew the lease, and was not legally required to provide a reason why.

Despite the Jones family engaging well with case management and applying and inspecting many properties, no private rental outcome was achieved. The family have financial affordability for private rental, but due to the current market and requiring intensive support, they did not obtain housing.

The family's case manager received feedback from real estate agents that they are worried about the size of the family, stating that eight people residing in a four bedroom property is too many.

The family continues to search for and apply for private rental every week. They have been left with no option but to apply for properties that do not suit their needs. The family have been supported in crisis accommodation for four months, with approximately \$20,000 having been committed by The Salvation Army for crisis motel accommodation. The amount of money spent on this family equates to 12 months of rent, at a rate of \$390 per week.

Housing workers are receiving feedback that incredibly low vacancy rates and considerably overpriced properties are contributing factors as to why the Jones' applications are not being accepted, alongside the size of the family. Ideally the family require a five bedroom home, however these are rare, and where available, are outside of the area or exceed \$700 per week in the family's preferred areas.

The family have stated "we will take anything; I just want to provide a roof over my children's heads." The family is likely to enter back into homelessness if they are unable to secure a private rental.

As part of the case management process, applications were made through the Victorian Housing Registry for Community, transitional housing, and public housing. The clear response is that large families are not able to be catered for, and that there is long waiting lists for larger properties.

The strain on resources to ensure we keep larger families off the streets is immense on the families, housing and homelessness workers, and the system. There are limited realistic options to house larger families.

*\*Name changed*



“People have been talking about the idea of rental freezes in an attempt to prevent further rent rises. Concerns may be that this could further reduce supply as landlord’s seek to sell off investment properties. Whilst this means that house prices may potentially fall, an incentive for those looking to buy, there is no guarantee that people buying the properties are first home buyers. There is also the concern for those who are not in a financial position to buy or have inability to be approved for a loan, so with reduced rental supply, the potential to enter homelessness increases. There is also risk, that renters may seek to increase rental prices higher, prior to rent freezes.”

- Salvation Army Housing and Homelessness Worker

“Changes to Residential Tenancies Act have had both positive and negative effects on renters. The service has had feedback from agents, that they are very cautious in advocating for an extension of lease past the first fixed term lease. Agents have advised that if there are any issues with rental arrears (no matter the reason), that they will find themselves with “a forever tenant”, due to changes to the eviction process, which means that a tenant may be given up to five notices to vacate prior to an application for possession. In previous times, agents may have been more likely to offer longer lease terms.”

- Salvation Army Housing and Homelessness Worker

“Our service has had feedback that landlords are more likely to approve tenants that self-fund their bond (as opposed to seeking the department of housing bond), as the length of time to seek a compensation hearing post end of tenancy is 12 months or greater. Whilst agents/landlords should not be able to discriminate on this basis, it is apparent that it is still happening.”

- Salvation Army Housing and Homelessness Worker



### Mark's\* Story

Mark is a single father with three children.

He has been residing in his current private rental property for four years.

The property has recently been advertised for sale, and sold to an investor.

Mark was told he and his children could remain in the property, however the new rental provider instructed the agent to increase the rent by \$80 per week taking the weekly rent from \$340 to \$420 – which is more than the household can afford.

Mark has subsequently secured a private rental property in Melton for \$350 per week, but the condition of the home is poor with carpets needing to be replaced and walls showing substantial wear and tear.

*\*Name changed*

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*“Being a tourist town means there is a high demand for Airbnb’s.”*

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**- Salvation Army Housing and Homelessness Worker**

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*“Due to the low vacancy rate in Geelong, rents are so high that a lot of people are being priced out. Our service often encourages people to look outside of Geelong in more affordable suburbs such as Werribee. This has an impact on the family wellbeing, as they are forced to move away from social and community supports just to keep a roof over their family’s head.”*

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**- Salvation Army Housing and Homelessness Worker**

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*“Our service is seeing an increase in Notice to Vacate as landlords are selling off. Agents have provided feedback that this is due to changes to Residential Tenancies Act with more complex eviction processes and length of time for hearings.”*

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**- Salvation Army Housing and Homelessness Worker**



“We are concerned about the lack of provision to provide context in rental references. I have been advised by property managers that many of the questions in the reference process are either Yes or No, with no ability to provide context. For example, if a person has escaped family violence and there was damage to the property during the tenancy, there is no ability for the agent to provide this context. The answer to the question, was there property damaged during the tenancy, would be yes. In a rental market where there could be over 50 applicants, for a property on a lower price point, that person’s application may not even be taken to the landlord for review. People with one negative rental reference, can find themselves at a point where they are shut out of the market through no fault of their own.”

**- Salvation Army Housing and Homelessness Worker**