

## RENTERS' RIGHTS

### The Greens' plan to give renters a fair go

Almost one in three Victorians rent their home. But renters are still too often treated like second class citizens.

After extensive campaigning by the Greens and Victorian renters, the Victorian government introduced important reforms in this term of government to improve renters rights and the condition of rental properties. In Victoria renters can own pets and make modifications such as hanging pictures.

But the power imbalance between renters and estate agents and property managers mean renters are losing out even with the rights they do have. Many landlords and real estate agents are still not complying with the new laws, and renters are unwilling to navigate the expensive and time-consuming VCAT process to enforce their rights. There are still too many substandard properties on the rental market, and renters are struggling to keep their homes warm and cool without racking up huge power bills. And rents are going up and up, and many renters are in housing stress, paying more than 30% of their paycheck in rent.

Rentals are homes, not investment properties. The Greens have a plan to strengthen renters rights and ensure Victoria leads the country in improving the quality of renting.

### THE GREENS' PLAN:

- ▲ **Controlling rent increases in line with the wage price index**
- ▲ **Enforcing renters rights through a new Housing Ombudsman**
- ▲ **New rental standards for energy efficiency and cooling**
- ▲ **Increasing security of tenure**
- ▲ **Privacy protections from real estate agents**

## PAYING FOR OUR PLAN

The Greens will make the big banks, property developers and the gambling industry pay their fair share of tax so we can invest in climate action, affordable housing and public services for all.

Our plans will also be paid for by spending smarter and making our state borrowings work for the community.

## CONTROLLING RENT INCREASES

Almost 30% of Victorians rent their home. But rents are rapidly rising as the cost of living crisis worsens. In the last year in Melbourne, rents have increased 7.5% from June 2021 rates<sup>1</sup> - three to four times the rate of wage growth. And one in three Victorian renters are in housing stress, spending more than 30% of household income on rent.<sup>2</sup>

In cities around the world, rent controls help protect renters from unfair rent hikes. In San Francisco, where the majority of units are rent controlled, rent increases are determined by the San Francisco Rent Board. In 2022 the Board capped rents at 2.3%.<sup>3</sup> In Dublin, rental properties in Rent Pressure Zones have their rental increases capped at 2%, or at the rate of

inflation where it is lower than 2%.<sup>4</sup> And the ACT caps rent increases at the rate of inflation in Canberra rentals plus 10%.<sup>5</sup>

But in Victoria, rent increases are left to the discretion of the landlord and property manager. And if your rent suddenly skyrockets, your options are to complain to Consumer Affairs or go to VCAT to try and get it reduced. Or try and find another rental, which with the record low vacancy rate is almost impossible.

The Greens will introduce limits on how much your rent can increase each year. We will limit rent increases to the rate of the wage price index, which is currently 2.4%.

Limiting how much rents can be increased will help keep rents affordable and renters out of housing stress, and stop renters having to move out due to high rent. Wage increases are an appropriate standard as they are an indication of the ability of renters to afford their rent.

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<sup>1</sup> CoreLogic Quarterly Rental Review Report July 2022.

<sup>2</sup> Australian Bureau of Statistics, [Census 2021](#).

<sup>3</sup> City and County of San Francisco, Residential Rent Stabilization and Arbitration Board. [Allowable Annual Rent Increases](#), November 2021.

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<sup>4</sup> Residential Tenancies Board, [Rent Pressure Zones](#).

<sup>5</sup> ACT Civil & Administrative Tribunal, [Rent increases](#).

## ENFORCING RENTERS RIGHTS

In a tight rental market like we have now, all the power rests with the estate agents. They know they can get away with unfair rent hikes, avoiding basic maintenance, not complying with standards and refusing to return bonds because renters have nowhere else to go.

If you have a dispute with your landlord or real estate agent, right now your only options are to try and resolve the issue yourself, or go to VCAT. The adversarial nature of VCAT favours parties with the resources and power to use it. The vast majority - a massive 80% - of housing matters heard by VCAT are initiated by private rental providers.<sup>6</sup>

And once renters are dragged into the VCAT system, they can wait weeks or months for their matter to be heard, dragging out the time bonds are returned or repairs are made. Between 2020 and 2021, the number of pending cases at the Residential Tenancies List at VCAT more than tripled, with more than 16,000 pending cases in June 2021.<sup>7</sup>

During the pandemic, many private renters were asked to negotiate rental reductions directly with their landlords. Renters reported struggling with the power imbalance between their landlords or property managers and themselves. Almost half of renters who lost income were too afraid to even ask for a rent reduction, and of those who did negotiate, less

than one in ten received a satisfactory rent reduction.<sup>8</sup>

It's clear the current dispute system is failing renters and doing little to prevent landlords and agents from breaking the rules.

To empower renters, the Greens will create a new housing ombudsman to help renters enforce their rights and monitor estate agents' and landlords' compliance with the law.

The ombudsman will provide free, fast and fair complaints services that make it easy for renters to resolve disputes with their landlords or estate agents. It will also monitor and enforce compliance with the rental laws to ensure landlords are meeting rental standards and complying with renters rights.

We will allocate \$40m to help establish the new Ombudsman with additional funds transferred as the Ombudsman takes on matters from VCAT's housing list. We will also allocate an extra \$20m to housing advocacy services, so they can continue providing education, advice and legal support to renters.

## BETTER STANDARDS FOR RENTALS

Too many rental properties in Victoria are substandard. Rental properties tend to be older, less energy efficient, and harder to keep at a comfortable temperature, and renters are often left sweltering in summer and freezing in winter.

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<sup>6</sup> Victorian Civil and Administrative Tribunal, [Annual Report 2020-21](#) p 97.

<sup>7</sup> Ibid p 96.

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<sup>8</sup> Better Renting, [Rent due: renting and stress during COVID19](#), August 2020.

Renters currently spend about 8% more than homeowners on electricity.<sup>9</sup> With energy prices going through the roof as a result of our reliance on dirty coal and gas, more renters are having to choose between shivering through the winter months or facing energy bills in the hundreds.

While the minimum standards for rental properties include requirements for heating, there are no similar requirements for any form of cooling, or for energy efficiency measures like insulation or draught proofing.

All rental providers should ensure their properties are comfortable and healthy to live in. The Greens will strengthen the minimum standards to include:

- Ceiling insulation and draught proofing for window and door gaps
- Increasing the energy efficiency standards for heating from 2 stars to 4 stars, and removing gas heating as an option for the heating standard
- Air conditioning or alternative form of cooling

Updating the standards will ensure it's cheap and easy for renters to keep their homes at a liveable temperature. Ceiling insulation alone can reduce energy costs by 20%.<sup>10</sup>

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<sup>9</sup> Rohan Best and Paul J. Burke, [Effects of renting on household energy expenditure: Evidence from Australia](#), Energy Policy, July 2022.

<sup>10</sup> Department of Environment, Land, Water and Planning, [Winter energy saving tips](#)

## INCREASED SECURITY OF TENURE

When owning a home is increasingly out of reach for many of us, more and more of us are renting for decades, or for life. For renters, their rental properties are their homes - yet it's still too easy for renters to be asked to leave.

While Victoria has made some improvements in restricting how and when renters can be given a notice to vacate, renters can still be forced to leave their homes if their landlord wants to move in, sell the property or do major renovations. Renters can also be asked to leave for no reason at the end of their first fixed-term agreement.

Many renters are being handed hefty rent increases that push them out of their homes in search of somewhere more affordable.

The Greens will amend the Residential Tenancies Act to:

- Ensure all renters are given the option of a secure, long-term five year lease
- Allow renters to terminate a lease with 30 days notice
- Remove the ability of a landlord to end a tenancy for no reason at the end of the initial fixed-term
- Ensure that a property cannot be sold with vacant possession unless the renter agrees to move out, otherwise the property must be sold with the rental agreement attached
- Require that if notice to vacate is issued so a landlord or family member can

move in, they cannot re-let it for a period of two years after the notice has been given

Controlling how much rent can be increased each year will also improve renters' security, as renters will no longer be forced out of their homes due to hefty rent increases.

## PROTECTING PRIVACY

With vacancy rates at historically low levels in Australia - at just 1.4 per cent in Melbourne - competition for available rentals is tougher than ever. Real estate agents are taking advantage of the rental shortage to ask invasive questions about a renter's character and suitability to rent a home.

For example, there have been reports of agents seeking information from referees about an applicant's job position, tasks and responsibilities, income including super, probation status, and whether the applicant is a reliable and punctual employee.<sup>11</sup>

While in Victoria real estate agents are prohibited from requesting some information, like detailed bank transactions, previous bond claims and any previous rental disputes, they are still free to ask a range of questions that are irrelevant to assessing an application.

The Greens will amend the Residential Tenancies Act to restrict what information real estate agents can request for the purposes of

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<sup>11</sup> [Employer calls for changes to Victoria's rental laws after receiving 'invasive' questions from agent](#) | The Guardian

assessing a rental application. We will prescribe a new standard application form that only seeks information necessary for a new tenancy.

## RENTAL AVAILABILITY

The Greens also have policies to ensure a continued supply of rental homes. We will discourage sitting on empty homes by increasing the vacancy tax to 3%, extending it across metropolitan Melbourne and basing it on the Vancouver model. We will also introduce proper regulation of short-stay accommodation. Our plan to create 100,000 new public and affordable rentals will also help alleviate rental pressure and provide an alternative to the private rental market.

## HOW THE GREENS HAVE BEEN FIGHTING FOR YOU

The Greens have been campaigning for a better deal for renters for years. In 2017 our campaign resulted in Labor promising rental reforms that were introduced the following year, including abolishing no-fault evictions, minimum standards for rental properties, and allowing renters to have pets and make modifications like hanging pictures to their homes.

During 2020, we were instrumental in ensuring a ban on evictions and a ban on rent increases early in the COVID pandemic. We also secured an extension on these protections through to 2021.

We will continue to push the next government further and faster to improve renters rights and ensure that everyone has a safe and secure place to call home.