

Victorian government response to Legislative Council Legal and Social issues Committee inquiry report into the rental and housing affordability crisis in Victoria

Recommendation	Government response	Rationale
<p>RECOMMENDATION 1: That the Victorian Government as a matter of urgency respond to the 2021 <i>Inquiry into homelessness in Victoria</i>.</p>	<p>Support in full</p>	<p>The Victorian Government has released its response to the Parliamentary Inquiry’s final report. The response was tabled in the Legislative Council on 20 February 2024.</p>
<p>RECOMMENDATION 2: That the Victorian Government investigate enshrining the right to housing in the Victorian Charter of Human Rights, including considering advice from the Victorian Equal Opportunity and Human Rights Commissioner.</p>	<p>Under Review</p>	<p>Consistent with the Victorian Government's response to recommendation 34 of the Inquiry into homelessness in Victoria, the government is focused on improving the accessibility and enforceability of the <i>Charter of Human Rights and Responsibilities Act 2006</i> (Charter) before considering the addition of further rights, such as the right to housing. The government is committed to protecting and promoting human rights and understands the importance of ensuring safe, secure, and affordable housing for all Victorians. The Charter contains twenty rights that promote and protect the values of freedom, respect, equality, and dignity. While the Charter does not contain an explicit positive right to housing, other rights in the Charter are still relevant. For example, section 8 recognises that every person has the right to equality before the law and section 13 protects a person’s right not to have their home unlawfully or arbitrarily interfered with. Any future reforms to the rights in the Charter will require thorough consultation, including with the Victorian Equal Opportunity and Human Rights Commissioner, and detailed consideration, especially of resourcing and economic impacts on Victorians.</p> <p>The Victorian Government is ensuring more Victorians have the security and stability of a home with Victoria’s biggest investment ever in social housing. In the 2020-21 State Budget, the Victorian Government announced the \$5.3 billion Big Housing Build, building thousands of new homes for Victorians in need and delivering greater housing choice and affordability, ensuring thousands of Victorians have access to the modern, secure, and accessible housing they need. The Big Housing Build is the largest single investment in social and affordable housing in our state’s history. This investment will deliver 12,000 new social and affordable rental homes, increasing the social housing available to people in need across Victoria and provide access to people in greatest need on the Victorian Housing Register.</p>
<p>RECOMMENDATION 3: In responding to the <i>Inquiry into homelessness in Victoria</i>, that the Victorian Government particularly focus on recommendations related to ensuring the ongoing funding of homelessness services and specialised housing for high-risk and vulnerable cohorts.</p>	<p>Support in Principle</p>	<p>In its response to the Legal and Social Issues Committee Inquiry into Homelessness in Victoria, the Victorian Government has recognised the importance of ensuring ongoing funding of homelessness services, particularly those focusing on high-risk and vulnerable cohorts.</p> <p>The response supports in full recommendations to provide ongoing funding for the family violence Flexible Support Packages program (Rec 9) and the Private Rental Assistance Program (Recs 11 &amp; 13).</p> <p>The Inquiry response also highlighted the \$50 million investment through the Youth Capital Grants Program which will build more than 130 new homes across ten projects for young people experiencing or at risk of homelessness (aligned with rec 17).</p> <p>The 2023-24 State Budget also invested \$67.6 million over four years for Housing First responses, including the Homes First program and operational support for five supportive housing facilities which provide housing and onsite multidisciplinary support for people with complex needs who have experienced rough sleeping (aligned with recs 40, 41 and 45 relating to additional investment in Housing First Programs).</p> <p>The 2024-25 State Budget invested nearly \$197 million to continue critical support for people experiencing or at risk of homelessness. Of this, \$40.8 million will be invested over four years in the Journey to Social Inclusion program and \$16.7 million for the Homes for Families program, based on Housing First principles.</p> <p>Victoria leads the way in housing investment and is committed to investing in social and affordable housing. The unprecedented recent investment of over \$8 billion in social and affordable housing is delivering safe, secure, and appropriate housing for people with mental illness, victim survivors of family violence, Aboriginal Victorians and people living in regional Victoria.</p>

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<p>RECOMMENDATION 4: That the Victorian Government set a consistent and clear definition of 'affordable housing' in legislation that is required to be adopted across all government departments, policy and agreements with the private sector.</p>	<p>Under review</p>	<p>Under review pending a decision on a nationally consistent definition.</p> <p>The Planning and Environment Act, 1987<sup>1</sup> (P&amp;E Act) defines affordable housing and this definition is used consistently across all planning policy and planning permit negotiations.</p> <p>The November 2023 Housing and Homelessness Ministerial Council meeting, called for analysis to enable Ministers to determine if a single national definition of affordable housing (AH) could be agreed.</p> <p>Setting a definition to be used across all Victorian legislation would be premature ahead of a decision being made on a single national definition.</p> <p>The P&amp;E Act definition is consistently used for delivery of voluntary AH outcomes between a responsible authority and the private sector and where appropriate the community housing sector. Income ranges assist in these negotiations and are considered in the context of local demographics, incomes, and AH needs. Changes to the P&amp;E Act definition for AH, such as the inclusion of specific delivery metrics, would need to consider current AH negotiations and existing AH agreements made with landowners through the planning process and the operation of delivery programs managed by Homes Victoria (HV) and Department of Treasury and Finance (DTF).</p> <p>Should a review of the definition be considered, any proposed changes would require legislative amendment and would need to be undertaken in consultation across relevant portfolio areas including the Department of Transport and Planning, HV and DTF.</p> <p>Context on the national approach:</p> <p>At the November 2023 Housing and Homelessness Ministerial Council meeting, NSW was tasked with obtaining analysis to enable Ministers to determine if a single national definition of AH could be agreed. Four key focus areas were agreed and were proposed to be completed within a timeframe to enable Ministers to form a view about a single national definition by 30 June 2024. However, this has now been put on hold. Many states and territories have broadly similar approaches to AH, however, there is also significant variation between states and territories in their implementation of AH and the role it plays in the housing system.</p> <p>Context on the current use of the AH definition in Victoria:</p> <p>The income ranges are used for the HV Affordable Housing Rental Scheme and in the design of the Affordable Housing Investment Partnership administered by DTF. Some of these programs include specific metrics around the delivery of affordable housing. For example, affordable housing delivered under HV's Affordable Housing Rental Scheme must be priced so it does not exceed 30% of the median income of the area. There are separate income thresholds for regional Victoria.</p> <p>Also, the Development Facilitation Program (DFP) supports the delivery of a range of affordable housing options within the definition. DFP provides fast track planning services for developments of a certain scale that provide 10 per cent of dwellings as affordable housing.</p>
<p>RECOMMENDATION 5: That the Victorian Government establish an online public portal showing the status of all planning applications across the State, from application through to approval, construction and occupation. The information will make it clear where any backlogs in the planning system occur.</p>	<p>Support in principle</p>	<p>The Department of Transport and Planning is currently engaging with the Victorian Building Authority to investigate the possibility for establishing a consolidated and more comprehensive database aligning planning approval data with building approval data. Further work is needed to ensure data consistency between planning application data and building application data in the Building Activity Management System to support the establishment of an automated process through an online public portal. The suitability of including all planning applications in a public portal will be considered as part of these investigations, noting that the planning process is only a part of the process for delivering a home.</p>

<sup>1</sup> Affordable Housing is defined under the PE Act as housing, **including social housing**, that is appropriate for the housing needs of a very low income, low income, or moderate-income household. Social housing is defined under the *Housing Act 1983* and is a type of rental housing that is provided and/or managed by the government (public housing) or by a not-for-profit organisation (community housing).

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<p>RECOMMENDATION 6: That the Victorian Government advocate to the Commonwealth Government to examine its range of housing related tax concessions, including negative gearing and the capital gains tax discount on investment properties, with the goal of reducing the distorting effects these tax concessions have on the housing market, to achieve the dual outcomes of increased home ownership and better rentals.</p>	<p>Support in principle</p>	<p>The Government will continue to engage the Commonwealth on tax settings, with a view to achieving the best outcomes for Victorians.</p>
<p>RECOMMENDATION 7: That the Victorian Government undertake an independent review of the factors, effects and solutions to possible discrimination in the rental application process for Victorian properties.</p>	<p>Support in Principle</p>	<p>The Victorian Government is committed to ensuring that no prospective renter is subject to unlawful discrimination during a rental application.</p> <p>In 2018 the Victorian Government amended the <i>Residential Tenancies Act 1997</i> to prohibit discrimination in residential rental agreements. Division 1A, Part 2 of the RTA makes it unlawful to refuse to rent a property to someone with a child, or on the basis of an attribute set out in Section 6 of the <i>Equal Opportunity Act 2010</i>. Since 2018 the Victorian Government has enacted further reforms to introduce penalties for rental providers who require a rental applicant to disclose inappropriate information. This includes:</p> <ul style="list-style-type: none"> <li>• The applicant’s rental bond history.</li> <li>• Bank statements.</li> <li>• Information related to a protected attribute under the <i>Equal Opportunity Act 2010</i>.</li> <li>• Any past legal actions taken by the applicant against rental providers.</li> </ul> <p>Reforms have also been made to prohibit unlawful discrimination against renters in other situations including serving a notice to vacate or determining consent for disability modifications.</p> <p>As part of <i>Victoria’s Housing Statement</i> the Victorian Government will build on this work by standardising rental applications in Victoria. Not only will this make rental applications easier, but it will remove the onus on renters to know what information providers aren’t allowed to ask for, by providing a single standard form that only asks for the information needed to determine whether an applicant would be a suitable renter.</p> <p>This work aligns with agreements made at National Cabinet as part of <i>A Better Deal for Renters</i>. Commitments under this agreement would:</p> <ul style="list-style-type: none"> <li>• prescribe a rental application form in each jurisdiction, with required documents limited to two in each of the following categories: identity, financial ability to pay rent, suitability.</li> <li>• specify information not allowed to be collected from a tenant or more generally (e.g. disputes with landlords).</li> </ul>
<p>RECOMMENDATION 8: That the Victorian Government, as announced in the <i>Housing Statement</i>, urgently implement its new policy to better protect renters’ privacy and data by limiting the information agents or landlords can keep on file, store and how long they can keep it for.</p>	<p>Support in full</p>	<p>The Victorian Government is developing legislative amendments that will deliver on the <i>Housing Statement</i> commitment to protect renters’ personal information that will be introduced to Parliament as part of a comprehensive reform bill in late 2024.</p> <p>As well as providing stricter guidance on the kind of information that can be collected, the amendments will prescribe how long rental providers can hold the personal information of both successful and unsuccessful applicants before it must be destroyed or permanently de-identified.</p> <p>In August 2023, National Cabinet agreed to <i>A Better Deal for Renters</i>, which includes the following commitments for states and territories to introduce to align protections for renters:</p> <ul style="list-style-type: none"> <li>• Prescribe a rental application form in each jurisdiction, with required documents limited to two in each of the following categories: identity, financial ability to pay rent, suitability;</li> <li>• Require the destruction of renters’ personal information three years after a tenancy ends and three months after tenancy begins for an unsuccessful applicant;</li> <li>• Require tenants’ personal information to be provided and corrected within 30 days of a request by a tenant or prospective tenant; and</li> <li>• Specify information not allowed to be collected from a tenant or more generally (e.g. disputes with landlords).</li> </ul>

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<p>RECOMMENDATION 9: That the Victorian Government, in fulfilling its commitment to ban all types of rental bidding under its <i>Housing Statement</i>, ensure rental application forms do not allow rental bidding in any way.</p>	Support in full	<p>The Victorian Government is developing legislative amendments that will deliver on the <i>Housing Statement</i> commitment to ban all types of rental bidding that will be introduced to Parliament as part of a comprehensive reform bill in late 2024.</p> <p>Amendments contained in this bill will make it an offence for rental providers to accept unsolicited offers above the advertised price. This removes any incentive for prospective renters to offer anything higher than the advertised price in their applications, closing the loophole and banning all types of rental bidding for good. The Bill will also introduce mandatory Continuing Professional Development requirements for real estate professionals to encourage ethical conduct and stronger penalties for agents and rental providers who break the law.</p> <p>The Housing Statement initiative will also acquit National Cabinet's <i>A Better Deal for Renters</i>, to align rental bidding protections across jurisdictions.</p>
<p>RECOMMENDATION 10: That the Victorian Government explore further ways to increase the rate of long-term leases in Victoria including:</p> <ul style="list-style-type: none"> <li>publishing data on length of leases offered by landlords.</li> <li>undertaking further research to better understand the barriers to tenants seeking longer term leases.</li> <li>noting that the Victorian Government already provides tax concessions to build-to-rent operators who must offer leases of three years or more, advocating to the Commonwealth Government that it examines how it could target its range of housing related tax concessions to incentivise landlords to offer longer-term leases across the whole rental sector.</li> </ul>	Under Review	<p>The Victorian Government recognises that as more Victorians are renting for longer periods of their lives, increasing the adoption of longer lease terms will support these renters in having ongoing housing security.</p> <p>Reforms to the <i>Residential Tenancies Act 1997</i> that commenced in 2021 allow for fixed-term rental agreements for longer than five years. The reforms also abolished all but one 'no reason notices to vacate' in Victoria. The remaining 'no reason notice to vacate' under section 91ZZD allows a rental provider to issue a renter with an eviction notice during a first fixed term rental agreement without reason.</p> <p>The initiative <i>Restrict rent increases between successive fixed-term rental agreements</i> was included in <i>Victoria's Housing Statement</i> to crack down on an emerging trend where rental providers would use the no-cause notice to vacate power provided by section 91ZZD of the RTA to evict renters at the end of their first fixed term tenancy so that they could re-list the property at a substantially higher rate.</p> <p>To prevent this behaviour, the Victorian Government is developing legislative amendments that will require rental providers who are issuing a new lease after they have evicted previous tenants on their first fixed-term lease have to offer the property at the same rent for at least 12 months. This is to reduce the incentive for rental providers to churn through renters by evicting them and give renters more certainty over their living arrangements.</p> <p>The Government will continue to engage the Commonwealth on tax settings, with a view to achieving the best outcomes for Victorians.</p>
<p>RECOMMENDATION 11: That Consumer Affairs Victoria continue to review its advice on residential tenancy issues to identify opportunities for simplifying the information.</p>	Support in full	Consumer Affairs Victoria has an ongoing process to review and update web content to ensure that it current, easy to understand and action orientated.
<p>RECOMMENDATION 12: That the Victorian Government provide funding to Consumer Affairs Victoria to improve its provision of multilingual advice services.</p>	Support in Principle	Consumer Affairs Victoria is funded to undertake the provision of information and advice to all Victorians. As noted in the Committee's report, Consumer Affairs Victoria provides written advice in languages other than English on its website in addition to using translation services for calls received through its contact centre. Consumer Affairs Victoria will continue to work with cultural and linguistically diverse communities to improve the accessibility and inclusiveness of its services.
<p>RECOMMENDATION 13: That the Victorian Government provide sufficient resources to the new Rental Dispute Resolution Victoria, so that it may undertake its role effectively.</p>	Support in full	The Victorian Government is committed to ensuring that Rental Dispute Resolution Victoria (RDRV) achieves the purpose set out in <i>Victoria's Housing Statement</i> : to provide a one-stop shop for renters, agents, and landlords to resolve tenancy disputes over rent, damages, repairs and bonds and a clear pathway to settle issues in a faster, fairer, and cheaper way.

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<p>RECOMMENDATION 14: That the Victorian Government publish the evidence, including modelling, consultation papers or other documents, it relied on in making its decision to restrict rent increases between successive fixed term rental agreements.</p>	<p>Not Support</p>	<p>Evidence and documents that have materially contributed to a decision of Cabinet, such as determining the initiatives that make up <i>Victoria's Housing Statement</i>, is considered Cabinet-In-Confidence.</p> <p>The initiative <i>Restrict rent increases between successive fixed-term rental agreements</i> was developed to crack down on an emerging trend where rental providers would use the no-cause notice to vacate power provided by section 91ZZD of the RTA to evict renters at the end of their first fixed term tenancy so that they could re-list the property at a substantially higher rate.</p> <p>To prevent this behaviour, The Victorian Government is developing legislative amendments that will require rental providers who are issuing a new lease after they have evicted previous tenants on their first fixed-term lease have to offer the property at the same rent for at least 12 months. This is to reduce the incentive for rental providers to churn through renters by evicting them and give renters more certainty over their living arrangements.</p> <p>Homes Victoria publish a quarterly Rental Report which includes detailed analysis of movements in rent by dwelling type and across all regions in Victoria. The most recent report for the March Quarter 2024 may be accessed at <a href="https://www.dffh.vic.gov.au/publications/rental-report">https://www.dffh.vic.gov.au/publications/rental-report</a>.</p>
<p>RECOMMENDATION 15: That the Victorian Government undertake a review of relevant government agencies' (including Consumer Affairs Victoria) enforcement functions and associated penalties for non-compliance with the goal to improving compliance in the rental system.</p>	<p>Support in Principle</p>	<p>The Victorian Government is committed to having a rental system that is fair and equitable for all parties involved. The RTA is largely designed to establish a framework for regulating private rights and responsibilities between rental providers and renters. The 2021 RTA reforms introduced:</p> <ul style="list-style-type: none"> <li>• new civil pecuniary penalties for specific breaches of the RTA, together with a public warning power for the Minister and Director of Consumer Affairs Victoria and other new powers to ensure compliance with key obligations.</li> <li>• a rental non-compliance register for rental providers found by VCAT to have committed an offence or breached a duty under the RTA.</li> </ul> <p>As part of Victoria's Housing Statement, the Victorian Government is also progressing work to further bolster the compliance and enforcement framework. This includes the introduction of mandatory training and licensing for real estate agents, property managers, owners corporation managers and conveyancers to ensure that industry professionals have greater awareness of how to comply with regulatory frameworks. This will coincide with introducing tougher penalties for real estate agents and sellers who break the law to provide more protections for Victorians looking for a home.</p> <p>The Minister for Consumer Affairs has announced a Renting Taskforce within CAV to bolster the compliance and enforcement approach to specific breaches of the RTA, including renting out properties that do not meet minimum standards, rental providers not lodging bonds and false advertising.</p>
<p>RECOMMENDATION 16: That Consumer Affairs Victoria consider creating the position of an independent rental inspector. The role would exist alongside existing businesses to provide a guarantee that rental properties meet the legislated minimum standards. Alternatively, a certification system could be created for businesses who provide assessments of rental properties.</p>	<p>Not Support</p>	<p>The Victorian Government recognises that every Victorian renter should be able to expect that their rental property is maintained to the legislated minimum standards.</p> <p>Consumer Affairs Victoria has independent statutory powers to regulate compliance with rental minimum standards. The Minister for Consumer Affairs has announced a Renting Taskforce within CAV to bolster the compliance and enforcement approach to specific breaches of the RTA, including renting out properties that do not meet minimum standards, not lodging bonds and false advertising.</p>
<p>RECOMMENDATION 17: That the Victorian Government amend Section 35A of the <i>Residential Tenancies Act 1997</i> to allocate responsibility for decisions regarding amending rental property condition reports to Rental Dispute Resolution Victoria.</p>	<p>Under Review</p>	<p>The Victorian Government is committed to ensuring that Rental Dispute Resolution Victoria (RDRV) achieves the purpose set out in <i>Victoria's Housing Statement</i>: to provide a one-stop shop for renters, agents, and landlords to resolve tenancy disputes over rent, damages, repairs and bonds and a clear pathway to settle issues in a faster, fairer, and cheaper way.</p>

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<p>RECOMMENDATION 18: That the Victorian Government as part of introducing mandatory training and licensing for employees in the residential property industry ensure training addresses the following issues at a minimum:</p> <p>a. increasing real estate agents' understanding of minimum rental standards and other rental regulations.</p> <p>b. improving relationship building and management skills to assist in their role as an intermediary between renters and real estate agents, such as:</p> <p>i. dispute resolution skills.</p> <p>ii. identifying and supporting at risk tenants.</p>	Under Review	<p>As part of <i>Victoria's Housing Statement</i>, the Victorian Government is committed to the introduction of mandatory continuing professional development for real estate industry professionals – including agents, property managers, conveyancers and owners corporation managers.</p> <p>Training and professional development requirements will be subject to further industry and public consultation in 2025.</p>
<p>RECOMMENDATION 19: That the Victorian Government standardise references provided by rental providers and real estate agents to renters. The standard reference should only include information necessary for rental providers to know when renting their property.</p>	Support in Principle	<p>The Government has committed to the standardisation of rental applications in the Housing Statement, including limiting the kinds of information agents or landlords can keep on file and how long it can be retained.</p> <p>The 2021 RTA reforms restricted rental providers and their agents from using any information beyond what is provided in a rental application to assess a prospective renter's suitability.</p> <p>The 2021 RTA reforms also prohibit a rental provider or their agent from requesting inappropriate information from a rental applicant (see Recommendation 7 above).</p>
<p>RECOMMENDATION 20: That the Victorian Government discontinue its First Home Owners Grant and transfer the funding to the Private Rental Assistance Program.</p>	Not support	<p>The Government acknowledges the benefits of the Private Rental Assistance Program (PRAP), which provides holistic support to those at risk of homelessness. This provides a key support for a cohort of Victorians at a specific point on the housing spectrum.</p> <p>The Government notes however, the First Home Owners Grant (FHOG) is part of the Government's plan to make it easier for first home buyers to buy a property to live in. This provides a key support for Victorians at a different point on the housing spectrum.</p> <p>The Victorian Government carefully considers its policy settings balancing many priorities, looking for opportunities for reform where possible. The Government will continue to review policy parameters and priorities, with the aim of building a better future for all Victorians.</p>
<p>RECOMMENDATION 21: That the Victorian Government provide details on the head leasing and spot purchase program, with a view to providing dedicated funds over and above existing budgets.</p>	Support in principle	<p>Head leasing and spot purchasing remains integral to delivering the unprecedented investment through the Big Housing Build and Housing Statement commitments.</p> <p>This includes acquiring specific dwellings and/or buildings as part of the Social Housing Accelerator Fund, buying apartments off-the-plan, and head leasing leftover apartments to boost social and affordable housing stock where it is appropriate to do so.</p> <p>The Government will continue to examine the optimal mix of approaches to deliver efficient and cost effective social and affordable housing for Victoria and provide details on their delivery.</p> <p>Dedicated funds over and above existing budgets would require further consideration by Government.</p>

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<p>RECOMMENDATION 22: That the Victorian Government consider establishing a way in which Victorian property owners can engage with the Director of Housing to sell their housing to the Government for the purpose of public housing.</p>	<p>Support in principle</p>	<p>The Victorian Government seeks to inform decisions on asset renewal opportunities to increase growth and replace aging assets, through its strategic asset planning processes. The CEO Homes Victoria does participate in the market to purchase dwellings and or land, where there is a need for further investment. These opportunities are managed through unsolicited processes where private landowners contact Homes Victoria, as well as procurement processes where there is a more expansive purchase program. Government will investigate the merits of augmenting existing processes to allow owners to volunteer their property for purchase.</p> <p>Spot purchasing is an existing process to deliver social housing as quickly as possible and as part of the Big Housing Build and Victoria’s Housing Statement, government has purchased properties off the private market to deliver social and crisis accommodation. The New Rentals Development Program (NRDP) also supports owners and builders to sell properties to the community housing sector for use as social housing. Government is considering updates to NRDP.</p>
<p>RECOMMENDATION 23: That the Victorian Government investigate ways in which it can support property owners to contribute to the supply of social housing, such as through tax rebates, and advocate to the Commonwealth Government for similar ways using federal tax concessions.</p>	<p>Support in part</p>	<p>After the LSIC’s inquiry, and through the <i>2024-25 Budget</i>, the Victorian Government introduced a standalone land tax exemption for land that is used to provide social and emergency housing. The exemption emphasises Government’s support for the social housing sector and will support the continued provision of this housing in Victoria.</p> <p>In September 2023, the Government released the <i>Housing Statement</i>, which (among a host of measures to support housing outcomes) included support for property owners such as building developers, superannuation funds and banks to partner with community housing providers to deliver social or affordable housing.</p> <p>The Government will continue to review all tax and policy settings as part of the State budget process each year, and to engage the Commonwealth on tax settings, with a view to achieving the best outcomes for Victorians.</p>
<p>RECOMMENDATION 24: That the Victorian Government work with the Commonwealth to identify and remove federal taxes that currently only apply to the build-to-rent sector.</p>	<p>Support in full</p>	<p>Victoria’s BTR model and tax settings help to provide Victorian renters with high-quality and well-maintained homes on secure leases.</p> <p>Victoria undertook advocacy to the Commonwealth for income tax concessions for eligible BTR projects, including reduction of the withholding tax rate - from 30 per cent to 15 per cent - for eligible fund payments from management investment trusts attributable to residential BTR projects. The Government was pleased to see this change announced through National Cabinet in April 2023.</p> <p>Victoria will continue to monitor the BTR sector, reviewing and advocating for taxation policy or regulatory change where necessary.</p>
<p>RECOMMENDATION 25: That the Victorian Government amend Section 32 of the <i>Subdivision Act 1988</i> replacing ‘unanimous resolution’ with ‘special resolution’.</p>	<p>Support in principle</p>	<p>In Victoria, under the <i>Subdivision Act 1988</i>, any proposal to sell a building governed by an owners corporation, including for redevelopment, requires a unanimous resolution of the owners corporation to sell the common property and to wind up the owners corporation.</p> <p>The Victorian Government will consider changes to owners corporation collective sales arrangements, including consideration of cost implications of ageing buildings, housing availability and the impact of redevelopment on local amenity and neighbourhoods, impacts on property rights, security of tenure and other government policies such as ageing in place. It is important to ensure adequate safeguards are in place should the threshold for a decision to common property be lowered, noting that other jurisdictions with lower thresholds have safeguards such as mandatory court oversight of the sale process.</p>

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<p>RECOMMENDATION 26: As a matter of urgency, the Victorian Government commit to:</p> <ul style="list-style-type: none"> <li>• improving planning processing times</li> <li>• clearing the backlog of planning approvals currently under consideration.</li> </ul>	<p>Support in full</p>	<p>The Victorian Government has continued to focus on planning system reforms that provide greater certainty and support good decisions being made faster, and as part of <i>Victoria's Housing Statement</i> (Housing Statement), released in September 2023, committed to implement legislative reforms to strengthen the planning system. This includes implementing legislative recommendations of the Red Tape Commissioner and a review and rewrite the <i>Planning and Environment Act 1987</i>. This work is currently underway to deliver a modern, fit-for-purpose planning system for all Victorians.</p> <p>Some of the initiatives implemented or progressed since the release of the Housing Statement include:</p> <ul style="list-style-type: none"> <li>• Amendment VC242, which expands the Development Facilitation Program to make the Minister for Planning the decision maker for significant residential development that include affordable housing.</li> <li>• Amendment VC253, which introduces changes to the Victorian Planning Provisions to make it easier to build a small second home.</li> <li>• Amendment VC243, which removes the need for planning permits for single dwellings on a lot greater than 300sqm, allows single dwellings on lots less than 300sqm to qualify for VicSmart application process (i.e. applications will be decided within 10 days).</li> <li>• Reforms to streamline hearing processes at the Victorian Civil and Administrative Tribunal and Planning Panels Victoria are progressing.</li> <li>• To increase housing choice in activity centres, work has commenced to develop clear planning controls at Broadmeadows, Camberwell Junction, Chadstone, Epping, Frankston, Moorabbin, Niddrie (Keilor Road), North Essendon, Preston (High Street) and Ringwood activity centres.</li> </ul> <p>Government has received advice on reforms to improve the developer contributions system following a Ministerial Advisory Committee review.</p> <p><b>Case management service</b></p> <p>The Department of Transport and Planning has established the case management service to help improve the assessment and processing of permit applications for multi dwellings which have been unreasonably delayed. The focus of the case management service is for residential projects with a value of \$10 million or more and older than six months. The current role of case management is to proactively work with developers, councils, and referral agencies to resolve issues that are delaying decision-making.</p>
<p>RECOMMENDATION 27: That the Victorian Government develop community engagement programs for areas where it plans to increase density, based on prior consultation with the relevant local council. The programs should address community concerns and provide information on why density must increase, including its social and economic benefits.</p>	<p>Support in principle</p>	<p>As part of the Victorian Government's usual practice, engagement with the community and relevant key stakeholders are undertaken for all significant strategic work, including areas where density increases are proposed. Major engagement projects underway include:</p> <ul style="list-style-type: none"> <li>• Plan for Victoria: The Department of Transport and Planning (DTP) is currently engaging with Victorians to inform the development of a new plan for Victoria, which will guide future growth and change over the next 30 years. The engagement program is one of the most comprehensive undertaken in Victoria and is being undertaken simultaneously with Traditional Owners and First Peoples communities.</li> <li>• Activity Centres Pilot Program: The Housing Statement identified 10 activity centres where increases to residential density would be pursued through updated and simpler planning controls. A community engagement strategy has been prepared by DTP to put in place a broad engagement program, including Community Reference Groups (CRGs) to ensure future planning for these centres is strongly informed by local knowledge, as well as existing strategic work and consultation undertaken by or with the respective Council.</li> </ul> <p>Suburban Rail Loop: Suburban Rail Loop Authority (SRLA) has undertaken community and stakeholder engagement since 2019, which has helped inform the planning, design, and development of all aspects of the project. In early-2024 SRLA asked the community for their views on some key directions and there will be continuing opportunities for people to have their say as the structure planning process progresses in 2024.</p>
<p>RECOMMENDATION 28: That as a matter of urgency the Victorian Government respond to Recommendation 50 in the Legislative Council Legal and Social Issues Committee's 2021 <i>Inquiry into homelessness in Victoria</i>.</p>	<p>Support in principle</p>	<p>The Victorian Government response to the Legal and Social Issues Committee Inquiry in Victoria, February 2024 remains the same for Recommendation 50, and is appropriate for this context too.</p> <p><b>"Support in principle</b></p> <p><i>The Victorian Government has announced an expanded Development Facilitation Program, which will streamline the planning process for medium to high density residential developments that meet the set criteria: construction costs worth at least \$50 million in Melbourne or \$15 million in regional Victoria and delivering at least 10 per cent affordable housing.</i></p> <p><i>There will also be clear planning controls to deliver an additional 60,000 homes around an initial ten activity centres across Melbourne by the end of 2024, with the Minister for Planning taking over the planning work from councils in these areas. This program will also consider the best way to incentivise more affordable housing.</i></p> <p><i>The Victorian Government, through Homes Victoria, continues to work with councils and other stakeholders to maximise social and affordable housing outcomes by strengthening policy settings; empowering local governments; and showcasing successful projects."</i></p>

**Victorian government response to Legislative Council Legal and Social issues Committee inquiry report into the rental and housing affordability crisis in Victoria**

Recommendation	Government response	Rationale
<p>RECOMMENDATION 29: That the Victorian Government ensure the whole-of-government land register database to be developed by the Land Coordinator General is publicly available.</p>	<p>Support in full</p>	<p>The creation of a whole of government land register database to be developed by the Land Coordinator General is supported. Best use should be made of existing databases and existing public access mechanisms.</p> <p>The register of land has information about government owned land held in freehold. The Crown land register holds information about Crown land in Victoria including who administers the land from a Financial Management Act perspective and any reserve status. Both are maintained by Land Use Victoria (LUV) and are publicly searched for a fee.</p>
<p>RECOMMENDATION 30: That the Victorian Government commit to building 60,000 new social housing dwellings by 2034, with 40,000 completed by 2028.</p>	<p>Support in principle</p>	<p>The Victorian Government recognises the need for new social housing. Victoria’s Housing Statement highlights, just like the private housing market, the supply of social and affordable homes in Victoria needs to keep up with demand.</p> <p>We are committed to delivering on our current investment programs including the Big Housing Building, Public Housing Renewal and Regional Housing Fund.</p> <p>We will continue to deliver social housing through new programs such as the redevelopment of Melbourne’s 44 ageing high-rise public housing estates, as well as in partnership with the Commonwealth Government through the Social Housing Accelerator Program and the Housing Australia Future Fund Facility.</p> <p>We will continue to explore investment options and delivery models for increasing supply, in alignment with government policy objectives and budget processes that achieve value for money outcomes.</p>
<p>RECOMMENDATION 31: That the Victorian Government advocate in National Cabinet to begin a conversation between the Commonwealth and State and Territory Governments over a renewed long-term National Housing Policy. The Policy should address fundamental issues such as:</p> <ul style="list-style-type: none"> <li>• Is Australia going to be a nation of homeowners or renters?</li> <li>• What action will be taken and when (i.e. actions linked to timeframes)?</li> <li>• How much of Australia’s economy should depend on high house price growth?</li> <li>• How will housing keep up with population growth?</li> <li>• How can the Government ensure that renting remains fair and affordable?</li> <li>• Do Commonwealth tax concessions distort the housing market, and if so to what extent?</li> <li>• How do we ensure long-term capital funding for social housing from State, Territory and Commonwealth Governments?</li> </ul>	<p>Support in principle</p>	<p>The Victorian Government continues to advocate to the Commonwealth on housing policy issues to achieve better housing outcomes via negotiations on various intergovernmental agreements.</p> <p>The Victorian Government also notes the development of the National Housing and Homelessness Plan (the Plan) which will be a ten-year strategy and will set out a vision to inform future housing and homelessness policy in Australia is also underway. The Plan will set out the key short, medium, and longer term reforms needed to address housing challenges. The development of the Plan recognises long-standing calls from states and territories, as well as other key stakeholders, for a national plan to help more Australians access safe and affordable housing. The Plan which is due for release in 2024 is expected to give regard to the fundamental housing policy issues outlined in recommendation 31. The Plan will be complemented by the National Housing Accord’s aspirational target to build 1.2 million new well-located homes over 5 years from mid-2024. Victoria will seek clarity from the Commonwealth on additional funding to help achieve the stated objectives of the Plan, considering financial implications on state and territories.</p> <p>The Social Housing Growth Fund, supported by Affordable Housing Investment Partnerships, is a key Victorian program supporting an ongoing pipeline of investment into social and affordable housing. The Fund has an invested corpus of around \$3 billion, the returns on which are used to fund social housing development through competitive grants rounds. This provides a continuous, ongoing funding source for a moderate and meaningful supply of social housing. The Housing Australia Future Fund will complement this at a national level.</p> <p>Victoria’s Housing Statement (the Statement) also puts forward an ambitious plan to tackle housing supply over the next decade. The Statement is aimed at increasing housing supply and providing more social, affordable, and key worker accommodation, including build-to-rent homes.</p>
<p>RECOMMENDATION 32: That the Victorian Government ensure that, as announced in the <i>Housing Statement</i>, the funds raised from the 7.5% short stay levy will go to Homes Victoria, supporting their work building and maintaining public and community housing across the State, with 25% of funds to be invested in regional Victoria.</p>	<p>Support in full</p>	<p>In September 2023, the Government released the Housing Statement and announced the introduction of a 7.5 per cent levy on short stay accommodation in Victoria from 1 January 2025.</p> <p>Funds raised from the 7.5 per cent short stay levy will be transferred to Homes Victoria, supporting their work building and maintaining public and community housing across the State, including through expansion of program funding streams. 25% of funds from the short stay levy will be invested in housing programs in regional Victoria.</p>

**Victorian government response to Legislative Council Legal and Social issues Committee inquiry report into the rental and housing affordability crisis in Victoria**

Recommendation	Government response	Rationale
<p>RECOMMENDATION 33: That the Victorian Government establish a statewide register of short stay providers. The register should be publicly available, and data updated and published in real time.</p>	<p>Support in Principle</p>	<p>The Victorian Government notes that registration of short stay providers is a matter for local governments on a council-by-council basis, and consistency between these councils is welcome.</p>
<p>RECOMMENDATION 34: That the Victorian Government introduce legislation, either standalone or by amending the <i>Owners Corporations Act 2006</i>, to establish a mandatory code of conduct for the short stay rental accommodation industry. The code should allow local councils to add additional regulations related to their region.</p>	<p>Support in Principle</p>	<p>The Victorian Government is considering amendments to the <i>Owners Corporations Act 2006</i> to allow owners corporations to adopt by-laws that limit short-term rental accommodation in their strata scheme, provided the property is not the host's principal place of residence.</p>

**Response categories (five):**

- support in full — all elements of the recommendation are supported.
- support in part – some elements of the recommendation are supported.
- support in principle – the Victorian Government generally supports the intent or merit of the policy underlining the recommendation but does not necessarily support the method for achieving the policy.
- under review – further analysis is required for the Victorian Government to determine its position (when possible, estimated expected timeframes for the review and/or implementation should be included in the response).
- not support – the Victorian Government does not support the recommendation.