

For immediate release
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Government must act on rent rises

New data released today demonstrates State and Federal Governments must do more to protect renters from increasing rents, says the Tenants Union of Victoria.

“As the rental market continues to escalate, the Government needs to do more to protect renters from increasing rents. The Office of Housing Rental Report data shows annual rental growth of more than 5 per cent in the December 2009 quarter, which is nearly double general cost of living increases. Because landlords are able to increase rent every six months, low income renters are really struggling to maintain their tenancies” said Toby Archer, Policy and Liaison Worker.

“The Federal Government needs to do more to provide relief for renters. Increasing rent assistance by an additional \$15 a week would allow many of those on statutory incomes to break out of housing related poverty” said Mr Archer.

“New supply initiatives are also welcome, but will not provide any immediate relief to households struggling in the private rental market and need to be significantly enhanced. The 7,500 National Rental Affordability Scheme properties allocated to Victoria represent less than two percent of the Victorian rental market. In the context of population increases, this is extremely unlikely to have a dampening effect on rents.”

The *Residential Tenancies Act 1997* currently allows for one rent increase every six months during a tenancy. Tenants who believe that a proposed increase is unfair can request an assessment by Consumer Affairs Victoria and apply to Victorian Civil and Administrative Tribunal (VCAT) if they believe that the proposed increase is excessive.

The State Government could relieve some of the financial strain on renters by amending the *Residential Tenancies Act 1997* to only permit one rent rise each year and empowering VCAT to consider whether rent increases will cause greater hardship for the tenant than any experienced by the landlord.

“Introducing this minor legislative amendment would help protect a quarter of households from exploitation by unfavourable market conditions and from financial hardship caused by excessively high rents,” said Mr Archer.

For further information or comment please contact:
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