



Roofs For Ransom

12 month report

Acknowledgement

To all RAHU members who contributed their stories, time and experiences to the union and this report.

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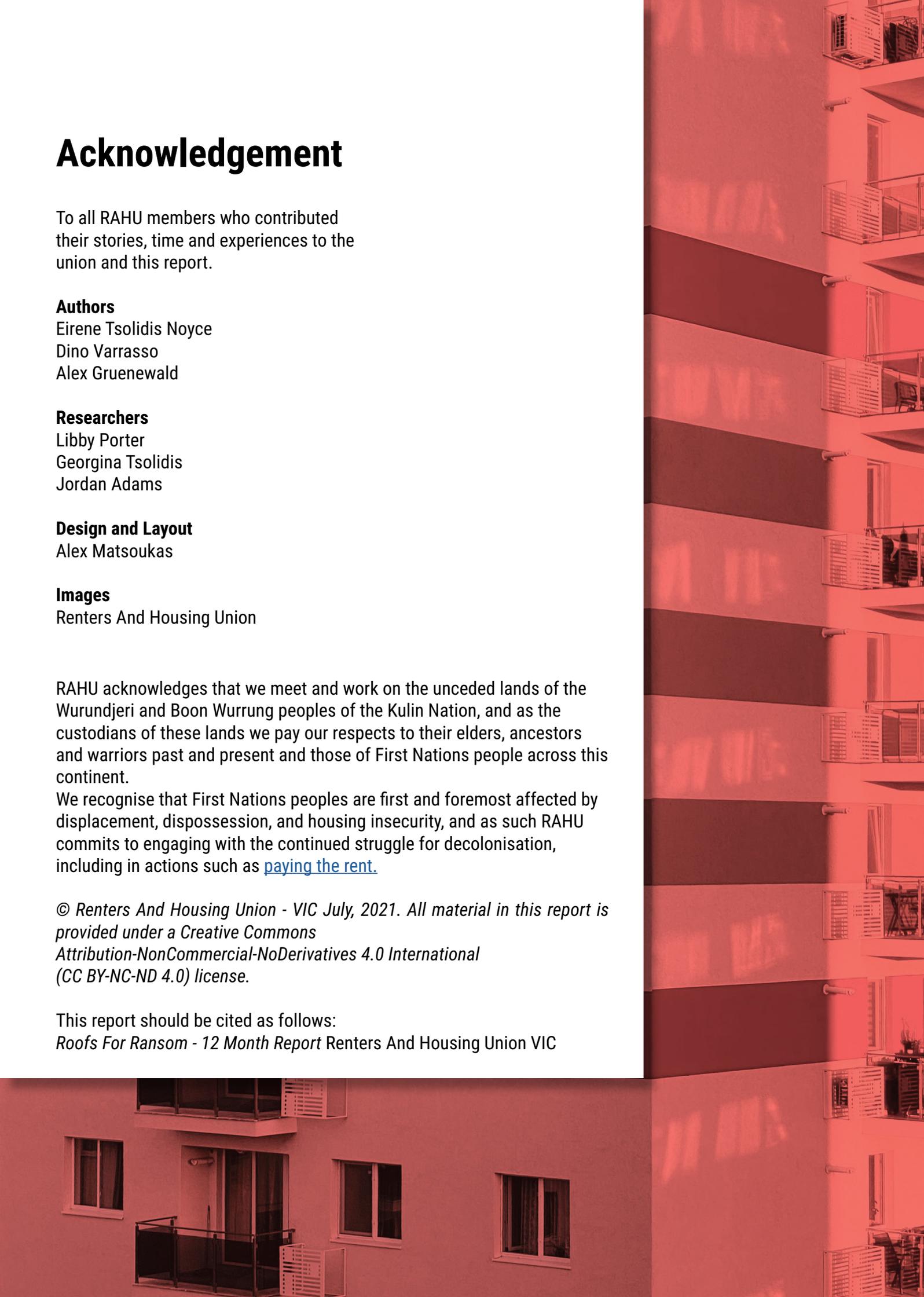
RAHU acknowledges that we meet and work on the unceded lands of the Wurundjeri and Boon Wurrung peoples of the Kulin Nation, and as the custodians of these lands we pay our respects to their elders, ancestors and warriors past and present and those of First Nations people across this continent.

We recognise that First Nations peoples are first and foremost affected by displacement, dispossession, and housing insecurity, and as such RAHU commits to engaging with the continued struggle for decolonisation, including in actions such as [paying the rent](#).

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Executive Summary: Findings from RAHU casework

An analysis of RAHU casework notes identified a number of major reasons why renters had sought RAHU assistance, as well as the key demographic groups represented in our casework.

Rental Stress

- 91% of renters were in rental stress.

The average percentage of income spent on rent was 67% across all cases.

- Across all cases where the rental amount charged was recorded, the average monthly rent per person was \$1,163.45.
- Cases involving renters ineligible for government income assistance - especially those with Temporary Visa status - were overrepresented in RAHU casework.

Rental Debt

- 59% of cases involved rent reduction claims.

Breaches by Landlords and Real Estate Agents

- 31% of cases reported unprofessional behaviour by Real Estate Agents.
- In 4 cases renters received threats of violence or experienced physical or verbal violence from their landlord.

Terminations and Evictions

- 84% of cases involving termination proceedings or unlawful eviction were initiated before the eviction moratorium was set to expire on March 29 2021.

Executive Summary: Recommendations

Restrict the enforcement of evictions and debt collections via VCAT or Victorian Courts for any debt arising due to COVID-19.

VCAT must dismiss deferred rent accrued through agreements made through dispute resolution, or any type of rent reduction agreement, based on unfair terms of contract and misconstrual of the legislated rent reduction scheme.

The Victorian Government must implement a mechanism allowing VCAT and Consumer Affairs Victoria to waive rental debts accrued due to financial hardship during the COVID-19 Moratorium period and any period of Stage 4 Restrictions.

The Residential Tenancies Act should be amended to allow for rent reductions for renters in hardship or experiencing rental stress.

Recommendations

As we move out of the pandemic, measures to alleviate the rental debt and hardship faced by renters will be paramount to housing security. The regulation of consumer rights in residential housing is urgently required to meet adequate living standards; provide financial relief from impossible debt; and keep renters in their homes. Application of these regulations will ensure best practises in a foundational aspect of our everyday lives.

These recommendations are focused on the relevant areas of legislation in residential housing; and the real estate industry.

Financial Hardship & Rental Debt

Unenforceable Debts arising from COVID19

- Restrict the enforcement of evictions and debt collections via VCAT or Victorian Courts for any debt arising due to COVID-19.
- Forgive any debt arising between 21st March 2020 - 29th June 2021 due to COVID-19 and any period of Stage 4 Restrictions.
- Introduce a cap on rental debt payments to no more than the Rental Bond.

Termination and Eviction

Determination of Termination or Possession due to COVID19 Rental Arrears

1. All VCAT Orders that are unenforceable in relation to rental arrears due to COVID-19 hardship or severe hardship must be dismissed i.e.
 - a. In cases where any or all parties in tenancy agreement are in hardship or of low income.
 - b. In cases where rental debt exceeds \$10,000.

25.

2. Termination applications due rental arrears, or otherwise involving renters experiencing severe financial hardship, should be dismissed by VCAT.

Deferred Rent Agreements dismissed as unfair terms of contract

3. All deferred rent accrued through agreements made through dispute resolution or any type of rent reduction agreement to be determined by VCAT as dismissed based on unfair terms of contract and misconstrual of legislated rent reduction scheme.
4. For the Victorian Government to initiate a mechanism through existing VCAT and Consumer Affairs Victoria to waive rental debts accrued due to financial hardship during the COVID19 Moratorium period and any period of Stage 4 Restrictions due to parties unable to comply due to forces outside of their control.
5. All Notices To Vacate and applications to VCAT related to Failure to pay rent (RTA S.548ii) concerning rent arrears during any period of Stage 4 Restrictions are to be considered void.

Reasonable and Proportionate

6. VCAT must determine that it's not reasonable and proportionate to terminate the tenancy or make a possession order if satisfied that the renter can continue making standard rental payments (comply with the lease agreement) on an ongoing basis.
 - a. In cases of severe hardship VCAT must determine that it is not reasonable and proportionate to terminate the tenancy.

VCAT Determination of Payment Plans

7. Whereby a renter can make at least \$5 at minimum per month in payment plan of rental arrears on top of standard rental payment then the tenancy agreement must be able to remain.
8. In cases of renters in severe hardship or significant rental stress; for VCAT to determine a payment plan for rental debt to be limited to a maximum of \$5 per month and the tenancy to remain.

Recommendations

Real Estate Agent Breaches

Consumer Practises & Licensing

- A public inquiry conducted by the Australian Securities and Investments Commission into the Real Estate Industry regarding unsolicited financial advice; unfair terms of contract and deceptive and misleading conduct.
- The Australian Consumer and Competition Commission to conduct a public audit and inquiry into the consumer practises of Real Estate Agencies including but not limited to:
 - Rent bidding
 - Price fixing and Residential Rental Listing advertisement
- The Privacy Commission to conduct a public inquiry into the methods of collection, use and storage of personal and private information obtained through Tenancy Applications as administered by the Real Estate Industry.

Breaches to Residential Tenancies Act

- The Department of Consumer Affairs to conduct a broad based audit on all VCAT Decisions and resulting Orders resulting in breaches to the Residential Tenancies Act.
 - Resultant penalties to be applied through the Australian Taxation Office.
- For the Australian Taxation Office to administer a penalty to all companies and agents who have been found to have breached their obligations under the Act.

Housing Insecurity

Private Tenancies

- Legislate for rent increases to be made only in relation to the Australian Wage Index.
- To establish a legislative framework that regulates the Rental Price Index to a maximum

threshold in new listings as limited by the total Consumer Price Index.

- Victorian Government to administrate a compulsory proportion of private rental properties as being no more than 25% of all base rate income support payments including Disability Support Pension and Jobseeker payment. That this proportion is reflective of state-wide total income support recipients and reviewed each year.
- The adoption of legislation to allow for temporary or long-term new lease agreements to allow for contractual rent reductions for renters experiencing rental stress or suffering financial hardship.

Community and Public Housing Tenancies

- The adoption of legislation for Community Housing rents to be capped at no more than 25% of household income, in line with rents in public housing.
- The Victorian Department of Treasury to commit a minimum of 85% of the \$5.3bn Big Housing Build expenditure on exclusive development of new public housing stock.
- The Victorian Government to publicly commit to a 10 year Public Housing plan exclusively for the maintenance and development of new public housing stock with targets which reflect the scale of need.
- Declare a moratorium on the sale of Public housing land for private development and the practice of transferring Public Housing management to Community Housing providers.
- Instate a State requirement for equivalent expenditure for new developments of Public Housing with any new expenditure in Community housing new development contracts.