

## Submission by Consumer Policy Research Centre to Department of Justice and Community Safety – Residential Tenancies Regulations 2020

18 December 2019

Submitted via email: [rentalreforms@justice.vic.gov.au](mailto:rentalreforms@justice.vic.gov.au)

Dear Department of Justice and Community Safety

The Consumer Policy Research Centre (CPRC) welcomes the opportunity to comment on the proposed Residential Tenancies Regulations 2020.

CPRC is an independent, not-for-profit consumer research organisation. CPRC undertakes interdisciplinary and cross-sectoral consumer research. Our mission is to improve the lives and welfare of consumers by producing evidence-based research that drives policy and practice change. CPRC has a particular focus on consumer wellbeing and welfare in markets for essential services.

The Residential Tenancies Regulations, and the wider reforms to the *Residential Tenancies Act 1997* (RTA), have the potential to transform people's experience of renting in Victoria. They represent one of the most important consumer reforms in recent decades, by creating the basis for a fairer rental market with increased consumer protections. CPRC strongly supports the Victorian Government's intent for the reforms to address 'the reality that a growing proportion of Victorians are priced out of home ownership and likely to rent for longer periods of time', and that there is 'consequently a need to rebalance the market through additional protections for a highly diverse population of renters'.<sup>1</sup>

Almost one third of Victorians rent, including young people on limited incomes, families with children, and older people excluded from homeownership.<sup>2</sup> Strong consumer protections are therefore vital, and give the Victorian Government the opportunity to make large-scale improvements to the quality and affordability of Victoria's housing. Rent is one of the largest essential expenses, with Victorians paying median rent of just over \$20,000 per year.<sup>3</sup> Two-thirds of vulnerable rental households spend more than 30% of their income on rent.<sup>4</sup> In return for this large financial outlay, people deserve a safe, healthy and secure home.

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<sup>1</sup> Victoria, *Parliamentary Debates*, Legislative Assembly, 9 August 2018, 2734.

<sup>2</sup> Australian Bureau of Statistics, 2016 Census QuickStats, Victoria; Productivity Commission (2019) *Vulnerable Private Renters: Evidence and Options*; Australian Housing and Urban Research Institute, 'Supporting older lower income tenants in the private rental sector', <https://www.ahuri.edu.au/policy/policy-analysis/supporting-older-lower-income-tenants-in-the-private-rental-sector>.

<sup>3</sup> Department of Health and Human Services, *Rental Report*, September quarter 2019.

<sup>4</sup> Productivity Commission (2019) *Vulnerable Private Renters: Evidence and Options*.

The proposed Regulations tend to reflect Government's intent to rebalance the rental market through additional protections for renters, and we strongly support many of the proposed rights. In particular, we welcome the introduction of minimum standards, improved modification rights, mandatory pre-disclosure of housing features and risks important to renters, and restrictions on certain types of information that can be requested from rental applicants. However, the Regulations need strengthening if the original intent of the RTA reforms is to be fully realised.

In this submission we comment on four areas of the proposed Regulations:

- minimum rental standards
- modifications to rental housing
- mandatory disclosure before a tenancy
- information that cannot be requested from a rental applicant.

Our submission is informed by CPRC's research report, *The Renter's Journey*, released in 2018. This report used a journey-mapping technique to describe the lived experience of renting in Victoria. The journey maps were developed through consultation with renters, subject-matter experts, researchers and frontline service providers. The journey maps focus on the experience of four major groups: women aged 55 and over; young renters aged under 30; low-income families; and newly arrived migrants. These groups were chosen because they are experiencing material changes in the rental market, based on their representation among renters and concerns expressed by stakeholders. The common experiences across these groups also informed development of an overall renter's journey map.

### Minimum rental standards

CPRC strongly supports the new requirement for prescribed minimum rental standards under the RTA, and welcomes the initial range of standards in the proposed Regulations. One of the main findings of *The Renter's Journey* report was the lack of suitable and affordable rental housing with the features renters need and value. Renters' preferences and needs have little impact on the type of housing supplied through the private rental market, in terms of features, location and tenure. This lack of supply responsiveness indicates the market is not operating effectively, and requires strong regulation if the needs of a diverse rental population are to be met.<sup>5</sup> On the basis of these findings, CPRC recommended the introduction of minimum building and essential service standards for rental housing. In this energy efficiency section, we have drawn on our own research and the experience of our Energy Affordability Program managers in engaging and training 600 emergency relief workers around Victoria in energy literacy.

### Energy efficiency standards

We strongly support Government's intention to introduce energy efficiency standards over time, beginning with a minimum heating standard. We welcome the statement in the RIS that alongside a heating standard, 'a fully effective response to thermal comfort would require additional measures to ensure that rental properties have ceiling insulation and draught

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<sup>5</sup> Stephen Curry (2018) *The Renter's Journey: A consumer-centred approach to understanding the dynamics of Australia's private rental market*, Consumer Policy Research Centre, 5, 60-61.

sealing. In addition, an energy efficiency requirement for hot water systems in rental properties would provide renters with significant benefits in terms of reduced energy bills'.<sup>6</sup>

Victorian renters appear to suffer the most from rental properties with poor energy performance. According to research by CHOICE, National Shelter and the National Association of Tenant Organisations, Victorian renters have the most trouble heating or cooling their homes, with 36 per cent of renters reporting problems.<sup>7</sup> Data from the Victorian Residential Efficiency Scorecard scheme shows 75% of homes (including owner-occupied and rental homes) would be uncomfortable in cold weather or costly to keep comfortable, while 85% of homes have the lowest possible rating for hot weather performance.<sup>8</sup>

Renters require minimum energy efficiency standards that help make homes affordable to heat and cool, achieve thermal comfort, and protect people against more frequent and prolonged heat events as a result of climate change.<sup>9</sup> These types of standards are not ambitious but fundamental consumer protections—without basic features such as insulation and affordable heating, rental housing is not safe and healthy for Victorians and their children. A recent study by Alfred Health showed that of the 217 people presenting to their emergency departments with hypothermic-related illnesses between 2009 and 2016, nearly 80% of patients were found indoors, indicating a shocking inability to heat homes to an appropriate temperature.<sup>10</sup> In New Zealand, energy efficiency measures are improving health and delivering savings to government. Evaluation of the NZ Healthy Homes Initiative, which supports low-income families to live in warm and dry homes, shows that the program has resulted in 1,533 fewer hospitalisations, 9,443 fewer GP visits, and 8,784 fewer medicines for referred children (of 15,330 referrals). The Healthy Homes service is anticipated to save approximately \$30 million in health care costs over three years.<sup>11</sup>

We recommend Government develops a trajectory for the introduction of additional energy efficiency standards, to expedite bill savings and health benefits for renters, and to complement the proposed heating standard. This trajectory should be consulted on and published as soon as practicable. Without complementary efficiency measures such as insulation, renters will be vulnerable to bill shock when heating is installed and will receive fewer benefits from efficient heating.

A trajectory will signal to rental providers to start factoring in the costs of standards compliance over time. This will help to limit any cost pass-through, and put prospective rental providers on notice about the regulatory environment they are entering. A clear trajectory will also signal to industry to increase capacity where necessary, and enable the development of a skilled workforce. The trajectory can explain how the Victorian Energy Upgrades program will complement the minimum standards regime and lower costs for rental providers. We also note that while we support the introduction of minimum energy

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<sup>6</sup> Regulatory Impact Statement – Residential Tenancies Regulations 2020, 53.

<sup>7</sup> CHOICE, National Shelter and the National Association of Tenant Organisations (2018) *Disrupted: The consumer experience of renting in Australia*, 4, 7.

<sup>8</sup> Department of Environment, Land, Water and Planning, Presentation – Victorian Residential Efficiency Scorecard, December 2019.

<sup>9</sup> Victorian Council of Social Service (2019) *A Climate of Fairness: Making Victoria's Climate Change Transition Fair and Equitable*, 24-28.

<sup>10</sup> <https://www.alfredhealth.org.au/news/elderly-at-risk-of-hypothermia-at-home/>.

<sup>11</sup> <https://www.health.govt.nz/news-media/media-releases/healthy-homes-initiative-evaluation-shows-strong-health-benefits>.

efficiency standards for end-of-life replacement of heaters and dishwashers, this is a slower way of achieving improved energy performance than comprehensive minimum standards.

### Heating standard

A heating standard is a vital and welcome first step to create energy efficient rental housing. Heating is the single largest area of energy consumption in Victorian homes, accounting for 57.4% of all residential energy consumption. Installation of a more efficient heating system can therefore produce significant energy savings.<sup>12</sup> The proposed standard would require a fixed heater in good working order in the main living area. Heating in detached housing would have to meet a 2-star energy efficiency standard.

While the heating standard is an important step forward, we consider the proposed standard is inadequate in two major respects.

First, under the proposed Regulations, heaters in apartments would not have to meet a minimum energy efficiency standard. Government should consider revising the standard so that apartments are required to have energy efficient heating, unless a rental provider can make the case for exemption from this requirement. According to Government analysis, more apartments than detached homes are estimated to not have any heating (16% of apartments versus 9% of detached homes).<sup>13</sup> The installation of heating in apartments will therefore result in a raft of inefficient heating being installed unless a minimum efficiency standard is imposed, equivalent to detached housing.

It is currently proposed that rental providers would be able to install any type of fixed heater in the main living area of apartments, including expensive and inefficient electric resistance heaters. Electric resistance heating currently accounts for only 8.8% of heating systems in Victorian homes. Its share is declining in favour of more efficient heating systems, namely reverse-cycle heat pumps.<sup>14</sup> The proposed Regulations could therefore distort the market and create demand for a poor product. Apartment dwellers—particularly those in older, pre-1990s era buildings—are at risk of becoming second-class renters, faced with higher heating costs than people in detached housing.

While we acknowledge there can be barriers to installing efficient heating systems in apartments, such as limited room for outdoor units and owners corporation objections, Government could consider applying the efficient heating standard to both detached housing and apartments, and giving apartment owners the right to seek an exemption from the standard for prescribed reasons. This would ensure efficient heating was installed in apartments where feasible, and help protect renters from pass-through of substantial costs where compliance with the standard requires significant structural or technical work.

The RIS notes that apartments generally have better thermal performance than detached houses because they tend to be smaller and share walls, floors or ceilings, reducing heat loss. The RIS somewhat tentatively states that apartments therefore have some protection against high energy bills, which may offset the costs of inefficient heating.<sup>15</sup> We ask Government to properly test this view before exempting apartments entirely from an efficient heating requirement.

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<sup>12</sup> Sustainability Victoria (2019) *Comprehensive energy efficiency retrofits to Victorian houses*, 27.

<sup>13</sup> Regulatory Impact Statement – Residential Tenancies Regulations 2020, iv.

<sup>14</sup> Sustainability Victoria (2019) *Comprehensive energy efficiency retrofits to Victorian houses*, 27.

<sup>15</sup> Regulatory Impact Statement – Residential Tenancies Regulations 2020, 49.

The second inadequacy in the proposed heating standard is the low level of the energy efficiency standard, which would mean the following types of heating are considered energy efficient:

- non-ducted air conditioners or heat pumps with a 2-star rating or above
- gas spaces heaters with a 2-star rating or above
- ducted or hydronic heating systems with an outlet in the main living area
- slow-combustion wood heaters in the main living area.

Government should consider raising the star rating for air conditioners/heat pumps to at least 3 stars. If a 2-star standard is imposed, CPRC understands that this will allow the installation of problematic window wall units. A window wall unit creates draughts and energy leakage, making it more difficult to manage heating costs and achieve thermal comfort. CPRC understands that raising the energy efficiency rating to 3 stars would effectively preclude installation of outdated window wall units, and avoid expanding the market for this poor product. Heating systems with 3-star ratings or above are more likely to be efficient split system wall-mounted units.

Analysis by Renew<sup>16</sup> shows that 2-star window wall units are approximately 40% more expensive to run than equivalent 4 to 5-star split system units. Raising the star rating to at least 3 stars would reduce heating costs for renters, at limited additional cost to rental providers. It is important that the star rating and the net benefit to renters and Victoria's rental housing stock is as high as possible, given rentals comprise almost one third of Victoria's housing. Choice of star rating now will have repercussions for decades to come.

If the star rating is increased, Renew's analysis suggests substantially lower additional costs than those set out in the RIS. The RIS states that the total cost to rental providers of meeting a 2-star energy efficiency rating is \$109 million versus \$278.7 million for a 3.5-star energy efficiency rating (NPV over 10 years).<sup>17</sup> However, Renew's analysis suggests a 4 to 5-star 2.5kW capacity split system would have additional upfront costs of less than 50% when compared with an equivalent 2-star window wall system. We therefore ask the Victorian Government to further examine the feasibility of lifting the energy efficiency standard for heating systems to at least 3 stars, which would bring greater cost savings for renters, at what appears to be limited additional cost to rental providers.

**Recommendation 1:** Examine applying the energy efficient heating standard to apartments, allowing appropriate exemptions where it is not feasible to install an efficient heater.

**Recommendation 2:** Examine the feasibility of at least a 3-star energy efficiency standard under the heating minimum standard.

### Other minimum standards

CPRC welcomes other proposed minimum standards, including:

- deadlocks on external entry doors
- vermin-proof rubbish and recycling bins
- a working toilet
- a bathroom with hot and cold water

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<sup>16</sup> Correspondence from Renew to Consumer Policy Research Centre, December 2019.

<sup>17</sup> Regulatory Impact Statement – Residential Tenancies Regulations 2020, 55.

- a kitchen with working appliances and hot and cold water
- structurally sound and weatherproof premises
- mould-free premises
- window coverings in bedrooms and living areas
- functioning latches on external windows
- access to natural and artificial light.

We note the window coverings minimum standard is being delayed until 1 July 2021; however, there does not appear to be a reasonable basis for delaying introduction of this standard, given the cost to rental providers should be limited, and the presence of window coverings is so important for the safety, security and privacy of renters, particularly those who have experienced family violence or crimes such as theft and burglary. Window coverings are also an important energy efficiency measure and will help renters reduce heating and cooling costs, particularly when combined with the requirement for efficient heating. Government should require compliance with the window coverings minimum standard from 1 July 2020 (along with other minimum standards). It should also apply the standard to bathrooms and toilets, to ensure renters have reasonable privacy.

The minimum standards regulations should also require adequate ventilation, to prevent mould and damp and to allow heat regulation and adequate fresh air supply. This should include self-closing exhaust fans in areas such as bathrooms, toilets, laundries and kitchens and opening windows in habitable rooms.

**Recommendation 3:** Require compliance with all non-heating minimum standards from 1 July 2020.

**Recommendation 4:** Introduce a ventilation minimum standard.

### Compliance with minimum standards

Rental providers should be required to disclose to prospective renters whether the property complies with minimum standards or not. This transparency would send a price signal, help renters decide whether the property is suitable or not, and help renters assess the feasibility and practicality of seeking compliance with standards as an urgent repair once they have moved in, should standards remain unmet.

Government should also consider how the minimum standards can be applied to all tenancies, including those commenced prior to 1 July 2020, to ensure all renters receive the benefits of standards and to prevent any gaming of rental agreements by rental providers. As it stands, it appears renters would have to move and enter a new rental agreement to access minimum standards—this would compromise security of tenure, bring substantial and potentially unaffordable costs, and disrupt the lives of renters and their children.

**Recommendation 5:** Require disclosure of minimum standards compliance to prospective renters.

**Recommendation 6:** Examine how the minimum standards regulations can eventually be applied to all tenancies in Victoria.

## Modifications to rental housing

CPRC also welcomes the new modification provisions under the RTA, allowing renters to make certain modifications without rental provider consent, and creating a class of modifications that rental providers cannot unreasonably refuse. We support renters having the following modification rights under the proposed Regulations, which can be undertaken without the consent of the rental provider:

- installation of picture hooks or screws for wall mounts, shelves or brackets on surfaces other than brick walls
- installation of wall anchoring devices on surfaces other than brick walls
- installation of LED light globes and replacement of halogen or compact fluorescent lamps
- installation of blinds or cord anchors
- replacement of curtains where originals are retained
- installation of adhesive child safety locks on drawers and doors.

However, we are concerned that most of the new modification rights require the rental provider's consent, even modifications that are minor or non-structural and easily restorable. Flexible modification rights are particularly important for a diverse rental population that includes families with young children and older people with accessibility, safety and security needs. A consent requirement will prevent some renters making important modifications, even if consent cannot be unreasonably refused. *The Renter's Journey* research found repeated examples of the difficulties faced by renters in asserting their rights as consumers. This is consistent with recent research by CHOICE, National Shelter and the National Association of Tenant Organisations.<sup>18</sup> In CPRC's research, renters across each demographic group reported they either did not know about their rights and avenues for complaint or avoid using them. Fear of retaliatory eviction and other backlash restrains renters, particularly low-income families.<sup>19</sup>

We suggest the Regulations be revised so that renters are at liberty to make the following modifications for their health, thermal comfort, affordability and safety, with minimal or no impact on the structure of the home:

- installation of picture hooks, screws for wall mounts, shelves or brackets, and wall anchoring devices on *brick and non-brick walls*
- draughtproofing such as weather seals in homes without open flued gas heaters
- installation of low-flow showerheads where the original is retained
- installation of non-permanent window film for insulation and reduced heat transfer
- installation of flyscreens on doors and windows
- installation of a vegetable or herb garden.

The proposed Regulations relating to picture hooks, brackets and anchoring devices will be difficult to implement in practice and likely to cause confusion among both renters and rental providers by creating separate modification rights in respect of brick and non-brick walls.

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<sup>18</sup> CHOICE, National Shelter and the National Association of Tenant Organisations (2018) *Disrupted: The consumer experience of renting in Australia*, 4, 7.

<sup>19</sup> Stephen Curry (2018) *The Renter's Journey: A consumer-centred approach to understanding the dynamics of Australia's private rental market*, Consumer Policy Research Centre, 43.

This will frustrate renters' exercise of their rights and make it difficult for people to install devices important for children's safety.

The energy efficiency measures such as draughtproofing, low-flow showerheads, window film and flyscreens are low-impact ways of reducing energy and water costs. Given proper energy efficiency standards are yet to be implemented under the Regulations, renters should be able to make these modifications without the rental provider's consent and benefit from the subsidies available to fund these modifications, such as the Victorian Energy Upgrades program and showerhead replacement schemes.

We also suggest that a simple, value-enhancing measure such as a vegetable or herb garden should not require the rental provider's consent. A vegetable/herb garden can significantly improve a renter's life by creating a greater sense of home, lowering food costs and boosting health and wellbeing. CPRC found one of the main pain points experienced by women renters aged 55 and over was the difficulty in seeking permission to make a home, such as creating a garden or adapting to age-related health conditions or disability.<sup>20</sup>

**Recommendation 7:** Allow renters to install picture hooks, wall-based safety devices, minor energy efficiency measures and vegetable/herb gardens without the consent of the rental provider.

### Mandatory disclosure before a tenancy

The introduction of pre-tenancy disclosure requirements, increasing disclosure of home quality and living costs information at the rental search stage, will improve transparency and consumer choice.<sup>21</sup> One of the main findings of *The Renter's Journey* report was that renters receive very little information about the home or rental service prior to entering a tenancy. Most disclosures only occur once the agreement is entered into and are minimal. All renter groups faced a lack of information about the quality of the home, likely costs for essential services such as energy and water, future availability of the home to live in, and the quality of the service provided by a rental provider or agent.<sup>22</sup>

The lack of information for renters creates particular problems for low-income families. Among the people consulted for CPRC's report, busy lives made it hard to attend inspections, and decisions had to be based on purely visual inspections. Key information, particularly running cost information, was often unavailable to these families.<sup>23</sup>

Low income families are ... price conscious and aware of the possibility that a poor-quality home will mean higher utility bills. They are frustrated by the lack of information about running costs, and generally their inability to know much about the house until they sign up for it. Lifetime running cost is the biggest issue, but this is reflected in wanting to know about insulation and other contributors to thermal efficiency, as well as the cost of running appliances.<sup>24</sup>

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<sup>20</sup> Ibid 30-32.

<sup>21</sup> Ibid 65.

<sup>22</sup> Ibid 55, 58, 61, 63.

<sup>23</sup> Ibid 42.

<sup>24</sup> Ibid 43.

It is imperative renters receive early, pre-contractual information about a home's running costs, safety and security of tenure, given the wrong rental home can have serious ramifications for people's financial security, health and wellbeing. Renters also generally have very little time to find a home, making clear, easily accessible information even more necessary. During the search process at present, 'better opportunities that may exist are foregone because, based on the minimal information available, renters must enter into a contract and hope things work out.'<sup>25</sup>

Renters are not able to easily move to another home after entering a tenancy, if they find it is unsafe or too expensive to run, or if the home is removed from the rental market for renovation or sale. *The Renter's Journey* report found renters face significant and prohibitive transaction costs when moving, including removal costs, overlapping utility bills, advance rent and bond payments, and application costs (e.g. photocopying costs).<sup>26</sup>

To mitigate the risk of higher than expected living costs, insecure tenure or safety hazards for renters, rental providers should have to disclose information about a broad range of matters to prospective renters. We also recommend further research be completed with renters themselves about what information they would like to have about a property at the pre-contractual stage – ultimately this should guide the future development of disclosure requirements that enable consumers to make a genuinely informed choice about a significant financial decision.

We note that under the RTA, rental providers will have to provide information about:

- a proposal to sell the property
- a mortgagee taking action for possession of the property
- whether the rental provider has a right to lease the property (where they are not the owner of the property)
- the prescribed details of any embedded network operator
- any other prescribed information.

We fully support the proposed Regulations on mandatory disclosure, including prospective renters being provided with information about whether the housing (if known):

- has been the location of a homicide in the past five years
- has been used for the use, trafficking, cultivation or storage of drugs
- has previously been assessed to have asbestos
- is affected by a building or planning application.

In addition to this information, we consider that rental providers should be required to take steps to discover whether there is any asbestos in the property. As currently drafted, the proposed Regulations allow rental providers to turn a blind eye to this important safety issue.

We also strongly support rental providers having to disclose 'any notice, order, declaration, report or recommendation issued by a relevant building surveyor, public authority or government department that applies to the rented premises or common property at the time of disclosure.' An example is notices, orders etc. issued by the Victorian Building Authority, local councils, building surveyors or municipal surveyors that relate to defects or safety concerns such as the presence of combustible cladding, water leaks or structural issues

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<sup>25</sup> Ibid 55.

<sup>26</sup> Ibid 57, 68-70.

affecting the rented premises or common property. This is a vital right for prospective renters whose safety and security of tenure will be affected by significant defects such as combustible cladding. For the same reasons, we also welcome disclosure of whether there is any domestic building work or *Owners Corporation Act* dispute affecting the property.

With an increasingly distributed energy network, it is imperative that rental providers are also required to disclose the presence of an embedded network and the details of the embedded network operator, including their contact details and the tariffs, fees and charges that apply. Renters in embedded networks have no choice of energy supplier and can face higher costs.<sup>27</sup> They need upfront information about this essential living expense before entering a tenancy. In addition to the details in the proposed Regulations, rental providers should also have to provide information about the consequences of renting a home served by an embedded network, i.e. that people do not have the option of seeking a cheaper energy deal through the competitive energy market.

Other information also needs to be disclosed to renters if they are going to be treated as consumers within a marketplace and protected against harm and higher than expected costs. Prior to entering a tenancy and taking on one of the largest essential expenses in their lives, renters should also be entitled to information about:

- compliance with minimum standards (as discussed above)
- any history of mould or damp, or mould/damp rectification works
- whether the property has insulation or not and any Residential Efficiency Scorecard rating.

**Recommendation 8:** Prior to a tenancy, require disclosure of compliance with minimum standards, mould/damp information, energy efficiency features, and information about the nature of an embedded network.

### Information that cannot be requested from a rental applicant

The new prohibition on rental providers or agents requesting inappropriate information from rental applicants should be implemented as a matter of priority. We support rental providers/agents being prevented from requiring information about:

- whether the rental applicant has previously taken legal action or had a dispute against a rental provider
- the applicant's bond history, including whether they have ever had a claim made on their bond
- the applicant's passport if alternative proof of identification is provided
- details of the applicant's nationality or residency status.

In an era of increasingly insecure data and personal information of consumers online, we strongly encourage Government to consider the added risks posed by rental providers seeking redacted credit or bank statements from applicants. A high degree of sensitive, personal information is captured in banking statements (such as medical expenses, payments to family and friends and locations visited) that is not necessary to assess someone's capacity to pay. Rental providers can already assess capacity to pay by

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<sup>27</sup> Australian Competition and Consumer Commission (2018) *Restoring Electricity Affordability and Australia's Competitive Advantage*, 362-363.

contacting an applicant's employer, referees and/or previous rental provider, and have the protection of the bond and rights under the RTA if rent is not paid. At a minimum we would recommend that the Department engage the Office of the Victorian Information Commissioner for formal advice on the matter.

CPRC recommended in *The Renter's Journey* report that government minimise the information required to establish identity and capacity to pay, to reduce the potential for bias or discrimination in renter selection. A common pain point among all renter groups was the large volume and inconsistency of information sought by rental providers/agents, and the difficulty sourcing information from past real estate agents, employers, banks and government. Renters were asked for acceptable identification, references and financial information such as pay slips and a 'rental ledger' outlining a person's rental payment history. Some application forms required information that renters may not be able to provide, such as car registration numbers and passport numbers.<sup>28</sup>

Some of this information may not be available to people with unconventional rental histories, those who have been out of the labour market (including single older women who have been caring for children or elders), or people renting for the first time. People with privacy concerns, such as women with violent ex-partners, may be particularly wary of providing the level of information required by some rental providers and agents.

Given the volume of information requested, it can also be costly to print and copy supporting documents, making it even more difficult to secure housing. CPRC's report found that 'for many on low incomes this alone is enough to break an overstretched budget and can be a deterrent to home hunting'. Assembling the information can also be emotionally difficult, with people feeling judged about their employment, family arrangements and way of life.<sup>29</sup>

In addition to the protections under the proposed Regulations, we therefore recommend that rental providers/agents be prevented from requiring disclosure of:

- excessive information about capacity to pay, such as credit or bank statements
- car registration numbers
- proof of identity documents that are not listed under the standard 100 points of identification.

We also encourage Government to consider emerging technologies, data collection and profiling practices as explored in CPRC's *A Day in the Life of Data* report.<sup>30</sup> The rapid expansion of the collection of non-traditional information and the development of consumer profiles and scores in covert fashion without the consent of consumers is increasingly commonplace and the rental market is not excluded from the deployment of such technologies. Government should therefore limit the amount of personal information collected by rental providers and agents, given there is increased risk of data sharing and use that is not in renters' interests and may lead to their exclusion from the rental market.

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<sup>28</sup> Stephen Curry (2018) *The Renter's Journey: A consumer-centred approach to understanding the dynamics of Australia's private rental market*, Consumer Policy Research Centre, 64.

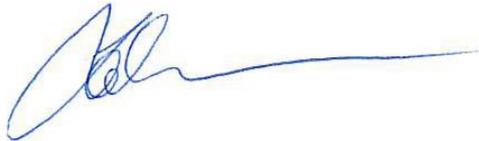
<sup>29</sup> Ibid 56.

<sup>30</sup> Brigid Richmond (2019) *A Day in the Life of Data*, Consumer Policy Research Centre.

**Recommendation 9:** Prevent rental providers and agents from requiring applicants to disclose excessive information about capacity to pay, car registration numbers and proof of identity documents not listed under the standard 100 points of identification.

If you have any questions or would like further information regarding this submission, please contact Emma O'Neill, Research and Policy Director, on 03 9639 7600 or at [emma.oneill@cprc.org.au](mailto:emma.oneill@cprc.org.au).

Yours sincerely



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