

# Submission to the Senate Select Committee on the Cost of Living

March 2023

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*CPSA is a non-profit, non-party-political membership association founded in 1931 which serves pensioners of all ages, superannuants and low-income retirees. CPSA's aim is to improve the standard of living and well-being of its members and constituents. CPSA receives funding support from the NSW Government Departments of Communities & Justice and Health and the Australian Government Department of Health.*

CPSA appreciates the opportunity to make a submission to the Senate Select Committee on the Cost of Living.

The cost of living has been steadily increasing and putting extra pressure on household budgets. In the 12 months leading up to the December 2022 financial quarter, CPI increased by 7.8 per cent, the largest annual increase since 1990.<sup>1</sup>

These cost-of-living pressures are felt by everyone, but especially low-income households, many of whom were already struggling to cover costs before these increases.

An ACOSS survey of people receiving income support payments found that 96 per cent of those renting accommodation privately were experiencing rental stress, paying more than 30 per cent of their income on housing costs.<sup>2</sup> Many were also sacrificing their own wellbeing to cut back on costs by eating less or skipping meals, showering less, cutting back on heating or avoiding seeking health care and taking medications.

It is vital that measures are put in place to ease the pressure felt by all households but particularly to support low-income households so that they aren't forced to make impossible choices between essentials.

For convenience, this submission is structured around the terms of reference and addresses terms of reference a) through d).

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<sup>1</sup> ABS, 2022, Consumer Price Index, Australia, accessed at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>

<sup>2</sup> ACOSS, 2022, How JobSeeker and other income support payments are falling behind the cost of living

## **CPSA's Recommendations**

**Recommendation 1: That fiscal policy intended to relieve cost of living pressures provide equitable benefits to all affected by the issue.**

**Recommendation 2: That the adequacy of income support payments be regularly independently reviewed and that rates be raised in accordance with the recommendations of the independent review committee.**

**Recommendation 3: That the indexation of income support payments occur more frequently, especially in times of high inflation, to ensure that payments keep up with cost-of-living increases.**

**Recommendation 4: That the rate of Commonwealth Rent Assistance be increased to reflect real housing costs of those receiving income support payments and to ensure they are paying no more than 30 per cent of their income on rent.**

**Recommendation 5: That sufficient social housing be built to meet the housing needs of low-income earners who are on social housing waiting lists.**

**Recommendation 6: That protections be increased for tenants in the private rental market, including the prevention of excessive rent increases; and placing the onus on landlords rather than on tenants to prove that an increase in rent isn't excessive.**

**Recommendation 7: That changes to Medicare be made to ensure that bulk billing is accessible and fee free health care is available to everyone.**

**Recommendation 8: That the Australian Government provides adequate funding for public dental care to address the backlog of people waiting for treatment.**

## **(a) the cost of living pressures facing Australians**

Some of the major cost of living pressures facing Australian households include:

- Housing costs
- Health costs
- Energy costs
- Travel/transport costs

### *Housing*

The cost of housing has risen astronomically in recent months. This is significantly widening the gap in cost of living between those who own their homes and those who don't.

Even those who own their homes with a mortgage are experiencing increasing stress. Interest rates have increased 3.25 per cent since May 2022. This has put increased pressure on households and the percentage of mortgage holders at risk of mortgage stress, or spending over 30 per cent of their income on their mortgage, is expected to increase to 26.3 per cent by March 2023.<sup>3</sup>

However, this problem is significantly exacerbated for those who are renting.

Rents grew 2 per cent in the December 2022 quarter alone, while since rents first began to rise in September 2020, rents across Australia have increased by 22.2 per cent.<sup>4</sup> This means the median rent has risen from \$430 a week to \$519 a week.

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<sup>3</sup> Roy Morgan, 2023, 'Mortgage stress' increases to highest since July 2013; 23.9% of mortgage holder now 'At Risk', accessed at <https://www.roymorgan.com/findings/9148-mortgage-stress-risk-early-2023>

<sup>4</sup> Core Logic, 2023, Pressure on Australia's rental market shows tentative signs of easing despite new 10.2% record for annual rent growth, accessed at <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>

Affordable rentals are incredibly difficult to find, especially anywhere near a capital city. In February 2023 less than 17 per cent of rental listings on realestate.com.au were \$400 or less each week which is a huge drop from 43 per cent in February 2020.<sup>5</sup>

In 2019-20 private renters spent on average 20.2 per cent of their income on housing costs.<sup>6</sup> This is a significant amount that has only increased with record rent rises. For low-income households this was even more of an issue with 58 percent of low-income households who privately rented spending more than 30 per cent of their gross weekly income on housing costs over the same period. This means they were experiencing housing stress and an increased risk of homelessness.

Rates of home ownership are declining with just 29.5 per cent of households in 2019-2020 owning their home without a mortgage compared to a high of 42.8 per cent in 1995-96.<sup>7</sup> This, combined with the rates of private renters increasing from 19 per cent to 26.2 per cent of households in the same time frame, means that housing costs are impacting a larger number of people.

Mortgages are also affecting people for longer than they used to with less people owning their home when they retire. From 2011 to 2021 the proportion of older people who own their own home outright reduced from 62.1% to 57.8%.<sup>8</sup> There are also more still paying off mortgages and fewer in public and community housing, leaving many retirees paying significant mortgage payments or private market rents.

From 2011 to 2021 the proportion of older people in private rentals in NSW has increased 74.5 per cent from 137,529 to 239,937.<sup>9</sup>

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<sup>5</sup> Dellow, K., 2023, Where you can find a rental for less than \$400 a week in our big cities, accessed at [https://www.realestate.com.au/insights/where-you-can-find-a-rental-for-less-than-400-a-week-in-our-big-cities/?sourcePage=rea:insights:post&sourceElement=traffic\\_driver\\_1|slot\\_2](https://www.realestate.com.au/insights/where-you-can-find-a-rental-for-less-than-400-a-week-in-our-big-cities/?sourcePage=rea:insights:post&sourceElement=traffic_driver_1|slot_2)

<sup>6</sup> ABS, 2022, Housing occupancy and costs, accessed at <https://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/latest-release#housing-affordability>

<sup>7</sup> AIHW, 2022, Home ownership and housing tenure, accessed at <https://www.aihw.gov.au/reports/australias-welfare/home-ownership-and-housing-tenure>

<sup>8</sup> HAAG, 2023, Decades of housing decline: 2011 & 2021 census analysis, accessed at [https://www.olderrentals.org.au/sites/default/files/decades\\_of\\_decline\\_-\\_nsw\\_census\\_data\\_insights.pdf](https://www.olderrentals.org.au/sites/default/files/decades_of_decline_-_nsw_census_data_insights.pdf)

<sup>9</sup> Ibid.

Decreasing homeownership rates and rising rents, combined with inadequate support through the social housing system, means that housing is a huge cost of living pressure for many Australians.

### *Health*

Medicare is designed to ensure that every Australian is able to receive adequate healthcare regardless of their income. It does this by subsidising medical treatments from GP appointments to specialist care. However, medical professionals are free to set their fees at any rate they see fit. The gap between this cost and the subsidy amount is left for patients to pay.

Bulk billing practitioners will accept the bulk-billing subsidy rate as a total payment, meaning there is no out of pocket cost for the patient. However, it is getting harder and harder to find bulk billing practitioners.

A 2022 survey of 477 Australian GPs found that 22 per cent had recently changed their billing model from bulk billing to a mixed or private billing model and a further 15 per cent were considering a change.<sup>10</sup> When 1,000 GPs were asked this question in 2021 just 10 per cent had changed and 7 per cent were considering changing. While most GPs bulk bill some patients, just 24 per cent reported bulk billing all of their patients in 2022.<sup>11</sup>

This shift away from bulk billing means that even seeing a GP becomes unaffordable for many people. Forced to choose between a medical appointment and other essential items like rent or food, many will choose to forgo medical care. This means many are not accessing care until they are in acute pain. It also contributes to increased stress for emergency departments with 2021-22 having around 3 million avoidable 'GP-type' presentations to public hospital emergency departments, a 3.1 per cent increase from the year earlier.<sup>12</sup>

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<sup>10</sup> Healthed, 2022, Something needs to give, accessed at [https://www.healthed.com.au/clinical\\_articles/something-needs-to-give/](https://www.healthed.com.au/clinical_articles/something-needs-to-give/)

<sup>11</sup> Royal Australian College of General Practitioners, 2022, General Practice: Health of the Nation 2022

<sup>12</sup> Productivity Commission, 2023, Report on Government Services 2023: Health, accessed at <https://www.pc.gov.au/ongoing/report-on-government-services/2023/health/rogs-2023-part-1-overview-and-sections.pdf>

Private health insurance is also increasingly unaffordable to people with lower incomes and is only accessible to those with higher-middle incomes and above. Premiums have increased almost 4 per cent on average each year for the last ten years.<sup>13</sup>

In 2019-20, non-government sources contributed \$59.9 billion to health.<sup>14</sup> Almost half of this was contributed by individuals, with \$29.8 billion, while the remaining primarily came from insurance companies. This comes to an average of \$1,160 in out of pocket health costs per person each year which is a significant expense to anyone already on a tight budget.

This issue extends to dental care as well. Dental care is not covered by Medicare, so unless you have private health insurance the options are to pay for treatment out of pocket or wait for public dental care. While it functions differently in each state, public dental care is generally available to those with eligible concession cards or health care cards.

However, of Australia's 16,000 dentists, just 836 work at public dental clinics.<sup>15</sup> Some areas such as the Far West Local Health District in NSW have just one permanent clinic and six part time clinics servicing an area of almost 200,000 square kilometres.<sup>16</sup>

The limited capacity of public dental services combined with the significant number of people waiting for treatment mean that the system is not effective. Triage must take place to ensure that those with the most serious problems are seen first, but this means that it is next to impossible for anyone to get an appointment for a check-up or "minor" issue such as a filling.

According to NSW Health's Priority Oral Health Program and Waiting List Management, the maximum wait time recommended for an adult patient requesting a check-up is 24 months.<sup>17</sup> If they are experiencing bleeding gums, loose teeth or need a filling, the recommended wait time is

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<sup>13</sup> Department of Health and Aged Care, 2023, Average annual price changes in private health insurance premiums, accessed at <https://www.health.gov.au/resources/publications/average-annual-price-changes-in-private-health-insurance-premiums?language=en>

<sup>14</sup> AIHW, 2021, Health expenditure Australia 2019-20, accessed at <https://www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure-australia-2019-20/contents/spending-trends-by-source/non-government-sources>

<sup>15</sup> AIHW, 2022, Oral health and dental care in Australia, accessed at <https://www.aihw.gov.au/reports/dental-oral-health/oral-health-and-dental-care-in-australia/contents/dental-workforce>

<sup>16</sup> CPSA, 2023, Public dental clinic locations, treatment and assessment waitlists in NSW

<sup>17</sup> Centre for Oral Health Strategy, 2017, Priority Oral Health Program (POHP) and Waiting List Management, accessed at [https://www1.health.nsw.gov.au/pds/ActivePDSDocuments/PD2017\\_023.pdf](https://www1.health.nsw.gov.au/pds/ActivePDSDocuments/PD2017_023.pdf)



still 12 months. Even if all patients were seen within the recommended time, which does not happen in reality, this is still far too long and leaves plenty of time for conditions to substantially worsen.

Realistically, in 2021-22 the average patient in NSW waited 433 days before being offered public dental care.<sup>18</sup>

This means many are left with no choice but to pay for their own dental care, which is extremely unaffordable, or wait until their symptoms become severe and they can either jump the waiting list or present to an emergency department. In 2019-20 approximately 67,000 hospitalisations occurred for dental conditions that could have been prevented with earlier treatment.<sup>19</sup>

## *Energy*

Energy bills are another huge contributing factor to the cost-of-living pressures faced by Australian households. According to the AEMC the average Australian electricity bill as of December 2021 was approximately \$1,645 a year.<sup>20</sup>

The median market offer price increased on average 4.75 per cent from June 2021 to June 2022.<sup>21</sup> Even with government intervention late last year, electricity prices are still expected to increase 23 per cent by 2023-24, placing even more pressure on households.<sup>22</sup>

Gas prices are no exception with the average wholesale cost almost tripling in all states covered by the AER from 2020-21 to 2021-22.<sup>23</sup> These prices continue to grow, increasing by almost 50

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<sup>18</sup> Productivity Commission, 2023, Primary and community health data tables, accessed at <https://www.pc.gov.au/ongoing/report-on-government-services/2023/health/primary-and-community-health/rogs-2023-parte-section10-primary-and-community-health-data-tables.xlsx>

<sup>19</sup> AIHW, 2022, Oral health and dental care in Australia, accessed at <https://www.aihw.gov.au/reports/dental-oral-health/oral-health-and-dental-care-in-australia/contents/hospitalisations>

<sup>20</sup> AEMC, 2021, Residential Electricity Price Trends 2021, Final report

<sup>21</sup> IPART, 2022, Monitoring NSW energy retail markets 2021-22

<sup>22</sup> Prime Minister of Australia, 2022, Energy price relief plan, accessed at <https://www.pm.gov.au/media/energy-price-relief-plan>

<sup>23</sup> IPART, 2023, Gas market prices, accessed at <https://www.aer.gov.au/wholesale-markets/wholesale-statistics/gas-market-prices>

per cent in each state so far in 2022-23. As wholesale prices dramatically increase, the brunt of this burden will be felt by individuals and small businesses.

Energy bills tend to be prioritised by consumers as one of the highest priority of their bills. Because of this, people make many sacrifices to be able to afford energy. In a survey conducted by PIAC and ACCAN, 65 per cent of people reported going without social activities in order to afford telecommunication or energy bills while 39 per cent reported going without groceries or food.<sup>24</sup> Even though many have strict budgets, 38 per cent of consumers found it difficult to pay their bills on time.

Assistance for energy costs is offered to low income households through State and Territory Government programs but are not totally sufficient. The rebates are wildly inconsistent between states. In South Australia concession card holders can receive a rebate of up to \$241.63 a year to help cover energy payments.<sup>25</sup> This increases to \$750 a year with the ACT utilities concession<sup>26</sup> and \$1,200 in the Northern Territory.<sup>27</sup>

The onus is also unfairly placed on recipients to prove their need, to ensure details are all correct, and to continually update and check in to ensure that they keep receiving their rebates. Due to this administrative burden and a lack of awareness many people don't receive the rebates they are entitled to.

According to a Consumer Policy Research Centre report, 19 per cent of eligible people in Tasmania didn't receive the rebates they could be receiving, and this number increased to 38 per cent for those in South Australia.<sup>28</sup>

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<sup>24</sup> Public Interest Advocacy Centre, 2022, Paying to pay: using credit products to afford energy, accessed at <https://piac.asn.au/wp-content/uploads/2022/12/22.12.14-Paying-to-pay-Using-credit-products-to-afford-energy.pdf>

<sup>25</sup> <https://www.sa.gov.au/topics/care-and-support/concessions/household-concessions/energy-bill-concessions>

<sup>26</sup> <https://www.revenue.act.gov.au/community-assistance/utilities-concession>

<sup>27</sup> <https://nt.gov.au/community/concessions-and-payments/nt-concession-scheme/concessions/electricity>

<sup>28</sup> Consumer Policy Research Centre, 2022, Mind the gap – identifying the gap between energy concession eligibility and concessions received, accessed at [https://cprc.org.au/wp-content/uploads/2022/11/Mind-the-Gap\\_Report\\_Update-1111.pdf](https://cprc.org.au/wp-content/uploads/2022/11/Mind-the-Gap_Report_Update-1111.pdf)

## *Transport*

Transport is another huge cost to many households. It is an essential service that enables people to work, access services and engage with their community.

The Australian Automobile Association estimated that in the December 2022 quarter the average household spent \$384.86 each week on transport including public transport, petrol, car loan payments and maintenance costs.<sup>29</sup> This has increased significantly from around \$300 in the 2017 December quarter.

The cost of travel is also at times unfairly shouldered by certain groups. While public transport is a more cost-effective option, services are often not accessible to older people, disabled people with mobility issues or those in regional or remote areas. They are instead left to drive or get taxis, both of which add a significant cost.

Some income support recipients also don't receive the same assistance as others. In NSW pensioners are able to receive the gold Opal card that provides them with unlimited travel for \$2.50 a day. However recipients of other Centrelink payments such as the JobSeeker Payment are given a concession Opal card that provides half priced travel. While this is still a discounted rate, it means that a JobSeeker recipient travelling, for example, from Campbelltown to Parramatta for a job interview would be paying over \$7 for a round trip. Many people with low incomes are likely to live on the outskirts of cities where housing is more affordable and will have to make this trip multiple times a week for work, job interviews or other appointments. This quickly adds up to a significant portion of their already inadequate income.

### **(b) the Government's fiscal policy response to the cost of living;**

Recent fiscal policy responses to the cost-of-living crisis have focused on higher level changes rather than direct cost of living payments. While this approach has been effective at easing cost

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<sup>29</sup> Australian Automobile Association, 2022, Transport Affordability, accessed at <https://data.aaa.asn.au/transport-affordability/>

of living pressures for some, the majority of benefits have gone to higher income households who were less affected by the pressures in the first place.<sup>30</sup>

Some examples of this include commitments in the most recent October Federal Budget to increase childcare subsidies as well as paid parental leave. While these measures did ease cost of living pressures, this was felt most by middle- and high-income earners. Modelling shows that these measures led to no significant amount of additional money for households in the bottom two income quintiles.<sup>30</sup>

This trend is seen in other policy responses including reducing the Pharmaceutical Benefits Scheme co-payment for non-concessional patients from \$42.50 to \$30 at the start of this year. There is no questioning that this will have a direct impact on easing the cost of living for those using the PBS at the non-concessional rate.

But at the same time this rate was reduced, the concessional rate increased from \$6.80 to \$7.30 in line with CPI. This means that once again those most impacted by cost-of-living pressures see none of the benefits of the Government's policy response.

In order to meaningfully address the cost-of-living challenges faced by all households, any intervention needs to provide consistent relief.

**Recommendation 1: That fiscal policy intended to relieve cost of living pressures provide equitable benefits to all affected by the issue.**

**(c) ways to ease cost of living pressures through the tax and transfer system;**

The tax and transfer system is vital for the survival of many Australians but does not provide them with an acceptable standard of living.

The maximum rate of the Age Pension for a single person is \$1,026.50 a fortnight. This is made up of a \$936.80 basic rate, a \$14.10 Energy Supplement and a \$75.60 Pension Supplement.

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<sup>30</sup> ANU Centre for Social Research and Methods, 2022, Research note: distributional modelling of 2022/2 federal budget

The Pension Supplement is a combination of what once was the GST Supplement, the Pharmaceutical Allowance, the Utilities Allowance and the Telephone Allowance.

On top of this, recipients can apply for Commonwealth Rent Assistance. This has a maximum rate of \$151.60 a fortnight for a single person which brings the total income each fortnight to \$1,178.10.

With this fortnightly income, recipients are expected to pay for all essential costs including housing, energy, communication, transport, groceries and health costs.

According to the Domain Rental Report, the median rent for an apartment in a capital city in Australia was \$500 a week.<sup>31</sup> The median rent for an apartment in a regional area was \$410 a week. It's highly unlikely someone would be able to find housing under this amount with just 17 per cent of rental listings across Australia priced at \$400 a week or under in February 2023.<sup>32</sup>

This means that even the lower regional rent is a significant cost for someone on a social security payment, viz \$820 out of a fortnightly payment. Only \$151.60 is covered by the Commonwealth Rent Assistance, which is clearly inadequate when compared with real housing costs.

Electricity prices vary depending on your location and usage, but according to the AEMC the average Australian electricity bill as of December 2021 was approximately \$1,645 a year.<sup>33</sup> Prices have continued to rise since then, but using this as a conservative estimate, that's \$63.27 a fortnight for electricity, just under a quarter of which is covered by the Energy Supplement.

For communications, a basic phone plan like Telstra's Home Phone Essential plan costs \$27 a month, or around \$13.50 a fortnight. However, this is just for a home phone and for most people a mobile phone or internet connectivity is also essential, which adds further costs.

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<sup>31</sup> Domain, 2022, December 2022 Rental Report, accessed at <https://www.domain.com.au/research/rental-report/december-2022/>

<sup>32</sup> Dellow, K., 2023, Where you can find a rental for less than \$400 a week in our big cities, accessed at [https://www.realestate.com.au/insights/where-you-can-find-a-rental-for-less-than-400-a-week-in-our-big-cities/?sourcePage=rea:insights:post&sourceElement=traffic\\_driver\\_1|slot\\_2](https://www.realestate.com.au/insights/where-you-can-find-a-rental-for-less-than-400-a-week-in-our-big-cities/?sourcePage=rea:insights:post&sourceElement=traffic_driver_1|slot_2)

<sup>33</sup> AEMC, 2021, Residential Electricity Price Trends 2021, Final report

So after paying for housing, electricity and a home phone, a single Age Pensioner who is renting privately is left with just \$281.33 each fortnight to pay all other costs including groceries, medication and transport.

Even if they were able to cover all these essentials, it is definitely not enough to accumulate any savings to cover larger one-off costs for replacing an appliance or having home repairs done.

The maximum single rate of the JobSeeker Payment is just \$668.40 a fortnight. At almost \$300 less than the Age Pension each fortnight this makes covering essential items even more difficult.

The last pension review by the Australian Government was completed in 2009 and found that the pension rate didn't accurately reflect the cost of living for pensioners, especially those who don't own their own home, and that indexation didn't accurately respond to price changes.<sup>34</sup> After this the single rate of the Age Pension was increased but since then there has been no real increase to the Age Pension or change to how often indexation occurs.

It was made clear during the COVID-19 pandemic that extra financial assistance significantly helped those on the lowest incomes to keep up with the cost of living. With the introduction of the Coronavirus Supplement and the JobKeeper Payment, the number of income support recipients in severe financial stress was reduced from 23 per cent to 18 per cent.<sup>35</sup> The number who regularly struggled to pay for household bills fell from 15 per cent to 9 per cent.

The Age Pension hasn't been reviewed for 14 years and a review of the JobSeeker Payment is long overdue. These reviews should happen more regularly to ensure that the payments are adequate and are keeping up with cost-of-living increases.

This review should also examine how effective current indexation is at keeping up with cost-of-living increases. At the moment indexation occurs every six months meaning that just before indexation occurs, payment recipients are covering almost nine months of cost-of-living increases.

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<sup>34</sup> Harmer, J., 2009, Pension review report, accessed at

[https://www.dss.gov.au/sites/default/files/documents/05\\_2012/pensionreviewreport.pdf](https://www.dss.gov.au/sites/default/files/documents/05_2012/pensionreviewreport.pdf)

<sup>35</sup> Davidson, P., 2022, A tale of two pandemics: COVID, inequality and poverty in 2020 and 2021

[https://povertyandinequality.acoss.org.au/wp-content/uploads/2022/03/Build-back-fairer-report-3\\_FINAL.pdf](https://povertyandinequality.acoss.org.au/wp-content/uploads/2022/03/Build-back-fairer-report-3_FINAL.pdf)

Over the 12 months to September 2022, pension payments lost 1.8 per cent purchasing power, or \$457.25 per annum. For JobSeeker Payment recipients the loss of purchasing power was 2 per cent or \$297.66. This is a significant amount of money for anyone on a low income.

If indexation were to occur quarterly, the loss of purchasing power would be significantly reduced and payments would be better equipped to deal with growing inflation.

It is also clear from this exercise that Commonwealth Rent Assistance is inadequate at effectively assisting people to pay for their housing costs. The current amount received does not even cover one-fifth of the median rental price for an apartment in a regional area.

The 30/40 rule is commonly used in reference to housing affordability. It states that anyone with an income in the bottom 40 per cent of the population is in 'housing stress' if they are paying more than 30 per cent of their income on housing costs. If they were living in public or community housing, the rent would generally be set somewhere between 25 and 30 per cent of their income.

As of June 2021, there were 163,500 households waiting for social housing across Australia.<sup>36</sup> These households are eligible and in desperate need of housing but are forced to continue renting in the private market solely because there are not enough social housing dwellings. These households should not be financially disadvantaged because of this shortfall.

The rate of Commonwealth Rent Assistance should be increased so that people renting in the private market are not living in housing stress..

**Recommendation 2: That the adequacy of income support payments be regularly independently reviewed and that rates be raised in accordance with the recommendations of the independent review committee.**

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<sup>36</sup> Australian Institute of Health and Welfare, 2022, Housing assistance in Australia: web report, accessed at <https://www.aihw.gov.au/getmedia/99cecfe0-c493-4fbd-bbc3-953f526852b7/Housing-Assistance-in-Australia.pdf.aspx?inline=true>

**Recommendation 3: That the indexation of income support payments occur more frequently, especially in times of high inflation, to ensure that payments keep up with cost-of-living increases.**

**Recommendation 4: That the rate of Commonwealth Rent Assistance be increased to reflect real housing costs of those receiving income support payments and to ensure that they are paying no more than 30 per cent of their income on rent.**

**(d) measures to ease the cost of living through the provision of Government services;**

Government services must be provided in a way that ensures they are accessible to everyone, regardless of their income, and that those most in need aren't disadvantaged.

The provision of public and community housing is vital and has a significant role in decreasing the cost of living for many people. While the management of these services is a state issue, the Australian Government plays a significant role as a funder.

As of June 2021, there were 163,500 households on the waiting list for social housing across all of Australia.<sup>37</sup> However, this only accounts for the households who have applied for assistance. It is likely that many more households know they could be left waiting for over ten years and don't bother applying or are struggling to afford rent but don't meet the eligibility criteria.

Estimates by the Parliamentary Library are that there is a shortage of 524,200 social housing dwellings across the country and this is set to increase to 670,600 by 2032.<sup>38</sup> A 2018 report found that, to stop the problem becoming any worse, Australia would need to build 15,000 new social housing dwellings a year, much higher than the current construction rate of around 3,000 a year.<sup>39</sup>

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<sup>37</sup> Australian Institute of Health and Welfare, 2022, Housing assistance in Australia: web report, accessed at <https://www.aihw.gov.au/getmedia/99cecfe0-c493-4fbd-bbc3-953f526852b7/Housing-Assistance-in-Australia.pdf.aspx?inline=true>

<sup>38</sup> The Australian Greens, 2022, Labor's plan will only meet 3% of social housing need, accessed at <https://greens.org.au/news/media-release/labors-plan-will-only-meet-3-social-housing-need>

<sup>39</sup> Australian Housing and Urban Research Institute, 2018, Social housing as infrastructure: and investment pathway



This is only to prevent the problem worsening not to address the existing issue. In order to do this, organisations such as the Australian Council of Social Services have urged the Australian Government to commit to building 25,000 social and affordable dwellings each year.<sup>40</sup>

Even if investment in social housing were to be increased, more needs to be done to offer immediate support to those renting in the private market.

Alongside increasing Commonwealth Rent Assistance, improvements should be made to protections for tenants in the private market. The protections covering tenants change between states but in general are very weak. There are restrictions on how often rent can be increased, generally every six to twelve months, and a requirement for at least 60 days notice before an increase.<sup>41</sup> However there's no limit on how much rent can be increased either within or between tenancies. A tenant can argue that a rent increase is unreasonable, but they are responsible for proving this and appealing to the Tribunal.

Protections need to be increased so that the burden is on landlords to comply with regulations rather than on tenants to self-advocate and argue any changes.

Government services are also vital to ensure health and wellbeing. Public healthcare is available through Medicare, but as previously mentioned it is becoming harder to access affordable health care. Bulk billing rates continue to decline leaving many to pay out of pocket or to delay getting health care until their problems worsen.

48 per cent of GPs reported that their practice was not financially sustainable, which is one reason that more are turning to mixed or private billing models.<sup>42</sup> If Medicare rebates were increased, practices would receive more funds while still able to offer bulkbilling, improving both the sustainability of the practice and the accessibility of primary care for the patient.

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<sup>40</sup> ACOSS, Ensuring everyone has a safe and stable home, accessed at <https://www.acoss.org.au/election-2022/election-social-housing/#:~:text=A%2025%2C000%20dwelling%20per%20year,increased%20to%20ease%20housing%20stress>

<sup>41</sup> Better Renting, 2022, Rent regulation around Australia, accessed at [https://www.betterrenting.org.au/rent\\_regulation\\_around\\_australia](https://www.betterrenting.org.au/rent_regulation_around_australia)

<sup>42</sup> RACGP, 2022, General Practice Health of the Nation 2022, accessed at [Health-of-the-Nation.pdf.aspx\(racgp.org.au\)](Health-of-the-Nation.pdf.aspx(racgp.org.au))

By improving access to primary care, the whole health system is improved with less people presenting to emergency departments and overwhelming hospitals.

Public dental care is managed by states and territories, but funding is provided by the Australian Government.

Of the \$9.5 billion spent on dental services in Australia in 2019-20 just \$2 billion was contributed by Governments, a significant amount of which is through private health insurance rebates.<sup>43</sup> Individuals contributed the most funds with \$5.5 billion and the remaining \$2 billion came from health insurance funds.

Under the Public Dental Services for Adults Agreement, the Australian Government provides \$107.75 million to State and Territory Governments to provide services.

However, with this level of funding waiting lists have blown out to huge numbers. In NSW there are 55,929 adults waiting for treatment and a further 25,473 waiting to be assessed.<sup>44</sup> In Queensland the total number of people waiting for public dental care exceeds 135,000.<sup>45</sup>

There is also a huge workforce shortage with just 836 of the nation's 16,000 dentists working at public clinics.<sup>46</sup>

Clearly, public dental care needs more investment to ensure it has the capacity to treat all those that need it. Otherwise, people will be forced to choose between paying excessive out-of-pocket fees for care and waiting until their condition worsens to reach the top of waiting lists.

**Recommendation 5: That sufficient social housing be built to meet the housing needs of low-income earners who are on social housing waiting lists.**

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<sup>43</sup> AIHW, 2022, Oral health and dental care in Australia, accessed at <https://www.aihw.gov.au/reports/dental-oral-health/oral-health-and-dental-care-in-australia/contents/costs>

<sup>44</sup> NSW Health, 2023, NSW public dental waiting lists by priority code, accessed at <https://www.health.nsw.gov.au/oralhealth/Pages/dental-pohp-waitlist.aspx>

<sup>45</sup> Queensland Government, 2023, January 2023 Public dental waiting list, accessed at <https://www.data.qld.gov.au/dataset/6a075b8c-eaf6-4003-a50e-6b63b1a657bc/resource/fce00e2a-6b7d-4f05-b58e-07a1535e5949/download/2023-jan-oral-health.xlsx>

<sup>46</sup> AIHW, 2022, Oral health and dental care in Australia, accessed at <https://www.aihw.gov.au/reports/dental-oral-health/oral-health-and-dental-care-in-australia/contents/dental-workforce>

**Recommendation 6: That protections be increased for tenants in the private rental market, including the prevention of excessive rent increases; and placing the onus on landlords rather than on tenants to prove that an increase in rent isn't excessive.**

**Recommendation 7: That changes to Medicare be made to ensure that bulk billing is accessible and fee free health care is available to everyone.**

**Recommendation 8: That the Australian Government provides adequate funding for public dental care to ensure that all eligible patients receive timely treatment.**