

# **TRANSCRIPT**

## **LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE**

### **Inquiry into the Rental and Housing Affordability Crisis in Victoria**

Melbourne – Wednesday 23 August 2023

#### **MEMBERS**

Trung Luu – Chair

Ryan Batchelor – Deputy Chair

Matthew Bach

Michael Galea

Joe McCracken

Rachel Payne

Aiv Puglielli

Lee Tarlamis

#### **PARTICIPATING MEMBERS**

Melina Bath

John Berger

Moira Deeming

David Ettershank

Renee Heath

Wendy Lovell

Sarah Mansfield

**WITNESSES**

Joel Dignam, Executive Director, Better Renting (*via videoconference*); and

Harry Millward, and

JR Hewitt, Media and Communications Officer, Renters and Housing Union.

**The CHAIR:** Welcome back to any members of the public with us here today and those watching via the live broadcast. For our second session we have with us witnesses from Better Renting. Could you please state your full name and organisation as well for the record, thank you.

**Harry MILLWARD:** My name is Harry Millward. I am from the Renters and Housing Union.

**JR HEWITT:** I am JR Hewitt, the Media and Communications Officer for the Renters and Housing Union.

**The CHAIR:** Welcome, gentlemen. Before I continue I just want to introduce my panel. On Zoom is Michael Galea, Member for South-Eastern Metropolitan Region; Mr Joe McCracken to my left, Member for Western Victoria; Dr Matthew Bach, Member for North-Eastern Metropolitan Region; Mr Aiv Puglielli, Member for North-Eastern Metropolitan Region; Dr Sarah Mansfield, Member for Western Victoria; and Rachel Payne, Member for South-Eastern Victoria Region. Also, my name is Trung Luu. I am the Chair. Thank you.

I would just like to read to you gentlemen before we continue: all evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the conditions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law. You are protected against any action for whatever you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered as a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record, can you please state your name before you make any comment. Also, before continuing, I do apologise: we have Mr Joel Dignam, Executive Director for Better Renting, on Zoom as well joining us. Can you hear us, Joel?

**Joel DIGNAM:** Yes, I can. Thank you.

**The CHAIR:** I think we will go straight to the questions. I think we will just push on. Due to the time frame, could I ask the committee to limit your questions to 5 minutes, please. I will start off with Michael Galea. Can you please start off the questioning, Michael.

**Michael GALEA:** Yes. Do we have a presentation from the panel, sorry?

**The CHAIR:** Sorry, I missed that.

**Michael GALEA:** Sorry, are we having intro statements?

**The CHAIR:** No, no. We are going straight to the questions.

**Michael GALEA:** Okay. Can you come back to me?

**The CHAIR:** Yes, no worries.

**Michael GALEA:** Thank you.

**The CHAIR:** Dr Mansfield.

**Sarah MANSFIELD:** Thank you. Thank you for your submissions. I will ask questions that I am happy for either of you to answer. One of the things you have both alluded to is the issue with rises in rents and the amount that rents can increase by, and you propose some form of rent control. Can you elaborate on that a little bit?

**JR HEWITT:** Sure. Basically, there is no limit to which a landlord can raise the rent. They can just do it once per year in all but two states. Western Australia is catching up to that standard. But once they get to that point, they can just increase it as much as they want. If we implement some degree of rent cap, even if it is 3 or 4 or 5 per cent, it still limits how much it can rise and inflate the market to X amount per year.

**Harry MILLWARD:** The rent increases are sometimes used as a way of getting around the no-fault eviction. For example, we have one member who has been given a \$200-a-week rent increase. As a single parent that is essentially: 'You can't be here anymore.' So capping those to a reasonable standard, like the median wage index or something like that, would at least stop the huge runaway train of rent rises that have become essentially eviction notices for many, many people around the state.

**Sarah MANSFIELD:** Joel, did you have anything?

**Joel DIGNAM:** Yes. Thank you. I guess I would certainly echo the comments from the Renters and Housing Union about the importance of acting on this issue. Even if people get to stay in their home, we hear from renters where it has a really big impact on their ability to actually afford the other essentials of life. But of course it can also force people out of their home, particularly those big rent increases at the higher end, which have become more common. I am based in Canberra and Better Renting began in the ACT, so we are very familiar with the model here, which I think is probably not as strong as a rent cap, I would say, but it does involve a sort of threshold that is based around the consumer price index for rents, and then with increases above that threshold the onus is on the landlord to actually apply to the tribunal to have them approved. I think that is a fairly mild form of limitation on rent increases, but it does have that benefit of steering increases towards the lower end, giving tenants a little bit more recourse. Particularly those very large increases that have become more common that are particularly more disruptive would at least have to have some sort of level of review before they go through.

**Sarah MANSFIELD:** You mentioned, I guess, it being used as almost a form of evicting people. What other protections might need to be in place to prevent then people being evicted for no reason?

**JR HEWITT:** Well, sad to say, I think whatever protections there are, if there are workarounds or loopholes, they will be used. So I think continuing to tighten them is always important. But a lot of people are scared to stand up for themselves and to stand up for their own rights. People find VCAT quite confusing and intimidating. Many of our members – I believe 19.23 per cent – reached out to us for help with going through the VCAT process. Yes, it is a tough one, but I think that closing loopholes is a good start.

**Sarah MANSFIELD:** Joel, in your submission you made comments about that as well – that issue of evictions and strengthening protections for renters. I do not know if you wanted to comment on that.

**Joel DIGNAM:** Yes. Thank you. I think it is really two sides of the same coin: as a landlord you can effect an eviction through a termination notice or through a big rent increase. So if you act on one of those areas, you will potentially see a sort of waterbed effect in the other. Victoria has ended no-cause terminations at the end of the first fixed term, but I guess the loophole is you can still pick out tenants through an unlimited rent increase. At the same time there are also some concerns around the use of other termination grounds which may not necessarily be true. I think one area that we have seen some jurisdictions looking at is bans on reletting a property after a tenancy has been terminated where the tenant was not at fault. So, for example, if a landlord ends a tenancy because they say they plan to sell or to reoccupy, actually limiting their ability to put it back onto the private rental market would help make sure that those terminations, when they do happen, are done in good faith and not as a loophole.

**Sarah MANSFIELD:** Yes. Great. Thank you.

**The CHAIR:** Thank you. Mr McCracken, would you like to proceed?

**Joe McCracken:** Thank you very much. Are you guys okay if I use your first names as well? Thanks. I will go to the union first. One of your suggestions about monitoring enforcement of the rental industry is about empty houses being acquired by the state and then being added to the housing market. Why do you think that is reasonable?

**Harry Millward:** Homes should be lived in, and I think that acquiring unused homes is far more reasonable than 30,000 people being homeless.

**Joe McCracken:** I mean, if someone owned a property and it might have been vacant for a period of time, you think the state should acquire it?

**JR Hewitt:** With warning.

**Joe McCracken:** How would that work? Paint a picture: how do you think that would work?

**Harry Millward:** For people who may be hoarding properties to raise the value – land banking – you know, it seems like a reasonable solution, rather than continuing to hold onto homes that are not lived in.

**JR Hewitt:** You either do something with it or you lose it.

**The Chair:** Before you finish up, Joel, have you got any comments relating to that question?

**Joel Dignam:** I think I would just comment broadly that what we also have a concern around is the commodification of housing. We see that when people are buying properties and sort of treating them as gold bullion just to accrue in value. We certainly are keen for houses to play a role as homes for people and certainly not to be sitting empty when there are so many people in need.

**Joe McCracken:** I probably have a different view – that you cannot sanction compulsory acquisition like that over private property. But there are other levers that could be pulled, and there is discussion about different regulations that could be used to ensure that property is used and, well, that it is not vacant. Do you have an idea about what other mechanisms you would like to see?

**JR Hewitt:** You could always go for an increase in land tax. If you do not sell your property or lease your property out and it remains empty, a tax gets implemented and that income consistently increases over time – say every six to 12 months.

**Joe McCracken:** Okay. Do you have any views on how you might reform consumer affairs to make it easier for renters to navigate as well? I imagine some of your members might have found that a difficult space to navigate in terms of resolving disputes or trying to get agreements settled with rental providers. Do you have any thoughts on how that might be reformed at all?

**Harry Millward:** Well, the language is quite inaccessible for a lot of people.

**Joe McCracken:** Yes, I agree.

**Harry Millward:** That is where services like CAV come into play, where people might call them to talk to them but they are underfunded – they cannot talk to the amount of people who need them. Or people are afraid of retaliation; they do not know, if they contact one of these groups, what will happen, what their rights are. So I guess ‘accessibility’ would mean being able to take calls regularly to explain these things and having accessible legal services that match the amount of people that need the service.

**Joe McCracken:** So you are saying they have not got enough grunt power, basically, to service what is out there.

**Harry Millward:** Yes. Well, they are turning people away.

**Joe McCracken:** Yes. I know consumer affairs have a three-step process to deal with disputes with rental providers. ‘Have a conversation’ is basically the first step; the second step is ‘Provide written notice’, which is usually a breach; and the third one is to go to VCAT, and sometimes, going to VCAT, you have to weigh up whether it is actually worth it or not. I am not sure that VCAT is the best last resort, and there could

be another step in there before you get to VCAT, because sometimes the wait can be up to two years. For your members who are renting, I bet you they would rather turn away than go down that path. Is that a fair –

**Harry MILLWARD:** Many do. It is not that they want to, it is that people do not have the mental capacity or the energy to push on for that amount of time. And nobody is sure about what they are going to get, so often they will settle for less because they fear losing everything.

**Joe McCracken:** I think my time is up. Thanks very much.

**The CHAIR:** Mr Puglielli, please.

**Aiv PUGLIELLI:** Hi, Aiv here. Thanks for coming in today, and thank you for the work of each respective organisation and the work that you do in the community. We have heard recently, going into national cabinet, calls and pressure from particularly renters in the community that they want to see more action taken on affordability and what it means to be a renter. Coming out of national cabinet we have now seen movement from other states which are not already in line with Victoria's practice of limiting rent increases so that it goes up once a year but still by an uncapped amount. Given the calls that were made prior to those meetings and the pressure that is out there in the community, do you think politicians are taking renters for a ride? I will start with RAHU.

**Harry MILLWARD:** For a ride?

**JR HEWITT:** Could you rephrase that?

**Aiv PUGLIELLI:** I can. Yes, sure. Do you think asserting that limiting rent increases so that they go up once per year but still by uncapped amounts is in any way meaningful?

**Harry MILLWARD:** Not really. Anything that would have been put up throughout the year is then just put up at the 12-month mark, and most people want to live in a property for more than 12 months. I do not think any of us can think of – well, we have not been able to think of too many life events that happen in one year in your career and your family, any of these things. So you are going to hit that year mark and, yes, it does not really help anybody.

**Aiv PUGLIELLI:** Sure. Thank you. I might go to Joel. Joel, do you think the practice right now where rents can still increase by untold amounts with no regulation at all – purely just regulation as to it being once per year – is fair and sustainable for renters in Victoria?

**Joel DIGNAM:** In short, no. I think that partly it is challenging because you do see the low vacancy rates, which give landlords the opportunity to increase rents. But even without that, renters want to remain in their homes, and so because tenants are willing to pay a premium just to avoid moving, landlords sort of have a monopoly power that can allow them to put through rent increases that would not be justified on any other basis. So I think there is really an argument for, again, trying to limit not just the frequency but also the amount of those increases, partly because of the benefits of actually helping people to stay in their homes for the community but also to try to address that power imbalance that landlords have over tenants.

**Aiv PUGLIELLI:** Thank you. We have definitely heard quite a lot in recent sessions about this imbalance that exists between renters and their landlord or property manager. I might stay with you, Joel. You spoke in your submission about eviction. We have heard in the course of these hearings that rent increases are being used as a retaliatory measure towards renters and, as was mentioned today, as a means in some cases to get people effectively evicted from the property because it is an increase they will never afford. Could you perhaps comment a bit further on what you would like to see improvement on to ensure that evictions are made appropriately?

**Joel DIGNAM:** Yes. Thank you. I was a bit surprised hearing from renters in Victoria who are still really feeling quite insecure in their homes. Victoria acted relatively recently to limit no-cause terminations to the end of the first fixed term. I do not think that has done much for tenants' ability to feel confident in their homes, to feel like they can ask for repairs and not be subject to retaliation. So I think there are a few things that do help with that. One is I think just looking at the actual grounds to terminate a tenancy and whether those should be limited further. We do not think that sale of the property should be grounds to terminate the tenancy; it can be

sold while tenanted. We certainly do not think the end of the fixed term should be. And also limiting rent increases is another way to help people stay in their home.

Then I think there is the issue of fraudulent evictions, where landlords are basically lying about their reasons for ending a tenancy. We think there are a couple of things that can help to discourage that. One might be restrictions on reletting, as I mentioned earlier. Another model is actually requiring compensation. If a lessor had to pay compensation for ending a tenancy where the tenant is not at fault – and we would suggest four weeks rent – even if the tenancy ending is valid, that is actually going to really help to account for the disruption and the cost of moving and should help to avoid evictions into homelessness. It also will discourage this sort of behaviour by landlords where they do not actually have a legitimate reason.

**Aiv PUGLIELLI:** Thank you.

**The CHAIR:** Thank you. Ms Payne.

**Rachel PAYNE:** Thank you. Hello. Thank you so much for your submission and for presenting today on such an important issue. I actually do want to tease out a little bit of what you were just talking about in reference to: there have been some reforms in this space, particularly around minimum standards, and some of those protections it seems have been instilled, but what we are hearing from renters is that the practicality of that is actually not happening. So particularly Harry and JR, you made reference to setting minimum standards for rental properties, establishing and enforcing a minimum standard of rental properties. You mentioned that word ‘enforcement’. That seems to be a common thread of what is the issue for renters: that there is no recourse if there is any issue. Can you talk a little bit more about some of the experiences of your members in that instance?

**JR HEWITT:** The main issue we have is that the state says to the landlord, ‘You need to fix this,’ for example, or VCAT says, ‘You need to fix this,’ but then the onus is on the tenant to make sure it actually happens. But they are in a position of powerlessness, so how does it happen?

**Harry MILLWARD:** We have members living in slums, essentially, where they are holding on to affordable rent and not reporting mould, leaks in the roof or other things because they know that what they have is the best they are going to get for what they can afford. So they are choosing to live in slums over homelessness.

**Rachel PAYNE:** And they do not feel like there is that protection for them or that they have that ability in any way.

**Harry MILLWARD:** Oh, no. Well, is there? The owner raises the rent, then they have to move out. What is the protection?

**JR HEWITT:** If we had a system where the state or VCAT said, ‘You have to do this,’ and then that was sent to an organisation who took the onus for the tenant so the tenant did not even have to even know it was happening, that would be fantastic because then the landlord will be forced to actually do something.

**Rachel PAYNE:** There would be that accountability, yes. Joel, in your submission you talk about the establishment of rent increases. I know that we have touched on it a little bit today, but I just wanted to reflect on the ACT, where you are based, what you feel could be the improvements coming out of that and as a committee what we should be considering in that instance.

**Joel DIGNAM:** Thank you. Certainly I think, looking at the ACT model, talking to the people who have been involved in developing and monitoring that model in the ACT is a great place to start. What we are seeing in the ACT is actually a really good news story. The vacancy rate has been increasing. Rent increases in the ACT are now amongst some of the lowest in Australia. Now, that is not entirely due to the rent reform, but I think it really shows that you can do quite strong rent reform, make things better for renters and not see some of the apocalyptic scenarios that the doomsayers like to talk about.

Where the ACT model has some gaps – the big area is around lease renewals. So for a lot of renters in the ACT, their fixed term comes to an end and the agent will offer them a new lease at a much higher rent, and that is not covered by the limits on rent increases in the ACT. Particularly when the ACT allowed no-cause

terminations, renters were very worried about being on a periodic tenancy, so they tend to be willing to pay a higher rent to secure a new fixed-term tenancy. So we would certainly like to see that loophole eliminated. That is a fair concern.

The ACT model is also sort of absurdly complicated. I struggle to articulate it in fewer than three sentences. I think you sort of have to actually look up ABS data. There is an online calculator that you can find and punch numbers in. So I think that there is an argument for having a simple percentage figure.

**Rachel PAYNE:** Yes.

**Joel DIGNAM:** Now, that figure might be changed by a regulator year to year, but I think just having a website that I can look at where there is a big number on the screen that lets me review the rent increase I have been given or actually lets agents and landlords know what the threshold is is actually a big improvement there.

**Rachel PAYNE:** I tend to agree with you. When you are looking at consumer price index – I mean, just look at what has happened with HECS, for example. I mean, anyone who is impacted by that knows the hurt that that has caused. Thank you.

**The CHAIR:** Thank you. Michael, are you ready to ask some questions?

**Michael GALEA:** Thank you, Chair. Thank you to all for joining us today. I might start with – sorry, I cannot see your name tags – the guys from the Renters and Housing Union. I will just ask first off – so we have heard this morning from Tenants Victoria, and they do a lot of advocacy work. I am a bit unsure – what is your group, and where do you fit in that space, especially alongside Tenants Victoria?

**Harry MILLWARD:** The Renters and Housing Union is a member-run union. We are not employees of RAHU, we are volunteers. The decisions are made by the members. We have almost 1500 members, so we would be the largest tenants union in Australia. Because our financial stability is not based on government money, that gives us I believe the opportunity to push for greater reforms that might be unpalatable to Tenants Victoria.

**JR HEWITT:** There is also the issue – I am pretty sure that Tenants Victoria is government-owned, right, or government-run?

**Harry MILLWARD:** Government paid for.

**JR HEWITT:** Yes. So there is that issue of: if government are the problem in the situation, then why would you trust the government to fix the problem that they themselves are creating?

**Michael GALEA:** Okay. Well, I am not sure I would agree with your assertion. They did seem quite independent to me in their submission and not shy in coming forward, but I appreciate the answer. And do you do advocacy work in terms of representing people at VCAT hearings?

**Harry MILLWARD:** Most of what we do is around teaching people to self-advocate, though in some circumstances where people may have disability or other reasons why they cannot represent themselves someone might come in and represent them, or we can connect them to a legal representative or to one of the other groups that might be better set up for it. But just giving people advice on what their options are if this happens, who they should go to, where the best place to get advice is and, honestly, just the emotional support of having someone go through – you do not just call and get one answer and then you never speak to someone again. The follow-through from start to finish of their issue is something that is very important to a lot of our members, being that many of them are under very high stress.

**Michael GALEA:** Yes. And your members, are they national? Is it Victoria only?

**Harry MILLWARD:** Majority based in Victoria, but we have members in every state, and we hope to grow nationwide.

**Michael GALEA:** Thank you. One of your recommendations was surrounding stronger supports for longer leases. As you know, those reforms have been brought in in Victoria, but we have not seen much take-up of them. How do you propose we could actually incentivise longer leases?

**Harry MILLWARD:** Well, if you look at other countries like France, I believe that any lease less than three to five years requires that the property be fully furnished. Maybe there are greater limits on how much rent can increase over time on the same property for shorter leases. There are a million options one could have. To either reward longer leases or punish shorter leases, there is a lot in the bag, I am sure.

**Michael GALEA:** Okay, thank you. Joel, you have spoken about the comparison with the ACT, and I think we have heard a bit as well that whilst there is certainly room for improvement, Victoria is in a lot of ways at the forefront, but are there any other jurisdictions in Australia that we could particularly learn from in terms of the rental and housing space and their regulation?

**Joel DIGNAM:** Thank you. I appreciate that question. Look, I think, other than the ACT, one jurisdiction where we are seeing promising shoots is South Australia. They are currently well behind Victoria. We have been in consultation with the government there about the tenancy reform process they have begun. They have recently passed some fairly small changes, but they are working on further changes, and I think some of those would actually go further than what we have in Victoria and also be a good template. They are looking at models around the reletting – bans on reletting, as I mentioned – and possibly restricting no-cause terminations so they are not available to landlords. It is really good to see a bit of a race to the top across the country here. It is certainly healthier to be competing. I think that jurisdictions working together and learning from each other is great, and hopefully South Australia can become an example there too.

**Michael GALEA:** Excellent, and if I have time, Chair. You mentioned as well that the vacancy rate in Canberra is increasing at a dramatic rate and that some of those reforms are a factor behind that. What are some of the other factors as well?

**Joel DIGNAM:** I would be wary of attributing the increase in the vacancy rate to the reforms. I think at best it is evidence that they are basically independent. I do not think rental law has a big impact upon the vacancy rate. I think what we have seen in the ACT is a government that is investing in public housing, that is also looking to things like build-to-rent and other measures to increase supply across the board. I am not going to point to explicit cause and effect, but I think we are seeing a government that wants to see a high vacancy rate, is pursuing a range of interventions targeted at that and is achieving that result.

**Michael GALEA:** Thank you. Thank you, Chair.

**The CHAIR:** Thank you, Michael. Dr Bach, would you like to continue?

**Matthew BACH:** Thanks. I was actually going to ask you, Harry and JR, almost the exact question that Michael asked you regarding some of your ideas about incentivising landlords to offer longer term leases, but then Michael asked the question. So Joel, I might ask you instead: in your submission you had a section regarding the adequacy of the rental system and its enforcement, and it seemed to me that implied in that section was that we have some good legislation here in Victoria, however, sometimes it is poorly enforced. Have I got that right, and if so, what do you think we could do better to enforce the laws and the regulations that we have?

**Joel DIGNAM:** Yes, I think you have basically got that right. In general I would say we are going to get better improvements for renters by improving enforcement and compliance with existing laws rather than putting in new laws that are not enforced. I might distinguish there because we do not actually want a model where tenants go to VCAT and two years later they get justice; we want a model where landlords comply with the law in the first place. But what that does actually require is enforcement. It is a reasonable risk of being penalised that creates a deterrent effect, and if you do not have that, you are really going to struggle. I think what the members at RAHU are speaking about in terms of a third-party enforcement operation that does actually have some teeth and can take some measures is really important.

Another pitfall we see is that agents and landlords can really get away with misrepresenting the law to tenants basically at will with very little penalty. While that is going on, so many of these people will never reach out to RAHU, they will never reach out to Better Renting, they will just think that that is the truth and comply with it. I think measures that would also deter that sort of wilful misrepresentation by real estate agencies would help to address a problematic source so the number one source where renters are hearing about tenancy law is at least not lying to them.



**Matthew BACH:** Thank you very much. That is all from me, Chair.

**The CHAIR:** Thank you, Dr Bach. First of all, thank you for coming in, and thank you for providing services as volunteer organisation to renters who do need assistance, and the more services they have the better for the renters and people accessing assistance. I was just curious as to the number of members you have got and are assisting. You mentioned over 30,000. Is that right? What is the number you mentioned before?

**Harry MILLWARD:** 1500. Thirty thousand was the last estimate of homeless people in Victoria.

**The CHAIR:** Do you know the proportion of members who are in shared accommodation or are sole occupiers?

**JR HEWITT:** I would say that the number, just off the top of my head, in share houses would be above 90 per cent, right?

**Harry MILLWARD:** I mean, I could not comment off the top of my head, but it would be a pretty high proportion. Many of our members live in share houses, not necessarily with other members, so we cannot necessarily get a full list of people who do not sign up. But for those who I have personally spoken to, I would say definitely the majority live in share houses.

**The CHAIR:** I was wondering, the prices they are paying for rent, are they different for those share houses and those that actually rent themselves, sole occupiers?

**Harry MILLWARD:** Oh, sorry. You are asking the proportion of renters versus the proportion of –

**The CHAIR:** I know there are people who rent whole houses or have a whole flat for themselves. I was wondering about that compared with shared places.

**Harry MILLWARD:** It is a mix. We represent people who are renters, who are rough sleepers, who might squat, who might be couch surfing. I would say definitely the majority of our members, over 90 per cent, would be in the private rental market, and of those, from my experience, the majority would be in share houses where they are living with multiple people to save on money. Does that answer your question?

**The CHAIR:** Yes. I was just wondering from your encounters, are those rent prices for shared accommodation higher than the normal rent paid by people who rent out privately by themselves?

**Harry MILLWARD:** Do you mean per person?

**The CHAIR:** Yes, per person, but in total.

**Harry MILLWARD:** The property – a four-bedroom house is more than a one bedroom, but each person pays less. Is that what you are asking?

**The CHAIR:** I have come across quite a few people in share houses. They just pay for that room but in total the actual amount of money for the whole house is quite high because they have got a large amount of people in the premises compared to one person renting privately for themselves.

**JR HEWITT:** For example – maybe this is going to answer the question – in my household the house itself is about \$2080 a month split three ways, so we all pay just under \$700 each. Is that what you are going to?

**The CHAIR:** Yes. We have got a few more minutes left. I will open it to the committee: are there any questions you want to add extra?

**Rachel PAYNE:** I might even just follow on from Trung's question, just because of my experience I have had where I rented with multiple people and the landlord actually came in and said, 'Oh well, because there're more people here, we're going to increase the rent.' Is this something that you are seeing your members reporting?

**Harry MILLWARD:** Honestly, the rent increases are across the board. I have not personally seen it specifically targeted towards share houses or single people. The majority of what I see with share houses is they are usually the most dilapidated. They usually are forgotten by the landlord and they do not really care – they

are very hands off. The bonus to the renters is they get cheap rentals, but they do not get any repairs. That is what I see a lot of.

**Rachel PAYNE:** Yes. I mean, I have even had an instance where a lounge room was actually converted into someone's bedroom and they said, 'Well, that means that there's another bedroom in the house, so we're going to try to charge more money.' Now we actually knew that the house price was the house price and we could set up a dungeon in that room if we really decided to – who would know. That was the comment that we made to the agent to get him to leave. But I think it comes back to those renters rights and understanding those rights and what your responsibilities are.

**Harry MILLWARD:** It just sort of indicates that the price of rent is not actually attached to the price that the landlord is paying –

**Rachel PAYNE:** One hundred per cent, yes.

**Harry MILLWARD:** so there is a disconnect.

**JR HEWITT:** I have lived in a house where the lounge room was converted into another bedroom, and I think that if the landlord is raising the rent because of that, it is just that they are looking for an excuse.

**Rachel PAYNE:** Exactly.

**Harry MILLWARD:** Like, if they do some repairs, if they get rid of the mould, 'Well, there is no mould now, so that's a hundred dollars more.'

**The CHAIR:** Thank you. That is what I was getting at, thank you, Ms Payne. Any questions? You have got a minute to –

**Aiv PUGLIELLI:** Yes, I am happy to do one. We have just heard earlier about the impact that vacancy is having in the community, when we want to see people on long-term leases rather than a home sitting empty. I will start with the team from RAHU: would you like to see a stronger and more actively enforced vacancy tax?

**JR HEWITT:** Absolutely.

**Harry MILLWARD:** Yes.

**Aiv PUGLIELLI:** How about Joel?

**Joel DIGNAM:** In short, yes, but I think we probably do not see it as being the main game; it is something that might have marginal benefits. There is limited political capital and political bandwidth, and possibly we would rather see our energies channelled at things that we are more confident will actually have more housing supply but also have better conditions for renters in those homes too.

**Aiv PUGLIELLI:** Could you elaborate a little bit further on what you mean by political capital and bandwidth?

**Joel DIGNAM:** Look, I think realistically only so many reforms in this space are going to happen in the next Parliament, so I think we want to see those reforms that we are most confident will have most impact. Now, as you say, if our choice is, it is no action or action on vacancies, we think that can certainly make a positive difference, it is something we should be looking into. But we would not want that come at the expense of other measures; for example, like looking at limits on rent increases, action on other parts of tenancy or increase in the supply of public housing, all of which we are probably more confident are going to help to make a difference for people.

**Aiv PUGLIELLI:** Thank you. And in a scenario where we could aspire to having multiple reforms come through at once rather than picking and choosing one or the other, would you like to see this as one of the measures introduced?

**Joel DIGNAM:** If we dare to dream, absolutely. I think as the representatives from RAHU were gesturing at, we do have homes sitting empty – we have homes without people and we have people without homes. I

think with a vacancy tax either you are going to get those homes into the rental market or you are actually going to increase the revenue from those homes, either of which is a preferable outcome.

**Aiv PUGLIELLI:** Thank you.

**The CHAIR:** Thank you very much, gentlemen. Thank you, Joel and Harry and JR, for coming in. This brings the panel session to a close. I again thank you so much for your time and your submissions. We now take a break for half an hour, and the hearing will recommence at 11am. Thank you.

**Witnesses withdrew.**