

Dear Minister

I respectfully submit the following points for your consideration:

1. Rental agencies

Despite this issue being framed as a landlord/tenant matter, the agents facilitating the management of rental properties in Australia are arguably the most powerful people in this scenario. It is in a real estate agent's best interests to maintain (and gradually raise) rental prices across suburbs, to increase their income and make it easier to prove rent increases are reasonable. They can submit rent increases without landlords even being aware. They control the flow of information between landlords and tenants. If a rental increase is challenged, they can straight up lie about going to the landlord about it and just say it was declined. Their power in this arrangement is in dire need of oversight.

2. Burden of proof

At present, any appeal process in place to review rental increases or eviction grounds places the burden of proof on the tenant. This places additional stress on tenants in an already stressful situation, and creates a hostile relationship between the rental agency and the tenant. If the landlord wishes to raise the rent, it should be their responsibility to demonstrate why the increase is fair and reasonable *every time in the outset*, rather than being reliant on tenant dispute.

- a. Further to the above, on the subject of no grounds evictions – a common tactic already being employed in the industry is simply to circumvent eviction grounds entirely, by increasing the rent by literally hundreds of dollars to force tenants out. This is basically the rental equivalent of constructive dismissal, which we have clear labour laws about in Australia, and this behaviour should be taken similarly seriously.

3. Cost of living vs. rent

The government already collects data on the average national income and cost of living, however this information is compartmentalised out of the rental industry. We know the average national income is 60k a year, and yet we are reaching the point where renters are paying *more than half* of what they earn to landlords simply to rent properties where there is available employment. Rental average reporting and legislating seems to completely overlook this. We need to rent where there is work, and we need to work to pay rent. Including rent prices in rural and regional areas in data averages makes rental prices look lower than they are. There should be some kind of indexing in place to maintain rental rates within a reasonable percentage of average national income.

- a. Further to the above, the generations before mine (I am in my late thirties for context) have spent decades transforming housing into a commodity, decimating the lower-middle class and creating what is basically a Landed class, locking the generations after into rent cycles preventing them from ever saving enough to purchase their own homes. And I use the word home purposefully – I do not want to buy a house and get on the investment wagon, I simply want a home that I know is mine, and not have the risk of insecure housing constantly hanging over me. But at present, we are unable to save virtually anything, due to our rent increasing faster than our wages and the

increasing cost of living. In fact at present, I doubt we could even afford to cover the cost of moving out of our current rental.

4. Mortgage costs

It is not uncommon after interest rate rises to see a slew of rental increases across the market, to offset increased mortgage costs. A great example of this is landlords taking to Tiktok over the last few months complaining about their tenants not paying more, and that their mortgages are becoming hard to manage. There should be a moratorium on rent increases after RBA rate changes to prevent this, and protect tenants from having to bear the brunt of their landlord's poor investment choices. If you cannot afford to buy a property and service the mortgage on it, you shouldn't be buying it in the first place. At this point I am fairly sure I have serviced my landlord's mortgage more than he has.

5. Health and safety

There is at present little to no recourse for renters living in properties that are physically unfit to live in, and no onus on landlords to prove a house is fit to live in before putting it up for rent. The most common issue, in my experience, is black mould. I have lived in two properties with mould problems, and when brought to the real estate's attention I have been told to either "just keep an eye on it" or that "it's a tenant responsibility". I ended up purchasing a large and quite expensive dehumidifier to periodically run in rooms with signs of mould, to try and keep the house safe to live in. It should not be my responsibility to do this. Mould infestation is a very real and serious issue, and can require removal of entire sections of plaster, specialised heat and chemical treatment etc to properly resolve. An extreme version of this situation happened to a friend of mine, who is on DSP and therefore is already very financially limited in where he can rent, where the landlords basically refused to acknowledge the issue. Living in this house caused him to develop chronic fatigue syndrome as a result of his immune system being constantly flared up by mould spores, adding another medical condition to his existing disability.

There are Australians renting houses they know are literally poisoning them because they cannot afford to live elsewhere, or cannot afford to move, and their landlord is not interested in paying to have the issue resolved. Landlords are already obliged to have regular smoke alarm testing maintained; mould/toxicity assessments should be a similar rolling requirement. If significant remediation is required to make the house safe to live in, the landlord should be obliged to rehouse the tenants in a like-for-like property and cover moving costs. It is, after all, *their* asset and should be *their* responsibility to look after. Ideally, a property should have to be inspected and its safety appraised before it is allowed to be rented in the first place.

6. Equitable division of responsibility

The above points may seem to disadvantage landlords by making it harder to rent properties, but any investment has inherent risk. Tenants already spend their own time and money keeping rental properties in good condition, often maintenance that on paper is a landlord responsibility, simply to stay "low maintenance" tenants, because if you start to actually try and claim your rights, you're out. We have to keep quiet and keep our heads down if we want to keep our homes. There are always more tenants out there, so there is no reason for a real estate agent or landlord to behave fairly or ethically. The industry has absolutely reached a point now where tenants need some kind of

government oversight body to keep everyone honest, and to be frank, treated like human beings rather than cash cows.

- Appendix

This is somewhat out of scope for this consultation paper but I will include it anyway – Australia needs a rent-to-buy scheme to try and mitigate the housing crisis. These schemes have existed in Europe for over a decade and are proven to be successful, not only in alleviating housing strain but by injecting life into local economies and decreasing crime rates, as applicants can spread across wider areas which prevents the ghettoization of suburbs. As mentioned earlier in this submission, my husband and I have been renting this property for going on 10 years now, meaning we have paid our landlord over \$180000. If it was our mortgage it would be almost half paid off, the only difference is he holds the deed, because he had the luck of being born a generation before us when it was vastly easier to secure lending. If instead we were renting from the government or an NGO who held the deed in trust, with an agreement to transfer ownership once we'd reliably rented the property until a certain repayment threshold was reached, we could own our own home. As it stands, in the current climate, all we can really do is hope to inherit.