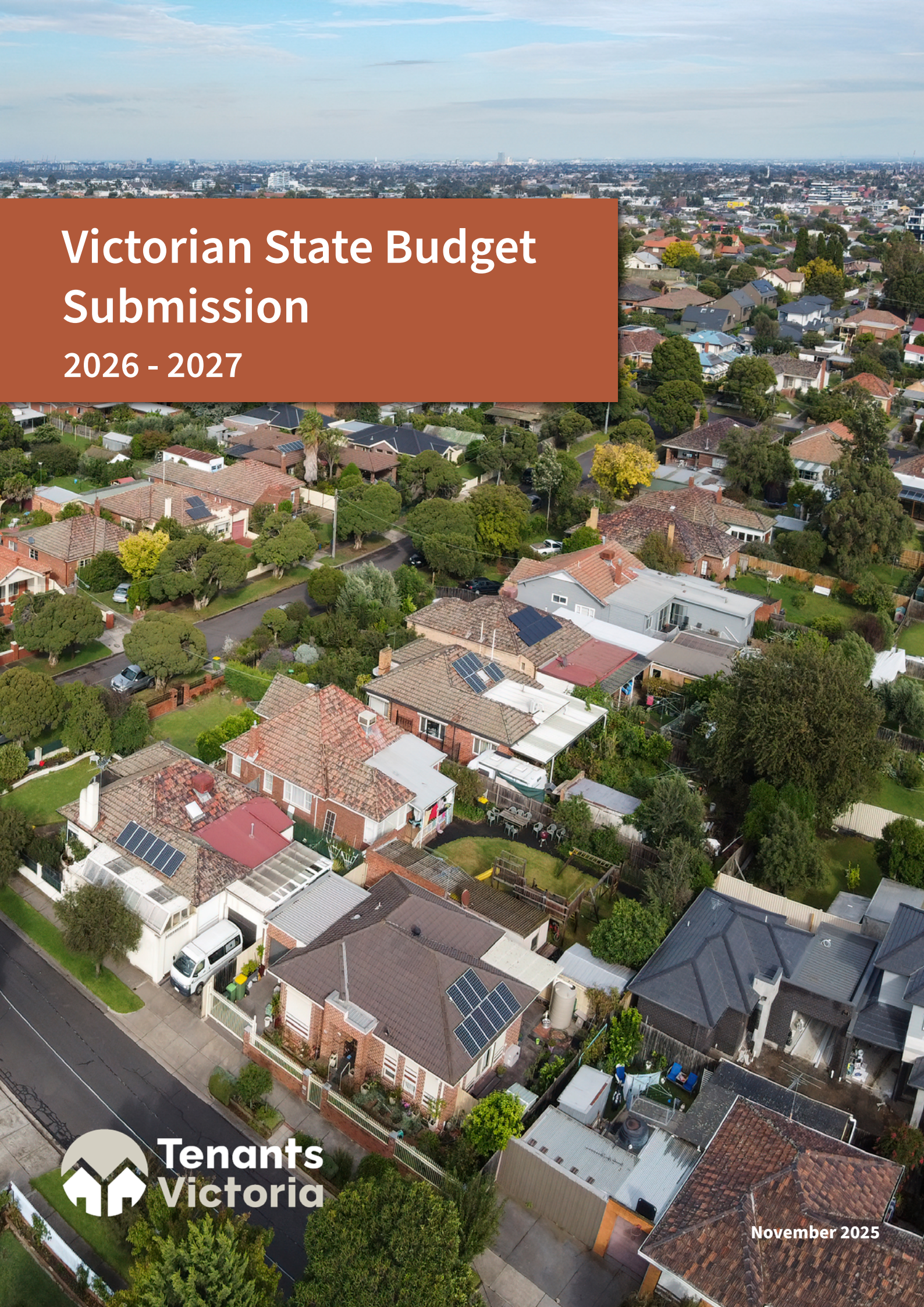




Victorian State Budget Submission

2026 - 2027



**Tenants
Victoria**

November 2025

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About Tenants Victoria

Tenants Victoria is the peak body for the state's renters, who number almost 2 million people. Our vision is for safe, secure and affordable homes for Victorian renters in a fair housing system. For many, renting is a permanent situation rather than a transition from the family home to home ownership. We believe all renters should be able to afford a home that allows them to live full lives and contribute to their communities.

Founded in the 1970s by renters, we aim to empower all renters and make sure their voices are heard in our advocacy. We work in partnership with other community legal centres and housing sector organisations, and strategically with government to inform policy development and enhance service delivery.

Our services include information, legal representation and advice, financial counselling, and outreach. We aim to make the housing system fairer in several ways. We advocate for practices and attitudes that respect renting and for policies and laws that support the rights of renters. We increase the skills of the community workers who assist renters. We provide information that encourages rental providers and real estate agents to act responsibly.

Our offices are on Wurundjeri Woi Wurrung Country. Our work gives us a special insight into the value of place and home, and we respect the Wurundjeri people's ongoing connection to Country, culture and community. We also acknowledge the connection of all First Nations peoples on whose Country Victoria is today situated. We recognise that sovereignty was never ceded and pay our respects to Elders past and present.

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Recommendations

Tenants Victoria recommends the Victorian Government invests in the following initiatives in the 2026-2027 State Budget.

1. Fund the Essential Services Commission to conduct an Inquiry into a Rent Increase Fairness Formula in Victoria.

Cost: an additional \$1 million in 2026-27.

2. Meet the support needs of renters struggling to navigate a problem with their home by significantly increasing funding for multidisciplinary renter supports.

Cost: an additional \$21.3 million in 2026-27.

3. Expand rooming house outreach to help vulnerable renters get the services they need.

Cost: an additional \$4.8 million in 2026-27, \$19.8 million over 4 years.

4. Expand the Dandenong rooming houses coordinated enforcement taskforce to other regions to achieve greater service coordination and more effective monitoring of rooming houses. Consumer Affairs Victoria should be adequately resourced for this expansion in rooming house enforcement action.

5. Review the current regulation governing rooming houses.

6. Set a social housing target to build 7,990 new social housing dwellings per year for the next 10 years, including at least 300 per year that are in Aboriginal Community Control.

7. Expand funding for the Aboriginal Private Rental Assistance Program (APRAP) to ensure it provides statewide support and homelessness prevention for Aboriginal private renters.

Cost: an additional \$11.9 million over 3 years.

8. Fund establishment of a new Aboriginal Homes Thrive program to ensure all First Nations Victorians living in social housing have access to prevention and early intervention supports.

Cost: an additional \$38.75 million over 5 years.

9. Amend the *Residential Tenancies Act 1997* so that all the 2021 renter protections apply to **all renters** by 30 June 2026.

Introduction

Conditions are tougher than ever for Victoria's 2 million renters. With an election coming in 2026, now is the time to stand with Victoria's renters and ensure they have the support and protection they need.

Victorian renters should be able to experience stability, participate in employment and education, receive fair treatment and have ready access to support when they need it. For some renters this is already the case. However, renting in Victoria in 2025 can also still be difficult, stressful and at times unfair.

It is well established that Australia is experiencing a housing crisis, with supply continually falling short of demand.¹ This continues to affect Victoria's rental market.

Vacancy rates remain low, meaning that if a renter has to vacate their home, they face the very real risk of being unable to secure a new one.² Rent increases continue to outpace inflation and wage increases, and the social housing waitlist continues to grow while public and community housing stock numbers stagnate.³

As a result, many renters, especially those on low and moderate incomes, are facing housing insecurity and increased risks of homelessness. Demand for renter supports like Tenants Victoria's services is rising, and service organisations are struggling to keep up. In this climate it is more important than ever that renters receive equal protection and access to the support they need.

This submission outlines the key initiatives that the Government should support – and fund – to ensure every Victorian renter has access to a safe, secure and affordable home.

This budget presents an opportunity to listen carefully to renters and ensure the government's response reflects the diversity and severity of the challenges that they face.

The 2026-2027 State Budget needs to take bold action to tackle the rental crisis and ensure renters are adequately supported to stay housed in unprecedented conditions.

A Rent Increase Fairness Formula to protect Victorian renters

Victorians should be confident that rent hikes won't be excessive. Preventing unfair rent increases is the next big step towards giving Victorian renters security in their home.

Recommendation 1: Fund the Essential Services Commission to conduct an Inquiry into a Rent Increase Fairness Formula in Victoria. **Cost: an additional \$1 million in 2026-27.**

Renters in Victoria have identified better regulation of rent increases as their number one policy priority.⁴ Rent increases can make people feel stressed and uncertain about their housing security, and they now affect the majority of Victorian renters. In the most recent reporting period, 58% of rental households in Victoria received a notice of rent increase that year, up from 29.8% of households the year before.⁵ It has never been more important to make sure that the size of a rent increase is fair.

While Victoria's rental laws provide renters with many protections, they are silent on what constitutes a fair rent increase. Over the last 5 to 10 years rents have soared in Victoria. Since 2020, median rents rose 3.4 times faster than average incomes in Melbourne and 3.2 times faster than average incomes in regional Victoria.⁶ Renters have been facing relentless and high rent increases, with no market adjustment or return to 'normal', risking people's ability to find of a safe and affordable place to call home.

Increasing numbers of renters report that their rent increases are excessive and unfair. In 2024, Consumer Affairs Victoria (CAV) received 7,469 rent investigation requests, a 37% increase compared with 2023, which in turn built on the 120% increase from 2022.⁷ This underrepresents the scale of the problem, as concerns abound about the use of market-based assessment in rent investigations. Several organisations have reported that this method is "selective, subjective and at times, unreasonable", inaccurate, and inflationary.⁸

We need objective standards about the fair dollar amount for rent increases so that everyone can understand what is fair. The Victorian Government should fund the Essential Services Commission (ESC) to conduct an Inquiry into a Rent Increase Fairness Formula, to guide fair rent increases in Victoria. By considering the rental market and the true cost of providing housing, they could inform the development of a Rent Increase Fairness Formula – one that recognises a fair approach for both renters and rental providers – and review it as necessary.

Implementing a Rent Increase Fairness Formula would provide more certainty for renters, rental providers and property managers, facilitate greater stability and security of tenure for renters, and relieve pressure on renters when market conditions mean that rents become detached from true costs – as has occurred over recent years.⁹

No-fault evictions end in November 2025 and so the 2026-2027 State Budget is the right time for the Victorian Government to take the next step, protect renters from the social and health impacts of excessive rent increases and make sure these do not become the new 'de facto evictions'.¹⁰

John appealed an unfair rent increase. He still had to move

After a difficult breakup, John (not his real name) was ready for a fresh start. He found a rental within easy reach of shops and public transport, complete with a backyard, so he could finally get a dog. The home gave him the stability and routine he needed to rebuild his life.

‘There were bits and pieces that were an issue in the property. It wasn’t perfect but it was pretty reasonably priced. I didn’t want to be one of those tenants who complains about everything. I didn’t want to make trouble.’

‘When I got the rent increase – and it was a significant increase – it was massive. And then I went back to the agent, and I said, can we work something out here? I want to be reasonable. Before I go to Consumer Affairs, let’s try to be on an even playing field here. So, every step that I had I would always try to go back to them and not be involved in conflict, but just negotiations – and try to come up with common ground. And they refused.’

John turned to Consumer Affairs Victoria to challenge the unreasonable increase. They did an online assessment which led to a very minor adjustment. The real estate agent told him:

‘Look, you better get out of there – because they’re just going to keep on putting the rent up.’

‘That gave me a huge amount of fear. From that point on, my mental perspective completely changed. I started packing all my things into boxes - I went into complete panic mode. At no point did they say that they wanted to work it out. It felt like bullying. Like they just wanted me gone.’

To make ends meet, John cut back on essentials. ‘I reduced the amount of food that I ate. I always made sure my dog ate. I would share my food with my dog. So whatever I ate, I gave to her. My phone bills, my electricity bills – especially my phone bill – I would stretch out until I got restricted. Then I would part-pay the electricity and gas. I was limited in what I could do with my daily activities.’

Whenever he tried to contact the agent, they didn’t get back to him. ‘At one point, I sent them 24 emails without getting a single reply’. He then received yet more invalid rent increases.

‘I knew at that time I was on my own. I knew that they could do whatever they wanted because they could get away with it. They’re this big real estate company and I’m just one person. And that was the most helpless feeling.’

John has since moved to a different rental. He has access to support services and can afford his new home, but when he moved in it was dirty and mouldy. ‘I wish I could tell you it was smooth sailing now and that everything is good. I’ve moved into a place where it’s filled with mould. There is a good part to it. At least I’m in peace from the other stuff I was going through and it’s more affordable.’

John’s experience shows how existing processes for challenging unfair rent increases aren’t reliable, and how rent hikes can be used as a proxy for eviction when the renter has done nothing wrong.

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Support for renters in a tough rental market

In a tough rental market, renters are calling for help. Let's answer the phone.

Recommendation 2: Meet the support needs of renters struggling to navigate a problem with their home by significantly increasing funding for multidisciplinary renter supports.

Cost: an additional \$21.3 million in 2026-27.

As the rental crisis continues, the pressures on renters are becoming more intense and complex, and more renters are facing unfair rent increases, are unable to find a vacant home, or struggle to pay the rent.¹¹ More renters are seeking help to settle a dispute with their rental provider, manage the circumstances that are putting their tenancy at risk, or simply pay the rent.

Renters need much more support

In 2024-2025, Tenants Victoria had 1.34 million website views, and 558,400 unique visitors to our website.

Notices to Vacate issued for non-payment of rent (rent arrears) increased fivefold in the 2 years leading up to mid-2024.¹²

The Consumer Policy Research Centre found that 4 in 5 renters face rental challenges, and 2 in 5 renters (or 43%) do not feel confident taking action to address these rental challenges.¹³

As more renters need support, services are not keeping up. The Victorian Government has acknowledged that renters who could benefit from early intervention are not getting help until their situation is critical because renter services are so busy, or miss out altogether.¹⁴ With the rental market not predicted to change soon, conditions will remain difficult for renters for the foreseeable future.¹⁵ In the face of so much unmet need, the Victorian Government must significantly increase funding for renter support services so that more calls for help can be answered.

Renter support services are crucial for sustaining tenancies and reducing evictions.¹⁶ For some renters, a few modest supports at the right time can prevent a breakdown of their housing situation. The Government must match the increases, and changes, in service demand we are seeing with sizeable investment in renter support services. Further, these services should include a focus on multidisciplinary supports, early intervention, the growing needs of certain renters (such as older renters) and uplift for current crisis-end supports.

Increasing support for renters who need help would be a powerful and targeted cost-of-living measure to help everyday Victorians through tough economic times.

Rooming houses that are safe and seen

Victorians who live in rooming houses should be able to live comfortably and in safety, protected by the state's rental laws.

Recommendation 3: Expand rooming house outreach to help vulnerable renters get the services they need. **Cost: an additional \$4.8 million in 2026-27, \$19.8 million over 4 years.**

Recommendation 4: Expand the Dandenong rooming houses coordinated enforcement taskforce to other regions to achieve greater service coordination and more effective monitoring of rooming houses. Consumer Affairs Victoria should be adequately resourced for this expansion in rooming house enforcement action.

Recommendation 5: Review the current regulation governing rooming houses.

Recommendation 6: Set a social housing target to build 7,990 new social housing dwellings per year for the next 10 years, including at least 300 per year that are in Aboriginal Community Control.

In an extremely tough rental market, many people have little choice than to move into rooming houses, a form of shared accommodation for those denied access to the mainstream rental market.

Rooming house residents have often faced difficulties in their past, and many still live with a mix of complex health issues, disability, histories of family violence, trauma, alcohol and other drug use, and histories of incarceration. Many rooming house residents also live on very low incomes, usually income support payments. Despite this, there is no systematic outreach into rooming houses.

Currently, the Department of Families, Fairness and Housing funds Tenants Victoria and Peninsula Community Legal Centre to employ 2 part time Rooming House Outreach Workers. Together these two workers are responsible for outreach to 31 local government areas.

Proactive outreach workers can identify rental issues and non-compliance with the minimum standards, advocate for rooming house residents or make referrals to community, health and legal services. Assertive outreach into rooming houses plays an important role in identifying renters with very complex needs and supporting them to move into long-term housing that is safe and stable.

Like proactive outreach services, enforcement of housing standards in rooming houses through local government and Consumer Affairs Victoria is poorly provisioned. Enforcement and compliance for rooming houses is also limited by an extremely complex governance and regulatory system. It is time for a root and branch review of the rooming houses system so that rooming house residents can be better protected.

Victoria's chronic shortage of public and community housing means that when a person can't find a home in the mainstream private rental market, they may have little option but to live in a rooming house. But Victorians should have safe and secure homes. The Victorian Government must build 7,990 new social housing dwellings a year for the next 10 years, including at least 300 new Aboriginal social homes each year and give all Victorians a chance to rent.¹⁷

Every Aboriginal person has a home

“Housing is a cornerstone of self-determination for Aboriginal and Torres Strait Islander peoples. Housing is not just about shelter – it is about restoring agency, reconnecting with community and culture, and building a stable, self-determined future.”¹⁸

Recommendation 7: Expand funding for the Aboriginal Private Rental Assistance Program (APRAP) to ensure it provides statewide support and homelessness prevention for Aboriginal private renters.

Cost: an additional \$11.9 million over 3 years.

Recommendation 8: Fund establishment of a new Aboriginal Homes Thrive program to ensure all First Nations Victorians living in social housing have access to prevention and early intervention supports.

Cost: an additional \$38.75 million over 5 years.

First Nations people in Victoria are far more likely to experience housing insecurity. First Nations households are overrepresented on the social housing waitlist, making up 11% of applications, and First Nations households live in social housing at 5 times the rate of the general population.¹⁹ Additionally, First Nations households are more likely to rent – with over 50% of First Nations households in Victoria renting their homes, compared with 30% of all households.²⁰

To help First Nations Victorians achieve security and stability in the private market the Victorian Government should expand the Aboriginal Private Rental Assistance Program (APRAP) to ensure that First Nations renters get the support they need. APRAP aims to support members of Victorian First Nations communities to secure or sustain tenancies in the private rental market and prevent evictions. This program works to increase access to the private rental market by building relationships with rental providers, advocating for tenancies and negotiating with real estate agents. APRAP can also provide brokerage to fund costs associated with establishing or maintaining tenancies such as rent arrears, bonds, white goods, removal costs and utility connections.

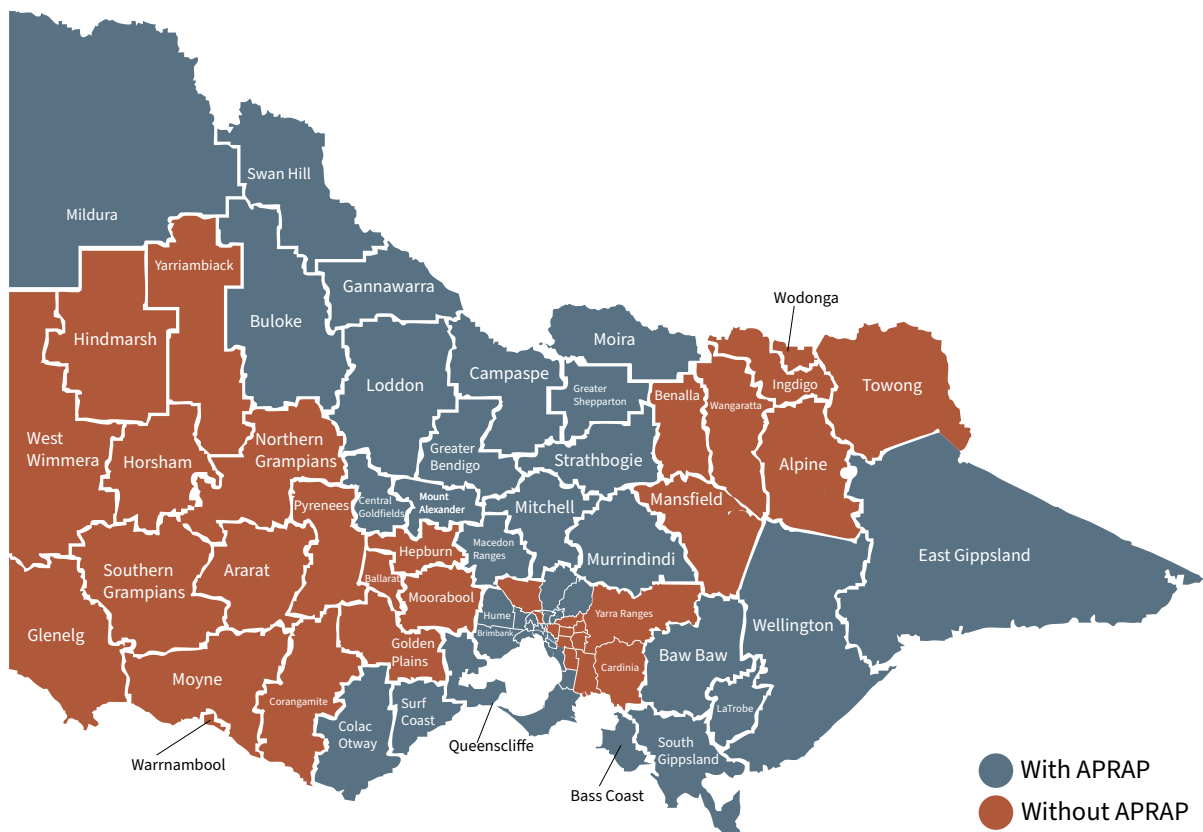
While APRAP supports over 1000 First Nations households in the private rental market every year, it is only operating in 10 out of the 17 Department of Families, Fairness and Housing (DFFH) divisions – as shown in the map below. Therefore, First Nations Victorians in areas such as the Central Highlands and Wimmera South West do not have systematic support to remain in the private rental market. APRAP must be expanded to the remaining 7 DFFH divisions, so that First Nations renters statewide can access the culturally safe supports they need.

Government funding must focus on prevention and early intervention to ensure First Nations renters living in social housing can thrive and sustain their tenancies, as recommended by the Victorian Aboriginal Housing and Homelessness Forum (VAHHF).²¹ A report by the Australian Housing and Urban Research Institute found that prevention and early intervention are an effective way to empower First Nations renters and build their capacity to address broader issues that could threaten a tenancy.²²

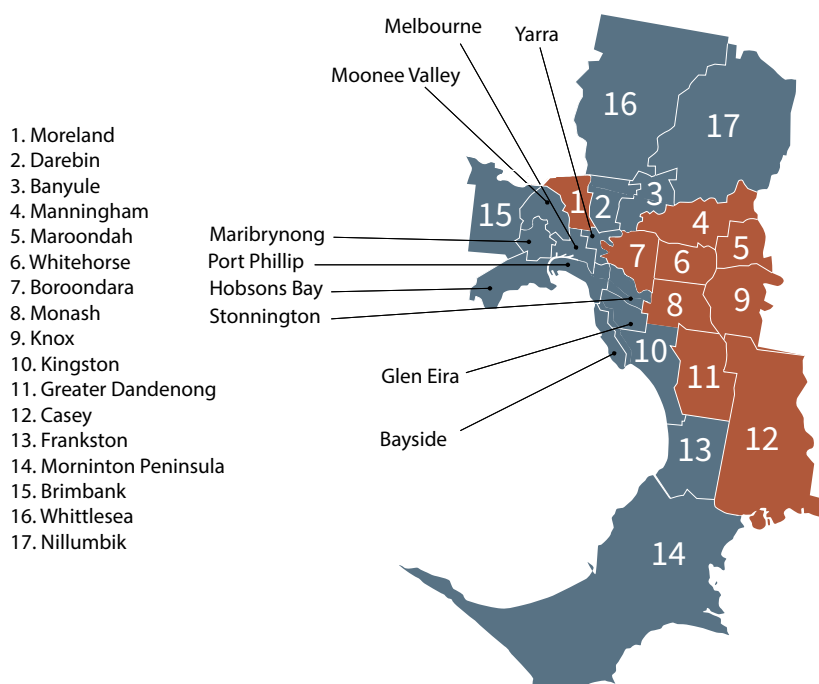
The proposed Aboriginal Homes Thrive program, would provide a community-led, strength-based model for empowering and supporting First Nations renters to achieve their aspirations and thrive in their social housing tenancies. This new support program mirrors existing programs in other Australian jurisdictions and would be aimed at sustaining tenancies, reducing evictions, and supporting more Aboriginal renters into private rental and home ownership.

Funding the Aboriginal Homes Thrive program would provide an opportunity to deliver an Aboriginal-led strength-based prevention and early intervention program that can assist First Nations renters in social housing to manage their household, help them to navigate and link up with support services and programs, and provide them with long-term and sustainable support networks.

Areas of Victoria covered by the Aboriginal Private Rental Assistance Program (APRAP) - October 2025



Metro enlarged



Make renting fair – for everyone

Victoria's nation-leading rental reforms in 2021 should protect all renters equally. However, a legal technicality means thousands of Victorian renters are missing out on these important protections. Fixing this problem will see Victoria's groundbreaking reforms completed for all renters and deliver the fair outcomes they promised.

Recommendation 9: Amend the Residential Tenancies Act 1997 so that all the 2021 renter protections apply to **all renters** by 30 June 2026.

Every Victorian should be able to live in safe, secure and affordable housing. For the 30% of Victorians who rent their homes this means fair rental protections and clear and consistent rental standards that benefit all renters. In 2021, over 130 changes were made to the rental laws to better protect Victorian renters. However, nearly 5 years later, a substantial proportion of Victorians are still missing out on these vital protections. This is because of the different ways the rental reforms were applied to rental arrangements commencing before and after 29 March 2021.

Many Victorians would be shocked to learn that almost one third of Victorian renters do not benefit from the full suite of rental reforms enacted nearly 5 years ago. Bond data tells us that approximately 222,000 households, or 30% of private renters in Victoria, have not moved house since the new laws came in.²³ This means Victoria's nation-leading rental minimum standards do not apply to them.

Two provisions in the Act mean that the minimum standards don't apply to renters who have lived in the same property since before 29 March 2021.

We need changes to the law so minimum rental standards and other fairness safeguards clearly apply to all Victorian renters regardless of when they began living in their homes and their type of rental agreement. Fixing this gap will also ensure that the Government's new minimum energy-efficiency standards will roll out clearly, fairly and as intended.

It is now time that **all** Victorian renters get the protections they deserve.

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