

TRANSCRIPT

LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

Inquiry into the Rental and Housing Affordability Crisis in Victoria

Melbourne – Tuesday 22 August 2023

MEMBERS

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Ryan Batchelor – Deputy Chair

Matthew Bach

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Rachel Payne

Aiv Puglielli

Lee Tarlamis

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John Berger

Moira Deeming

David Ettershank

Wendy Lovell

Sarah Mansfield

WITNESSES

Michelle Tyrrell,

Wren Pleasant,

Alison Cooke, and

Felicity Walls.

The CHAIR: I declare open the Legislative Council Legal and Social Issues Committee public hearing for the Inquiry into the Rental and Housing Affordability Crisis. Please ensure your mobile phones are switched to silent and that background noise is minimised.

I would like to begin this hearing by respectfully acknowledging the Aboriginal people, the traditional custodians of the various lands we are gathering on today, and pay my respects to their ancestors, elders and families. I particularly welcome any elders or community members who are here today to impart their knowledge of this issue to the committee or who are watching the broadcast of these proceedings.

Welcome, panellists, this morning, and all those who are watching the live broadcast. I would like to introduce the committee members. To my right is Dr Matthew Bach, Member for North-Eastern Metropolitan Region; Mr Michael Galea, Member for South-Eastern Metropolitan Region; Mr Aiv Puglielli, Member for North-Eastern Metropolitan Region; Mr Joe McCracken, Member for Western Victoria; Ms Rachel Payne, Member for South-Eastern Metropolitan; and also participating is Dr Sarah Mansfield, Member for Western Victoria.

Sarah MANSFIELD: Thanks for coming today.

The CHAIR: Also joining us shortly will be my Deputy Chair Mr Ryan Batchelor. He is just running a little bit behind time.

I would like to welcome our four witnesses to this first session: Ms Michelle Tyrrell, Ms Wren Pleasant, Ms Alison Cooke and Ms Felicity Walls. Welcome to our panellists.

All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions 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 what you say during this hearing, but if you go elsewhere and repeat the same thing, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. The transcript will ultimately be made public and posted on the committee's website. For the Hansard record, can you please state your name and any organisation that you are appearing on behalf of.

I now invite the panellists to introduce themselves from my left. Please make a statement, but I ask you to keep to a maximum of 5 minutes to ensure that we have plenty of time to do a discussion afterward. Could you please state your full name.

Michelle TYRRELL: My name is Michelle Tyrrell. I am 43 years of age, and I am a secondary teacher. I have been renting since the age of 17 in Queensland, New South Wales and Victoria. I have also rented overseas, living in Ecuador and London from 2016 to 2021. I returned to Melbourne in August 2021 with my partner after living in London for over five years. Initially we lived in an apartment in the CBD, and then we decided to move to the west for a bit more space. Things that we noticed initially coming back and looking at places were poor quality, glass louvres, carpets decrepit, poor conditions, one heater in one room, blinds thin, bent aluminium, doors that did not fit correctly, gaps under the door, lack of insulation, no double glazing, cracks, paint and mould. All of these things were visible.

The property we applied for and currently live in we viewed for approximately 10 minutes. Moving in and being able to turn on the lights and see what it truly looked like was a bit of a shock for both of us. With the

lights on we could clearly see the black mould throughout the entire house – bathroom, walls, ceiling, windows, a gaping rotting hole in the floorboards by the fireplace, which was black and wet from all the rain coming down, and the dilapidated fireplace with dead bird remains inside. The walls were absolutely filthy with the black dust. We wrote to the real estate agent about these things. We also noticed that during the night the tops of our quilts were always wet. The real estate agent was not helpful or supportive, and we were constantly made to feel like the problems were all in our heads. We took many photos, and they documented the mould in all the rooms, the window frames and the holes in floorboards. We ended up calling Tenants Victoria to understand our rights and further steps we could take to address the issues. I applied to VCAT due to a lack of action or repairs from the real estate. The real estate were given the orders after the hearing to fix the mould and employ the services of the Mould Doctor and follow any recommendations provided. They cleared up some of the mould and put in some new grouting and sealant, trimmed some trees and cleaned the gutters. I asked for a plumber's report and full inspection, which was part of the recommendation, but they refused to give me this. I reopened the case.

Every time I have gone to VCAT the process has been mentally exhausting. At every step I have had to meticulously document all of the issues – take photos, videos, keep emails, document all evidence and be prepared to fight for myself. After the second hearing was set the real estate emailed and asked why I was going back to VCAT again. I had to state very explicitly why I was going back, and then the next day I got the plumber's report. The following day the plumber called to remove the fireplace. I adjourned the hearing until all the work was actually completed, and then I cancelled it.

We have been in our house over the winter, and we have been able to observe, live and see just how bad things are. Moisture and humidity levels remain high, with us using a 30-litre dehumidifier in the bedroom and study area throughout winter. My partner's salt lamp is basically a puddle of water on cold days and nights. Mould of all different shades grows over the removed fireplace. Our bedroom quilts still remain damp and wet, along with our clothes in our built-in robe. My partner's clothes have been covered with mould in the built-in robe, and a beautiful green shade of mould over various other parts. I recently also found mould all over the south-facing wall in our bedroom. There has been a black shadow of mould growing all over the various walls and the ceiling as well.

What I would like to see improved – I would like to see the equivalent of a roadworthy for cars or building inspection for a house not for when you buy a house but for renting. Each time a rental ends and a new lease begins the rental needs to pass a very serious livability test. The World Health Organization recommends indoor humidity to be 30 to 50 per cent. I cannot find any standard or set code in Victoria or Australia, so this needs to be fixed. I want insulation in walls and ceilings in Victoria and Australia, and I want this to be compulsory. I want ventilation and real extractor fans for stoves, ovens and in the bathrooms that take the fumes and moisture outside, not faux ones that take it up to the top of the ceiling and drop it back down or into the ceiling.

I believe Tenants Victoria should be funded and open full time to help others. I honestly cannot say enough positive things about them and their help during these processes. I also would like real consequences for real estate agents and owners held to greater accountability. They do not seem to be punished financially, blacklisted or lose their licence ever. Thank you for listening.

The CHAIR: Thank you for that. We might move on to the next witness, please.

Wren PLEASANT: My name is Ms Wren Pleasant. I am employed as a teacher, and I am appearing here as an individual. I am here to present a novel position from an expert and lived perspective. I have been a renter for 16 years. I have been working and studying in the architecture, engineering and construction industries for the same 16 years. I have been on both sides of the proverbial oyster shell. I am aware of the two main arguments you have heard: from property investors, that they should be allowed to profit indefinitely; and from renters, that we demand our human right to safe shelter. I do not want to tell you anything you already know.

Today I draw your attention to this conflict of interest and propose specific actions as a solution. This paradox underpins each factor to low availability and high costs of rental properties, the first term of reference for this inquiry. The paradox of the rental model is that it has been the economic position of each successive state and federal government in my lifetime that residential property should constitute a risk-free backbone to private investment portfolios, whose value must always increase and which will yield a guaranteed return on

investment. This being the case, housing must remain increasingly inaccessible to both renters and first-time buyers via limitation to housing supply and increased costs to renters, as accessible housing would otherwise lower the relative value of existing housing stock against inflation and other assets.

I tell you that the value of housing currently as an investment is overinflated. It is artificially overinflated as a matter of government policy and economic intervention by our lending banks. It is confronting to be told – it is frightening – that you must accept this more accurate, lower valuation of your own assets. It is nevertheless the issue that must be confronted in order to secure your own future, your own long-term financial stability and the future of this nation and state.

First, why should you want to do this? Why should you act now to make housing accessible? The concrete benefits, the concrete economic benefits, are as follows: first, that each Australian renter who enjoys security of long-term housing is able to meaningfully plan for their own future, which is required to meaningfully invest in their own future. This is required for renters to participate actively in the economy, to drive economic growth in literally every sector. It is required that we are afforded this increased disposable income through more accessible housing and thus the opportunity to accrue capital in order to invest ourselves – into new and existing housing stock, into business, into technology, into culture, into learning and into our health.

Second, each Australian and Victorian renter will enjoy security in their own health and wellbeing as related to housing access and mobility. We face in our homes, as stated, epidemics of domestic violence, black mould, exposure to harsh weather and unsanitary conditions, which can be appreciably addressed by the freedom to leave unsafe situations and find safer housing. This will have a direct effect on the physical and fiscal health of the Australian and Victorian people, easing the currently untenable economic and humanitarian burden on our medical and justice systems.

Third, without constant inflationary pressure, without the entire risk of investment in housing being put on renters and on builders themselves rather than home owners, the AEC industry be allowed to operate without the constant threat of a boom-and-bust cycle, allowing for greater security of investment in new construction and greater diversity and innovation in construction, securing the continuing economic wellbeing of this sector. The way this can be done, this provision of security of future, is that renters must have long-term housing security. No empowerment of renter rights will be in practice enforceable if renters can face an arbitrary or retaliatory end to their lease in any given year.

The solutions: first, there must be a reversal of the burden of proof that a notice to vacate is enforceable. This applies to renters challenging any currently illegal practice by their landlord, specifically including being denied essential maintenance. Second, each renter must be able to organise their own essential maintenance on their own terms and then bill their landlord or deduct that cost from their rental payments – again, reversing the burden of proof that such a request is appropriate. This must also apply to the ending of tenancy through arbitrary, unaffordable rental increases, which, third, must be constrained relative to inflation and lending rates on an ongoing, permanent basis. This is how the breaking strain on VCAT can be eased to allow this body to function, which requires, fourth, greater funding and the ability to refer, directly or indirectly, penalties to rental agencies or landlords for spurious claims and misconduct, just as renters are currently open for criminal damage. Affordable supply must also be increased through, fifth, direct investment in public housing and by allowing the greater density of housing through relaxation of zoning to explore housing typologies that can be built faster and more sustainably, allowing greater space for commerce, amenities and green space that can deliver more housed persons per dollar.

If you do not make housing accessible, the following will happen: the affordability of housing is untenable currently, and the rate of homelessness will sharply rise. The same cost crisis facing the construction industry will exacerbate, putting individuals and businesses out of work, and your investment – your wealth – will pop like a bubble, like a dream upon waking.

The CHAIR: Thank you, Ms Pleasant. Thank you very much. I invite Alison, please can you introduce yourself and make your statement.

Alison COOKE: I am Alison Cooke. I am here with Sweltering Cities' support. I am 57. I grew up outside Victoria and moved here in 1989. I rented after I moved down here for work and then settled down with a partner as a house owner. After that my mother died and I inherited a house with my siblings, which we retain,

so we manage that. I act as the property manager. I am also now again a renter myself since moving out of the previous home. I worked for 32 years until I was made redundant by Telstra. I have re-skilled as a bookkeeper and now I contract work on my own terms, but it is not a very big supply yet because of my experience. I am on a disability pension as well. I am now talking to other renters about the trouble we face as renters, and this story that I am about to read was written with Sweltering Cities earlier in the year and published on their website. I will read it.

I have been a renter again in Victoria for the past nearly five years, and from the very beginning I was eager to have proper cooling facilities in the home. Despite the sweltering summer heat, my requests for simple, affordable upgrades in the first year particularly, such as shade planting over the windows facing the street and the north, have gone unheeded by my property manager. I have been told that I was not allowed to do anything with the front yard, which is tiny, but I could do what I liked with the interior courtyard, which really does not affect the heat of the house.

I moved into that house almost five years ago. The first couple of summers were manageable, but the Christmas before last was a different story. The house was routinely climbing into the 30s while I was inside, making it unbearable to be in there. Despite trying to cool down the house by opening all the windows and doors overnight when it was coolest, the scorching heat outside and the brick meant that it had little effect. I even went so far as to put reflective screens on the windows behind closed blinds, but that did not make any difference. Once the bricks heated up there was nothing I could do.

I have raised my concerns about the heat with the property manager, including passing on information about rebates for replacement of gas with electric options, because once the gas compliance came in, the gas ducted heating was found to be completely blown and was turned off and had to be replaced. It was so bad they actually put the picture of it up to show other people how bad gas ducted heating could look. I was told, though, by the property manager that the program had run out of rebates, which I knew was not true because I had just received one as a property manager because I was installing one in the house that I rent.

I really dread the impact of longer heatwaves being in that house. There are no ceiling fans. There is really nothing in there. I have invested in obtaining fans and I now have a personal Coolzy unit, which means I can be in the house when it is hot, but only if I am sitting watching the television and this is blowing on me, or I move it up to the other end of the house when I am doing work and it blows on me there. If I step outside of that pocket of cool air to go to the toilet, it is like being in an oven. On some hot days I have had to plan to leave the house or have just left the house to go and spend time on trains because it is cool, just travelling around the city, or going around to one of my sisters who have air conditioning and just sitting there, but it means you do not have a very productive day. All of this means I am spending money on cooling myself with items that I might not need in another place, and so I am investing enormous amounts of money that I cannot recoup. Despite my efforts I remain frustrated I cannot take advantage of rebates for cooling and believe that mandatory cooling standards for rental houses and new housing are as essential as those for heating. I am fighting now with a campaign for Sweltering Cities, especially as the next few summers will be brutal, as El Niño is back.

Since that story was written I have written again to ask for gas pumps to be installed, even for bubble wrap to be put on the windows – anything just to try and make the house cooler for the next summer. I received a response last night that it is not normal practice, and a meeting is not going ahead. What I would like to see is heat safety as part of the rental rules, especially with climate warming. For our planet, our safety, our health, houses must be upgraded and retrofitted, but the costs must not be placed on the owners alone in a way that is passed down to renters. And thirdly, I would like a way to make simple alterations to my home without having to ask permission, lose my investment or move out – but I do not know where I would move. That is it from me.

The CHAIR: Thank you, Alison. Thank you. Please, I invite Felicity.

Felicity WALLS: Awesome. My name is Felicity Walls. I am 32 years old, I think. I grew up in country Victoria, and I moved to Melbourne to come here to study. I have always lived in the inner north here in Melbourne. I am just going to start by reading my submission that I put forward.

While I now have a good rental, living through my 20s in Melbourne as a renter has been an uphill battle. The nightmare landlords are far from a fairytale ...

They delay repairs and delay bond claims. They give us rental increases. They are all commonplace in the rental experience.

Everyone knows someone who has had a bad experience, I myself lived with an adversarial landlord – quite recently, and the agent as well; they were pretty tough to deal with –

... where every interaction was a struggle. Renting is a product of circumstance – we would not do it if we could own a home – something which we could fix when we needed to, make our own in a more permanent way. But instead, our modest incomes must go towards paying off another person's mortgage.

This is:

A flawed logic dictated by the select few who benefit. To me, rental increases demonstrate that housing is no longer considered a right; it's considered an asset for a select few, and an investment that is always expected to give a good return. It seems that owners have been conditioned to believe that investment in housing will be a stable investment with profit likely; the reality is that like any investment, it carries risk, and may run at a loss. I have experienced increases that threaten financial stability – further decreasing the likelihood of future home ownership for myself and my generation – this combined with economic pressures, and HECS that may never be paid off cripples us even further. The current housing system, in which private owners grow richer from those who can least afford it, is unjust. A rental freeze has capacity to provide relief with immediate effect, however I believe that more radical reform is needed to provide security, safety and economic justice for those in the greatest need, to remove power from the asset-rich classes. They should not be able to grow richer from a service which is a human right.

As you can probably hear there, my primary issue is that housing and being a renter are primarily privatised, so it is private investment and private real estate agencies that sort of govern and oversee your tenancy, and to resolve any issues is taxing. It is taxing. It can be taxing economically and for your own financial stability. It is taxing to try and navigate the system or even just get answers. I think everyone here has probably had an experience with VCAT. These days we are looking at backups in VCAT of two years. You will not get a hearing for that length of time. Any bond claims – as soon as your rental provider says, 'We're not going to give you your bond back,' then you have to go to VCAT. That meant I got my bond back for my previous property 12 months later, which meant that I had to have bond ready for another house to be able to change my rental situation. I think that there are a number of challenges when it comes to being a renter, and I think that primarily lots of them stem from the privatisation of it all. So that is it from me.

The CHAIR: Thank you, Felicity. Thank you, Alison, Wren and Michelle for your statements today. Now, from what we heard today, I would like to invite the members of the committee to ask questions. But I would remind each member you have approximately 8 minutes, just to give us enough time for people to ask their questions. I would like to invite Mr Michael Galea.

Michael GALEA: Thank you all for joining us this morning. Please excuse my unappealing face. A few of you mentioned – I think in particular, Ms Walls, you mentioned this as well – issues with claiming your bond back. I note that two years ago a reform was brought in that you could actually apply directly to the RTBA yourself. Were these issues that you had before after that change?

Felicity WALLS: After, actually, because it is a system where you both have to agree – as soon as the rental provider says, 'I don't agree with that,' even though you have claimed your bond back. I say, 'It has been two weeks. I am ready to have that bond back, please,' and as soon as they say, 'No, I want to challenge that,' then it is a situation where you have to go and take it higher.

Michael GALEA: And that presumably went to VCAT in that case, did it?

Felicity WALLS: Yes, it did, with the rental provider eventually just dropping the claim. I think it was when I was about to get a hearing date.

Michael GALEA: I think you want to jump in, and I will come back to you in a second, Ms Pleasant. With that scenario – and I would like to come back to you briefly as well, Ms Tyrrell – what would be the biggest thing that would help that process? Is it just the backlog at VCAT?

Felicity WALLS: I think that it is an interesting question. I think that there would not be such a backlog at VCAT if we had better reform, but what you are seeing at VCAT with significant delays is probably a product of the bubble that we have created ourselves for housing, where people are really trying to fight for their right to

live somewhere that is livable. I would say that VCAT could use extra resourcing, but additionally I think it almost would not need it if we were to fix the issues that were at play.

Michael GALEA: Yes, thank you. And Ms Pleasant, you wanted to –

Wren PLEASANT: Yes, I agree absolutely with Felicity. I think the immediate solution that we can apply to VCAT, aside from more funding, is again in this case to reverse the burden of proof. If the landlord wishes to withhold bond, it is for them to go to VCAT and supply proof that this is appropriate. I mentioned this reversal of burden of proof – that a landlord must also go to VCAT and prove to them that a notice to leave is appropriate and enforceable – and the burden of proof that a landlord go to VCAT to prove that any request for maintenance is not essential. That is what I am saying is the immediate change we can make to VCAT: to reverse that burden of proof.

Michael GALEA: Thank you. And, Ms Tyrrell, you cited a few concerns with VCAT in particular, I note, in your submission as well. Beyond the backlog, is there anything in particular that you see as a solution to –

Michelle TYRRELL: No. Mine was quite speedy because mould was considered urgent, so they fast-tracked it quite quickly. Then when I had to go back, it was more a case of calling Tenants Victoria to know ‘How do I do that proof? What do I do?’ – all of the steps. That is the thing about VCAT, and the consumer affairs website I find very clunky and difficult to navigate. Knowing all the paperwork, the forms, everything you need to do – I needed to call Tenants Victoria many different times to be able to know what it was that I needed to do. It is not an easy system to navigate, and then I had to submit all that documentation again and make a statement about why it was linked initially to reopening that case. I think once again that the idea of reversing the burden of proof is an excellent idea.

Michael GALEA: And in terms of the VCAT system, it sounds like obviously you did it with the help of Tenants Victoria, but you had to become a bit of an expert in the system. How do we make that process simpler?

Michelle TYRRELL: I think it needs to be easier and spelt out much more easily on the consumer affairs website: step one, step two, step three. Make it really easy to navigate. It is not easy to navigate. Like, it will have a little bit and it will have a paragraph here and it will have a bit here, but it does not have that step-by-step process of ‘Now you need this form, now you have to do this and now you have to send it via certified mail so that you get the signature.’ There is none of that step by step. So really spell it out: make it crystal clear and explicit.

Michael GALEA: Thank you. Ms Cooke, you cited a lot of issues with getting what sound like very basic and reasonable repairs done in order to have a cool house, and it was quite interesting to hear your perspective, both as a landlord and as a tenant, with that scenario. Can I ask – you have had a lot of issues, by the sounds of it, with agents, and I am sure others have too – is there a set of standards that you think needs to be looked at to be changed for agents themselves? You cited one saying to you that, ‘No, there’s no grant available,’ when you were actually going –

Alison COOKE: Sorry, I am having a little bit of trouble. I have an infection in this ear, and I am not understanding you properly.

Michael GALEA: Sorry, Alison. You cited issues with landlords, and you cited one case of them saying that a grant was not available when you were actually using it somewhere else. Do you think there needs to be more stringent standards in place for agents or better enforcement or compliance?

Alison COOKE: Yes.

Michael GALEA: I am happy to open this to anyone as well. What would that look like?

Felicity WALLS: Look, for me, I think one of the issues that I come across when it comes to dealing with real estate agents is that it seems to be that for those who are handed a property portfolio of rental properties to manage, that is their first job in real estate. They may not know anything necessarily with regard to anything in the Act about what minimum standards may be or what they are required to provide. I think that there should be some mandatory training around what the legal requirements are – I mean, I am not actually sure if there are –

and they should be required to review those regularly, because I think that we change things at a parliamentary level, and they might not necessarily be across that. They kind of go –

Alison COOKE: I think property managers need to be made more accountable in their own right, because at the moment they are the voice and the face you see of the property owner. The property owner does not have to do anything by law, and they will not. They just will not put that in writing. The property manager says, ‘Yes, I will talk to the property owner,’ and you do not know if they actually do or not. They just come back with a response. It is always, ‘The computer said no,’ right. I think the property manager role exists to make the property owner more profitable, and that needs to be looked at.

Michael GALEA: And have you found that as well in your dealings with property managers, both as a tenant and a landlord? Have you seen that difference?

Alison COOKE: Well, as a landlord, with my tenants, no. We believe in climate change – we believe in a lot of things – and we try and make the house, on the money that we can afford that we earn from it, as livable as possible.

Michael GALEA: Thank you.

Alison COOKE: And I am the property manager, I do not have somebody else.

Wren PLEASANT: If I can be very brief, the person who is best placed to determine the standards of their own living, and therefore their essential maintenance needs, is the inhabitant of that house. That is why my proposal is so important. Renters must be able to organise essential maintenance on their own terms and bill their landlord. The simplest way to do so would be to take that cost out of their rental payments.

Michael GALEA: Thank you, Ms Pleasant. Thank you, Chair, my time is up.

The CHAIR: Thank you. Thank you, Michael. Before I continue and ask the next member to ask a question, I just want to acknowledge the Fiji and New Zealand parliamentary delegations in the gallery today. Welcome. Thank you very much. I now invite Ms Rachel Payne.

Rachel PAYNE: Thank you. And thank you to everyone for appearing. I know it is not easy talking about these experiences. As someone who has rented since I was 16, I sympathise greatly with your experiences. I particularly wanted to talk more about – some of the renters who have presented have actually mentioned that they are fearful of coming to their agents to request repairs to the property in fear that at the renewal time of the lease there might be a ‘We’d rather you leave’. Have you ever had experiences where you are less inclined to request work be done to a property because you are worried that the precarious nature of your agreement with your agent might impact your ability to continue to live there?

Alison COOKE: The letter that I mentioned that I wrote, that second one, that I got a response from last night – I put in there, ‘I hope this does not –

Rachel PAYNE: Get back to your agent.

Alison COOKE: I hope this does not, you know, put a sour note on the relationship or any future security of tenancy I have here. Because I really enjoy living in that house. It is just unbearable when it is hot, but everything else I love. I really do not want to move, because I have chosen not to own a car, I live near the station, and if I want to be living in an energy-efficient, thermally efficient house, then there really isn’t anywhere else for me to go and look. Everyone says, ‘You’re renting. If you don’t like what you’ve got, go somewhere else,’ but there is nowhere else to go because there are no standards being applied to these houses. There is no similarity. There is no making it all much more consistent in an approach.

Rachel PAYNE: Yes.

Michelle TYRRELL: Similarly, obviously, the mould has come back in our house. It is everywhere, and I think it is a structural issue. I have not gone back to the agent because I do not believe they will take me seriously – you know, that mentality of ‘It is all in our heads’. So many times they are like, ‘Oh, we’ve just got a little bit of mould.’ They have tried to downplay it every step of the way. I do not believe they will fix it. And there is an issue of, come our lease at the end of October I think it ends, we have already started looking, but

properties pop up and they are literally gone within a few days, and we know what a nightmare that will be. I mean, I work with teachers that have stories of having to move in with their parents for five months and not being able to find properties in the west. They would have been homeless had they not had a relative or someone to help them out. I do not have someone to stay with in the west should that happen, and I do not have a car either, so yes, my partner and I have already had those issues. I am at the point where I am like, maybe we should buy, maybe I should start looking at these government schemes more seriously. But also, as Felicity said, I have a massive HECS debt as well that I am still paying off, so yes, the issues are real.

Alison COOKE: Can I just jump in, Wren? We also as renters have the lovely experience of every six months having a complete stranger come into our home, whether you are there or not, to check on its condition.

Rachel PAYNE: Yes.

Alison COOKE: But they do not do anything proactively it seems. I mean, I think sometimes my property manager gives me – I ask for something really too hard, I get a little. She will fix a blind or something, but the blind does not actually stop the heat and cold transfer.

Rachel PAYNE: Yes, it is little, quick fixes.

Alison COOKE: The blind does not really cover the window. The blinds face straight out onto the main street – they are never open. So I do not understand. I do not know if you had that and whether or not I can complain about the sun, the heat impact? Have you complained about the mould every time you had one of those? Because they just do not seem to do anything, those inspections.

Michelle TYRRELL: No, they do not. They sent the handyman with a little bit of bleach – that was it.

Rachel PAYNE: Yes, it is a quick fix. It is not –

Alison COOKE: But they have the right to tell us to, you know, mow that lawn, pick up that weed. It is like –

Wren PLEASANT: To answer your original question, I believe that, as we have heard from here from my co-panellists, every single renter has had this experience. Every single renter is aware that if they challenge any currently illegal practice by their landlord, they face an arbitrary or retaliatory end to their lease, and that is why no empowerment of renter rights proposed or existing can be in practice enforceable if renters can face an arbitrary or retaliatory end to their lease in any given year.

Alison COOKE: Or retaliatory increase in rent.

Wren PLEASANT: Precisely. This must also at the end apply to an ending of tenancy through arbitrary unaffordable rental increases. My third point was they must be constrained relative to inflation and lending rates on an ongoing permanent basis. That is what I mean by the provision of ongoing security of housing. Thank you.

Rachel PAYNE: Thank you. It seems as though dealing with a real estate agent who is a representative of the landlord is often a difficult experience, and I do sympathise – again, I have been there. Alison, I wanted to ask – and this is where I am looking at other options – is it easy for a landlord to have a direct relationship with a tenant, or does it mean that that agent has to be in the mix of things? Do you think if there were more options for landlords to interact directly with their tenant and to have more of a community approach, there might be more uptake there and it may regulate the costs a little bit more?

Alison COOKE: Yes. Because they do not have to, they will not meet with me. It is the second time I have asked. It is not standard, and therefore they will not do it. They also provided me a list of all the things that I do have that have been provided and meet legal standards, whatever that means.

Rachel PAYNE: There is a lack of accountability there, really.

Alison COOKE: But they will not give me anything else. I have made sure that the relationship with my property manager is two-way and mutual and, you know, we get along, but I know that she is not there to represent me. I know that. She knows I know that. That is the way it is.

Rachel PAYNE: And I guess, just if I have got one more minute, many of you have talked about your applications to VCAT and experiences with Tenants Victoria being quite positive, but how easy is it to find information? If your landlord is not actioning a request, how easy is it to find information on what your rights are and what options are available to you?

Alison COOKE: I look around for the nearest union or grassroots group, because trying to find the answer you need you cannot do on the internet unless, as was said down this end of the table – maybe a one, two, three, but that does not necessarily answer the question you are actually asking. It might have a slightly different slant on it. And even if you find what you think is the answer, you do not know that it is the answer just because you read it on a site.

Wren PLEASANT: I would say that, addressing your earlier question as well, a rental agency is not an expert at what I need in my own house. A landlord is not an expert at what I need in my own house. These standards can be set by expert bodies – the design community giving advice to the government – but be it a landlord or a rental agent, in providing housing they take on a burden either way. It is a duty of care. To protect something and watch it grow is fun. You learn things and get profit from it, you reap the rewards, as in a garden, a classroom, a hospital or any business venture. It profits us, protects us and nurtures us in turn. It is this circle that provides us, but with providing a service, you take on a burden and a duty of care.

Rachel PAYNE: Thank you, everybody.

The CHAIR: Thank you, Ms Payne. Thank you. I might just invite Mr Joe McCracken to ask a question, please.

Joe McCracken: G'day, everyone. Do you mind if I call you by your first names? Is that okay?

Alison COOKE: Please.

Joe McCracken: There is a lot in what everyone has said, so I appreciate all the contributions that have been made so far. I know that in 2021 there were rental law changes and they set minimum standards, and I am looking at them right now; they talk about mould, they talk about heating and cooling, they talk about bathroom facilities and that sort of thing. I am a renter myself as well, and I know when I have to go and start a new lease I sign a condition report. I am wondering what the experience with everyone is here about signing a condition report given that there have been so many challenges. Has everyone signed off on all those sorts of challenges? How have you navigated that space?

Wren PLEASANT: I think, as I believe Alison pointed out, when you sign off on a condition report at the start of a tenancy you have some short amount of time without being able to control the lighting, without being able to take a deep, long look into the condition of your housing. I had a personal friend who had to hire a mould doctor – the exact same story – in order to investigate the deficit in her own housing. It was not immediately apparent. And while I understand that the setting of minimum standards of housing has improved, no empowerment and no enforcement of rental rights is in practice enforceable if tenants can face an arbitrary or retaliatory end to their tenancy in any given year. Even if you create the absolute highest standard that a rental property must be kept to, there is no way that a renter can challenge any currently illegal practice of their landlord without facing an arbitrary and retaliatory end to their tenancy. They can simply say, 'Your lease is up. We would like you to move out.' No reason given. That is why I am saying the burden of proof for any notice to leave must be reversed.

Alison COOKE: I might just jump in and ask because I am curious –

Wren PLEASANT: Please.

Alison COOKE: For the condition report when your friend moved in, did it say it had mould?

Wren PLEASANT: No.

Alison COOKE: Because it should have.

Wren PLEASANT: Yes.

Alison COOKE: Because it was a condition report, right. And it did not mention what was obviously wrong. They must have known there was mould in the house.

Joe McCRACKEN: In my humble experience – I know that from when I had to do a condition report for the place I rented – I think the standard practice is you get seven days to look at the property before you submit a condition report, which means you are able to at least live in it for a short period of time and experience it before you submit the report. Is that the experience of everyone else here?

Alison COOKE: My sisters actually checked the house out because I was in hospital with a broken hip before I moved in. I really needed a house to move into; I did not have one to go back to, so I offered them two months. I said, ‘I’ll pay you two months rent in advance.’ My sisters went and had a look at it. They told me it was fine, and I just signed off whatever I needed to sign, because I had not seen the house. Luckily there was no mould or any horrible underlying conditions that have popped up, even in the last couple of years. But that example of the condition report, they know what the condition is because they are telling you, and it should state that it has those things in it. They should have done all the inspections before providing the condition report to the tenant, who says ‘I agree’ or ‘I’m not going in there because there’s mould; I’m not proceeding any further’.

Wren PLEASANT: Under the current system it is even possible for a landlord, for a rental agent, to be acting in complete good faith when they provide the condition report, because they do not know about the existence of mould, because they have not called the Mould Doctor and they have not done the inspection. That is why I am saying the expert in what is needed in essential maintenance is not the landlord and is not the real estate, it is the tenant themselves. That is why they must be given agency over directing their own maintenance and then billing that to their landlord or deducting it from rental payments. I am saying that under the current system it is entirely possible for the landlord to be acting in complete good faith, unaware of the issue, because they are not the experts in the condition of my housing. I am. It is my experience that I live in every day.

Felicity WALLS: You do say, Wren, that they can be acting in good faith, and that is 100 per cent. It can be the case. But the flip side of that is that you sign off on a condition report where they say there is no mould because they painted over it – they did not fix it. They know it is there. I think that you know what kind of condition the house is in, because you are always coming in and inspecting it throughout people’s tenancies and things like that, you know.

Alison COOKE: It is almost like you have to take on a job as a renter, because when you move in you have to become the expert in your tenancy. You have to become the expert in your rights.

Joe McCRACKEN: I found that myself as well.

Alison COOKE: You have to become an expert in what to look for so you can sign off on the condition report. You have to be strong and a networker to find out how you get help, how you approach things. You have to get good at sucking it up.

Joe McCRACKEN: And the condition report is based on the assumption that the landlord states a certain fact and the renter signs and agrees that that is in fact true. Whether it is true or not depends on your level of expertise to assess whether something is true or not.

Wren PLEASANT: So what guarantee is there that what a landlord states in a property condition is actually true? Is it true to the best of their knowledge? We do not know. Either way, they are incentivised to disguise this knowledge. They are incentivised not to know. If they know there is an issue, they face a greater cost.

Alison COOKE: The owner is out to make a profit, as you say too.

Wren PLEASANT: Exactly.

Alison COOKE: It is an investment.

Wren PLEASANT: And that is why, the primary point that I am telling you, the current value of that asset, their investment property, is lower than they understand. The main point that I wanted to get across to you is that the value of rental property as an investment, of housing as an investment, is already lower than we recognise.

Joe McCracken: I have got a question for everyone, and it is a bit broader than just being about renting. You guys are all renters. Do you eventually want to not be renters? Do you want to own your own property and have your own slice of land or an apartment or whatever?

Alison Cooke: For me – no. I am 57; I do not want to become an owner. I am at the point where all the money I have earned for my future is already earned. I cannot afford to buy a house without going back to work to pay the bills.

Joe McCracken: Thank you.

Felicity Walls: One hundred per cent – I think it forms part of our psyche, if you are Australian, to really want to have something to call home.

Joe McCracken: The great Australian dream or whatever you want to call it.

Felicity Walls: That is exactly right.

Alison Cooke: That needs to change – and rapidly.

Felicity Walls: Yes, 100 per cent. You know, we are in a world where I just feel like the payments that I make every month are a mortgage payment.

Joe McCracken: I agree.

Felicity Walls: It is. I could have, if I had not been renting for 20 years and had been able to put that money aside for a deposit. For me, it is certainly something that I would really like to do. It would mean that I can have more freedom. I would not be beholden to a system like this, which I fundamentally believe is broken. I would be able to pay the bills and move on, so I think it is still something that I would really like to do.

Michelle Tyrrell: Yes, I agree. I think Felicity said something like, ‘We wouldn’t rent if we didn’t have to.’ Yes, I think it is broken, as she said, as well. I would like to buy, but now it is the same. After a degree and a masters in education, I have a massive debt.

Joe McCracken: I was a teacher as well; I know what it is like.

Michelle Tyrrell: You know, I have spent a large part of my life travelling, living in the UK and in Latin America, so there were huge chunks of time where I have not paid my HECS debt. I have come back to Australia now. I need to consider also that my partner is not a PR. We keep waiting for the permanent residency to come through for him to possibly be a part of that government scheme. I also just think that housing is so low in Australia. I think about a friend of mine, who lived in Australia for many years, who is German. When I was in London, I went to visit her. She has rented in Germany for years and her apartment is amazing. It is spacious, it is insulated and there is double glazing. It is light years ahead of where Australia is. And similarly, I had a friend in Finland who was in government housing there, and it was the same – triple glazing and triple insulation. I just remember thinking, ‘Oh, my God, why do we have such shitty housing in Australia. It’s like a cardboard box. Why aren’t the standards better?’ You know, if they were better and the rent was cheaper, possibly I would look at renting for the rest of my life. But with the conditions the way they are, yes, I do want to buy, because I am sick of having to report mould or deal with it. I want a place where I can put insulation in, and I want to access solar on the roof and those kinds of things.

The Chair: Thank you, Ms Tyrrell. Just quickly, Ms Pleasant, if you want to answer.

Wren Pleasant: What every renter is telling you, what you will find from each renter and what you will find in the existing economic data is that the standard of housing in Victoria and in Australia is lowering while the price of housing is increasing. That is what I mean by the current existing value of housing as an investment is lower than we already think it is. Every Australian here, every Victorian here, wants the security of a long-term future. That is provided through accessibility to housing. If the value of housing as an investment was recognised to be lower, then first home ownership would become more accessible. It would not be such an economic burden. Thank you so much.

Joe McCracken: Thank you.

Alison COOKE: You think they will eventually come down, but they never do.

Wren PLEASANT: Absolutely.

The CHAIR: I would now like to invite Mr Puglielli. Please ask your questions.

Aiv PUGLIELLI: Yes, sure. Hi. Aiv here. So many of the stories that have been raised are things that either me or people that I know have dealt with, and I wish that we were not in the crisis that we are in where we need to have this inquiry, but here we are. Thank you all for coming and sharing your stories and experiences. I would like to start with Felicity. You spoke about the affordability of rent and the impact that that has had on you and on others. Do you think in Victoria that it is sustainable that rents can increase by uncapped amounts, and do you think that there is a relationship between that and whether or not someone will ever be able to buy a house?

Felicity WALLS: Absolutely. Yes. It is certainly not sustainable for the rents to not be able to be capped. What you will see practically happening is like, 'All right, my mortgage payments have increased, so I must pass that cost onto the person who is renting my property.' That is not how it should be working. You know, if your mortgage payments increase, you need to be willing to cop a loss. It is an investment – like anything, like the stock market. It has the ability to go down in value, for you to not be able to cover the costs entirely through, you know, the way in which you are generating the income. So I do not think that you should be able to just raise the rents in an unlimited way.

I have copped a rental increase recently. I liked the property enough – and the property manager, actually, which is a big part of it – to cop it. It was small. But I think knowing what I know – because I always do my research on my landlords – I know that that is also likely a bit of a product of, 'Oi, the rents are increasing – I reckon you could get more for this property.' She has owned the property for 20 years. She probably does not need to put the price up to cover the cost of the mortgage. It is just that 'Oh well, this is in line with the market.' The market is whatever you make it. You know, you do not need to increase rents just because. I do not believe it is sustainable, and to answer your second question: I do believe that that impacts on the ability to own a home in the future.

I have been renting for 10 years at least in both regional Victoria and in Melbourne. Ten years ago rents in regional Victoria were much cheaper. I do not believe that is the situation now. But you know, I have never had the option of moving back home. There are people in our community – maybe they are immigrants or refugees – who do not have the option of moving home. Maybe there are people in the LGBTIQ community who do not have the option of moving home to save a deposit. In order for you to be able to afford a property, you have to be able to do it while you rent for it to be equal for everyone, particularly the most vulnerable in our communities.

When I am paying 40 per cent of my pretty moderate income towards housing, how am I ever supposed to save more? Do not get me wrong. I have been able to save a little bit, but at current prices, if we do not do anything about this situation, it is going to – I did the maths and it is going to take me, saving a very modest amount every month, seven years to save for an average-price home in Melbourne or Victoria, seven years, by which time the prices will no doubt have increased again, if we do not fix it.

You have got to fix the root cause of the problem. Our parents' generation, they rented as a stopgap. It was a stopgap where you could save for your home but then go and buy a property. We are finding that that is not the case anymore, and everyone here I think would probably agree with that.

Wren PLEASANT: What you are hearing from Felicity and what you will hear from every person who is currently renting is that we are barely keeping our heads above water, and therefore we have no opportunity to accrue capital, which is required so that we ourselves invest in our own personal futures – into the economy, into our housing, into our education, into the health of this nation. So there must be an ending of tenancy through arbitrary, unaffordable rental increases, which must be constrained relative to inflation so that each renter has the disposable income to accrue and to turn into capital so that they can own housing.

Aiv PUGLIELLI: Thank you. And we have a position here that we have Alison from the perspective of renting but also property management. On the subject of uncapped rent increases, in your position as a property manager having that relationship, do you support the idea of a cap on how much rents can increase?

Alison COOKE: I have to say I do not like the word ‘capping’. I think ‘control’ is probably a better word. There needs to be some link between, you know, what costs can be passed down to the renters – at the moment everything is being passed down. And what it does is push most of the people who rent, because we are mostly – certain things we have labelled as part of society. I know people who are having to move out of their home and into their cars. If they have them, they are lucky. I would not have that option. I am lucky.

We happen to be renting my mum’s house out to one of her cousins, who is older. We have always been mindful of her income when we are putting the rent up, but we also said straight out that we would be charging market rates. We are still not quite there, but she is happy to keep up with the increases as we provide them, and she has lots of notice. We also every year provide something to the house. We have put reverse-cycle air conditioning in and we have done some major renovations for things that needed fixing, which keeps the livability of the house there as well. We still make enough to do all that, but we are not in it to make a profit. None of the four of us need the money at the moment, so we decided to keep the house.

As a renter, my rent is going up and I am getting nothing. I got the gas-ducted heating replaced. I only get what has to be done. After I complained when I first moved in that I could not use the deck because it had big holes and it was falling down, I said, ‘I won’t be going out there unless you fix it.’ I got the answer back, ‘We can’t do it because it is not required. It’s fine. It’s still there. It’s outside the space.’ I do not want to pay for something I cannot use. Eventually, without getting down into a big fight, it was repaired, but my rent is about to go up again. I am about to pay the same as one ex-neighbour who happens to be renting off the same person. They have a three-bedroom place with two bathrooms, two storeys. They installed their own air conditioning. They have been there 20 years. With the last rent increase, they are going to ask for rent support from Centrelink. They will never get their investment in the air conditioning back, but they are now looking at having to move out or doing what they can to survive and stay.

I have been there five years. I am about to now pay for my two-bedroom with a courtyard, no cooling, gas heating, no overhead ceiling fans, nothing, the same as them, and I am now looking at the affordability. I have told them that I might have to get other people in. They said, ‘Well, if they’re going to be there, then that has to be on the bond. We have to approve; we have to know who they are. They have to be on.’ I said, ‘No, I don’t want any of that. It is just me that is going to be on there. Why do you have to do some check on someone I have in the home? Because it is my house.’ Those little things go on, and I might have gone off topic.

Aiv PUGLIELLI: No, thank you.

Alison COOKE: I can do that.

The CHAIR: Thank you.

Wren PLEASANT: I could very quickly address your question of rent caps, which Joe and Michael just raised as well. A direct rent cap is only a short-term solution. What must be done in the long term is that rental increases be constrained relative to inflation and lending rates on an ongoing permanent basis and tied to the increasing costs that the landowner or real estate agent, whoever that property owner is, is facing. The second thing that must be done is an increase in housing stock via public housing. Thank you.

Alison COOKE: And those houses must be built to the climate standards we are now facing, not the standards that currently exist today. The cities are starting to swelter already.

Wren PLEASANT: Absolutely.

Alison COOKE: So we need that done. But I did want to say too that rents never come down. So whatever we do in terms of rent control, it can go up for certain reasons that it is legitimate to pass on to the person who is renting that place, but similarly, if the pressures and the actual prices of certain things go down, the rent should come down too.

The CHAIR: Thank you. I am mindful of time, so I will ask the next member of the committee to ask a question. Dr Bach.

Matthew BACH: Hi. I am Matt, everybody. Thank you so much for coming in. It has been a great discussion. It has been interesting. We have only just started our inquiry and so many of the themes that you

have been talking about – unsurprisingly, I dare say – are themes that we have already started to hear, so I think that has been useful for us.

Michelle, can I start with you. I was interested to read in your submission that you have rented in lots of different places, in particular, Ecuador and London, and it seems to me that in so many parts of the world, other jurisdictions are light-years ahead of us. Can I ask you to flesh out a little bit of your experiences there? Were there better protections in place there? Did you have different experiences that would enable us potentially to look at borrowing some of the systems and processes?

Michelle TYRRELL: Yes, I had good experiences; I had some crap experiences too. The last place my partner and I lived in was horrible and it had so much mould and we did not know our rights, because he is Italian, I am Australian, we were living in London and neither of us really knew the laws. I joined lots of different Facebook groups trying to get advice, and we ended up not really doing anything about it, and then it was a fight to get our bond back at the end when we left. The best experiences I had were when I rented from people that owned their own homes and I was living in the homes with them. So it is that thing, I think all the statistics show that home owners have a better condition of house because they are buying it so they are going to make it nice, and they are living in it. So I rented rooms from people and they had the insulation and they had the double glazing. In the house interview, because I have been doing it for so long, I would ask lots of questions as well and make sure they were half-decent human beings. So if something went wrong or it needed fixing, I would say ‘Hey Chris or Matt or whatever, this is happening’, and they would fix it and they were a human being – unlike dealing with a rental agent, which can be a nightmare at the best of times. I have had very rare experiences, like unicorns, of finding agents that are actually really lovely people and have excellent communication skills and work with you in a good way. So, it was hit and miss.

But like I said, I also did a lot of travelling through Europe, so being able to visit my friend Eva who lived in Australia for years, but in Germany, because she had gone back, and seeing her place. Seeing my friend Amal who was doing her masters in Finland, and seeing her accommodation. Spending a lot of time in Italy where my partner was from, and also the conditions linked to the EU where they have a higher standard, so coming back to Australia he was kind of like, ‘Oh wow, this is really rubbish accommodation.’ I was like, Yeah, welcome to Australia, it is a whole different ball game, it is like the wild west.’ So he has been a bit shocked sometimes at the standard, even just going for rentals and how poor the standard of accommodation is. Like I said, going around in the west, I was really shocked at the quality of the houses. So I think as we talk about moving forward – also with global boiling now – things have to be modified, they need to be improved, they need to be changed. Australia really, seriously needs to look at insulation. I know that Canberra is introducing it into the rooftops. I think it needs to be rooftops and the walls, wherever possible. We need to be taking into account –

Alison COOKE: And windows.

Michelle TYRRELL: Yes, windows, double glazing, like – hot summers, it is only going to get hotter, and cold winters, rather than just –

Alison COOKE: White roofs, not black roofs.

Michelle TYRRELL: Yes. Tiny heaters, where it dissipates, it does not really stay in the room, and you spend a fortune on electricity or gas. Yes, those kinds of things need to improve.

Matthew BACH: All right, thank you. That is very useful. Over the course of our inquiry we will hear from experts with particular knowledge of different jurisdictions, but I was just interested to hear from you regarding your lived experience. I have still got a little bit of time, I think. I would be interested to hear about VCAT, and we have heard a lot about VCAT from all of you. My personal view is, currently the functioning of VCAT is an utter disgrace. I note your comments, Felicity, that if systemic change was made, well there may not be this pressure on VCAT. But we see massive pressure and backlogs in VCAT across every list, at the moment.

Alison COOKE: Because it says if something is wrong, go to VCAT – do not bother trying to talk, because it is not required for us to actually have a human conversation.

Matthew BACH: So could I hear – we do not have much time, and you have all talked a little bit about some of your immense frustrations in trying to deal with those systems and processes that I know are incredibly

cumbersome. I think many of them are stuck in the dark ages. Do you have some further ideas about what we could do? Certainly more funding for VCAT, obviously, but my ears pricked up when several of you started talking about systems and processes that I do not think will be fixed just through funding, but will require reform.

Alison COOKE: Switching the burden of proof.

Matthew BACH: Thank you.

Wren PLEASANT: I was just about to say that, yes.

Alison COOKE: I was throwing to you.

Wren PLEASANT: Thank you. That precisely is what is going to reduce the work burden on VCAT. This will also reduce the work or burden that renters put into VCAT. This will also reduce the work burden that currently landlords and estate agents put into VCAT. If you read the submissions to this panel by the real estate industry bodies, they will tell you that they are doing too much work, and I agree. The burden on them of work is too great, and that can be reduced for VCAT, for renters, for landlords and for agents by reversing that burden of proof.

Alison COOKE: And adding in, like you do in divorce courts, having some kind of collaboration: having some discussions about, 'What are some alternatives for us to meet this?' Why go to the government to make a decision when we quite easily could make one ourselves if we talked? But when the renter asks: 'Talk to the hand, we don't have to talk to you and we're not going to. Everything we're doing is legal, above board, we're here to make money, we're passing the costs on, we'll give you rent increases. We've given you everything we have to give you by law.'

Matthew BACH: All right. Thanks, Alison.

Wren PLEASANT: Like we all stated earlier, the person who best understands the needs of the housing is the inhabitant of that housing, be that the renter, be that the owner. If the landlord is living with you, that is also the case. That is the expert in this case. Therefore if we want to make a decision to improve our own living conditions, we should be free to do so, and the burden of proof should be on the owner of the house to prove that that is not appropriate.

Matthew BACH: All right. Thank you.

Alison COOKE: Would it be simple as a short-term thing to say one of the questions before you get to VCAT is, 'Have you discussed this previously?'

Matthew BACH: To encourage that collaboration that you were talking about.

Alison COOKE: Just a question to say, immediately, 'Don't come to VCAT if you haven't talked. We don't have to write it in a law that you have to do it, but don't come to us if you haven't.'

Matthew BACH: I hear you, because I think at the moment, the way things are, we should be seeking to do anything and everything we possibly can to keep people out of that system.

Alison COOKE: Yes, and make the landlord have to take things to it, not the renter. For cases where the renter is pointing out that something is wrong, why should we have to fight for it?

Matthew BACH: Thank you. That is all from me.

The CHAIR: Thank you, Dr Bach. Now I would like to invite Dr Mansfield. Thank you.

Sarah MANSFIELD: Thank you, and thanks, everyone, for your presentations today and for the discussion. It has been really interesting, as all my fellow panellists have pointed out. I might start with you, Wren, and perhaps, Felicity, you would like to also comment. There is a lot of discussion at the moment in federal and state government about supply. Wren, you described the need for more public housing rather than the private market to address that supply issue. I wonder if you would like to expand on that.

Wren PLEASANT: Yes. It is a matter of fact that we can verify through the current economic data we have access to, through the census, through reports well researched by the Grattan Institute, among others – this is even borne out by research that will be presented to you by landlord and real estate bodies – that there are currently more empty houses than homeless people, by far – by a factor of approximately 10. This indicates to us that increasing supply under the current system alone does not denote housing. It does not imply that that housing will be used. That is why increasing the housing supply under the current system is insufficient. Increasing supply under public housing is different, because that is made accessible.

Alison COOKE: Yes, providing more housing for the same condition, if you are not eligible for public housing but you cannot afford a house –

Felicity WALLS: Yes, where is the in between? I would agree with that. I think that there are undeniably issues of supply in terms of what is available for long-term renters. I do have to say that I am certainly an advocate for increased public housing. I think that it is a necessity. However, it takes years to build. Even as we are seeing right now in the federal Parliament, just debating on whether and how we are going to secure funding and whether you are going to gamble on – that is another issue, the funding. But I think that certainly there are homes that go vacant. I think that rather than – almost less of a supply issue, it is more of a pricing issue. You know, you have got houses that people want to rent out that are not getting overloaded by potential inspectors every weekend who come to have a look at the property and potentially put in a bid because they are astronomically expensive. What you need is housing that is actually affordable.

And look, the other point that I am going to briefly tie into this is the short-term rental market, because again, as you know, my point around property as investment and as a commodity. The short-term rental market certainly stays into that. That is an entirely unregulated kind of area. You know, Airbnbs and things like that do have the potential to impact on supply. If you look in Melbourne at any given time, there is a huge amount of Airbnbs available. These are people's homes. They are residential properties rather than official accommodation, kind of a hotel or a serviced apartment-style issue. They are homes that people are letting out to the short-term market, which I do think has an impact on supply as well. I do not think you should discount that, particularly in areas that have major tourist attractions, because people see that as something that they can make a quick buck on. I have done the maths as well, and they can make a quick buck, and I think that is what they are doing.

Alison COOKE: There is always a housing plan. Somehow, and I do not know why, it never works. All through my life I have heard about housing plans no matter where I have been living, and there is never enough and it always seems to go wrong. I do not know if one solution is to identify that there is public housing and there is housing for people that is needed for long-term security to make their home in certain places – not in detention camp, barrio-style situations but in certain areas. They are talking about in the housing plan building new, buying existing and, I assume, retrofitting it all to meet the standards – no new gas, all those good things. Do you then build enough housing that is not for private investment, for people to buy as their homes or to invest in at all? But it is provided for everyone who is not looking to buy a home, and those who want to buy a second place look after the short-term rental market, and that is all they do; they do not do long-term investment.

Wren PLEASANT: The body to govern short-term rental already exists. It is simply a fact that all short-stay accommodation must be licensed and legislated, as included under the *Public Health and Wellbeing (Prescribed Accommodation) Regulations* – any accommodation between one night and one month. This already applies to hotels and to any other short-stay accommodation. This must simply be applied to any other provider of short-stay accommodation including Airbnb.

Regarding the issue of existing houses that are not occupied, that are not contributing to actual housing supply of housed persons, it follows then that the owner of an unoccupied house must pay rent on that house. The asset they hold must return to circulation in the economy. It must be used to house people. We cannot afford to do otherwise. The simplest way to do this is through a tax on unoccupied housing, through incentives and disincentives, and it is your task as leaders to curate and cultivate that. You can choose the method by which it is done, but incentivisation must simply be placed.

Sarah MANSFIELD: Michelle, you – and I think all of you – described rental conditions that a lot of people would say, 'Well, why don't you just move somewhere else?' What are the barriers that exist to you doing that or why haven't you been able to do that?

Michelle TYRRELL: Well, yes, obviously supply. Like I said, at the moment we are looking. I have registered for a couple of properties, and they were like ‘Oh, we’ll let you know when inspections come through.’ Literally a few days later they were gone. And I was like, ‘Well, this is not going to disappear. I am sure this is going to happen.’ I am mentally preparing myself for maybe needing to stay in our current place, with the situation, but also I am mentally, like, well, I am sure they see us as a debt and a problem because they have had to repair things, they have constantly had to do things, much to their dislike, and it has been a battle every time. So I would not be surprised if they see us as a problem and would like us out, so that is an issue in itself. Then having to save, obviously, to move – you have moving costs, you have taking time off work. I mean, the whole process is incredibly stressful.

Alison COOKE: Getting your bond back.

Michelle TYRRELL: I do not have a car and I do not drive, so I am limited to the train lines in the west. I work in Hoppers Crossing, so I am kind of limited to those regions. I do not really want to be walking more than 20 minutes to a train station, so I am limited by that and the lack of public transport that exists in the west.

Alison COOKE: Especially if you do not have a car.

Michelle TYRRELL: There are many different things that I have to take into consideration.

Alison COOKE: I might just say – I know we are out of time. You do not have the bond, because that is with the existing owner, so you have to save up to have the bond for the new place. The new place is going to be much more expensive, and it is much harder to find. If you find something that is like what you have, how do you know it does not have some underlying problems and you will be facing going through that again? You are losing your community and your facing in your community all because of something that was wrong with the house that was not be fixed, which you have to fight for, or because you were priced out.

Wren PLEASANT: We face, in our homes, epidemics of domestic violence, of black mould, of exposure to harsh weather and of unsanitary conditions, which can be not fully but appreciably addressed by the freedom to leave unsafe conditions and find safer housing. This requires more accessible housing. This will have a direct effect on the physical and fiscal health of each Australian and Victorian person, easing the currently untenable economic and humanitarian burden on our medical and justice systems. Simply, making housing more accessible will provide a benefit to every other sector of the economy. Thus we are investing more in business, into our health, we are providing more tax income into the Australian government, because we are able to invest in ourselves and thus invest in everyone.

The CHAIR: Thank you. Thank you, Dr Mansfield. While we have time, I would just like to ask a few questions to wind things up. Having heard of all your experiences and all of your contributions, definitely there are delays with VCAT and the procedures need to be looked at. There was definitely a lot of experience with compliance and accountability from landlords and, as you expressed, public housing needs to be looked at in relation to affordability. I just want to look at a different perspective. I know out of the four of you, three of you mentioned that you would like to have your own home eventually to get rid of these shackles in relation to renting. I was just wondering: how do you suggest the government could assist you as renters to transition from renting to home ownership more quickly and in what way? I just want your thoughts on that.

Wren PLEASANT: If I may –

Alison COOKE: It is an easy answer to the renting problem.

Wren PLEASANT: It is a simple, simple, simple answer.

Alison COOKE: Spend the rent somewhere else and get your own housing.

Wren PLEASANT: It is a simple, simple, simple answer. You must recognise that currently the value of housing as an investment is greater than you think. You must recognise that the value of housing as an investment is lower than you think. Did I say that right? The value of housing as an investment is much lower than you currently think. Thank you. Therefore, if we apply this knowledge, housing becomes cheaper, housing becomes more accessible. What you compare this with is direct investment now into public housing. If housing becomes cheaper, any renter becomes more able to access that housing. Thank you.

Alison COOKE: There is an environmental impact for every house, and I do not think the answer is just throwing money at building more houses – not to solve a rental problem or to fulfil the Australian dream. I think we should stop perpetuating that from a government perspective.

The CHAIR: Just from an individual perspective, how do you think government could assist you individually, besides building additional housing and more affordable housing? Personally, in your individual cases, how do you think the government could assist you to transition from renting to owning your own property?

Alison COOKE: I do not know.

Felicity WALLS: Personally, I think that something needs to be done about how we incentivise people to own multiple properties and hoard wealth – which is something that I really think has an impact – whether that is through taxation or regulation of how many properties you can own. I think that inherently, you know, basic economics does tell us that there is not an infinite supply of anything. We have created a bubble for ourselves when it comes to the cost of housing and what you have to put down. As I look at the economic circumstance that we are in now, the actual cost of housing has been pushed up too high, even to purchase. And I think that that is a little bit about – well, in large part about the market. It is about what our governments, both on a state and a federal level, have done to incentivise people to see property as a viable and profit-making investment, and I just do not think it should be. If you were to get the prices down, focus on that, then you would automatically – you know, I do not need more money, I do not need a bigger first home owners grant, which, by the way, do not even go there. We do not need that. We need the entire market to be brought back down to a reasonable level, because ordinary Joe Blow Australians are not earning six figures.

Wren PLEASANT: We need to recognise –

Alison COOKE: I think that, speaking for myself – because I know the two of you said you are interested in owning your own homes – a lot of us actually enjoy renting. And it is not a shackle, as you said, but it is inconvenient because we are not allowed to do what we want in a place that we are paying a lot for. We are paying as much as a mortgage for our own home to someone else to buy that home. We are subject to their whims and demands, what they see and what they will and will not do based on the relationship and the law. And you have to fight for everything. What the government can do I think is alleviate some of that, instead of trying to find paths to move the problem from the renting domain into the market domain, which for me was all it would do. You find a house that is built to the wrong standards, move someone out of the rental market into that, and then they suffer under all of the conditions that go under that as opposed to the conditions they have as a renter. I think what the government could do to improve this divide between people owning and investing and making money and people who need a place to live that they can afford, that they can do something with – and they will do so with all the best intentions at heart for the owner – and that keeps people off the street.

Wren PLEASANT: I understand what you are asking. I understand what you are looking for is an individual solution. There cannot be an individual solution because this is not an individual problem. This is a problem, this is a crisis, facing every Victorian and every Australian. Let us consider a position that you do not want the housing market to freeze. The existence and higher value of the housing market is due to homelessness and the threat of homelessness. It is due to desperation. If everyone had a house, there would be less demand for housing. There would be less desperation driving up prices, and thus the housing market would freeze. If you do want a housing market, that implies that you want someone not to have a house. It implies that you want us to be desperate. It implies that you want to see people homeless, and that is a terrible thing to face. I see that. We know the answers. You are struggling to understand them.

Alison COOKE: Yes, and I do not know how landlords do that, because they know by putting up the rent that they will put someone possibly out of that house and into their car.

Wren PLEASANT: Because that is the way that we incentivise, because it has been the policy position of state and federal governments –

Alison COOKE: Or into the hospital for mould.

Wren PLEASANT: that housing is an investment that will always go up, and they are simply carrying that out. That cannot be the case. As far as new housing addressing the needs of the environment, addressing

adequate conditions, this is a design problem. This is simply a design problem which has already been resolved by designers, by architects, by engineers in the construction industry. We can simply look to the Victorian government's own solution, their own program, the Future Homes initiative. The Future Homes initiative, among many other solutions, has already resolved that issue. Thank you.

Alison COOKE: But not with the standards necessarily.

The CHAIR: Thank you very much. All right, this brings this panel session to a close. I again would like to thank you very much, panellists, for generously giving your time today, giving your contribution and sharing your experience. It is much appreciated. This hearing will recommence at 11 am.

Witnesses withdrew.