



15 December 2015

Residential Tenancies Act Review

Security of Tenure issues paper

The Youth Affairs Council of Victoria (YACVic) is the state peak body for young people aged 12-25 and the services that support them. We are a vibrant, member based organisation, with 289 members – approximately half of them young people, the others comprising local governments, community and health services and research bodies, all committed to improving young people’s wellbeing, participation and equality. Our vision is that young Victorians have their rights upheld and are valued as active participants in their communities.

YACVic welcomes the Victorian Government’s decision to review the *Residential Tenancies Act (1997) (RTA)*, including issues affecting security of tenure. The issues paper frames security of tenure in terms of how certain someone is about their renting situation, whereby a person with high security of tenure is likely to:

- have a choice to stay or leave
- have legal protections over their tenancy
- pay rent they can afford, and –
- know that the property will be maintained appropriately.

These issues are highly relevant to young people. Today’s young people are more likely than previous generations to face the prospect of long-term renting, as home ownership has become less affordable. In 1981, 61% of Australians aged 25–34 were purchasing or owned their homes; by 2011 the figure was 47%.¹

At the same time, young people are vulnerable in the private rental market. Their incomes and savings are relatively low, and they have limited (or no) rental histories. As such, they are often regarded by real estate agents and landlords as undesirable

tenants. Some young people face additional layers of exclusion due to racism, language barriers, confusion about how the private rental system works, and shortages of disability-accessible properties.

Moreover, young people may struggle to afford rental costs, especially if they are in low-paid or casualised jobs (young people are almost twice as likely as the general population to be underemployed²), and/or reliant on income support. In September 2015, the median weekly rent for a two-bedroom unit in Melbourne would have consumed 94% of the combined Youth Allowance of two young people. Even in Melbourne's cheaper outer suburbs, the median rent on a two-bedroom unit would have taken 70% of two Youth Allowance payments.³ In 2014, the Australian Institute of Health and Welfare found that 58% of young tenants receiving Commonwealth Rent Assistance (CRA) were still spending more than 30% of their gross income on rent, and were thus defined as being in housing stress.⁴ Australians aged under 35 are four times as likely to fall behind on rent payments as those over 55.⁵

While many young people have the fall-back option of living with their families, this is not always feasible or safe, especially for young people who have experienced family violence and/or out-of-home care.

Problems in the rental market increase the risk of youth homelessness. Of the 15,513 unaccompanied young people aged 15-24 who sought assistance at a specialist homelessness service in Victoria in 2013, nearly 29% identified that they needed help to sustain a tenancy or prevent an eviction.⁶ In a 2013 survey of 213 Victorian youth service providers, YACVic and the Victorian Council of Social Service (VCOSS) found that crisis accommodation and transitional housing were by the far the most common areas of unmet need cited by the youth sector.⁷ Homelessness is not only devastating in the short term; people who first experience homelessness at a young age are more likely to experience persistent homelessness in adulthood.⁸

Young people may not understand 'security of tenure' in terms of being locked into a five- or ten-year lease. Young people are a relatively mobile population, and while this can be a result of disadvantage, it also points to the desire of many young people to travel, live with different people, and study or work in different places. In 2011, 64% of

Australians aged 18-34 were living at a different address to where they'd been five years earlier, while around 29% were living elsewhere to where they'd been a year earlier – rates higher than the rest of the population.⁹

However, security of tenure remains very important to young people, insofar as it references their ability to choose where they live, afford their housing, live in housing that is adequate and safe, and have legal protections for their tenancy.

YACVic supports the advocacy of the Council to Homeless Persons (CHP) concerning greater certainty over rents, clearer eviction procedures and more control over tenancies by tenants. We echo CHP's calls for this Review to consider changing the Act to:

- Limit rent increases within a tenancy. Potential approaches include tying rent to CPI or capping increases within a three year period. At present, the RTA permits landlords to increase the rent for a periodic tenancy every six months, with little limitation on the size of the increase – a fact which can place low-income tenants at risk of housing stress and homelessness.
- Abolish 'no reason' notices to vacate, which make periodic tenancies unduly insecure and discourage tenants from exercising their rights to repairs and quiet enjoyment of a property, for fear of retaliation.
- Change the law to assume landlord consent to pet ownership and minor property modifications that serve to make a home accessible and comfortable, unless the landlord objects successfully through VCAT. At present, tenants may fear being threatened with a notice to vacate if they install simple items like grab-rails, ramps, picture hooks or curtains without their landlord's permission, or if they keep a pet, which may be important to the person's mental health and wellbeing. These barriers can place young people with disabilities at particular disadvantage. Landlords should be informed in advance of small modifications or pet ownership, and tenants should pay for any damage caused and should not be permitted to cause danger to anyone else. However, the onus should be on landlords to withdraw consent via VCAT rather than refuse it automatically. We would support greater education of tenants and landlords about these issues.

As CHP have stated, there must also be adequate resources for tenancy advice and support through services like the Tenants Union of Victoria and the Social Housing Advocacy and Support Program, to inform tenants about their rights and responsibilities, help deal with rent arrears, mediate disagreements with landlords, and ensure legal assistance is available to tenants where needed.¹⁰

True security of tenure means living in a property which is safe, inhabitable and adequately maintained. YACVic would support changes to the Residential Tenancies Act to strengthen requirements for landlords to provide minimum standards of health and safety for tenants, as outlined in a Bill to Parliament by the Member for Northern Metropolitan (October 2013) and articulated by VCOSS. Rental dwellings should be weather-proof and free from vermin infestation, with hard-wired smoke detectors, an electrical safety switch, locks on doors and windows, openable windows with glass and flyscreens, sanitation, running water, lights, and laundry and kitchen facilities. Relevant mechanisms should be in place to enforce standards and maintenance.¹¹ YACVic also supports the campaign by the One Million Homes Alliance for Victoria's housing stock to increase its energy and water efficiency to meet an average 5-star equivalent and 100 litre/person/day standard by 2025, including through incentives and accessible finance to help landlords meet standards, and targeted retrofit programs for households experiencing disadvantage.¹²

We would be delighted to discuss any of these issues further with you.

Yours sincerely,



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- ² Victorian Council of Social Service (VCOSS), 'Insecure work creates vulnerability and increases inequality,' VCOSS Submission to the Victorian inquiry into the labour hire industry and insecure work, November 2015, pp.5-6, 11, http://vcoss.org.au/documents/2015/11/SUB_151127_Labour-Hire-and-Insecure-Work_Final.pdf
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- ⁴ AIHW, *Housing Assistance in Australia*, 2014, pp.67-69
- ⁵ Iain Campbell, Sharon Parkinson and Gavin Wood, *Underemployment and housing insecurity: an empirical analysis of HILDA data*, Australian Housing and Urban Research Institute, RMIT University, October 2014, AHURI Final Report No. 230, p.72
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- ⁶ AIHW, 'Specialist homelessness services 2013-14,' National supplementary tables, <http://www.aihw.gov.au/publication-detail/?id=60129550000&tab=3>
- ⁷ VCOSS and Youth Affairs Council of Victoria (YACVic), *Building the Scaffolding: Strengthening support for young people in Victoria*, Melbourne, 2013, p.53
- ⁸ AIHW, *Australia's Welfare 2015*, Canberra, 2015, p.329
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- ⁹ Australia Bureau of Statistics (ABS), 'Young adults: then and now,' 4102.0 - Australian Social Trends, April 2013, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features40April+2013>
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- ¹¹ Greg Barber, 'Residential Tenancies Amendment (Housing Standards) Bill 2013,' Parliament of Victoria, 15 October 2013; VCOSS, 'Residential Tenancies Act Review: VCOSS Submission to the consultation paper,' August 2015, http://vcoss.org.au/documents/2015/09/SUB_150812_RTA-Review_FINAL.pdf; VCOSS, 'State Budget Submission 2016-17: Putting People Back in the Picture,' 2015, http://vcoss.org.au/documents/2015/11/VCOSS-State-Budget-Submission-2016_17_FINAL.pdf pp.32, 34
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