

Media Release

Hon Jacinta Allan MP
Premier



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CRACKDOWN ON EXCESSIVE RENT INCREASES AND DODGY RENTALS

The Allan Labor Government is making renting fairer by legislating a raft of rights for renters and announcing new reforms to give regulators more power to stop excessive rent increases and ensure rentals meet basic standards.

Premier Jacinta Allan and Minister for Consumer Affairs Gabrielle Williams today announced the Labor Government will introduce the *Consumer and Planning Legislation Amendment (Housing Statement Reform) Bill* into the Victorian Parliament.

The Bill delivers on a raft of reforms and rights for renters the Labor Government has already announced, plus the new crack down on excessive rent increases and dodgy rentals.

More power to stop excessive rent increases

Currently, rent reviews are a remedy available to tenants who believe a rent increase is excessive. Consumer Affairs Victoria can investigate and help parties negotiate an outcome, or the Victorian Civil and Administrative Tribunal can hear evidence from parties determine the validity of a rent increase.

But right now, there are limited grounds which can be considered by the rent review process – and the size of the rent increase itself isn't one of them. Whether a rent is raised by 10 per cent or 200 per cent, a renter has no ability to have that taken into account through a rent review process.

Similarly, if the landlord has not made required repairs to the property – for example, if a rental had a mould issue that had been raised and hadn't been resolved, and the rent was still increased – a renter currently has no ability to have that considered through a rent review process.

That's why, for the first time in decades, the Labor Government will expand the list of factors considered by Consumer Affairs Victoria and VCAT in rent reviews.

Subject to consultation with industry, this is proposed to include the size of the rent increase, and any other improvements that have (or haven't) been made at the property since the last increase in rent.

Making sure rentals meet basic standards

Currently rentals must meet minimum standards when a renter moves into a property. These are basic things most people would reasonably expect in a home – a functional kitchen, lockable external doors, and being structurally sound and free from mould and damp.

Despite these minimum standards being already required under the law, too often renters are moving into properties that still require urgent repairs or maintenance to comply with the standards on day one.

New tenants should be able to focus on where they put their couch, not worrying about if they need to go to VCAT because the mould in the bathroom that was promised to be removed following the inspection is still there.

That's why the Labor Government is making it mandatory for properties to meet minimum standards when they are advertised for rent – not just when the tenant picks up the keys.

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The Bill will introduce maximum penalties for rental providers and their agents of more than \$11,000 for individuals and \$59,000 for companies who advertise or offer to let rental properties that do not meet the minimum standards.

New legislation to make renting fairer

The Bill delivers on a raft of reforms and rights for renters already announced in the Housing Statement in 2023 and the Government's fortnight of housing announcements in October 2024. The Bill will:

- Remove all no-fault (or no-cause) evictions so you can't be kicked out of your home for no reason
- Ban all types of rental bidding
- Increase the notice period for rent increases and notices to vacate to 90 days
- Make rental applications easier and protect the privacy of renters by introducing obligations around the use, collection and destruction of renters' personal information
- Introduce mandatory training, licensing and registration for real estate agents, property managers, conveyancers and owners corp managers
- Introduce tougher penalties for real estate agents and sellers who break the law
- Require rental properties to have yearly smoke alarm safety checks
- Establish Rental Dispute Resolution Victoria
- Ban third party businesses, particularly rent tech apps, from charging extra fees when you pay your own rent or apply for a property.

In October 2024, the Labor Government announced additional reforms to make renting fairer. These are under development and will be introduced in a Bill next year. They include:

- Banning agents and owners from charging extra fees when you pay your own rent or apply for a property
- Stopping landlords making dubious bond claims without sufficient evidence
- Capping the cost of breaking a lease so no one pays an unfair amount in compensation
- Making it clear that if you need an extra key or fob for your apartment, you get one – and making it an offence to terminate electronic access unless it's part of the process of terminating a rental agreement.

These reforms build on the more than 130 rental reforms already implemented in Victoria by the Labor Government, which is leading the nation on renters' rights.

Quotes attributable to Premier Jacinta Allan

"We're building more homes for renters to live in, and we're legislating more rights so renters get more respect."

"It's not fair that a renter can cop a 200 per cent rent increase just because they've asked for a basic issue to be fixed – so we're putting the brakes on excessive rent increases and ensuring properties meet minimum standards."

"New tenants should be able to focus on where they put their couch, not worrying about if they need to go to VCAT because the mould in the bathroom that was supposed to be removed after the inspection is still there."

Quotes attributable to Minister for Consumer Affairs Gabrielle Williams

"We're giving regulators more powers to stop excessive rent hikes, particularly if the landlord hasn't maintained the property."

"This is about making the rental market fairer for everyone – the new legislation will upskill real estate agents, give them clearer rules to follow and provide renters with better protections."