



Government
Services

Inquiry into Rental and Housing Affordability

Victorian Government Submission

August 2023

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1. Introduction

The Victorian Government acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land and acknowledges and pays respect to their Elders past and present.

The Victorian Government welcomes the opportunity to make a submission to the Legislative Council Legal and Social Issues Committee "Inquiry into the Rental and Housing Affordability Crisis in Victoria" (Inquiry). This submission has been prepared in consultation with key Victorian Government departments and the Commissioner for Residential Tenancies in Victoria.

The submission addresses the focal areas of the Inquiry, as outlined in the Terms of Reference. In particular, the submission considers:

- **Housing and rental accommodation in Victoria.**
The housing sector in Victoria incorporates a range of tenure types including homelessness services, social housing, private rental, affordable housing and homeownership.
- **The Victorian Government's role in regulating the rental market.**
Highlighting recent and current work underway to provide access to safer, fairer housing.
- **Increasing the supply of social and affordable housing.**
The Victorian Government's commitment to supporting Victorians experiencing disadvantage and/or vulnerability to access secure and affordable housing.
- **Initiatives to support home ownership.**
Outlines how the Victorian Government is and will continue to foster a more equitable and streamlined process for aspiring property buyers, providing easier access to homeownership opportunities for all Victorians.
- **Short-stay rentals**
On 1 February 2019, the Victorian Government introduced laws responding to a range of concerns about excessive noise, health and safety hazards and property damage linked to unruly short-stay guests in buildings managed by owners corporations.

2. Housing and rental accommodation in Victoria

2.1 The housing continuum

The housing system in Victoria covers a continuum of housing tenures which are linked and inter-dependant: pressures on supply and demand in one part of the system, impacts another. The Victorian Government has developed regulatory settings appropriate for each type of tenure, as set out in section 3 of the submission.

The Victorian Government knows there's no more important issue anywhere in the state right now than housing – that's why we're working hard on a housing package and will have more to say in due course.

2.2 Housing tenures

This section describes the variety of housing tenures on the Victorian housing continuum. The Victorian Government has developed regulatory settings appropriate for each tenure type, as set out in section 3 of the submission.

2.2.1 Private rental

The Victorian Government regulates the standards and conditions in the private rental market, and funds rental assistance and tenancy support programs. The *Residential Tenancies Act 1997* (RT Act) is the main source of consumer protection for renters in Victoria, while also detailing the obligations for residential rental providers (rental providers) and property managers.

Private rental housing covers a range of accommodation sub-types including houses, apartments, caravan parks, rooming houses, specialist disability accommodation and Part 4A parks in which moveable dwellings are located on a rented site in a park, leased from the park owner/operator.

2.3.2 Homelessness services and crisis accommodation

Homelessness services and crisis accommodation provide a range of specialist services and temporary housing for people at risk of, or experiencing, homelessness.

More than 100,000 people presented to homelessness services in Victoria in 2021-2022. Homelessness in Victoria is driven by a complex interplay of factors such as increasing housing costs, lack of affordable housing, low income and family violence.

The three most common reasons for seeking homelessness assistance in Victoria are financial difficulties, family violence and needing housing¹.

¹ Specialist homelessness services 2021-22 Victoria ([HOU331_Factsheet_Vic.pdf.aspx \(aihw.gov.au\)](https://www.aihw.gov.au/hou331/Factsheet_Vic.pdf.aspx))

2.3.3 Social housing

Social housing assists people who have difficulty accessing private rental accommodation or owning their own property. By capping rents relative to income, the cost of social housing makes it easier for people to meet everyday living expenses and essential needs. Social housing is an important part of the housing system as it can be a pathway out of homelessness, crisis accommodation or insecure accommodation.

Social housing includes:

- Public housing, which is owned by the Victorian government and managed by Homes Victoria. The government provides public housing to eligible Victorians including people who are unemployed, on low incomes, live with a disability or a mental illness, or who are at risk of homelessness.
- Community housing is owned and/or managed by not-for-profit community housing providers. The community housing sector partners with government to deliver housing to Victorians who need support. Community housing providers may also provide specialist tenancy services to support vulnerable residents, to connect them with appropriate support services to help improve their life circumstances.

The Victorian Housing Register (VHR) is where Victorians can apply for social housing in Victoria. This means they can apply for both public and community housing at the same time. Applicants who meet the eligibility criteria for social housing are placed on the VHR according to their housing need. The VHR consists of two application types:

- Priority access: for people most in need of housing, and
- Register of interest: for people who do not have an urgent housing need but are seeking to live in social housing.

In Victoria there are around 86,887 social housing dwellings². There is a large gap between current demand and supply for social housing. Figures from the VHR for March 2023 show there were 67,985³ applications for social housing. Between March 2022 and March 2023, the total number of applications on the VHR increased by 3,681 or six per cent.

2.3.4 Tailored housing responses

Supported accommodation is a type of housing that provides higher level care and support for people with particular needs, including:

- Supported accommodation that is in the community, for people with a disability.
- Aged care homes for older people who can no longer live independently at home.

² Department of Families, Fairness and Housing Annual Report 2021-22 (dffh.vic.gov.au) page 49

³ Applications on the Victorian Housing Register (www.homes.vic.gov.au/applications-victorian-housing-register-vhr)

2.3.5 Affordable housing

Affordable housing is defined in the *Planning and Environment Act 1987* to include housing suitable for a range of very low to moderate income households⁴. Affordable housing is priced (whether purchased or rented) so these households can meet essential living costs⁵. Income thresholds are updated each year to reflect median household income in Australian Bureau of Statistics (ABS) data.

The Victorian Government's new Affordable Housing Rental Scheme is one type of affordable housing product.

2.3.6 Ownership

Homeownership rates have declined over time, especially among younger households^{6,7}. Factors that may be impacting Victorians' ability to enter homeownership include:

- Increases in house prices relative to incomes⁸
- Rising mortgage costs driven by recent increases to interest rates⁹
- Population growth relative to growth in housing supply^{10,11,12}.

⁴ Planning and Environmental Act 1987 – Sect. 3AA Meaning of affordable housing (austlii.edu.au)

⁵ Housing Act 1983 (legislation.vic.gov.au)

⁶ Analysis of Census data from 1991, 2006 and 2021 showed that home ownership, including homes owned outright or with a mortgage, for those aged between 25–39 years has decreased in each successive generation (www.abs.gov.au/media-centre/media-releases/owning-home-has-decreased-over-successive-generations)

⁷ From 1999–00 to 2019–20, the percentage of Australian households that own their own home with or without a mortgage decreased from 71% to 66% (www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/2019-20)

⁸ Comparing the wage price index with property values for the past two decades shows that nominal dwelling value growth has vastly outstripped the total change in wages and salaries (www.corelogic.com.au/news-research/news/archive/how-much-has-house-price-growth-outstripped-growth-in-wages).

⁹ www.rba.gov.au/statistics/cash-rate/

¹⁰ The short to medium term is likely to be dominated by a cyclical downturn in new supply, at a time of strong population growth. This is likely to see household formation outpace new supply for several years, with adverse flow on effects for affordability. New household formation is estimated to have been 132,400 in 2021–22, 72,000 higher than envisaged in last year's report owing to the stronger recovery in population growth. (www.nhfc.gov.au/sites/default/files/2023-03/state_of_the_nations_housing_report_2022-23.pdf)

¹¹ Housing demand in Australia is rising quickly because of a surge in net overseas migration. However, housing supply is not lifting in line with demand because of high interest rates and issues in the residential construction industry (www.amp.com.au/insights-hub/blog/investing/econosights-australias-housing-shortage)

¹² In contrast, the expansion in the supply side of the housing market is expected to be fairly modest. It takes a long time for housing supply to respond fully to shifts in population growth – in the previous episode of strong population growth, it took around five years (www.rba.gov.au/speeches/2023/sp-gov-2023-04-05.html).

3. The Victorian Government's role in regulating the rental market

3.1 Victoria's rental laws

The Victorian Government regulates the rental market through the RT Act. Administration of the RT Act is shared across the following Ministerial portfolios:

- Minister for Consumer Affairs
- Minister for Housing
- Minister for Disability Ageing and Carers
- Minister for Planning
- Minister for Environment
- Attorney General

The Minister for Consumer Affairs has primary responsibility for the administration of the RT Act, with the day-to-day administration of the RT Act overseen by Consumer Affairs Victoria (CAV).

3.2 Residential tenancies reforms - strengthening renters' rights

In March 2021, a major package of reforms to the RT Act came into effect which marked the culmination of a four-year broad-based "Fairer, Safer Housing" review. This legislative review provided an opportunity for the Victorian Government to re-cast the regulatory settings for rental housing that had been in place in Victoria since 1997.

The revised RT Act strikes a balance between the rights and obligations of both renters and rental providers, taking into consideration the contemporary legal, economic, and social environment in which the RT Act operates.

Implementation of the reforms has been phased in over a two-year period, to allow rental providers time to make required adjustments to their rental properties to comply with the relevant reforms.

For renters, the reforms have made significant changes to the regulatory regime, strengthening their rights to secure accommodation, and setting reasonable standards for amenities in rental properties.

Key reforms and benefits for renters contained in the RT Act are set out in sections 3.3 – 3.8.

3.3 The Commissioner for Residential Tenancies

In response to a recommendation of the Fairer, Safer Housing review, the Victorian Government created the office of the Commissioner for Residential Tenancies (Commissioner) in 2018. The Commissioner's role is to provide independent advice to the Victorian Government to help make renting fairer, to champion the rights of Victorian renters, with a focus on renter experiences in the private rental sector. The Commissioner helps identify systemic issues with rental laws and practices that could inform future policy, regulatory responses, education programs, resources, and improved dispute resolution services.

Each year the Commissioner publishes an annual summary of systemic issues and a statistical snapshot of the characteristics and trends in the Victorian private rental sector.

In addition to providing ongoing advice to renters, the Commissioner has undertaken several investigative projects including:

- Examination of overcrowding in high rise buildings including the development of a voluntary protocol for assisting renters affected by critical incidents in apartment buildings.
- A joint project with Aboriginal Housing Victoria and others to identify and report on discrimination against Aboriginal Victorians in the private rental market.
- A joint project with community services stakeholders to identify and report on current systemic issues in the Victorian rooming houses sector.
- A collaboration with the Housing Registrar and the Community Housing Industry Association Victoria to examine and improve rent setting policies for community housing residents.
- A joint roundtable with Housing for the Aged Action Group to record the lived experience of residents in residential (or manufactured home) parks.

To facilitate ongoing stakeholder engagement, the Commissioner has an online form that enables renters to write in about their experience of renting, in their own words, and has two standing advisory committees:

- Renters Advisory Group currently comprising a diverse mix of renters from across the residential tenancies spectrum.
- Stakeholder Reference Group comprising stakeholders from industry and community services organisations that deliver residential tenancies services and rental housing.

3.4 Starting a rental agreement

3.4.1 Fixed price advertisements and a ban on inviting rental bids

Rental providers and estate agents can only advertise or offer rental properties at a fixed price, meaning a property is not able to be advertised with a price range. However, a property can be advertised without any reference to price.

It is unlawful for rental providers and estate agents to invite or solicit rental bids.

3.4.2 False, misleading or deceptive representations

A rental provider or their agent is prohibited from encouraging someone to enter into a rental agreement by making false or misleading representations, or through misleading or deceptive conduct.

3.4.3 Use of information in a rental application

A rental provider or their agent can only use personal information disclosed in a rental application to assess the applicant's suitability as a renter, or to comply with the RT Act.

3.4.4 Inappropriate rental application questions

A rental provider or their agent cannot ask a prospective renter for the following information as part of a rental application:

- Whether an applicant has taken legal action or had a dispute with another rental provider.
- Their bond history, including whether a rental provider has previously made a claim on their bond.
- A bank statement with daily transactions – an applicant may need to provide a statement but can delete transactions that they wish to keep private.
- If a rental provider asks an applicant about personal protected attributes outlined in the *Equal Opportunity Act 2010* (for example ethnicity, gender identity, disability), they must provide the applicant, in writing, with the reason they are asking for that information.
- A rental provider or their agent must not refuse to let rented premises to a person based on an attribute set out in section 6 of the *Equal Opportunity Act* including:
 - Age
 - Employment activity
 - Disability
 - Gender identity
 - Marital status
 - Race
 - Pregnancy
 - Sexual orientation

3.4.5 Pre-contractual disclosure

Before entering into a rental agreement, the rental provider must disclose certain information about the property to the renter, such as:

- Whether the property is on the market for sale or is being repossessed.
- Whether, to the best of the rental provider's knowledge, the property has asbestos in it.

3.4.6 Prohibited terms

Rental agreements can include additional conditions if the renter or rental provider requests them and they do not conflict with the requirements of the RT Act or regulations made under the Act. There are some conditions that are not permitted in rental agreements. Renters cannot be required to:

- Take out any form of insurance.
- Pay additional rent or penalties if they break the rules in the agreement.
- Pay for the rental provider or agent to prepare the rental agreement.
- Pay rent in a way that incurs additional costs (other than bank fees or account fees payable on the renter's bank account).
- Use the services of a third-party service provider¹³ nominated by the rental provider other than an embedded network. The RT Act defines an embedded

¹³ Third party platforms, are being used by some rental providers/estate agents as a means to receive and assess applications from prospective renters. The RT Act does not currently prohibit or regulate this practice, other than requiring

electricity network as a privately owned electricity network that serves more than one customer, and which connects to a distribution or transmission system in the national grid through a parent connection. Embedded networks are most commonly found in apartment buildings.

- Pay for, or organise, maintenance of safety equipment that is the rental provider's responsibility.
- Indemnify the rental provider.

3.4.7 Maximum bond amount and rent in advance

Rental providers and agents can ask for a maximum of one month's rent as a bond and one month's rent in advance, unless:

- Rent is paid weekly, in which case 14 days' rent in advance can be requested.
- Where the weekly rent is more than \$900, in which case there are no limits on rent in advance up to the full value of the rental agreement.

3.4.8 Where and how rent is to be paid

Any method for paying rent can be specified under a rental agreement, but the rental provider must offer at least one reasonably available fee-free method of payment. Rental providers must also disclose any costs that may be incurred by the nominated payment method prior to the renter entering the agreement. Rental providers must also permit rent payments via Centrepay.

3.5 During a rental agreement

3.5.1 Rental provider must provide a free set of keys for each renter

It is the rental provider's obligation to provide each renter named on the rental agreement with a free set of keys or security device. Rental providers can only charge a reasonable fee for additional or replacement keys or devices.

3.5.2 Pets in rental properties

Renters can keep pets at a rental property with the written consent of the rental provider. Although a renter must seek the rental provider's consent to keep a pet, the rental provider cannot unreasonably refuse consent. If a rental provider wants to refuse a renter's request to keep a pet, they must apply to the Victorian Civil and Administrative Tribunal (VCAT).

VCAT can order:

- The rental provider's refusal is reasonable and the pet is excluded from the property.
- The renter can keep the pet on the rental property.

that a rental provider or their agent must not provide a person with an application form to apply to enter into a residential rental agreement unless that form contains the prescribed information (s19C). The prescribed information is in Form 3 in Schedule 1 to the Residential Tenancies Regulations 2021 and it is a statement of information for rental applicants on their rights in respect of discrimination when applying for or during the course of a rental agreement.

3.5.3 New process for repeated late or non-payment of rent

When a renter pays back overdue rent within 14 days, any notice to vacate issued by the rental provider for that overdue rent is invalidated. This applies for the first four times a renter is in arrears for more than 14 days in a 12-month period. However, if the renter fails to pay rent as required on a fifth occasion in the same 12-month period, the rental provider may give a notice to vacate to the renter and apply to VCAT for a possession order. VCAT may adjourn the possession application and place the renter on a payment plan to meet the outstanding arrears.

3.5.4 Changes to the frequency of rent increases

For fixed term rental agreements greater than 12 months, the terms of the rental agreement may permit a rent increase during the agreement. This can only occur where the rental agreement specifies the amount or method that will be used to calculate rent increase. For fixed-term rental agreements of 12 months or less, rent increases can only occur once every 12 months.

Rooming house operators, caravan and residential park site owners cannot increase rent more than once every 12 months under any type of rental agreement.

3.5.5 Changes to rights of entry to a property by the rental provider

The RT Act now requires rental providers to comply with more detailed requirements for rights of entry including:

- Extended notice period for some grounds of entry.
- Right of entry restrictions for renters protected under personal safety and family violence legislation.
- Length and frequency of entry.

3.5.6 Rental property must be kept in good repair and reasonably fit for occupation

Rental providers must ensure the rental property is provided and maintained in good repair and is in a reasonably fit and suitable condition for occupation. This applies regardless of the amount of rent paid or the property's age and character.

3.5.7 Condition report requirements

The rental provider, or their agent, is responsible for preparing the condition report for a rental property. They must sign it and give copies to the renter before they move in. A condition report is required regardless of whether a bond is taken. The condition report must be completed at the start and at the end of a rental agreement.

3.5.8 Rental minimum standards

Rental providers must make sure a property meets the rental minimum standards on or before the day a renter occupies the property. Rental minimum standards apply to door locks, ventilation, vermin proof bins, toilets, bathroom, kitchen and laundry facilities, structural soundness, mould and dampness, electrical safety, windows, window coverings, lighting, ventilation and heating.

3.5.9 Rental minimum standards - energy and water efficiency

From 29 March 2023, rental properties except those that are exempt¹⁴, must have a fixed heater in good working order in the main living area that meets a minimum 2-star energy rating.

If a rental provider is replacing water appliances, fittings and fixtures including a shower head or toilet, they must ensure these items have a minimum 3-star WELS rating.

3.5.10 Non-compliance with minimum standards

If a property does not comply with the minimum standards, the renter can terminate the rental agreement before they move in, or they can request an urgent repair to bring the property into compliance with the minimum standards.

3.5.11 Expanded definition for urgent repairs

Urgent repairs now include repairs or replacements relating to air conditioning, safety devices such as smoke alarms and pool fences, and any fault or damage which makes the property unsafe or insecure, including pest infestations, mould and/or damp caused by or related to the building structure.

3.5.12 New rules for renters making modifications to rented property

Renters can make certain modifications to enhance their home without the rental provider's consent. While all modifications made by a renter need to be reversed at the end of the rental agreement (unless otherwise agreed with the rental provider), in most instances renters can install picture hooks (except in exposed brick or concrete walls), non-permanent window film for insulation or privacy, a wireless doorbell, curtains, child safety locks, security systems, shelves or brackets, wall anchors to secure furniture, LED light bulbs and low flow shower heads.

If a renter wants to make any other modification to the rental property, they must ask the rental provider's permission. However, there are numerous modifications for which the rental provider cannot refuse permission unless they have a good reason including changes that:

- Do not penetrate or permanently change surfaces, fixtures or the structure of the property.
- Are needed for health and safety.
- Are reasonable under the and where an occupational therapist or other prescribed practitioner has said they are required – these are disability related modifications.
- Give the renter access to phone, internet or television services.
- Are reasonable security measures.
- Are necessary to ensure the safety of a renter who has been, or is being, subjected to family violence by another party to the rental agreement.

¹⁴ An 'exempt' rental property is where there is an ongoing rental agreement (fixed or periodic) that was entered into or created prior to 29/3/2021. They will remain exempt from compliance with the minimum standards until a new rental agreement is entered into for that property.

- Are needed to make sure the renter is not too hot or cold in the property or are needed to reduce energy and water bills.

3.5.13 Safety-related activities

Renters and rental providers must undertake safety-related activities set out in the standard form rental agreement. These activities include:

- Ensuring gas and electrical safety checks are completed every two years by a suitably licensed or registered practitioner.
- Providing a copy of the most recent safety check, if requested by the renter.
- Ensuring smoke alarms are correctly installed, in working condition and tested according to the manufacturer's instructions, at least once every 12 months.
- Ensure the batteries in each smoke alarm are replaced as required.

3.5.14 Records of gas and electrical safety checks

Rental providers must comply with prescribed requirements for keeping and producing records of gas and electrical safety checks conducted at the property.

3.5.15 Locks for external doors and windows

Rental providers must ensure that external doors are secured with a working deadlatch and each window capable of having a lock has one. There are exceptions, for example if there is a screen door in the same door frame as an external door that has its own deadlatch.

3.5.16 Unsigned rental agreements are enforceable

If a renter has signed a rental agreement and the rental provider has not signed, the agreement will be enforceable where the rental provider (or their agent) has accepted rent or allowed part performance of the agreement by the renter.

3.6 Ending a rental agreement

3.6.1 Limiting the use of 'end of fixed term/no specified reason' notices to vacate

Rental providers can only issue a notice to vacate without having to specify a reason at the end of the first fixed term of a rental agreement. This does not, however, apply to long-term rental agreements of more than five years.

3.6.2 Rental providers must give a valid reason to end a rental agreement

In all other cases, rental providers must give a valid reason to terminate a rental agreement, such as sale, change of use or demolition of the rental property, or that the rental provider is moving back into the rental property. Valid reasons for issuing a notice to vacate are set out in the RT Act.

3.6.3 New options for renters claiming their bond

Renters with their name on the bond can apply to the Residential Tenancies Bond Authority after the agreement ends, without the rental provider's permission, to have all or part of their bond released.

3.6.4 Professional cleaning requirements

A term in a rental agreement can only require professional cleaning if it is needed to return the property to the condition it was in at the start of the rental agreement, taking into account fair wear and tear.

3.6.5 Calculation of compensation for termination of a fixed-term rental agreement

Rental providers can apply to VCAT for compensation if a renter terminates a fixed-term rental agreement before the end date of the agreement. Any amount payable will be determined based on the loss incurred by the rental provider and any hardship suffered by the renter. VCAT must also consider any severe hardship the renter may have suffered, due to an unforeseen change in circumstances, if the agreement had continued.

3.6.6 Fourteen-day notice of intention to vacate without lease break fees

Renters can give 14 days' notice of intention to vacate without paying lease break fees in limited circumstances, including when they need special or personal care, have been given certain notices to vacate, need temporary crisis accommodation or have been accepted into social housing.

3.6.7 Application to VCAT to remove renter or rental provider from database

A renter can apply to VCAT to have their listing on a renter database removed, and a rental provider can apply to VCAT to have a listing on the rental non-compliance register removed.

3.6.8 VCAT to consider reasonableness and proportionality before issuing possession orders

VCAT cannot issue a possession order without first considering whether it is reasonable and proportionate to do so, having regard to the circumstances of the application. In making this decision VCAT must have regard to a range of factors including:

- Whether any other order or course of action is reasonably available.
- The nature, frequency and duration of the conduct of the renter, resident or site tenant.
- Whether the breach is trivial.
- Whether the breach has been remedied as far as is practicable.
- Whether the renter, resident or site tenant has made an application for a family violence safety notice, intervention order, non-local domestic violence order or personal safety intervention order.

3.6.9 VCAT not to make possession orders in certain circumstances

Where an application for a possession order is based on a failure by a renter to comply with an order of VCAT to remedy a breach of duty, VCAT must not make the order if it considers that the failure to comply with the order was trivial or that the breach of duty has been remedied as far as possible, and that the breach was not a repeat breach.

3.6.10 Postponing a warrant of possession

VCAT can issue a warrant of possession in relation to a residency in a rooming house or a caravan park. This warrant can be postponed in certain cases, based on relative hardship grounds and provided there is no unpaid rent or other breach.

3.7 Short-stay reforms

The *Owners Corporations Amendment (Short-stay Accommodation) Act 2018* (the Short-Stay Act) commenced on 1 February 2019 and introduced laws responding to a range of concerns about excessive noise, health and safety hazards and property damage linked to unruly short-stay guests in buildings managed by owners corporations.

The reforms in the Short-Stay Act:

- Empower OCs to issue breach notices for various concerns, including excessive noise, interference with other residents' enjoyment of their units and the common property, health and safety hazards, obstruction of common property, and property damage.
- Empower VCAT to award loss of amenity compensation of up to \$2,000 per breach to affected residents, impose civil penalties of up to \$1,100 on short-stay occupants for breaches of the new requirements, and make orders prohibiting the use of an apartment for short-stay where three or more breaches occurred in a 24-month period.
- Make short-stay accommodation providers jointly and severally liable with short-stay occupants for satisfying any civil penalty and compensation orders, as well as any orders for damages or rectification arising from damage to common property in the apartment building caused by the short-stay occupants.
- Expand the conciliation and mediation powers of the Director CAV to cover all parties that may be involved in a short-stay dispute.

3.8 The role of the Regulator

3.8.1 Guiding consumer rights and obligations

The Director CAV is a statutory role established under section 107 of the *Australian Consumer Law and Fair Trading Act 2012* (ACLFT Act).

The Director CAV has a wide range of functions including:

- Advising persons of their rights and obligations under a range of Consumer Acts listed in Schedule 1 to the ACLFT Act.
- Monitoring compliance with Consumer Acts and any regulations made under those Acts.
- Investigating and prosecuting breaches of a Consumer Act or regulations made under those Acts.

As a market regulator, the role of the Director CAV also involves advising individuals and businesses about their rights and responsibilities as stipulated under a Consumer Act, facilitating informed customer choices and transactions.

3.8.2 Compliance monitoring and enforcement

The Director CAV oversees compliance with Consumer Acts and associated regulations, ensuring adherence to established consumer protection standards. Additionally, the Director CAV is authorised to investigate and prosecute breaches of Consumer Acts and regulations, enforcing ethical consumer practices.

3.8.3 Residential tenancies

The Director CAV has functions under the RT Act, *Rooming House Operators Act 2016* and the *Owners Corporations Act 2006* which are all Consumer Acts.

The Director CAV works to prevent harm to renters and rental providers through a compliance approach that strongly emphasises prevention, voluntary compliance and careful targeting of enforcement action. CAV is a business unit in the Department of Government Services and supports the Director CAV in carrying out these functions.

Section 486 of the RT Act confers a wide range of functions on the Director CAV, which include:

- To publish guidelines and standard form rental agreements.
- To investigate any application made to the Director about excessive rent or hiring charges.
- To investigate complaints by renters that a rental provider is in breach of a duty to maintain the rented premises in good repair.
- If the Director considers it appropriate to do so, investigate and report on any other dispute in relation to a residential rental agreement, any matter arising under the rooming house provisions and, on request, disputes arising under the caravan park or Part 4A park provisions.
- To monitor compliance with the RT Act.

Actions available to Director CAV to address breaches of the RT Act include:

- Education letter.
- Without prejudice discussions.
- Business improvement engagement.
- Compliance monitoring inspection.
- Warning letter.
- Infringement notice.
- Public statement.
- Enforceable undertaking.
- Asset freezing order.
- Disciplinary action.
- Civil proceedings.
- Criminal prosecution.

4. Social and affordable housing

4.1 Homes Victoria Establishment

In November 2020, the Victorian Government announced the establishment of Homes Victoria to deliver on its record \$5.3 billion Big Housing Build investment – which will deliver more than 12,000 social and affordable homes across Victoria¹⁵.

Homes Victoria was established as a reformed and repositioned Director of Housing to:

- Support Victorians who are finding it difficult to secure stable and affordable housing.
- Manage the more than \$35 billion in housing assets that are currently home to more than 112,000 Victorians.
- Renew and substantially expand those assets by ensuring the Big Housing Build is delivered on budget and on time.
- Make sure there is a sustainable housing system that can deliver for generations to come.

4.2 The Big Housing Build

Victoria's \$5.3 billion Big Housing Build is the largest single investment in social and affordable housing by any state or territory government in Australia's history. The investment will deliver more than 12,000 new homes across Victoria, well as supporting around 10,000 jobs per year over the next four years. As of March 2023, more than 7,600 homes were completed or underway. Targets under the Big Housing Build include:

- 10 percent of new homes for Aboriginal Victorians.
- 25 percent of funding allocated to regional Victoria.
- 2,000 homes for Victorians living with mental illness.
- 1,000 homes for victim survivors of family violence.
- A minimum silver rating from Liveable Homes Australia for all new homes - providing high-quality homes that meet a diversity of needs, including for people with disability.

The new homes will meet 7-star energy efficiency standards, making them more comfortable during summer and winter, and saving tenants on their power bills.

4.3 Social Housing Growth Fund (SHGF)

The SHGF was established in 2018. The fund was initially established with seed capital of \$1 billion, invested by the Victorian Funds Management Corporation. Returns from this initial seed capital provide an investment pipeline of new social housing for Victoria. The Big Housing Build committed an additional \$1.38 billion to deliver up to 4,200 homes in partnership with the community housing sector¹⁶.

¹⁵ Victoria's Big Housing Build | Premier of Victoria

¹⁶ Social Housing Growth Fund (www.homes.vic.gov.au/social-housing-growth-fund)

The SHGF is jointly administered by the Treasurer and Minister for Housing and is undertaken via a range of funding rounds that commenced in July 2021 – for housing projects led by community housing providers.

4.4 Affordable Housing Rental Scheme

As part of the Big Housing Build, Homes Victoria is delivering 2,400 affordable rental homes, including at least 500 homes in regional areas¹⁷. These homes will be located close to shops, transport and workplaces.

The Affordable Housing Rental Scheme does not replace social housing or directly compete with the existing private rental market. It is a new approach to deliver the social infrastructure benefits of housing across a wider range of the housing system.

Rent is set at 10 per cent below the market rent in metropolitan Melbourne and at market rent in regional Victoria, with the additional protection of a rent cap at 30 per cent of a median income.

Rents are based on the location and number of bedrooms per home and are fixed by Homes Victoria. This rent setting enables the government to target subsidies to areas where private rentals are not affordable and focus on increasing supply where housing supply is the principal challenge.

4.5 Rental Assistance programs

4.5.1 Private Rental Assistance Program

This program is intended to prevent or end homelessness and housing crises by:

- Rapidly rehousing people capable of sustaining private rental after initial support.
- Supporting at risk households to sustain affordable and appropriate housing in the private rental market.
- Providing financial assistance to obtain or maintain private rental accommodation.
- Assisting people who currently live in crisis, transitional or social housing to become independent in the private rental market.

4.5.2 Aboriginal Private Rental Assistance program

This program is intended to prevent or end housing crises experienced by Aboriginal households, and is delivered by Aboriginal Controlled Community Organisations to:

- Rapidly rehouse people capable of sustaining private rental after some initial support.
- Provide financial assistance to obtain or maintain private rental accommodation.
- Support at risk households to sustain affordable and appropriate housing in the private rental market
- Assist people who currently live in crisis, transitional or social housing to become independent in the private rental market if appropriate and sustainable.

¹⁷ Media Release 1 April 2022 - Affordable Housing Scheme to Ease Rental Crunch_0.pdf (premier.vic.gov.au)

4.6 Tenancy support programs

4.6.1 Tenancy Plus

Provides support to public and community housing renters to address issues which are contributing to the risk of tenancy breakdown and to prevent exit from social housing.

4.7 Building Financial Capacity of Housing Associations (BFCHA) Program

The BFCHA program aims to support the development of new social and affordable housing dwellings through a combination of low interest loans and government guarantees to eligible community housing agencies and not for profit organisations.

5. Initiatives to support homeownership

5.1 Measures introduced by the Victorian Government to support greater homeownership

5.1.1 The Victorian Homebuyer Fund (VHF)

Under the VHF, the Victorian Government provides participating households with a shared equity contribution towards the purchase price of their chosen property in exchange for an equivalent interest in that property. This reduces the time required to save a sufficient deposit, enabling households to purchase their own home sooner. General participants can receive a shared equity contribution of up to 25 per cent towards the purchase of their property, with a minimum deposit requirement of 5 per cent. Aboriginal and Torres Strait Islander participants are eligible for a higher contribution of up to 35 per cent and have a lower minimum deposit requirement of 3.5 per cent.

5.1.2 Tax support for home buyers

First home buyers are exempt from paying stamp duty if they buy a property for \$600,000 or less in Victoria, with concessions available for properties valued up to \$750,000.

The First Home Owner Grant also provides eligible first home buyers \$10,000 to help them purchase a newly constructed home.

6. Looking Forward

The Victorian Government is committed to supporting Victorian renters and home buyers by continuing to address access and affordability in the renting and housing markets.