

Leaders focus on rental crisis

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Political correspondent

The federal government is considering ways to ease pain from sharply rising house rents as the cost of leasing a home emerges as a dangerous political issue over the next six months.

Prime Minister John Howard and Opposition Leader Kevin Rudd both declared their concern at rising rents yesterday as part of a series of skirmishes in Perth to rally support in marginal seats, just as a poll confirmed Labor's clear lead over the government.

But while Mr Howard said he was considering ways to address the rental crisis, Mr Rudd sought to shift the focus onto family budgets in general and related issues such as child care.

The Reserve Bank of Australia warned last week that renters could suffer from "significantly larger rent increases" that were yet to be passed on as a result of vacancy rates that are lower than at any time since the 1980s.

The national vacancy rate stands at 1.8 per cent compared with an average of 2.9 per cent over the past 25 years. Perth is feeling the impact in particular because its vacancy rate, also 1.8 per cent, is half its 25-year average.

"I am conscious that rents have got up, in different parts of the country,"



Rental accommodation availability is at its lowest since the 1980s. Photo: LOUIE DOUVIS

Mr Howard said yesterday. "I am aware of that, and I know there is some additional pressure because of the very strong economic conditions.

"Other people have put views to me about rental assistance... we are considering those things, I am not going to say any more."

Mr Rudd said the strain on family budgets from costs such as child care was something that "worries me greatly" but he cautioned that

there was "no silver bullet" to fix it. "We've got to begin, but recognising there is a problem and housing affordability for young families, working families and also, as you said, for singles, is a real challenge."

Mr Rudd used a lightning visit to Perth to rally Labor's forces at a breakfast meeting with candidates chosen on Monday night to run in some of the city's most marginal seats.

In what is becoming a trademark

KEY POINTS

- The national rental vacancy rate stands at 1.8 per cent.
- This compares with an average rate of 2.9 per cent over the past 25 years.

move, he also took advantage of an appearance with a state Labor figure — in this case Water Resources Minister John Kobelke — to attack the coalition on the related issues of water and federal-state relations.

Mr Rudd played down Newspoll results showing that Labor held a strong lead of 54 per cent over the coalition's 46 per cent in the two-party preferred vote, a dramatic reversal of the result in the 2004 election.

Mr Rudd was preferred prime minister over Mr Howard by 47 per cent to 37 per cent.

"My view is that the Australian people are checking the tyres, looking underneath the bonnet at the moment, seeing what's there and they'll make up their mind over the course of the next six months or so," Mr Rudd said.

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