

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2026–27 Budget Estimates

Melbourne – Friday 22 May 2026

MEMBERS

Sarah Connolly – Chair

John Pesutto – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Richard Riordan

Meng Heang Tak

WITNESSES

Paul Edbrooke MP, Minister for Renters;

Lisa Gandolfo, Deputy Secretary, Consumer Affairs and Local Government,

Nicole Rich, Executive Director, Regulatory Services, and Director, Consumer Affairs Victoria, and

Jaklin Trajkovski, Executive Director, Regulation Policy and Dispute Services, Department of Government Services.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2026–27 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, any comments you repeat outside of this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Renters the Honourable Paul Edbrooke as well as officials from DGS. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, after which time committee members will ask you questions. Your time starts now.

Paul EDBROOKE: Thank you, Chair, and thank you to the committee members for the invitation to appear again before you today. Can I acknowledge the traditional owners of the land on which we meet, the Wurundjeri Woi-wurrung people of the Kulin nation, and pay my respects to elders past, present and emerging. I also acknowledge and pay respects to any Aboriginal and Torres Strait Islander people who are present or watching today's hearing.

Visual presentation.

Paul EDBROOKE: Let me start with some numbers, because they paint quite a clear picture of the situation we are in. Victoria is the most affordable place to rent in the country, but obviously there is always more work to do. As at April this year Melbourne's median advertised rent was \$590 a week, \$85 below the national capital city median of \$675. In regional Victoria the median rent is \$500, \$100 below the national rest-of-state median at \$600. That did not happen by accident. The most effective thing any government can do to keep rents down is to build more homes. It is supply. That is exactly what this government is doing.

But we know that far too many Victorians are still under pressure, which is why we have not just stopped at supply; we have also backed renters with the strongest protections in the country. Victoria has delivered over 150 rental reforms, more than any other state. The most significant took effect in November last year when we made no-fault evictions illegal. A rental provider cannot remove someone from their home without a valid reason. It sounds like common sense now. Renters now get 90 days notice of a rent increase, up from 60. All forms of rental bidding are banned, and every rental property must meet minimum standards before it can even be advertised. From March this year rental applications were standardised, and it is now an offence for any platform to charge fees for applications or rent payments. We are not done. Later this year we will strengthen evidence requirements for bond claims, expand safety checks and introduce new protections for renters experiencing family or personal violence.

Strong laws matter, but I think we can all agree that practical support for renters who are doing it tough does too. We have invested \$110 million in renter support services. This year alone 6068 Victorians have been helped through tenancy assistance and retirement housing services and 2443 through the rental stress support package. In June last year we launched Rental Dispute Resolution Victoria, a free, faster alternative to VCAT for common rental disputes. Under the old system renters made up just one in four applicants when it came to

residential tenancies issues. Under RDRV that is nearly half. Renters are now using RDRV because it works for them, with 19,529 applications received and more than 9000 already resolved for free. We are going further. We are investing \$98.74 million over five years in the new Victorian renter rights program, which will more than double the number of Victorians we can help each year from around 12,600 to 25,500. That includes local renter rights services, a specialist service for Victorians aged 55 and above and a new Victorian renters helpline. Rights only work if they are enforced, and that is why we established the renting taskforce, and it is delivering results. Since its establishment the taskforce has issued 224 warnings, 127 infringements and more than \$855,000 in fines. The message is simple: if you break the rules, there are consequences. Consumer Affairs Victoria's investigation into Ingenia resulted in fines exceeding \$1 million, and that was for failing to provide safe, functional kitchen facilities to older and financially vulnerable Victorians, and that is the exact kind of action renters deserve.

Consumer Affairs Victoria has also investigated 2642 applications for excessive rent increases, giving renters a direct avenue to challenge unfair hikes. The new RTBA bond system now manages over 745,000 active bonds worth over \$1.62 billion, and soon the portable rental bond scheme launches, allowing renters to transfer their bond from one property to the next so they are not left scrambling for a second bond when they move.

Chair, Victoria is the most affordable state to rent in. We have the strongest protections and we have invested in renters support, and we are enforcing those rules as well. We know there is more to do, and we will keep on doing it. I welcome the committee's questions.

The CHAIR: Thank you, Minister. The first 8 minutes is going to Mr Riordan.

Richard RIORDAN: Thank you, Chair. And good afternoon, Minister. This is the middle of your maiden voyage. Minister, the rental bond scheme has been probably a welcome addition to the rental landscape, I accept, but there seem to be quite a few outstanding questions with it. I refer, Minister, to: where within the 2026–27 budget papers is funding for the portable rental bond scheme reflected?

Paul EDBROOKE: Thank you for the question, Mr Riordan. It is not, because it is funded by one of the seven trusts in the Department of Government Services.

Richard RIORDAN: So what is one of the seven trusts?

Paul EDBROOKE: Just give me one second, I will tell you how much.

Richard RIORDAN: And how much funding does that have access to?

Paul EDBROOKE: Just give me one second, Mr Riordan. I want to give you an accurate answer.

Richard RIORDAN: Does the Secretary have the answer?

Paul EDBROOKE: We can take that on notice and give you the information that we have.

Richard RIORDAN: Take it on notice. Okay. So if we can have it on notice, please – or you have now found it? What is the name of the trust and what amount of money does it have access to?

Paul EDBROOKE: I will get you the name of the trust, Mr Riordan, but the ongoing costs of administering the scheme are estimated to be an average of approximately \$2.9 million per year over the first 10 years of the scheme. And the trust name?

Nicole RICH: Once the legislation takes effect, the relevant trust fund is the residential bonds income investment account, so it is one of the two statutory accounts.

Richard RIORDAN: What level of free cash does that have available? The reason I ask that question is because essentially the guaranteeing of the bond is in fact that it is a guarantee – it is the money. If it is a \$2000 bond, it is passed on to the next tenancy, and for any claims that the landlord may have had against it, this trust covers that, doesn't it?

Lisa GANDOLFO: I can speak to that, Minister, if you like. Recently there was a regulatory impact statement that was circulated about the fees that would apply to the scheme, so it has been tested with the

Victorian public. The fees for the scheme make it cost recoverable up to a certain point, and then any further amounts will be covered by the trust account.

Richard RIORDAN: Let us take a worst case scenario: a landlord gets a property back completely trashed, so they will be claiming maximum bonds, so there is no bond; you have forwarded the \$2000 on, using that example, and the landlord has a justifiable claim for the \$2000. That \$2000 comes from where initially?

Lisa GANDOLFO: It comes from their bond, initially, and that bond is guaranteed, so the bond is –

Richard RIORDAN: The bond has moved to the next house?

Lisa GANDOLFO: It is. The Victorian government will pay the landlord so they have sufficient funds, or at least to the extent of the value of the bond, to make their repairs, and then that bond, once that is settled, needs to be recuperated from –

Richard RIORDAN: From that tenant.

Lisa GANDOLFO: That is exactly right.

Richard RIORDAN: Okay. So we have now got a tenant who has moved on to the next property. They have settled in. They could be doing damage to that property because they have avoided any accountability to this point. I am talking of an extreme case, I accept that, but it does happen, sadly. We have got someone in their new property. It has not cost them a cracker. They have started on their journey to trashing the next place. Have you set a time limit as to how long it is before you have reconciled the books and then decided you can chase the funds from that tenant?

Lisa GANDOLFO: The tenant and the rental provider will come to an agreement about how much is owed, and that is what Rental Dispute Resolution Victoria will also help to assist –

Richard RIORDAN: If I have moved on 1 June to my next property and you have kindly paid the bond, how long will I have been in that property on 1 June before someone from your department contacts me to say, ‘Hang on, sunshine. You’ve done \$2000 worth of damage. You owe the department \$2000’?

Paul EDBROOKE: On that, Mr Riordan – I know it is a hypothetical, and I know it is probably extreme –

Richard RIORDAN: It is a pretty realistic one, though.

Paul EDBROOKE: Yes, there is no doubt that that that could happen and has happened. To that I would say, with RDRV and VCAT still in the process as well, we are currently doing some consultation on what the best format is for that.

Richard RIORDAN: So you have not figured that out yet?

Paul EDBROOKE: It is not a case of figuring it out, it is a case of having options and making sure we choose the right option.

Richard RIORDAN: Okay. So when does the scheme start?

Paul EDBROOKE: Later this year.

Richard RIORDAN: Have you picked a date, or are you still working on it? It is not in place yet?

Paul EDBROOKE: Let me just confer.

Richard RIORDAN: I am getting a sense that you have not really worked the mechanics out yet.

Paul EDBROOKE: Back to your original question, they have got eight weeks to pay anything owed back to RDRV.

Richard RIORDAN: I think in your description we all accept that many of the people that may benefit the most from this will also be people who are going to be least able to, in many cases, deal with a \$2000 bill that

they have, for whatever reason, not planned for. What is your plan for recovery? Are you going to be bankrupting tenants 12 months after they have moved to the next house and possibly incurred more damage fees? Just step me through the mechanics of how you are going to work with people and how you are going to manage the debt and move people on.

Paul EDBROOKE: Just going back to the original premise of your question, Mr Riordan, there should be no assumption that the people that can least afford it would be the people that do the most damage to houses as well.

Richard RIORDAN: No, I am just using the example. You have got a low-income person – let us say someone who is young and inexperienced, whatever. I have got 20-year-old kids; I know what it is like – share houses, the whole thing. It can be a disaster. How are you going to manage the difficult cases?

Paul EDBROOKE: The difficult cases will be managed on their own merits. Certainly it is not the intent of the government to be bankrupting anyone. It is the intent of the government through the affordable rental bond scheme to make sure that we are making it easier for people to move.

Richard RIORDAN: Can you rule out landlords having to pick up the bill for out-of-control management of this system?

Paul EDBROOKE: I think the assumption about out-of-control management would not take into account the published regulatory impact assessment we did and all the –

Richard RIORDAN: Minister, you are sitting here today and you cannot tell me when you are going to recover the money, how long it is, what timeframe. If I am a 22-year-old that has racked up a two grand debt, I am not exactly going to have two grand in my back pocket to come to you any time soon. I could have had all sorts of other things going on in my life. It is a pretty big bill to leave someone with and start chasing them down as a big, mean government. Are you going to put garnishes on people's wages? Are you going to restrict people's access to things? What are you going to do to get the money?

Paul EDBROOKE: No. But obviously there will be hardship and payment plans, and certainly people cannot then port that bond again until they have actually acquitted their bill with the government.

Richard RIORDAN: So you are going to leave people trapped in their homes.

The CHAIR: Thank you, Minister. Mr Riordan, your time is up. Ms Kathage.

Lauren KATHAGE: Thank you, Minister. Thank you, Chair, Minister and officials, and thank you to Mr Riordan for that fascinating insight into how the Liberals view renters. Minister, your presentation front and centre had information about rental affordability. Can you tell the committee more about what the government is doing to make renting more affordable?

Paul EDBROOKE: Thank you for that question, Ms Kathage, and thank you for your strong advocacy for renters as well. The most important thing a government can do to make renting more affordable, as I have said previously in the presentation, is increase supply. That is a fundamental economic reality. When there are more homes available to rent, competition amongst rental providers increases and prices moderate, and everything else is really second to that. That is why this government has one of the most ambitious housing targets in the country. Delivering on that target means planning reform – and I know we heard from the planning minister previously – density reform and getting the settings right to encourage construction across metropolitan Melbourne and also regional Victoria. More homes being built means more rental properties entering the market, and that is the most effective and durable lever on rental prices.

The government has also acted to increase social and affordable housing supply, specifically recognising that the private market alone will not serve most vulnerable renters. The \$61.2 million invested in homelessness initiatives in this budget also reflects that commitment we have got, ensuring that there is a safety net for those that the market cannot reach. Alongside supply, the government has taken targeted action to reduce the direct costs that renters face. The portable rental bond scheme – which, as I have said, will launch mid-2026 – will allow renters to transfer their bond from one property to the next, removing that up-front burden that I am sure many people in this room have felt of covering two bonds simultaneously. We have also banned fees for rental

applications and rent payments, including through third-party apps, so renters keep more of their money in their pocket. For those under the most acute pressure right now, the government has invested \$110 million in renter support programs, with the new Victorian renter rights program, backed by \$98.74 million over five years, set to more than double the number of Victorians we can assist and help out every single year. But supply is the foundation, and everything else builds on that.

Lauren KATHAGE: Thank you. You touched on it in your presentation, just staying on affordability, but in terms of how Victoria compares to other states around rental affordability, can we go into a bit more detail on that?

Paul EDBROOKE: I think realestate.com.au summed it up the best, Ms Kathage, when earlier this year they wrote that Victoria is the stand-out state, the only state in Australia that rental affordability actually has improved in the last year. That, as I have said, is not an accident. However you measure it and whichever dataset you use, Victoria is the most affordable place to rent in the country. That is not just a claim we are making; it is what the data shows consistently across multiple sources. In saying that, I am not saying we should rest on our laurels. There is always more work to do.

The most current picture comes from Cotality's advertised rent data at April 2026, which is what our presentation used. Melbourne's median advertised rent is \$590 a week, the lowest of any capital city in Australia. Regional Victoria sits at \$500 a week, also below the national rest-of-state median of \$600. Also Domain's September 2025 rental report, which measures across all active tenancies rather than just new listings, tells a similar story. Melbourne's median was \$580, equal lowest in the country alongside Hobart and well below Sydney at \$780, Perth at \$700, Brisbane at \$660 and Canberra at \$700 – two different datasets, two entirely different methodologies, but the same conclusion. And the trend is just as important as the level in my opinion. Melbourne has now had five consecutive quarters of rent stabilisation, its longest period of stability in more than a decade. Annual rent growth in metropolitan Melbourne was just 2.5 per cent over the year to June 2025, compared to 10.9 per cent the year before – 2.5 per cent compared to 10.9 per cent. That moderation is not accidental. It reflects the government's housing supply agenda starting to have an effect on the market. A lot of these changes are long-term changes; they are not a sugar hit. Regional Victoria, at \$500 a week, also sits below the national rest-of-state median and below regional Queensland, New South Wales and Western Australia. But the most effective thing a government can do to keep rents affordable over the long term is simply build more homes, and this government has the most ambitious housing commitment in the country. The data that I have just taken you through shows that is already starting to make a difference.

Lauren KATHAGE: Minister, your presentation showed that alongside affordability there is a real focus by government on making renting fairer. Are you able to talk us through in more detail some of the key reforms around rental fairness?

Paul EDBROOKE: Sure, I would love to. Thank you for the question. This touches close to home. As a former renter, I wish we had some of these reforms in train when I was renting. Our government has delivered more than 150 rental reforms since 2021 – 150 – and the most significant tranche took effect from November last year under the *Consumer and Planning Legislation Amendment (Housing Statement Reform) Act 2025*. I must also mention Minister Staikos and the work he did in this portfolio.

On security of tenure, remaining no-fault evictions have been abolished. A rental provider can no longer end a tenancy without a valid reason, even at the end of a fixed-term lease. When a fixed term expires, it now automatically converts to a periodic agreement, and notice periods for rent increases and notices to vacate have been extended from 60 to 90 days, giving renters more time to plan and respond to this change.

On fairness in the market, all forms of rental bidding are now banned. It is an offence to accept an offer above the advertised price. From 31 March this year rental applications were also standardised, with a prescribed form that all providers and agents must use, and the feedback on that reform has been amazing. It is now an offence for any business, including rent tech platforms, to charge fees for rental applications or rental payments as well.

On property standards, rental properties must meet minimum standards before they can even be advertised, not just at the point of a handover. Importantly, from a former firefighter perspective, smoke alarm safety checks have been extended to all properties regardless of when the rental agreement commenced, and from March 2027 further energy efficiency standards will be phased in, including ceiling insulation where none exists,

cooling in the main living area and energy-efficient hot water systems at the end of their life. There is a balance here to make sure that vendors and owners of the rentals can do that efficiently and in an efficient amount of time.

Coming next under the *Consumer Legislation Amendment Act 2025*, rental providers will be required to provide documentary evidence to support bond claims. Again, something that seems really quite common sense. Gas and electrical safety requirements will be extended to all rental agreements, and there will be stronger protections for renters experiencing family or personal violence, and these take effect this year.

Lauren KATHAGE: We saw a bit of a comparison around rental affordability with other states. Do we have a sort of comparison on the fairness side, how we are going compared to other states?

Paul EDBROOKE: Yes, thank you for that question. Victoria proudly does lead the nation, and the comparison on specific protections makes that clear as well. On no-fault evictions, Victoria has fully abolished them. There is no grey area there; it is black and white. New South Wales has signalled support for reform, but has not yet legislated a ban. On notice periods, Victoria requires 90 days for rent increases and notices to vacate; New South Wales still requires 60. On rental bidding, Victoria has banned all forms of rental bidding, including unsolicited bids; New South Wales has just only recently moved to ban solicited bidding.

On minimum standards, Victoria enforces 14 standards covering heating, structural soundness, hot water, ventilation and more, and properties must meet them before being advertised, which is really important. On fees, Victoria now prohibits rental application and rent payment fees charged by any business, including third-party apps – a protection that does not exist in most other states. I expect that soon they will look at what we are doing and start making their own reforms that are going to be very similar.

On rooming houses, which house some of our most vulnerable Victorians, Victoria has introduced mandatory safety checks every two years, structural and damp standards and a new heating standard requiring energy-efficient fixed heaters, with staged implementation through to 2030. And for people living in residential parks, Victoria is introducing a standard form contract and strengthening pre-contractual disclosure requirements from 1 July this year.

On the dispute resolution front, the establishment of Rental Dispute Resolution Victoria as a free service and binding and enforceable orders is nationally unique. Most states rely primarily on tribunal processes that are slower, more expensive for people that cannot afford it and more intimidating for renters without legal support. Again, as a common thread, the government will continue to look for opportunities to lead on this space. With almost 2 million Victorians renting, raising the bar is not optional; it is mandatory. We have got to keep on working in this space, and that is what I intend to do.

Lauren KATHAGE: Great. And in terms of enforcement?

Paul EDBROOKE: In terms of enforcement, the rental taskforce is making great headway there, and I am happy to take you through some results at another time.

The CHAIR: Thank you. Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good afternoon. There have been reports of Victorian rental properties that are advertised at seemingly moderate prices, but then in the fine print in the ad stating the rent would increase by over 30 per cent within the first few months. Under the *Residential Tenancies Act*, increases can only go up once per annum, so a renter on a 12-month lease could only have a rent increase at the conclusion of that 12-month period. However, under the same Act I understand your rent can be increased within a fixed-term lease if it is pre-written into the agreement that you sign – section 44(4) – thereby allowing a rent increase to occur within 90 days into the fixed-term 12-month lease simply by including a paragraph in the lease. Minister, is that practice consistent with the legislation or its aims in your view?

Paul EDBROOKE: Thank you, Mr Puglielli. Your colleague Ms de Vietri will be getting a letter in regard to, I think, a unique case of this very soon. Certainly it is illegal to increase rent without 90 days notice. So advertising that you are going to increase the rent within a month or two months, while not illegal is something that we would not encourage. But you cannot do it. It is illegal to increase rent without 90 days notice. I think one of our officers might have more to say on that.

Jaklin TRAJKOVSKI: Thank you, Minister. That particular provision was amended with the reforms back in 2018 that came into effect in 2019. The clear intent of the government at that time, and what it says in the legislation at the moment, is that rent cannot be increased at intervals of less than 12 months, and any agreements that purport to do this are invalid. We are aware of that case.

Aiv PUGLIELLI: Yes.

Jaklin TRAJKOVSKI: I think it was advertised that way by Ray White.

Aiv PUGLIELLI: So that was in breach of the legislation. Is that what I am hearing?

Jaklin TRAJKOVSKI: We will look into that more closely to have a look at what the practice was, but certainly what the legislation says at the moment is that rent increases have to be at 12-month intervals. And certainly we know that Victoria, along with all the other jurisdictions that are part of A Better Deal for Renters, that was agreed at national cabinet, had moved to no rental increases at less than 12 months. So that it is a consistent approach in Victoria with other jurisdictions. But certainly we have been notified of that practice.

Aiv PUGLIELLI: Okay.

Jaklin TRAJKOVSKI: We will look into it.

Aiv PUGLIELLI: Thank you. Can I ask, on RDRV, does RDRV have any published guidelines or procedures or performance measures that can be provided to the committee?

Paul EDBROOKE: We do, yes, but to give you some more details, I might pass over to the department.

Aiv PUGLIELLI: On notice, if necessary.

The CHAIR: Out of time, Mr Puglielli. Hate to be the bearer of bad news. Minister and officials, thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee will now take a short break before beginning its consideration of the portfolio for cost of living at 3:05 pm. I declare this hearing adjourned.

Witnesses withdrew.