

Legislative Council

Legal and Social Issues Committee

Parliament of Victoria

By Email: rentalandhousinginquiry@parliament.vic.gov.au

Dear Legal and Social Issues Committee

RE: Inquiry into the Rental and Housing Affordability Crisis in Victoria

Thank you for the opportunity to provide a submission in relation to the Inquiry into the Rental and Housing Affordability Crisis in Victoria.

About the Federation

The Federation is the peak body for Victoria's 47 Community Legal Centres. Our members are at the forefront of helping those facing economic, cultural or social disadvantage and whose life circumstances are severely affected by their legal problem.

For 50 years Community Legal Centres have been part of a powerful movement for social change, reshaping how people access justice, creating stronger more equitable laws, and more accountable government and democracy. We want a community that is fair, inclusive and thriving: where every person belongs and can learn, grow, heal, participate and be heard.

Introduction

As noted in Tenants Victoria's submission to this Inquiry, 30 per cent of Victorian households rent their home, with nearly 90 per cent of all tenants renting in the competitive private rental market.¹ Housing is becoming increasingly unaffordable, meaning many Victorians will rent for longer periods.

Noting the significant imbalance of power between renters and rental providers, it is imperative that the rights of renters are protected, particularly where marginalised and disadvantaged tenants face homelessness due to unfair regulation, delays at the Victorian Civil and Administrative Tribunal (VCAT), low housing stock and high rents.

We support the submissions made to this Inquiry by Tenants Victoria, Justice Connect, the University of Melbourne Student Union Legal Service (UMSU) and the Victorian Council of Social Services (VCOSS).

We would like to highlight the following recommendations:

¹ Region Summary: Victoria, *Australian Bureau of Statistics*.

1. Fairness formula for rent increases

Tenants Victoria has seen an influx of tenants seeking assistance based on exorbitant rent increases from \$50–\$500, pushing low to middle income renters into accepting high rents or facing homelessness if they cannot pay the higher amount.

While landlords can only increase the rent once per year, there is currently no cap or formula in the *Residential Tenancies Act 1997* (RTA) to ensure that rent increases are fair. The tenant currently bears the burden of challenging a high rent increase by taking the matter to the Victorian Civil and Administrative Tribunal (VCAT). This burden exacerbates the existing power imbalance between landlords and tenants.

We strongly support the call to introduce legislation to provide a fairness formula for rent increases.

2. More social housing

Disappointingly, Australia has one of the smallest allocations of social housing stock among comparable nations. Social housing is an essential public function to protect vulnerable Victorians from becoming homeless.

We appreciate this Government's commitment to the Big Housing Build. However, increased and sustained investment in social housing is needed. We strongly support the call to build 6,000 new properties each year over 10 years.²

3. VCAT reforms

We must have a strong and efficient regulatory system to ensure the rights of renters are protected. In particular, renters must have access to an efficient and effective dispute-resolution mechanism.

We note the suite of reforms to VCAT processes recommended by Justice Connect, Tenants Victoria, UMSU and VCOSS, and the concerns raised in relation to the significant delays and pressures faced by renters seeking to have their dispute resolved.

A key recommendation in relation to VCAT reforms is the implementation of a process for internal review to improve accountability in decision making. We support this recommendation.

Wait times can also be reduced by ensuring VCAT is appropriately resourced, processes are thoroughly reviewed, and by introducing mandatory listing time frames for all matters so that parties are not waiting for extended periods of time to have their dispute heard.

As recommended by Tenants Victoria, we strongly support greater training for VCAT members in relation to family violence to prioritise and ensure the safety of victim-survivors.

4. Training for real estate agents

Far too often, renters are subject to misleading or unlawful conduct by real estate agents and property managers, placing them in extremely stressful situations and positions of disadvantage.

² Housing Peaks Alliance, *Make Social Housing Work: A Framework for Victoria's Public and Community Housing 2020-2030*.

These professionals must be aware of their obligations under the RTA, and have a clear understanding of tenancy rights and the processes they are required to follow in relation to any change to a tenancy.

It is essential that real estate agents and property managers understand the provisions of the RTA to perform their role lawfully and properly. We strongly support the call of Tenants Victoria to mandate RTA training for real estate agents and property managers.

We also support VCOSS' recommendation that real estate agents undertake tailored training for identifying and responding to family violence risks, responding to circumstances involving financial hardship, preventing discrimination, and communicating with cultural awareness and safety.

5. Recognising adequate housing as a human right

Having access to a safe, secure and affordable home is an internationally recognised human right³ and is inextricably linked to other fundamental human rights. Yet housing is not currently listed in the *Victorian Charter of Human Rights and Responsibilities* (Charter).

We strongly support the call of Tenants Victoria to enshrine the right to adequate housing in the Charter. To provide housing that is 'adequate', we further support the recommendations made by Tenants Victoria that the RTA includes new set of minimum standards to ensure tenants are not subject to harmful conditions like extreme heat or cold, mould and damp.

Enshrining the right to housing is of particular importance in the context of climate change and disasters. Climate change is having a significant impact on housing justice in Victoria. This is due to the increase of extreme weather events, the increased cost of housing, the lack of climate resilient housing stock, increased displacement due to climate change impacts all compounding economic pressures and housing inequities.

While the *Victorian Adaptation Plan 2022-2026* provides actionable goals to ensure social housing is retrofitted or newly constructed to ensure climate resilience, there is no explicit obligation to provide housing for those displaced due to extreme weather events such as floods or bushfires. There is need for a coherent and responsive housing policy to be embedded in both adaptation planning and disaster recovery frameworks.

6. Resourcing for the tenancy support sector

We stand with VCOSS, Justice Connect and Tenants Victoria in calling for more resourcing for specialist tenancy services to ensure that renters can access the services they need to understand and enforce their rights. This must include greater investment in early intervention measures to prevent homelessness.

³ See for example, Article 25, United Nations Universal Declaration of Human Rights and Article 11.1 of the International Covenant on Economic, Social and Cultural Rights. See also Australian Human Rights Commission Paper - Homelessness is a Human Rights Issue (2008).

We would like to highlight the role of Community Legal Centres in advocating for the rights of tenants. Community Legal Centres are well placed to deliver holistic and wrap-around tenancy support services to vulnerable renters in a trauma-informed and culturally safe way.

We note that any new government commitment to social housing would also benefit from a correlating investment in localised community legal support to ensure renters have the information and representation they need in relation to their tenancy issues.

7. Regulating short-stay accommodation

The growth in short-stay accommodation is significant and adversely impacting the availability of affordable rentals. Greater regulation in relation to existing housing stock would help alleviate the pressures faced by renters.

We support:

- the introduction of regulation of short-stay accommodation such as Airbnbs to reduce its negative impact on the rental market by reducing the much-needed supply of long-term rental homes; and
- improved regulation of vacant properties.

Impact on students

We would like to acknowledge the specific impacts of the rental crisis on students as raised by UMSU and Tenants Victoria.

UMSU has highlighted worsening trends for international students regarding lack of supply of accommodation, accommodation affordability, and rent increases. This crisis is disproportionately affecting students who may additionally face the burden of discrimination in accessing housing, including students with a disability who are seeking accessible housing, Aboriginal and Torres Strait Islander students, and LGBTQIA+ students.

Repeal section 21 of the RTA

We stand with UMSU and Tenants Victoria in calling for section 21 of the RTA to be repealed. Currently, the practical operation of this section means that student accommodation is exempt from the application of the RTA.

This means that many students renting university owned or affiliated accommodation are not afforded the same protections as private renters.

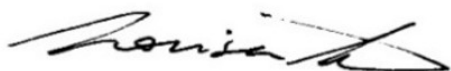
Students must have the same rights and avenues for dispute resolution as private renters. Repealing section 21 would mean that students' tenancy rights are protected by the RTA, including to access VCAT's dispute resolution.

Consumer Affairs Victoria reforms

We further support the calls of UMSU and Tenants Victoria to strengthen the capacity of Consumer Affairs Victoria to monitor and enforce the RTA. This is essential to ensure that landlords comply with the law and know that they will be penalised for contraventions, in turn providing greater protection to renters who are marginalised, including international students.

We would welcome the opportunity to discuss this further or provide any additional information.

Yours sincerely,



Louisa Gibbs
Chief Executive Officer