

# TRANSCRIPT

## LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

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

Melbourne – Tuesday 22 August 2023

#### MEMBERS

Trung Luu – Chair

Ryan Batchelor – Deputy Chair

Matthew Bach

Michael Galea

Joe McCracken

Rachel Payne

Aiv Puglielli

Lee Tarlamis

#### PARTICIPATING MEMBERS

Melina Bath

John Berger

Moira Deeming

David Ettershank

Wendy Lovell

Sarah Mansfield

**WITNESSES**

Tim Connors,

Christine Miller, and

Tarek Bieganski.

**The CHAIR:** Welcome back, everyone. Thank you very much for attending today.

Before we continue, I would like to introduce the panellists to my committee members. To my left are Mr Michael Galea, Member for South-Eastern Metropolitan Region and Mr Joe McCracken, Member for Western Victoria. To my right are Dr Bach, Member for North-Eastern Metropolitan Region and Mr Aiv Puglielli, Member for North-Eastern Metropolitan Region. Next to Mr Puglielli is Dr Sarah Mansfield, Member for Western Victoria, and on the far right is Ms Rachel Payne, Member for South-Eastern Metropolitan Region.

I would like to welcome all three witnesses today for this second session.

I just want to quickly inform you that 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 today 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 things, 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. Transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record, can you please state your full name and any organisation you are appearing on behalf of.

**Christine MILLER:** Christine Miller, appearing on behalf of myself.

**Tarek BIEGANSKI:** Tarek Bieganski, on behalf of myself.

**Tim CONNORS:** Tim Connors, on behalf of myself.

**The CHAIR:** Welcome all again, thank you. Now I would like to invite the panellists to say your name and make a statement, but I ask you to please keep your statement to a maximum of 5 minutes to ensure that we have plenty of time for discussion afterward. If you would like to – just your name, please, Chris.

**Christine MILLER:** My name is Chris Miller, and I have been renting pretty much my whole life and for 30 years in Melbourne. I think the biggest thing about being a renter that I can say is that it is never easy to find a place. It does not matter how good the market is, there is always competition and you are always scrabbling to find something. You put in applications for places that you do not really want or that do not suit your needs or are not suitable in a number of ways because if you do not, you might miss out and have nowhere to move to. I think now the situation is a lot worse than it was.

I would like to say something about being an older person and also having mobility issues. What I have noticed is that in new housing developments and when areas change they tend to knock down the old single storeys and they are building a lot of double-storey duplexes. I understand the need to keep the population controlled so we do not spread out too far, but at the same time I feel that older people are not really being represented in the rental market, especially people with mobility needs. I find that most of the offerings are one- or two-bedroom apartments with no additional storage. I am an older person. I am established. I have possessions that I like to take with me that I do not want to cast off, because I might not be able to afford to replace them. I have a mobility scooter. That is my independence. That needs a place to be under lock and key for insurance purposes. It also needs somewhere to be charged, and I just feel that considerations like that are not really being put out there when it comes to new housing developments – not to my knowledge anyway, or not that I have seen. Even apartment blocks – they are building two-storey apartments within apartment blocks.

We have got an ageing population. I am part of that. But we do not seem to be taking the needs of people who want to remain independent and who are renters into consideration, and for me that is a big concern. I lived in Brunswick for 11 years, and that was where I based myself and where all the facilities that I access are – my doctor and all those sorts of things. Then eventually it became too expensive, and we had to move out further – when I say ‘we’, I mean ‘myself and my housemate’ – to Reservoir. Now exactly the same thing is happening in Reservoir, and it makes me wonder what is going to happen to me in 10 years when I can no longer afford to live anywhere and I have to travel huge distances to access my regular health and other needs providers.

Apart from all that, I think in this climate – and possibly forever – renters have no power within the rental market. I do not believe that we are actually considered people. I think we are considered more of a commodity, because we are more part of a recipe to make money and we are easily replaced. I do not have any power. My experience is that if something goes wrong, we have the laws there that say ‘This must be done’, but if you find a real estate agent that will actually back a tenant over a property owner, it will be a miracle, because I have never seen it in all the time that I have rented.

I have had many instances where things have gone wrong, and they have not been fixed because they just refused to do so. And I have no power over that. I mean, you can go through a tribunal system if you want to, but when you consider that some renters move almost every year, how many times are you expected to have to fight for what should just be your right? You know, if my right is to have a working heater and there was a working heater when I signed the lease and the heater breaks down, well, the law is that they need to replace that heater. But they do not or they will not, because a lot of the times the houses you end up in – well, I end up in – are older ones, and they are just trying to get as much life out of the house as they possibly can before they knock it down and build two. I would like to see somehow that renters have a bit more power within the system, because currently I do not think we have any, and we are just rorted a lot of the time.

**The CHAIR:** Thank you. Thank you very much. Please continue.

**Tarek BIEGANSKI:** My name is Tarek Bieganski. I have been renting since I moved to Melbourne about eight years ago, and just like everyone, I am struggling with the rising rent. I am in quite a fortunate position in that I have been employed my whole life, I have worked full time and really I do not have any adversity that has put me in a tricky spot, but it is still really tough. And I think if I am struggling, then people who are in tough positions must really be having a hard go.

Obviously with rising rent I understand that prices are going up for everyone, and I understand supply and demand and things like that, but it is a tough pill to swallow when your rent is going up by 20, 30 per cent year on year and you are just looking to consider whether you need to leave your job and move back to another city to live with your parents or just move way too far to commute. It is quite tough.

And in my years of renting it has become clear that there is a distinct power imbalance, just like Christine spoke about. Early on I actually moved out of a house share. I had been employed for about four years full time at that point and ended up living in my car for about two months because I just could not get a place. I had the funds, had the employment, had references, but it was a vague ‘We just do not want you’, which is quite a bizarre situation to be in – to be doing quite well money-wise and still be homeless. I think that exists throughout the whole industry in some way. Like you mentioned, whether it is fear of reporting issues because you are worried that your agent is going to penalise you, not obviously for it but perhaps at the end of the lease your rent rises to a point that you cannot afford it, or they decide to move you out at the end.

This is most clear in the way that bond is, I would say, weaponised by agents. I recently moved out of – well, not recently, about a year and a half ago – my previous residence, and the agent put a claim in against my bond. They did not really elaborate what the claim was for. In fact they referred to it as ‘wear and tear’, something that you cannot claim for. But that does not really matter. The way that the system works is that once that claim is put in, everything goes on hold. The process – I mean, I am still going through that, that VCAT process. It has not really moved along very much. Again, I am quite fortunate in that I was able to move to a new place and pay my second bond into the RTBA. I expect that not everyone is as fortunate, and that must be quite stressful. And recently, as my landlord has started selling his properties around me, I have started to wonder if I will be paying a third bond and have to hope that I will not go through the same thing with my current agent.

The way that the system is established it allows agents to roll the dice, effectively, when it comes to bond claims. There is no penalty for a baseless claim. If it turns out at the end that there was no merit to it, it does not matter. It simply just goes away.

I think there should be penalties. There are penalties for misleading accusations in almost any other form of legal proceedings, but when it comes to requesting someone's bond, there is no penalty. You may as well roll the dice. Most tenants are either intimidated by the system or the agent or they are just so exhausted by the whole process that they just give up. In many situations tenants will take what they can get. So although the landlord might not be entitled to the bond, an offer might come in that, 'Hey, we'll split it 50-50', or they give you something,' and particularly when you have to pay your next bond, you will take what you can get. I think it is quite likely that people are just giving away portions of their bond simply to get some of it back.

When you go through the VCAT process, again, there is not much communication. In fact I have not heard from VCAT in the last 18 months. I was invited to a dispute mediation a few weeks ago and was quite surprised – I arrived with a 15-page document that I had already provided to the agent. I was fortunate enough to seek legal advice on the matter and I worked with someone, an advocate, who helped me put all this together. It stated quite clearly what the position was and why their claim was not relevant. When the agent arrived, they were not familiar with the case at all. They had a brief idea of what the case was for, but in terms of all of my back-and-forth and discussion, they had no knowledge of it whatsoever. I think it is quite disrespectful to withhold that amount of money from anybody and not even be familiar with the reasons that you are doing it. I know if I was holding nearly \$2000 from somebody, I would sure as hell know the reasons for doing it.

Throughout this whole process I have sought clarification or information or evidence from the agent, and the response I have received is that, 'We don't have to give that to you, so we're not going to. Seven days before VCAT we'll turn it over, but aside from that we're not under any obligation to do it.' And they are right; there is no obligation to turn that information over or really have any discussion. Mediation unfortunately did not go anywhere. There was, I think, an offer of a couple hundred dollars that I could get back. From everyone I have spoken to it sounds like, 'When and if it gets to VCAT, I will get the full amount back – if I can wait that long.' It feels that that is what agents and landlords rely on – people just tiring of or running out of money during the process. The ACCC does a really good job of enforcing consumer law when it comes to businesses and retail, and there are penalties for businesses that do not do the right thing. It feels that homes and housing are being treated as a business now, and if that is the case, I would like to be treated like a consumer and actually have those rights and be able to have them enforced promptly.

**Christine MILLER:** Yes.

**Tarek BIEGANSKI:** It is well and good to have the rules. I actually think the rules are good. They are intended to protect renters, but the system does not – there is no bite to the rules. If the system cannot enforce them, then you are playing a game with no umpire. Again, agents are aware of this. They know that at the end of it there is no downside, there is no risk, there is no reason not to roll the dice and see if you can get a little bit of money at the outset, so they do. It is time that changed. I believe a screening process when these claims are submitted to VCAT would be helpful. Like I said, the claim against me was two sentences, and it included 'wear and tear', which, again, cannot be claimed. If there was a screening process, perhaps somebody at VCAT could say, 'This doesn't look like a valid claim,' and perhaps it could be reviewed quicker so it does not go through that one- or two-year process. But, yes, I think we need to stop weaponising bond.

**The CHAIR:** Thanks, Tarek. I would like now to invite Tim to please make a statement.

**Tim CONNORS:** G'day, all. Yes, I am Tim Connors. I have been renting for 35 of my 42 years, initially joining the ranks when my parents divorced at the age of seven or so, and by 21 I had lived in 21 houses. I have settled down since then. At 42 I have stabilised, only adding four more houses to that list. The longest stretch in one location was seven years, six of which were on month-to-month leases, because there was no advantage – there was no problem solved – by me going on a yearly lease; it only created new problems. The owners were happy for me to stay. They only put the rent up once a year anyway, which would have happened if I was on a yearly lease, and it just meant I could leave when circumstances changed. When interest rates were going down rapidly, my rent was still going up faster than CPI, faster than inflation. With interest rates now increasing, my rents are still going up faster than inflation, far faster than the wage price index and my wages. With a CPI of

7 per cent my rent increase this month was even higher, 10 per cent. Despite the restrictions and the allowable reasoning applied to rent increases, my agent was still allowed to say, 'We're increasing the rent to your poor-quality house in Coburg North to match those high-quality newer builds in Coburg North in better parts of your suburb.' We were not going to fight it. It is my first house with my wife. She has made it a wonderful home; we do not want to leave – 10 per cent was on the limit. What are we going to do? Everyone else was also saying 10 per cent.

I work in a well-paid industry. Most of my friends are folk musicians, so I thought I was going at least be amongst friends later in life. But they have all started receiving inheritances from grandparents, and some of them have become unexpected landlords. Unfortunately, my father and all of my grandparents died in the 80s and 90s and did not pass on the massive gains of recent decades. My mum was a single parent, flipping from partners to an abusive second marriage before living in an owned house courtesy of her third marriage. But there will be no inheritance of consequence there, because between her single-parentdom, the recession of the 90s and the fact that their house is in a small declining country town in the middle of New South Wales, it is not going to go very far when split between all of the children and the stepchildren.

Meanwhile there is an exponential increase in the price of housing, both renting and buying. It is inflating faster than wages and cannot continue. Mathematically it is just going to break down. So we need to choose how it is going to break down and bring it under control or it will happen beyond our control. In the meantime, the financialisation of the housing market is breaking society. In no other situation do the Australian public and media celebrate the price of things going up endlessly. Now, for anyone who graduates and enters the jobs and housing markets after 2006 you need two average incomes, dual income, to buy a house if you did not win the parent and grandparent or spouse lottery. But when prices go up another notch, what is going to happen? In the past when you have had 50 per cent of the population who cannot afford to live a basic life, civil wars and revolutions have led to that reset. I hope it is not going to take that here.

In the share market, we are not celebrating the prices of things going up endlessly; we are relying on the worth of things going up. Investors invest in indexes and companies that are doing productive things, building wealth and going through the value-add performed by productive workers who in turn gain benefit themselves. The housing market is not like that. It is not doing anything productive for society. Actual housing depreciates as it wears. The investor focus on it is taking investable money away from productive business. It does not make anyone richer but those very few lucky individuals who own more than one house at the expense of those who own fewer than one house – no house. The majority of people own one house. They might feel rich on paper as their house increases in value, and their net worth is approaching the millions now. But unless they plan on living in the gutter when they plan on selling that house, the celebration has got to be short lived. It is a zero-sum game.

Infinitely increasing the housing market for people so long as they bought into the right real estate at the right time is just glorified gambling that until now has been state backed and sponsored, since governments so far have only ever tinkered on the demand side of the equation, usually by stimulating it, and that includes Labor's Victorian Homebuyer Fund. They have never worked on the supply side. It just cannot continue forever. We need supply-side changes. Granny flats – I found out very recently that once the granny disappears you have to make that place uninhabitable. You have to pull it down. We need better enforcement of the almost voluntary vacant premises tax – I just dobbed in a neighbour of my neighbour a couple of days ago – business taxes on Airbnbs, downsizing incentives for retirees, land tax and federal tax changes to the capital gains tax.

The whole beyond exponential acceleration all started in 2001 when capital gains tax was reduced by 50 per cent. Be wary in particular of the laughable claims in the submissions here by the likes of the Property Council of Australia, Property Owners Association of Victoria, Property Investors Council of Australia and the Real Estate Institute of Victoria that doing anything to improve the affordability will cause investors to leave the market, thus reducing the rental supply. Who are the investors going to sell to – former renters? Great. Other landlords? No problem.

If they plan on leaving a property empty just to capture those passive capital gains, a properly punitive vacancy tax based on the societal cost should fix that, and eventually the market will return to that based on sane yields. An empty property has no yield, so it will be valued at zero by the market -- it has got no inherent worth. Ultimately, if property prices tank, which is what governments up until now have been worried about, it is not

really a problem for anyone but owners of multiple properties. Should we as a society be catering to undiversified property hoarders, or ensuring that all people can continue to have a roof over their heads?

**The CHAIR:** Thank you, Tim. Now I would like to invite committee members to ask their questions. Just be mindful to please keep it to 8 minutes to ensure everybody gets a turn to ask all their questions. Michael, would you like to please start?

**Michael GALEA:** Thank you, Chair. Thank you all. They were all very, very interesting contributions and very valuable. Chris, I would like to start with you. You talked about the inaccessibility for you of a lot of properties and places. Multiple storeys is an obvious example, but also you mentioned places to charge your motorised scooter. I am wondering if there is anything else in particular that policymakers might be overlooking in terms of how we design houses that would cater for you better.

**Christine MILLER:** Anything else?

**Michael GALEA:** I am sure there is a lot.

**Christine MILLER:** I think there are a lot of things. I do not use the wheelchair in the house. I can get around with sticks and things in my house, so I am fine in that regard, but where I live now there are stairs to get into the house on both ends. But because we had to move out further and Reservoir was the option that we had, we moved there and it is on hills. I am not sure that answers your question.

There does not seem to be, apart from through government agencies, anywhere that is sort of looking at elderly or older people who have mobility issues. We need to consider that with our ageing population and the number of people who rent, we should be including single-storey properties within developments. All these new developments are multistorey houses, some three storeys, because they are small and you fit three on a block. But I kind of despair, because I really do not know where I am going to end up and where I am going to have to move to where I can find somewhere. And now it is virtually impossible. I mean, it gets to the point where it is terrifying. I know that does not answer your question, but I am pretty cynical about everything, really. I do not think that people really care. Real estate agents certainly do not. Builders and property owners certainly do not. People want to maximise the money that they are going to get, so they are not going to choose to build a single-storey dwelling where they can build two or more on the same block.

**Michael GALEA:** Yes. Thank you. I appreciate it is hard to talk about as well. I can see that, so I really appreciate the raw honesty in your answer as well. Thank you.

If I can just move around quickly, Tim, you touched on longer leases and you spoke about how you had been on month to month for a long time. As you are aware, the reforms brought in a little while back brought in the rights to have longer leases. I think, from what you said, there was a period where you actually preferred being month to month, and it reminded me of my own experiences. There were times where I did want a longer lease and there were times when I wanted to be month to month. What has your experience of that been, and how do you think that is working in terms of having longer leases available?

**Tim CONNORS:** Yes, so that was a situation of never knowing what my future was going to be. I did not know whether I was going to stay in the same job and I was dating my wife at the time, so I wanted the ability to move out quickly. But yes, now we could do with a longer lease if it brought advantages to us. In Germany the norm is to have, I think, five- or 10-year leases. The rent is, I believe, guaranteed to stay the same for that entire time, and the market is different there; it is just assumed that a large fraction of the population are renting, and it is not treated as a financialisation product. People have spare money, they can buy a house and they get some passive income from it, so the rent does not need to increase constantly, year after year. Here, I believe you are still allowed to. If the lease says, 'We want to raise the rent once a year', then that is allowed, and the renter is just going to have to take that on the lease. It is standard to not be able to fight any clauses in a lease, because the real estate people simply say, 'We don't like it.'

**Michael GALEA:** Yes, thank you. And just quickly as well, you mentioned pulling down granny flats – have you seen experiences where people have been forced to pull down a granny flat because the granny, so to speak, was no longer –

**Tim CONNORS:** It has been mentioned in the newspaper a few times over the past few months, but I have not encountered it. I have only witnessed one granny flat at all, and I know that granny is still alive, but she is frail, and I worry what will happen to that particular flat.

**Michael GALEA:** Yes, thank you. Tarek, if I have enough time, can I ask you: you made a comment. I think you said, 'I think the rules are good, but there is not an effective umpire' – for want of a better word. Can you talk me through what sort of specific changes we could make that would help bring effective regulation in?

**Tarek BIEGANSKI:** Sure. Like I said, my experience of the rules, through this process and investigating, is that most of the time I find they seem to be written how I think they should. I think the promptness of how these issues are dealt with is quite key, particularly when you look at the sensitivity for tenants of solving these issues quickly, particularly financial ones. The wait-and-see approach I think is the toughest element of when you do need to make a claim in VCAT about something that is not right. It often takes a long time to get resolved, so tenants consider whether or not it is worth it and whether or not they can wait that period, depending on what the issue is. If VCAT does not have the resources to enforce the rules, then somebody else needs to do it.

**Michael GALEA:** Thank you. Since I have more time than I thought, if I can ask you as a panel, in terms of rental applications – I know as well bringing back memories of things like 1Form and all the different ways you have to do it – how do you find that process? Is it overly repetitive? And do you have any privacy concerns around how your data is being used in those processes?

**Christine MILLER:** I would say, yes. I mean, the whole process is fairly arduous, and because there is so much competition, you are filling in forms constantly and people want to check that you can – there is ID that needs to be supplied, there is proof of working or proof of income. There are all these things that you have got to do in amongst hundreds of other people trying to do the same thing as they are trying to view properties. It is really a nightmare. If that was centralised, where you could have somewhere that you registered and then you could give agents access to that information so that you did not have to constantly repeat yourself – I think that could be used against you, as well. It would have to be set up quite well. But at the moment it is an actual nightmare.

**Michael GALEA:** Yes. Would you share similar views, the two of you?

**Tarek BIEGANSKI:** I like the idea of having a single point of information. When I signed my current lease, for some reason I decided to read the privacy policy and was quite shocked at the list of different people that information would be shared with – I believe it was about 18 different companies – as well as a clause that said 'and anyone else we decide to share that with'. It actually was agents and people that you would expect to be concerned, government and things like that, as well as marketing, debt collectors – really anybody who was willing to buy it. And there was not an option to not go through that process, effectively – it was 'sign here'. By signing you give all that away – contact information, living history – really everything you would need to do what you like with someone's identity. That was quite concerning, to be honest. It is not clear either when you sign that you are going to have to dig through it.

**Michael GALEA:** Very interesting.

**Tim CONNORS:** I had a security clearance with my last public service job, and I was not happy with that process. A lot of people, a lot of contractors, had access to that information. But one form has more information on me, and it is shared with everyone – anyone who wants to buy it. I am not happy with the data they have on me. I would like to see that better regulated. But doing it the once is a lot better than doing it thousands of times – and I still felt like I was doing it thousands of times despite one form.

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

**The CHAIR:** Thank you, Michael. Just before we continue, I want to acknowledge Mr John Berger, Member for Southern Metropolitan. Thank you, John. Welcome.

**John BERGER:** Thank you.

**The CHAIR:** I would like to invite now Dr Mansfield – could you please address your question?

**Sarah MANSFIELD:** Thank you. And thank you so much for sharing your stories today. I have got a couple of questions. I might start with Tarek. You mentioned in your submission that you are currently spending 46 per cent of your income on rent –

**Tarek BIEGANSKI:** A little bit more now, yes.

**Sarah MANSFIELD:** a bit more now – and that you expected it would increase quite significantly, up to potentially 65 per cent. What does that mean for the rest of your life?

**Tarek BIEGANSKI:** It is pretty skim. Mee goreng noodles are great; that gets you by during lunchtime. Obviously an increase in rent is not alone; it joins bills, utilities, food. Really every other aspect to life is going up. There was one point where I had private health insurance, which was great. That is gone. That is just not manageable. When my gym membership ends, that will be gone as well. Things that I would rely on to hopefully stay healthy – decent quality food, things like that – are quite unattainable and almost a luxury really. It makes things quite tough everywhere else. There is not a lot of social life or anything like that. It is really counting pennies when it comes to what bills are due now. If there is a little bit left over, then make some coffees – things like that. There is really not a lot of wiggle room. Particularly leading up to the end of my lease, as my landlord was selling properties, I was mostly stowing money away for the next battle really, and saying, ‘Well, I’m probably going to have to put up a month up-front and a bond for the next place.’ So there is a lot of rainy day money kind of being put aside, but there is not room for much else.

**Sarah MANSFIELD:** And how about the others? Have you experienced significant rent increases at different times over your renting history?

**Tim CONNORS:** When I moved back to Melbourne from country New South Wales my rent increased by a factor of five and my pay went down, but I did it for career aspirations. That was quite hard to justify mentally.

**Christine MILLER:** I find that generally now we sign leases with rent increases built into them. Previously we had rents go up every year, and sometimes unpredictable amounts. We have got notice now that if we are able to sign a new lease, it will be going up \$90 a month in November, which probably does not sound a lot, but it is. Again, it is something that you do not have any say about. There is no negotiation or anything. The thing that I think annoys me most about the rent increases is that the rent goes up, but nothing is ever put back into the house. We typically find that we do all the minor repairs: we put the corking around so that the drafts do not get in, we put the flyscreens on the windows, we buy the kitchen cupboards because there are not any – those sorts of things. That is not counted; your rent still goes up anyway. So even while you are making the place more livable, you are still paying more rent for it.

**Sarah MANSFIELD:** If there was some sort of control on the amount rents could go up, if it was a bit more predictable, what impact would that have on your lives?

**Christine MILLER:** I think it would let us be able to plan, because generally we live from lease to lease. We have been lucky lately. We got a three-year lease when COVID was underway, and I think that was mainly because the landlord was concerned he would not be able to get another tenant at that point. We could plan more, because now we do not know really. But if we had a definite ‘This is exactly what it’s going to be’ or ‘It won’t be any more than that,’ it would give us a bit more leeway to plan into the future, because now we do live, but from lease to lease. We never know what is going to happen at the end of the lease, because we never get notice except for a month before that. The lease ends, and even if we have been in a property for a long time, we still have to wait that time, and even if they know that they are going to re-lease it to us, they will not tell us. That is something else, along with increases, that I would like to see changed – that we can maybe get at least three months notice, that they are going to renew or that they are not going to renew, especially if you do have possessions and you do need a shed. So if you have got things in the shed, you need a longer time to find a suitable place to live.

**Tarek BIEGANSKI:** Definitely knowing the cap would be helpful. When you come to the end of your lease and you do not know what is coming, knowing that it is not going to be worse than this gives you at least time to prepare. Really as far as out as the day you sign the current lease, you go, ‘All right, well, the next one can only go up by this much.’ If you know your situation, I guess if that amount that it could go up to is not affordable, you can start making arrangements and start making plans. As Christine said, 28 days is not a lot of

notice to be sitting and waiting and going, 'Oh, I can't do that.' So yes, time to prepare is definitely a huge benefit.

**Tim CONNORS:** Yes. I think we got asked in February. Our lease was ending in the middle of April and we got asked in February, 'Do you want to extend the lease?' 'Yes, we do, depending on what and how much you want to increase it by.' They did not reply to the how much until about April, I think. So we were going to fall back onto a month to month by default, and then eventually they said, 'Okay, we want to increase it by 10 per cent,' with the 60-days notice or whatever minimum is required. So we then started the new lease in July, and being on month to month at that point, we could get kicked out with short notice with relatively limited justification. The owner could have just said, 'I want to move back in.' That would have given us a small amount of time to look for a place in a market that is very much against us right now. If back in February I knew what the increase was going to be, I might have had a bit more time to start looking for a new house or look at buying.

**Sarah MANSFIELD:** Tim, you mentioned before that perhaps if we changed some of the incentive structures that are in place, investors might leave the market. So if we had something like some form of rent control, a lot of people say, 'Well, investors will leave the market.' What are your views on that?

**Tim CONNORS:** That would be great – rebalance the market. It is an undiversified investment anyway. Why would any reasonable government encourage such a risky investment scheme that there will be strong winners and losers out of, when it should just be roofs over people's heads? We should spend our money on more productive things.

**Sarah MANSFIELD:** Yes. That is my time.

**The CHAIR:** Thank you. Let us continue. Would Mr McCracken like to put a question?

**Joe McCracken:** I am more than happy to, thank you. Do you mind if I call you by your first names?

**Christine MILLER:** That is fine.

**Joe McCracken:** Great. I am much like that too. I am just going to fire some questions away. Some might be to everyone, some might be to one. I know there was a bit of talk about dispute resolution going between you guys as renters and landlords. Consumer Affairs Victoria say that there is basically a three-pronged process which you go through. The first one is to have a conversation; the second one is to put your grievance in writing, and I think that is called a notice of breach; and then the third one is VCAT. Can you guys talk about that experience and if you have been through any of those before and how you navigated that? Anyone who wants to go.

**Tarek BIEGANSKI:** I am going through it now.

**Joe McCracken:** Okay. How have you found it?

**Tarek BIEGANSKI:** Pretty shocking. I am quite interested in those processes and even still found it quite tough between consumer affairs and then a lot of different websites to find this information on. The first step is obviously to have a discussion. It is tough to start that discussion in the first place. Most of the time it is a simple, 'No, this is how it is.' Putting it in writing – again, that is obviously good, and I worked with someone else to do that. But, yes, you are playing against yourself if the other person does not want to have a discussion with you. There is no obligation for them to, and that has been my experience. Even when I said, 'What exactly is the issue?' – I still do not know. I still actually do not really understand what the bond is being held for. And obviously with the requirement to provide evidence seven days before VCAT – that sounds reasonable, but when it is going to be two years down the road, that is a way away. I think if you were required to provide that early on, it would be very clear if you did not have it – and it seems, based on my experience, that that is my situation. So, yes, the process is quite convoluted, and it is dissuaded to have an advocate with you. I worked with someone who is quite familiar with –

**Joe McCracken:** What do you mean by 'dissuaded' by having an advocate with you?

**Tarek BIEGANSKI:** I was invited to dispute resolution. It was part of a way to try and avoid going to VCAT. And although the landlord, who is an overseas investor, was allowed to have the agent, who is an

expert in rental law, represent them, when I said, 'Look, I've been working with an advocate who understands this quite well,' they said, 'No, no, no, you can't, sorry; that's not how that works.' No-one else is allowed to come with you. You can have a support person, so you can bring your mum if you want, but somebody who actually knows the process – not invited.

**Joe McCracken:** Can your advocate be that support person? Obviously not in that situation.

**Tarek Bieganski:** They were not pleased with that idea. I mean, I did ask. I said, 'Look, can I invite Christopher,' who was helping me. And it was, 'Look, they can sit next to you, but they cannot speak on your behalf.' They cannot really – they are not allowed to do anything. And I understand it is dispute resolution and it should be person-to-person, but there is definitely an uneven playing field there when there is an agent who is expected to understand the laws – I mean, that is their job – and I am some guy off the street and I am doing some research. But, yes, it is an unnerving position to be in – to say, 'Look, I am in an unfamiliar playing field, and I can't have anyone who knows what they are talking about with me.'

It is I believe similar with VCAT. I have not been through the hearing yet, but from the material that I have read, again, you cannot have a support person. They do not like anybody to represent you, which is a bit tough obviously. Agents can represent landlords; it would seem fair that tenants should get an advocate.

**Joe McCracken:** And in terms of going through that process – you know, time, cost, effort to go to VCAT and that, plus stress – I imagine it is not exactly ideal for you to be facing that sort of thing.

**Tarek Bieganski:** No. I thought, leaving, it would be quite straightforward, and then even when they made that claim I thought, 'Well, as long as I'm quite distinct in my reasons why it is not valid' – but, yes, there is a lot of ambiguity in that process.

Again, I have actually never been contacted by VCAT since that case was submitted. I did get an email from the dispute centre, which I assume VCAT had organised, but in terms of reaching out to them and saying, 'How is it moving?' the boiler-plate response is 'COVID has affected turnaround times' and things like that. I think we are all a bit tired of hearing COVID as the excuse for everything. I do think it is interesting that there was such a spike in claims during COVID when tenants were leaving, because it is unlikely that people started trashing their houses. Perhaps it was a good way to get a bit of money on the way out. But, yes, the stress is definitely tough – and agents not wanting to talk, yes. And also, like I said before, it feels quite disrespectful to put a lot of time into defending your position and for the other person to not even understand what their position is. It is frustrating.

**Christine Miller:** Yes. I think the biggest frustration is that every time something has gone wrong, with every property that I have ever rented, and I have reported it, I have been met with hostility. It is not, 'Oh, thank you so much for reporting that; I'll get onto the landlord and see what we can do about that.' That is never the case ever. It is denial first: 'No, they do not have to do anything about it'; 'No, it's your problem, you do it'; 'No, we're not going to bother the owner about this.' And then often the hostility comes from the owner, because they do not want to spend the money to replace the equipment that has broken down, even if it has become dangerous – typically gas appliances, I find, in older houses. I think the house we were last in had the heater condemned, and the house that we are in now has had the heater condemned and also the stove condemned – that had to be replaced. At this moment we have got a pretty good landlord, because he had been having students before and we have been in there for a while. We look after the property, so he is happy to buy the cheapest thing possible to replace those things. But you still have to deal with that hostility and the stress. I just go, 'It's not worth it,' when you add up your time and the effort you have to put in, plus dealing with all these negative comebacks that you get, because there is no support from real estate agents. I mean, we are not their clients, we are their fodder. The clients are the house owners. We are just there as a means to an end. We are easily replaceable: 'Don't worry about it. We don't need them.'

**Tim Connors:** With appliances in a house, there is a requirement to replace appliances that were there, but there is no requirement to replace like with like. With our agent we reported straightaway when we moved in that the middle heater did not work – a gas heater – so it was replaced with a portable resistive electric heater, which is of course super expensive to run, so it has barely been turned on. But the landlord introduced himself to us, and he has been wonderful. The main air conditioner in the lounge room was a 50-year-old GEC unit. He replaced that in the first summer with a brand new, very efficient Mitsubishi, and it works wonderfully. But the

fence is falling down, so this year when the 10 per cent rent was raised, I went to the first step. I talked to the agent and said, 'Look, these are all the things wrong with this house. This is why you can't compare it with all the other houses in our suburb, and I don't really want to go on a yearly lease, with this amount of rent increase, with all these things that aren't being fixed.' With the fence, the landlord had been working hard with the neighbour, but it was just not working. The agent came back and said, 'Look, you have to talk with us. You can't keep on talking to the landlord all the time, and we're going to increase your rent.' So it has gone back to being, 'Well, we don't have a friendly landlord anymore. We've still got the rent going up, and things are still not being repaired.'

**Joe McCracken:** Thanks for that. I think I have run out of time, but I appreciate your response.

**The CHAIR:** Thank you. Mr Puglielli, would you like to go, please.

**Aiv Puglielli:** Thank you. Hi. I am Aiv. Firstly, thank you all for coming in today. We are at crisis in housing and with renting in particular, so thank you for being a part – while at times difficult to be a part – of the process, while we grapple with the scale of this issue. I would like to begin with Chris. Chris, you spoke about your path through the housing market through renting, where properties have been inaccessible to you and where there has been limited availability of things that would be practicable for you to live a good healthy life. To me, it sounds like what you are describing is a market failure in the private housing system. Yet we hear quite often the word 'supply' being thrown around as the solution to all of these problems. Do you think increasing supply of investment properties is going to fix this issue?

**Christine Miller:** Well, it is hard to say. I mean, I tend to live in old houses without facilities and with very basic everything, because that is what we can afford that I can access. My problem is that I see a lot of the old houses now that might have been kept in a rentable state at some point but are just left to sit there until they knock them down and build either apartments or double-storey duplexes on them. I do not think so, because I think we are going to see more apartment blocks and double-storey apartments within apartment blocks. You know, where do I put a scooter in an apartment? Is everything accessible by lift? There are all of those types of things. I think really what it is doing for me is it is taking away houses that I might be able to live in, and it is putting in apartments or housing that I cannot live in. My access is becoming more and more limited, so in addition to it just being a bad market at the moment, I have got an additional problem on top of finding anything within that and still competing with all the rest of the people that are wanting to live anywhere.

**Aiv Puglielli:** I definitely hear what you are saying, and the idea for things that are built that are new, making sure that they are accessible for you and that you are able to live in them and that they are genuinely something that you would be able to access. Otherwise, what is the point?

I might now move to Tarek. In your contribution you broached the idea which I think is facing many young people, the idea that people will have to move back with their parents or that they are having to live with their parents in order to save up for housing or to even just be able to rent, something I definitely relate to from my experience. In the current state of this matter in Victoria, in a market where rents can increase by an uncapped amount, do you think that it is viable and sustainable going forward for people to ever be able to afford a home in that environment?

**Tarek Bieganski:** Not if you are renting. If you are renting, you are already paying a mortgage for somebody. You would have to be doing quite well to effectively be saving up towards a second one. It would be great if I could move back with Mum. The career that I have built means that I am here while my family is in Sydney. I do not have any plans to look at purchasing a house while I am renting, if ever. It is just not – the numbers just do not work.

**Aiv Puglielli:** If your current rent that you are paying had at any point, either now or previously when it was a lower rate, been capped, would that potentially be a different situation for you? Would you be able to think about buying?

**Tarek Bieganski:** Yes, certainly. There have been amounts that I have paid previously that where I am at in my career now there would be money going aside, and yes, I would have been much better off earlier on. Obviously rents have gone up considerably more on a percentage basis than my salary has at least, so they have caught up and they are quite neck and neck now. If I was where I am at now and I was paying what I was a few years ago, yes, I might be looking at it.

**Aiv PUGLIELLI:** Thank you. It is definitely something we have heard through the course of this inquiry so far, this pressure that people are facing. I might now go to Tim. You spoke about vacancy taxes as an idea. Would you say in your view that a stronger, enforceable and actively enforced vacancy tax in Victoria should be a priority for the government?

**Tim CONNORS:** Yes. There is a vacancy tax already there, but it relies on an owner saying, 'My place has been vacant for six months.' No-one is going to voluntarily say that. I was reading last night that – I cannot remember what agency is involved, but if they find that you have not told them, then there will be a punitive measure on top, but just the likelihood of it being enforced is too low to be of practical benefit.

**Aiv PUGLIELLI:** And so in terms of the tax itself, would you like to see the actual amount of that tax increase in that review?

**Tim CONNORS:** It probably should, because I think it is 1 per cent of the improved capital value of the house, and if you are leaving it – the only reason it is going to be vacant for any length of time is if you are in a market where it is just not worth anything, in which case the improved capital value is not much, so you are not going to be paying much tax, or you are in a very heavy market and you are just relying on the capital gains that you might get in five or 10 years. Negative gearing is a bit of a furphy. It is what the media keep on latching onto, but it was always about capital gains. People are happy to have negatively geared property for 10 years at a time if they are going to get triple or quadruple the value of their house at the end of it. You should be paying tax on the value of that gain you are going to be getting.

**Aiv PUGLIELLI:** Thank you. You also spoke about leases and the flexibility being available to you in your renting environment so that the lease suited your needs and was something that you could live with and was sustainable. Would empowering the renter to have the capacity for, say, longer leases, even a five-year lease with ability to extend that lease, be something that would be in your view positive for renters out there in the community?

**Tim CONNORS:** Very much so, as long as the real estate was not free to say, 'We will increase the rent once a year by an undisclosed amount prior to the time.'

**Aiv PUGLIELLI:** Yes.

**Tim CONNORS:** Even if they were to say, 'We'll increase it by 7 per cent per year,' that still – you are signing a contract. You are signing something that is going to last for seven years. I need to know the value of that, and it cannot keep on compounding every year.

**Aiv PUGLIELLI:** Yes, and this pressure on the increasing of rent as part of all of these measures – we heard earlier today, and I think even briefly, Tarek, in your contribution, how that is sometimes used as a retaliatory measure from landlords, in addition to bond, as you have mentioned. Tarek, do you think we need to see stronger regulation to ensure that that cannot happen to renters?

**Tarek BIEGANSKI:** Yes, absolutely. I think that is the way to go, making sure that everyone is being treated fairly and that that system is backed up with some bite behind it.

**Aiv PUGLIELLI:** Thank you.

**The CHAIR:** Thank you. I would like to invite Dr Bach.

**Matthew BACH:** Thanks. Well, I might actually pick up exactly where you left off, Aiv. I was also interested by your comments, Tarek, about bonds, and I hear you – that is a very significant amount of money, and it is your money. I have got strong views about VCAT and how appalling processes are through VCAT and how bogged down VCAT is right now. But you started talking, and you were about to answer Aiv's question also, before the timer got you, about what more could be done there. I thought the initial idea you put forward of a screening process – you know, that sounded like an idea that has much merit. What are some other ideas, in order to streamline processes, to ensure fairness? I dare say there are some instances where somebody has trashed the joint and therefore it is reasonable to give up the bond. But, as Aiv said, we have heard this from numerous witnesses now and you do not have to convince us that VCAT in particular and VCAT processes are not fit for purpose. What are some further ideas you think we should be looking at, as a committee?

**Tarek BIEGANSKI:** Like I said earlier, there is no penalty for ridiculous claims. You can write whatever you like in that form and it is not screened, so it does put the whole process on hold. I am not saying that we should not be doing bonds and there should not be the option for landlords to claim against tenants; I agree there are certainly times that that is probably the way it should go. If it was to get to the end of VCAT or whatever the process is and we were all sitting at a hearing and it was revealed quite quickly that it was a baseless claim to begin with and whoever brought it should have known that, there should be penalties for that. There should be some downside so that agents or landlords would at least think before they bring these claims, knowing that if this does not go the way it should – I am not saying that they should be penalised just because they lose. But if we get to a hearing and someone is looking at it saying, ‘You can’t claim for this, this is pointless’, that should not be the end of it, it should not just be thrown out. There should be a penalty that will make people think before they bring those claims.

In terms of the VCAT process, at least some updates along the way would be a good place to start, just letting you know – I have reached out probably three or four times, and about four days later I get a template email that says ‘COVID is making it tough, it could be up to 12 months’ or more than that. Some estimate, some idea, somebody that reaches out periodically. I understand there are more pressing matters that get slotted above, but at least knowing what is going on and a rough idea – a quarter of a year, it could be these three months – anything would be better than what it is currently. Particularly, like I said, it looked like I might have to move out recently and I was like, ‘That is going to be three bonds that I’ve got tied up.’ It is barely manageable for me, and I am not in an adverse spot. And so people who are, I do not know how they manage. My neighbour, a single mum with two kids, she was pushed out with high rent and they claimed a bit of her bond on the way out – if I am struggling, other people must have it really tough. We need to put some consequences in there for abusing the system.

**Matthew BACH:** All right, thank you. And again, I agree with you – not many people have access to that sort of liquid cash when you are talking about multiple bonds, two, even three. Tim, you made some interesting comments about governments not working on the supply side. You listed a range of taxes that were predominantly federal taxes, that we can still consider in this inquiry and I dare say make recommendations to our federal friends, but I am interested further on tax at a state level. Do you have views on stamp duty?

**Tim CONNORS:** Yes, so stamp duty is an inefficient tax. It discourages people from being able to downsize when they no longer need a four-bedroom house. It is a fixed proportion of the worth of your house, so the more worth your house is to society being able to redistribute it, the more of a discouragement it is. If there was a land tax, it would be expensive to hold onto something more than what you need.

**Matthew BACH:** So your preference would be – because implicit in your response is the fact that state governments do not have the tax-raising powers of federal governments, and stamp duty at the moment forms such a large proportion of our tax base – that you would like to see a switch from stamp duty to an ongoing land tax?

**Tim CONNORS:** Yes, in a way that would not disadvantage people who have held onto their place for a long time et cetera, but carefully calibrated so it starts changing behaviour now.

**Matthew BACH:** All right, thank you. That is all from me, Chair. Thank you.

**The CHAIR:** Ms Payne, will you do the honour?

**Rachel PAYNE:** Thank you, Chair, and thank you to the panel. I really appreciate you coming in and sharing your experiences. I would love to talk more about the power imbalance in the dynamic with landlords and agents in particular, and some of the ideas that you have spoken about, Tarek. You mentioned that you are a consumer of a product. There should be more, maybe, accessibility around the ACCC and your rights there. Some have flagged the idea of references for agents and landlords, and I would love to know your thoughts on this. Would that have any impact on your ability to rent a property or your consideration of a property if there was a reference for a particular agent to say, ‘This person isn’t really very good to deal with.’

**Tarek BIEGANSKI:** Do you mean a reference in regard to the agent or to the tenant?

**Rachel PAYNE:** Agent. Yes, agent and landlord.

**Tarek BIEGANSKI:** Yes, I mean, those checks are conducted on us. Every man and his dog that has employed me over the years and my previous landlords are free game. I think it would be fair enough to have some sort of review system beyond Google reviews, you know, that gives you an indication as to what you can expect from a landlord and from an agent.

**Christine MILLER:** When it comes down to it, you generally do not have a choice about the agent or the landlord. You do not get to pick and choose. You look for places, and you take the places wherever they are, and it does not really matter if the agent is a bad agent or you know that from previous experience that that agency tends to treat people badly. It does not really matter. If you can get a house or if you can get a place to live, you will do that and deal with it.

**Tim CONNORS:** Yes, I have got a mental blacklist of branches and particular real estate agents that I avoid. When I am searching online for a place, if I see it is – I am not going to name them – I will weigh more against them in my decision. But I cannot share that. There is no mechanism for me to share that information with other people. There are subreddits for ‘My terrible landlord’ et cetera. It is not a systematic way of saying ‘avoid this person’.

**Christine MILLER:** And I would also worry about reprisals. I mean, if you put your name out there on a statement saying ‘This agent is not great; don’t go there,’ and the only house that you can get or the only place to live that you can get is through that agency, you are not going to get that house.

**Rachel PAYNE:** As someone who rented for 25 years, I totally get it. I have had some doozies, and a good agent, I have experienced, is just someone who responds to requests, which is the basics. How do we as a committee consider giving more agency back to tenants?

**Christine MILLER:** It is pretty impossible in this climate, I think. There are so few properties out there that, you know, we have no power. I mean, we are just a commodity. We are a resource, and we are easily replaced, which is why we have to deal with the aggression and losing bits out of our bond, because it is just the way it is. I mean, you do learn to live with it. I think that is a really sad, sad thing, and it is not getting any better. But renting has just become – I mean, it was never great to start with, but it is just becoming impossible. And there is a lot of hostility. Even when you are looking for a place, you have got to deal with the hostility from other people that are looking because it is a competition. Previously we used to get into bidding wars. I know you are not allowed to do that now, but sometimes the only way you would secure a property was to offer to pay more rent.

**Tarek BIEGANSKI:** Perhaps incentives to do the right thing would be good as well. Obviously we are drilling down into finding ways to enforce these rules. I do not know what the answer is, but incentives for landlords and agents to do the right thing. I do not know what those incentives could be. Perhaps there is something there where if you maintain a good property and people are positive about it, there is some apple at the end of the stick, but I do not know what that could look like.

**Rachel PAYNE:** I know that some of my colleagues have referred to a longer lease. Is this an experience that you have ever had? Apparently there are now regulations in place that a landlord, an agent, can offer you a lease up to five years. Has anyone even been offered a lease of over a year?

**Christine MILLER:** Since we have been in Reservoir, which is about seven years. The initial lease was only for a year, but then we negotiated two-year leases with the rent increase in the lease, and we did that for a couple of leases. Then the last one we got was a three-year lease, because during COVID there was all that scare that they would not be able to get tenants. I mean, that was a bit of a boon really. So, yes, three years is the longest I have ever had.

**Rachel PAYNE:** Chris, you are the first I have heard to be offered more than a 12-month lease.

**Christine MILLER:** Yes, but it was COVID and it was fear. I mean, if it was not for that – and because also the house was set up for student living when we moved in because it is near La Trobe and a few unis.

**Rachel PAYNE:** So is that fear that they would be –

**Christine MILLER:** We would not have gotten that lease, it is just that there was a big scare for a while that, you know, ‘We won’t be able to fill our houses.’

**Rachel PAYNE:** Yes. I think I might have one more minute. Another thing that has been discussed is a livability test to ensure properties are fit for purpose. Again, it is sort of putting that responsibility back onto the agent, but do you think that that is going to be something that would be viable? Chris, I think you reflected on the fact that it is slim pickings out there so you are sort of taking what you can get.

**Christine MILLER:** I have never, never rented a property, any property – and I have lived in apartments and I have had high-paying jobs and I have paid a lot of money for some of them – that was anything near to the dream that we are all told we should aspire to. You know, you have old, stained carpet, you have mismatched painted walls, you have gaps around the floorboards, you have no flyscreens – you have all of these things. The air conditioner does not work or the heating is really noisy or the hot water is too hot. There is always something wrong. I have never rented a property where there was not an issue. And for me, my biggest fear is that if we do introduce standards, it is going to put it out of my reach because the landlords are going to put up the price because, ‘Look, I’ve done that and I’ve done that, so it’s worth more,’ and there will be less housing available.

**Tim CONNORS:** The danger with a habitability test would be I could say, ‘Look, this place is not habitable; the roof is caving in.’ ‘Okay, you’ve got to move out then.’ That was not really the outcome I wanted; I preferred the roof to be fixed. What if there was a way of capturing – I have got enough money to make improvements myself, but I do not want to because I will lose the value of any improvements I make when I am forced to move out by means out of my control. If I wanted to install solar panels, so with all of the Victorian help to subsidise solar panels, I cannot make use of that; I have to pay for very expensive electricity. I have to pay for very expensive electricity on electric hot water because he helpfully removed the gas hot water system, which is good for the environment but not good for my wallet. I would like to replace the hot-water system with a heat pump system, but I am not going to do it when I cannot capture the value-add that I make.

**Rachel PAYNE:** Thank you.

**The CHAIR:** Thank you, Ms Payne. Mr Berger, would you like to –

**John BERGER:** I have just got one question. Thanks for your appearances today. It might be more pointed to you, Chris, given that you have been in a number of rental places. I just wonder, when a landlord or an agent comes to you with increases in rent, when you go to move – I do not know whether you do it with friends that might help you or a couple of utes or a couple of trailers or if you might need a full-on removalist, and they can be quite pricey. Do you have a look at an offset with that and the economic dislocation – that you might have to go into another place that might not offer the services that you currently have? Do all those play into your decision-making as to whether or not you will move or cop a rate increase?

**Christine MILLER:** Yes, everything. The last time we moved, seven years ago, it cost us over \$2500 just to move. That is not first rent, the bond or anything – just to move. And that is after we had culled quite a lot. So, you know, that is an enormous expense, and we have to be prepared to cover that. Because every time the lease comes up – and the other thing of course is moving away from the things. Like, my doctor is in Brunswick and I live in Reservoir, but I was seeing my doctor for 10 or more years while I was in Brunswick, so I am not going to change doctors. If I see my doctor, I have to go to Brunswick. If I do not get a lift with somebody, then I have to pay a cab to get to Brunswick. There are all those kinds of expenses because you are moving away from where you have been based for quite a while. If you want to keep using those services, then you have got to pay, basically. Everything is more expensive. But the moving cost, I think, is something that nobody really considers. I mean, some people move every year, and regardless of whether they get friends to help them or not that is still going to be an additional cost that you have to come up with or be prepared to pay when your lease runs out, because, again, you never know when your lease is going to run out.

**Tim CONNORS:** Yes. When my agent asked in February do I want to stay, or do I intend to sign a one-year lease come April, I answered very carefully because my wife had made this a very livable home. We had been there four years. We did not want to move. She has got her doctor in Coburg. I did not want to answer in a way that would make us appear that we are invested in staying here, but nevertheless they came back and said 10 per cent because they knew that very much factored into our plans not to move again and disrupt our lives.

**John BERGER:** I just wonder, too, given some of my experience that I have had with renting, about developing a relationship with the owner, whether you place much value on that as opposed to trying to deal with the agents.

**Christine MILLER:** I have had situations where the owners have tried to develop relationships with us, but we have had situations where the owners would just turn up. Or if the owner was overseas in one situation, the owner's mother would turn up basically just about every fortnight and want to get into the house with no warning, because 'It is my son's house and I want to keep an eye on it'. Now we have only just met the owner a few months ago when the oven was replaced. His father we have dealt with a few times because of pruning that we cannot actually do and things, so he will come around and assist with that. We have kind of got a relationship, but over the years we have learned to avoid that because generally it just creates problems, because you think they understand that you have a right to privacy, but they do not understand that you have a right to privacy. If you let them in once, they think they can come around whenever they like. And maybe that is not an issue, but you should not have to be worried about the house owner knocking on the door any time they feel like and coming in, so I tend to avoid relationships with the owners. In this instance, we have kind of got an understanding that if there is high pruning that needs to be done, he will come around because he has got a chainsaw on a stick, and he will do that.

**John BERGER:** Have you had any instances over your journey when you have had a relationship with an owner and they have used their mates to come in there and fix things that might not comply with the relevant legislation or laws?

**Christine MILLER:** I would say, yes. I think our stove, while it has been installed, there is no electricity to it, so the lights or anything do not work. And I think the gas in the house is not great to start with, because while the stove is new, the gas all burns up one side. I am not sure who put it in. I think it was probably a mate because they brought it around and we had to store it in a bedroom for a week or so until it could be installed. And I think that does happen, but I would comment more that you are lucky if anything gets fixed, ever.

**Tim CONNORS:** Our owner was quite responsive. I liked that aspect of it, but there were certain things that he could not fix because of difficulties with dealing with the neighbour. The fence was taking longer than it should have. We have got a dog. It is not great having a hole in the fence. The real estate agent insisted on communication going back through them with the most recent lease change, and they are not responsive at all. If there was some kind of ticketing system where I could say, 'This has not been answered within three weeks; you've breached a service level agreement,' and there were penalties applied to that, that may be a way of fixing it.

**John BERGER:** Thank you.

**The CHAIR:** Thank you, Mr Berger. Thank you. I will just turn this timer off before it goes off in the middle of something. Thank you so much for all of your contributions. From the sound of it I think you are all great tenants – from your submissions and your stories. I just want to ask – I know, Tim, you mentioned you have been a long-time renter and have been renting for a period of time, and so have you, Chris. I understand the situation with the market and the prices going up. Do you have any inspiration or any tendency towards actually owning your own home eventually or is it that you are happy with renting? I know that some people are happy with renting.

**Tim CONNORS:** At no point in time have I ever looked at the rate of my wages increasing. I have got a sizeable deposit. I have got enough for a deposit, but I do not see myself being able to pay off the principal and interest by my retirement age. So then I would have to dip into my superannuation, which is still better than dipping into superannuation to pay rent. But I cannot see a way for it to end. When the most recent rent increase came in, I did start looking. I was waiting for my probation at my new job to finish so I had some certainty and could go to the bank and say, 'I've got my payslips.' I started looking at real estate in Tasmania but realised I had missed the boat there by about two years. I did not pass my probation anyway, so I have got to start again on that front. I do not yet see an end. I very much want an end.

**Christine MILLER:** When I was in a position to actually start thinking about buying a house – I am in my 60s – the advice back then was 'Don't buy a house' or 'Don't buy property.' The moment passed, the years

passed and things happened, and now I do not have a job, so there is no likelihood of that happening unless there is a miracle of some kind, which does not happen.

**The CHAIR:** Tarek.

**Tarek BIEGANSKI:** Yes, like I said before, I love the idea of owning a house and mostly being able to put up my pictures where I want and not having to worry about anything and not having a boss in one part of my life, really – just to have my little corner and not worry about it too much. But while renting, I do not think it is possible at all. The position I have put myself in – obviously I have moved far away from home and things like that, so I cannot live with Mum. But with moving from renting to owning, unless you set things up really well in your very early 20s or someone else is helping you out, I do not really see a path to make that leap and to make that jump. Like I said before, we are already paying someone else's mortgage – plus some margin on that, it often feels like, so there is a little bit of profit on top of that. I cannot see a path for how I could make that jump, really.

**The CHAIR:** Yes, I totally agree with you, Chris. I know there was a stage where people were advised that to rent was better than to purchase. I understand that. I think that is something we will need to address. Moving on from that – I know your situation is a little bit different, Chris, from Tarek's and Tim's situation – what incentive or what program might assist you better in actually moving towards that step or making an attempt to actually try and get a mortgage and purchase, whether it is a suitable home, your expectation of a dream home or even a lesser home? What kind of incentive or what kind of program do you think would assist you down that track?

**Tim CONNORS:** I am not an economist, but my first instinct when I heard about the home owners grant that covers 25 per cent, where the government retains equity in your house – I had a feeling that it is a demand-side thing. I have a feeling it is going to push up demand and not help supply, but I am not sure of that because it is not a bad thing that a government would have some equity. If they are giving billions of dollars out to people, they should obtain equity in the housing that is obtained. I do not know whether that is going to push up house prices over the long term more than what would have happened if the whole system was left alone. Everything the government has done to date has been tampering in a free market in a way that makes it very unbalanced, and the market has ended up favouring housing instead of other forms of investment that could do better for society. Yes, they should be doing something to help the market, but you have to think through the consequences fully, and I am not sure that has been done to date. I do not have the answer.

**Tarek BIEGANSKI:** I also do not have the answer, and I am not an economist. Sometimes I would like the ability to access things like super, and I have worked since I was 14. Of course we all need some money 60 years from now, when I am retiring at least, but the idea of still renting then is kind of terrifying. So being able to access at least a portion of super to get something like a deposit together, that would be fantastic – at least being able to say, 'Look, I've got all this money sitting in super. I can access it and set myself up for later in life.' That for me I think would be a good place to start. I have never really taken handouts for anything, so I am happy to use my own money. Yes, I think the money we have all got squirreled away already if we could use that to set ourselves up, it could be a good start.

**Tim CONNORS:** Scott Morrison, I believe, proposed that last year, and I was very nervous about it, because again it is changing the demand side thing. So you are taking money that was reserved for a purpose, for our retirements, and then moving it forward. It just puts extra money into housing and again changes the incentives.

**Tarek BIEGANSKI:** That is fair enough. At least I think on the upside you would have a house – a place to start. Yes, moving the numbers around – I understand things are tough later in life. If you have a house, you are in a good position to start solving those other problems, I think.

**Tim CONNORS:** You are in a better position than if you do not.

**The CHAIR:** My next question is probably – how are you? – more aimed at you, Chris, because you mentioned the mobility issues in premises. I was wondering: do you think private rental markets provide choice as a dwelling type, size and location or is it more of a government –

**Christine MILLER:** Lately I find that everything is two-bedroom, and two-bedroom apartments are probably fine for most people. I have my flatmate, and then I am home. I do things at home: I sit in front of a computer, I paint and I do various other things, because that is my life now. Two-bedroom apartments, apart from the fact that I do not have somewhere to store a scooter, do not give me leeway to actually be able to do any of those things. I use the dining room in the house now. We have sort of converted that into my office, playroom – whatever you would like to call it. So this obsession that everyone has got with everything being two-bedroom, and usually one of them is quite small, I do not think it is realistic. I think ideally people think, ‘Oh, everyone can fit into that,’ but they cannot. That is my biggest concern: we are being pushed into smaller places. I understand population pressures and things dictate what is the norm.

I do not think I am being considered and I do not think older people in general are being considered, and considering we have got a vast ageing population, I think it is just crazy that this is not talked about more. Nobody seems to consider old people or older people, or that they rent. Everyone assumes that you own your own home by the time you hit 60, and that is just not true. I think a lot of older people tend to struggle a lot in the rental market. I know there is lots of assistance available through various charities for people over 55 – women over 55 – because they find themselves in a position where they can just afford the rent, but they cannot afford to feed themselves. My fear is that that is just going to become worse and worse, and that there will be no help because we are constrained within our own budgets et cetera. It is a concern, and I think a lot of the time old people are faceless; we do not really get a voice. It is just, ‘Hello, we’re here too. We need to rent. We need to be able to access things.’ You know, ‘We need to be able to not have to walk up stairs to get into our house or home.’ I really feel ignored, and I feel that there are a lot of people out there like me but they are probably not as loudmouthed as I am. But again, I do not think we have representation and I think that is really sad, because everyone is going to get old and we are all going to be there one day.

**The CHAIR:** I think you have touched on a very important part there in relation to recognising our growing population as well those declining services. I know there is social services housing – none of you are actually utilising that; you are not in that situation – and there is the private housing market. I was just wondering, do you think that there is a gap between the two? Because there are a lot of people in between that, and that is where I mention a lot about supply and demand. Is it giving us a gap between social housing and the private rental market?

**Christine MILLER:** I think there is a huge gap. I think the waiting list for social housing – not that I have been on one; I am not interested at this point in my life, but maybe later I will have to be. I do not think there is enough social housing. I do not think there ever has been, really, and now they are knocking down a lot of the older, larger – I do not know what you call them, but they have a bunch of flats and stuff all together. They knock those down because the land is worth a fortune, and then they say they are going to put up these things that will be shared accommodation, so some will be for government clients and some will be just for private rental clients.

My experience in social flat circumstances is such that I do not think that there will be a happy coming together of private rental and government-supplied housing in the same block, mainly because government-supplied housing goes to those most in need or those who most cannot look after themselves. So you get people with mental illness and you get a lot of people that are hoarders and basically are victims because of their mental illness. I know this for a fact because my son is schizophrenic and I have had to deal with him and his social housing quite a lot. I really cannot see how it will work. I do not think it will be a happy marriage. I think it is idealistic.

I think it would be great in the real world if the people who were in the government housing actually had assistance to keep their places clean and livable, because so many are living with mental illness, drug abuse issues and lots of other reasons that they end up there. It is not just disabled people. A lot of it is mental illness, and there is an extra level of care needed to ensure that those places are actually kept up to standard. So I cannot see that working, and it worries me that we are losing a lot of social housing – even though it is probably substandard – to this great idea. I do not know that it will work, and I do not think it will in the long run. I think we are just building potential slums, really.

**Tim CONNORS:** After the war, government saw it as their duty to provide housing for the large populations coming back, and I think we are under the same kind of pressure now. It is not caused by a war, it is just caused by economic circumstances. The outcome of the divorce when I was a kid was that my dad went

off to rural South Australia and sat on a waiting list for an awfully long time and eventually found himself a housing commission house. My brother and his very large family still live there. It is like gold once you have it. Once upon a time 40 per cent of the population had social housing, and then in the 90s it was 4 per cent, and now it is 2 or 1 per cent. And it is about time we started doing something real, not like the federal government's scheme of providing 30,000 houses over 10 years, which will do nothing for the hundreds of thousands of homeless people and millions who are in substandard accommodation.

**The CHAIR:** Thank you so much for your contributions today. It has come to that time of the day, and again I would like to thank you so much for sharing your personal experiences and sharing your personal stories. It means a lot to us as a committee. That is why we seek your submissions and then collate and put our recommendations in. But it is time to bring the panel's session to a close. Again I do thank you so much for generously giving your time today. The hearing will recommence at 1:30. Thank you.

**Witnesses withdrew.**