

14 April 2025



Mr John Bradley  
The Secretary  
Department of Energy, Environment and Climate Action

By email: [climate.change@deeca.vic.gov.au](mailto:climate.change@deeca.vic.gov.au)

Dear Secretary,

**Re: Climate Change Strategy 2026-30**

Thank you for the opportunity to provide feedback on the development of Victoria's 2026-30 Climate Strategy.

Tenants Victoria is the peak body for the state's renters, who number almost 2 million people. Our vision is for a safe, secure and affordable home for Victorian renters in a fair housing system. We are pleased to provide input for the strategy on behalf of renters.

**Renters and renting today**

For context, renters make up almost 30 per cent of the population. In Victoria alone, some 681,419 households rented in 2021, up from 607,354 households in 2016, according to the latest Census. Close to 90 per cent of all tenants rent their homes in the private rental market<sup>1</sup>. A significant proportion of renters work in lower-paying jobs that are crucial to the functioning of our economy, including as key workers in healthcare, aged care, childcare, disability services, education, law enforcement and emergency services, and the agriculture industry. The growing wealth disparity between homeowners and renters puts renters at a disadvantage when choosing where to live and restricts their options on the type and quality of accommodation they can afford.

As purchasing a home in Australia becomes increasingly unaffordable, private renting is becoming a long-term and mainstream housing option, and a growing proportion of Victorians will rent for life<sup>2</sup>. The combination of historically high house prices, stagnant wages<sup>3</sup>, and housing supply failing to keep up with demand, has seen renters who would have previously moved on to home ownership stay in the private rental market.

The continuing tight private rental market in Victoria<sup>4</sup> is proving deeply challenging for lower-income renters as they try to secure an affordable home. Victoria's affordable housing crisis sees a large and

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<sup>1</sup> Commissioner for Residential Tenancies "Renting in Victoria Snapshot 2022" [Weblink](#)

<sup>2</sup> Australian Housing and Urban Research Institute "Planning for a Two-Tenure Future" (2024) [Weblink](#)

<sup>3</sup> Australian Bureau of Statistics (ABS) (2024). Wages. [Weblink](#).

<sup>4</sup> 2.4 per cent vacancy rate in Melbourne and 2.1 per cent in regional rental markets at February 2025. REIV Residential Rental Market Snapshot (February 2025). [Weblink](#)



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*Safe, secure and affordable homes*

growing proportion of Victorians living in ‘rental stress’<sup>5</sup> (traditionally recognised as when renters pay more than one-third of gross household income on rent). Unfortunately, given the extent rents have increased, it is now likely that a large and growing number of Victorians are paying over half their income on rent<sup>6</sup>.

Finally, renting is closely linked to poverty, with Australians who rent their homes vastly overrepresented among those living below the poverty line, as evidenced in [ACOSS's 2020 report: Poverty in Australia 2020: Part 2 – Who is affected?](#) This study found that the majority (56 per cent) of people below the poverty line are renting, while only 17 per cent of people in poverty are homeowners who don’t have a mortgage.

### **How climate change affects renters and rental accommodation**

The three key impacts of climate change are as follows:

1. *Reduced habitability of rental housing* – Poor quality private and public rental housing becomes thermally unsafe in extreme weather. Climate change is now making hot days hotter, and heatwaves longer and more frequent. Living in excessive heat can elevate risk of cardiovascular diseases and heat stroke, and extreme heat results in more deaths than other disaster events<sup>7</sup>. Other flow-on effects from living in housing with poor thermal comfort include increased mental health episodes<sup>8</sup> and family violence call outs<sup>9</sup>. By increasing the level of energy in the atmosphere, climate change can also result in more severe cold snaps<sup>10</sup>. Living in cold homes is linked to a range of health impacts, such as increased blood pressure, asthma, and poor mental health<sup>11</sup>. Low temperatures in homes also contributes to the growth of mould. Living in a mouldy home can cause a variety of serious health problems, such as asthma, respiratory infection, allergic response, and mental health issues<sup>12</sup>.
2. *Reduced affordability of rental accommodation* – Poor quality housing is more expensive to run. As average temperatures rise and heat waves become longer, living in rental housing without adequate insulation, draughtproofing and energy efficient appliances means renters must use more energy and pay more to cool their homes to a safe and comfortable temperature.

Climate change is also increasing the cost of home insurance<sup>13</sup>. Rental providers often pass along increasing expenses as rent increases. If renters’ capacity to absorb these passed-along costs reduces, renting profits may drop and residential property will become less attractive as an investment class, resulting in lower rates of private capital flowing to residential property development at a time when more affordably priced rental housing is urgently needed.

3. *Disaster-related impacts* – Disasters affect renters by damaging or destroying their homes and belongings, often resulting in immediate termination of their tenancies if their property is uninhabitable, or loss of enjoyment of their homes as they wait for repairs. More intense and frequent extreme weather events, floods and bushfires remove properties from the state’s rental

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<sup>5</sup> Commissioner for Residential Tenancies “Renting in Victoria Snapshot 2022” [Weblink](#)

<sup>6</sup> Australian Council of Social Service “How JobSeeker and other income support payments are falling behind” (2022) [Weblink](#)

<sup>7</sup> World Health Organisation website. Accessed 10 April 2025. [Weblink](#).

<sup>8</sup> Climate Council “Silent Killer: Climate Change and the Health Impacts of Extreme Heat” (2016) [Weblink](#)

<sup>9</sup> SBS “How are rising temperatures and rates of domestic violence linked?” (2023) Accessed 10 April 2025. [Weblink](#).

<sup>10</sup> Scientific American “Extreme Cold Snaps Could Get Worse as Climate Warms” (2024) [Weblink](#)

<sup>11</sup> ScienceDirect “Cold homes in Australia: Questioning our assumptions about prevalence” (2023) [Weblink](#)

<sup>12</sup> ABC News “What are the health effects of mould, and how do you get rid of it?” (2022) [Weblink](#)

<sup>13</sup> Australia Institute “Premium price: The Impact of Climate Change on Insurance Costs” (2023) [Weblink](#).

housing stock or leave them uninhabitable for long periods. This creates hyper-local renting crises that flow on to nearby communities and further tighten the broader rental market. Former owner-occupiers who lose their homes may find themselves temporary or permanent renters, adding to the fierce competition to find an affordable home. After floods, dampness contributes to mould growth, increasing the need for repairs and putting at risk the health and safety of renters and the continuing habitability of their homes.

### **How climate change disproportionately impacts low-income and vulnerable renters**

Vulnerable renters experience the adverse impacts of climate change disproportionately. The rental homes with the most affordable rent are often the oldest and draughtiest rentals, built before the introduction of National Home Energy Ratings Standards, with little or no insulation, and fitted with old inefficient appliances. Exposure to energy hardship is more likely when vulnerable people live in older poor-quality dwellings. As temperatures rise and hot spells become longer, disadvantaged renters must pay a disproportionate amount of their already limited incomes on higher-than-necessary utility bills to maintain their homes at a comfortable temperature. They then have less money to meet rent increases and other cost-of-living increases, which puts their already marginal tenancies further at risk. Renters who choose not to cool their homes to save money put their health and well-being at risk. The [VCOSS's Report on the Energy/Health Hardship Nexus](#) illustrates how as the climate warms and energy costs increase, renters can become locked in a vicious circle of energy hardship and poor health that compounds existing disadvantage.

Social equity issues also arise for low-income renters from the limited nature of renting as a housing tenure and the split incentive problem. As renters do not own the property they live in, they have less agency to alter it. Low-income renters often do not have the individual means to invest in lower cost energy efficiency improvements such as insulation or draughtproofing (and energy efficient appliances and solar panels are well beyond their budgets). Instead, they must rely on the rental provider to make these improvements, despite a lack of incentive for the rental provider to do so because they do not share in the benefits. It is therefore important that government design programs that will improve the energy efficiency of rental housing in addition to owner occupied dwellings.

Tenants Victoria supports government strengthening minimum standards to require a comprehensive range of energy-efficiency improvements in rental housing including insulation, draughtproofing, energy-efficient heaters and coolers, and hot water systems. We note these improvements were included in the proposed new standards set out in the government's draft *Residential Tenancies and Residential Tenancies (Rooming House Standards) Amendment (Minimum Energy Efficiency and Safety Standards) Regulations* released for public consultation last year, but that at this time only the proposed new standards for rooming house heaters and blind safety cord standards have passed. We encourage the government to enact the remaining improvements as soon as possible. Benefits include reducing carbon emissions, lowering the cost of living for renters, and improving their health. It would also help to reduce financial hardship and social inequity resulting from the current rental crisis, where so many low-income renters have few options but to remain living in a poor-quality inefficient rental home. For further information, please see [our submission](#).

Climate-driven disasters increase risks for vulnerable renter groups, including financial loss from moving costs and damaged belongings, personal injury and evacuation risks for older and disabled renters,

increased risk of domestic violence for women and gender-diverse renters<sup>14</sup>, and increased mental health risks<sup>15</sup> for otherwise disadvantaged renters from stress. Multicultural renters with low English language skills including newly arrived migrants, refugees and overseas workers hired for seasonal agricultural work may also have difficulty understanding evacuation instructions and accessing support services during recovery. First Nations persons are more likely to be renters (53% of First Nations people are renters compared to 27% of the general population) and are also more likely to experience rental discrimination and homelessness<sup>16</sup>, making them more vulnerable to climate risks. Housing in remote communities is often poor quality with low thermal comfort.

Given that climate change impacts low-income vulnerable Victorians disproportionately and that we are also experiencing housing and cost of living crises, it is important that equity considerations be at the heart of Victoria's climate strategy. As disasters strike geographically and occur mainly in regional and rural areas (where a culture of self-sufficiency can see many residents trust and prefer to deal with other locals), we also encourage government to support place-based, community-led approaches that leverage the knowledge, expertise and referral networks of local community organisations. This support should include ongoing disaster funding to assist these organisations retain experienced disaster staff.

### **Supporting renters strengthens regional rural and remote community resilience**

A major risk to the sustainability and resilience of Victorian regional, rural and remote (RRR) communities in times of more frequent and intense droughts and disasters is population decline. When residents move away it impacts the local economy, businesses, jobs, services and schools. If population decline reaches a tipping point, smaller communities risk entering a death spiral. Rental providers and estate agents also have a stake, as fewer people eventually means lower rents and dropping property prices.

Each disaster is another 'danger moment' for RRR communities involving a heightened risk that residents who must leave temporarily eventually choose not to return. Whether renters can quickly return and remain connected to their communities depends on whether they have a habitable home to return to, or access to a safe and affordable alternative place to live while their rental premises is repaired. Vacancy rates in many RRR communities are already low and if a disaster leaves numerous properties uninhabitable, the few remaining rental vacancies are quickly exhausted. Renters who lose their homes and are unable to find alternative accommodation near their communities and workplaces also risk losing their support networks, jobs and incomes.

Establishing or strengthening existing support programs to assist renters solve disputes early, return to their rental homes sooner, or otherwise remain living in their communities not only helps renters but also rental providers and strengthens the climate resilience of RRR communities. Ideas for consideration include:

- Develop systems and processes to rapidly identify and assess rental properties impacted by disasters to determine their habitability and the extent of repairs required
- Increase the stock of transportable housing (e.g. fleets of caravans or pod villages) that can be quickly deployed to disaster areas to house renters

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<sup>14</sup> Women's Environmental Leadership Australia "Gender, Climate and Environmental Justice in Australia" (2024) [Weblink](#)

<sup>15</sup> National Library of Medicine "Impact of Natural Disasters on Mental Health: Evidence and Implications" (2024) [Weblink](#)

<sup>16</sup> Australian Bureau of Statistics "Aboriginal and Torres Strait Islander peoples experiencing homelessness" (2023) [Weblink](#)

- Ensure that temporary transportable housing is of an adequate standard, and that consumer rights policies apply and exit plans are in place, providing renters with some certainty and ability to forward plan.
- Amend planning schemes to enable temporary accommodation to be more easily set up in public spaces and in the yards of disaster affected rental properties
- Explore ways to allow renters to remain living in safe areas of their homes while prohibiting access to unsafe areas
- Develop central support systems and processes to speed and reduce the cost of repairs (for example, by improving access to building supplies in the aftermath of a disaster, establishing panels of tradespersons willing to travel or relocate to assist with disasters, and reserving transportable housing to house them)
- Design grant programs or no-interest loan schemes to incentivise rental providers to carry out repairs more quickly after a disaster, working co-operatively with the insurance industry
- Establish incentives for rental providers who complete repairs within prescribed times and rebuild to a higher thermal comfort and energy efficiency standard (i.e. beyond minimum standards)
- Establish priority mediation processes within Renting Dispute Resolution Victoria and train disaster dispute resolution specialists to assist disaster affected renters and rental providers negotiate disputes in a supported environment
- Boost funding for community legal centres and the broader renter-support sector (including housing and welfare organisations running the Tenancy Advocacy and Assistance Program, the Private Renting Assistance Program, and Tenancy Plus) to help renters assert their rights and resolve disputes quickly, as well as strengthen the capacity of specialist and place-based community legal centres to support renters resolve a range of [legal issues](#) that arise after disasters.

### **Speed up the response to climate-driven housing risks that impact renters**

Climate change induced disasters are creating unprecedented risks to renters and the supply of rental housing in many regional and rural areas at times where the capacity to absorb displaced renters in social housing and the broader private rental market is extremely limited. Given the long lead times in increasing supply, we recommend that government take urgent action to address these risks, including:

1. *Speed up insurance policy and regulatory reform and implement programs to address the risk of insurance market failure.* Due to worsening extreme weather events, insurance in some areas of Victoria is expected to become increasingly unaffordable or unavailable. Towns vulnerable to riverine flooding such as Shepparton are particularly at risk<sup>17</sup>. If large residential areas become uninsurable, this could impact the desirability of investing and living in the area and result in lower property values and rents. Potential flow on social implications include the risk of creating towns and regions of compounded disadvantage, where better off homeowners leave the area and low-income renters who are attracted to cheap rents move in. Vulnerable renters without contents insurance may end up living in poorly maintained housing at high risk of flooding. We encourage the Victorian government to consider actions within its remit, and advocate to the Federal Government, to guard against these growing risks. Ideas for consideration include

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<sup>17</sup> Climate Council “Uninsurable Nation” (2022) [Weblink](#)

establishing government-sponsored disaster insurance pools<sup>18</sup> and encouraging insurance reforms to allow 'building back better elsewhere'.

2. *Develop a climate resilience housing program to improve disaster resilience.* Establishing a Victorian climate resilient homes scheme similar to the [NSW scheme](#) in targeted risk areas would help support homeowners and renters make improvements to increase their homes' capacity to withstand disasters.
3. *Plan and prepare for climate-driven inter-regional population movement.* As climate change progresses, there is likely to be increasing numbers of regional and rural residents suffering disaster fatigue and moving from drought- and disaster-prone locations. Strengthening urban planning policies and programs that support development of thriving well-designed regional activity centres with energy-efficient climate-safe housing and good public transport will help to ensure an adequate supply of safe affordable housing options for these renters to move to, as well as reduce household emissions, improve road congestion and reduce transport emissions, create jobs and improve regional economic productivity.
4. *Rapidly increase the supply of climate resilient social housing.* The traditional housing safety net for vulnerable and financially disadvantaged renters is social housing. Victoria is already experiencing an affordable housing crisis and high levels of homelessness and far more social housing is needed now. As climate change advances, increasing the stock of social housing to address these complex intersecting challenges will become even more urgent. The best time for adapting to climate change and reducing existing vulnerabilities is today; yet the government's main housing strategy for the crucial decade ahead, the Victorian Housing Statement, does not mention climate change once.
5. *Make housing a human right.* The Victorian Charter of Human Rights and Responsibilities protects 20 key rights, but housing is not included at present. The right to adequate housing has long been part of the international human rights regime, with the United Nations recognising that the right to adequate housing is integrally linked to the enjoyment of other key human rights, including the rights to work, health, social security, vote, privacy or education. Australia is a signatory to a number of international treaties which enshrine the right to adequate housing. With climate change adding significant complexity to Victoria's already overstressed housing system, it is more than timely to recognise housing as a human right in our domestic law, including by amending Victoria's Charter of Human Rights to recognise housing as a right integral to living a dignified life.

Yours sincerely



Cameron Bloye  
Acting Chief Executive Officer

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<sup>18</sup> ScienceDirect "Government-sponsored natural disaster insurance pools: A view from down under"(2016) [Weblink](#)