CHOICE

31 JANUARY 2019

PRE-BUDGET 2019-20 SUBMISSION

Submission to the Treasury on the 2019-20 Budget

ABOUT US

Set up by consumers for consumers, CHOICE is the consumer advocate that provides Australians with information and advice, free from commercial bias. CHOICE fights to hold industry and government accountable and achieve real change on the issues that matter most.

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INTRODUCTION

The Federal Budget is an opportunity to have a direct and positive impact on the lives of Australian consumers. As cost of living pressures increase and people struggle to navigate vital but confusing markets, the 2019-20 Budget can help ease the pressure on Australian households, provided the Budget prioritises the issues that matter most.

Consumers are the largest single group impacted by economic decision making, and the Budget consequently has an outsized impact on them. The 2019-20 Federal Budget needs to serve consumers in four key ways:

1. Fund an independent consumer advocacy body in the superannuation sector to advance consumer interests;
2. Support the implementation of overdue reforms to Australia's financial services system;
3. Ensure the Consumer Data Right implementation process is effective and consumer-focused; and
4. Provide for a coordinated national approach to resolve inconsistencies and problems in the private rental market.

Firstly, this Budget must address a significant and recognised gap in our superannuation framework - the lack of a properly funded, independent superannuation consumer advocate to speak on behalf of superannuation consumers and assist them in navigating the market that has the largest impact on their retirement funds and quality of life post-retirement.

The 2019-20 Budget should also include funding to progress broader reforms to solve problems in the industry that has attracted attention for all the wrong reasons over the last year - financial services. At CHOICE, we've been fighting for changes to financial markets and regulatory frameworks to benefit consumers for decades, but the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry has thrown into sharp effect just how badly the banks and other financial services entities have been behaving in recent years. While the Royal Commission's final report and recommendations had not been published as at the time of writing this submission, we know that things need to change in the banking sector. The 2019-20 Budget needs to help implement the many sensible solutions that have already been aired, such as appropriate funding for financial services regulators, the need for a compensation scheme of last resort and funding for financial counselling and community legal centres.

The third issue that CHOICE is putting forward as a priority is the implementation of the Consumer Data Right (CDR). This reform has the potential to transform the markets in which it will apply, supporting greater demand side competition and better consumer outcomes.

However, as a complex new reform, work is needed to ensure that businesses and consumers alike understand their rights and responsibilities under the new system and are confident navigating it. Funding for a comprehensive and effective education campaign needs to be provided to ensure that consumers can get the most out of the CDR.

Housing deserves special attention in the 2019-20 Federal Budget. There are now over 2.6 million households in Australia who rent, and this group of people experience substantial financial pressure. The 2019-20 Federal Budget should set aside funding to investigate options for the development of a national framework for renters' rights to support this growing segment of the housing market.

Summary of recommendations

The Federal Government should:

- make available long-term funding for an independent superannuation focused consumer organisation.
- allocate appropriate funding in the 2019-20 Federal Budget for a Treasury taskforce to examine and implement the policy reforms proposed by the Banking Royal Commission.
- increase funding to financial services regulators.
- support the introduction of a compensation scheme of last resort for the financial sector through a levy on Australian Financial Services License holders, based on risk of consumer harm.
- establish guaranteed funding for financial counselling and community legal centres. This funding should be established through an industry levy imposed on financial services entities.
- provide funding in the Federal Budget 2019-20 to support consumer and business education as a core part of implementing the Consumer Data Right.
- support an inquiry into options for addressing problems and inconsistencies in rental laws in a nationally coordinated way.

1. A properly resourced, independent superannuation consumer assistance and advocacy body

The Federal Government's independent advisory body, the Productivity Commission, has recognised the need for a strong consumer advocate in superannuation. The Productivity Commission's final report recommended that:

> *The Australian Government should, as a priority, provide adequate ongoing funding to support an independent superannuation members' advocacy and assistance body.*[1]

This recognises the integral role consumer advocates play in working with regulators, industry and government to place consumers at the centre of market reforms. In other financial services markets (e.g. credit and insurance), there are consumer bodies funded to undertake case work, advocacy and education. The Superannuation Consumers' Centre (SCC) has been established with a similar purpose, but does not have ongoing funding to continue its work.

Regulators can enforce the law and consequently contribute to consumer protection, but without a strong voice advocating solely for the interest of members, the space can be crowded out by the views of industry. This is particularly true for consultations into complex issues initiated by regulators. There is currently an imbalance in policy staffing: a recent parliamentary inquiry uncovered that the major industry lobby groups spent a combined $42 million each year employing 108 staff, with more than 20 dedicated to superannuation policy and research.[2] The funding for this came directly from the retirement savings of consumers, yet not a cent was dedicated to a truly independent consumer advocate.

Australia needs a consumer group that can focus on the highly technical area of superannuation and represent consumer interests. The concept of the SCC was first raised by CHOICE as part of the Cooper review. Work has been done since this time to develop a strong business case for an organisation that would directly assist consumers, advocate for reform and educate people about the system.

The SCC was formally established in 2013, but without any funding was unable to act on its purpose. In August 2018 the SCC received $2.5 million in funding stemming from community

[1] Productivity Commission, 2018, 'Superannuation: Assessing Efficiency and Competitiveness', recommendation 28

[2] Senate Economics Legislation Committee, 10th October 2017, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/SuperannuationNo1/Public_Hearings This does not include the Australian Banking Association or smaller lobby groups.

benefit payments from ANZ and CBA for the mis-sale of superannuation products and has hired its first staff member.

While this seed funding is welcome and will lead to positive member outcomes in the short-term, it is one off. An adequately funded SCC would be a valuable steward in ensuring long-term that the superannuation system is efficient, competitive, and truly works for the interests of members. Ideally, the SCC will work alongside a regulator that focuses on and champions member interests.

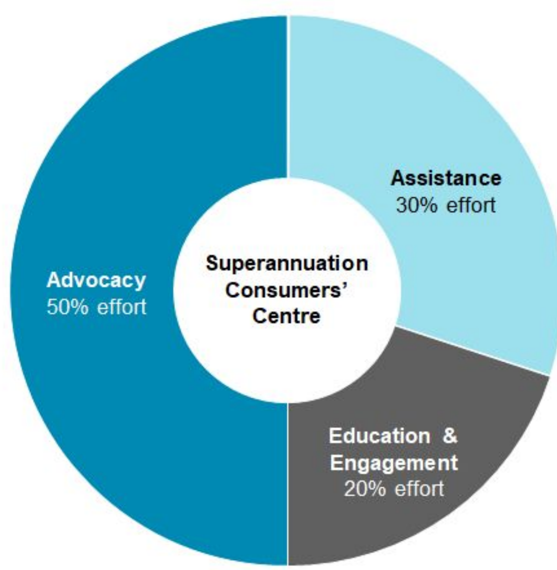
Specifically, the SCC proposal would be well placed to deliver original research into consumer needs and experience with the superannuation system, advocacy for consumers and a series of consumer education and empowerment initiatives. This combination of direct assistance and policy, research and advocacy projects will help consumers to better understand their superannuation and make the case for improving the system in their interests.

Given the vast size of the superannuation sector, it is essential that we have an SCC to promote the long-term interests of members. This is common practice in other consumer sectors. Unless there is a strong organisation dedicated to representing consumers in debates about superannuation, we'll continue to see industry groups dominate discussion and conflate their interests with the interests of their members.

Funding for similar consumer advocates is commonplace across other key services. For example, the Australian Communications Consumer Action Network, in communications, Energy Consumers Australia, in the energy sector and the Consumers Health Forum, in the health sector, all receive funding to enable them to fulfil their important purposes.

What an adequately funded Superannuation Consumers' Centre can deliver

With adequate funding the SCC would be able to deliver a combination of advocacy, assistance, education and engagement. This would be directed at dealing with industry intractability on the problems of poor fund performance, duplicate accounts and conflicts of interest.



As already outlined, people need strong advocates in superannuation debates if the system is going to operate in their interests. The default system has both benefited and hurt consumers. For many it has taken the complexity out of decision making and defaulted them into on average good performing funds. For others it has let them down, leaving them with chronic underperformers, duplicate accounts and insurance they don't understand and may not need. Real change in superannuation has always been led by government action, but the current size of the industry lobby and lack of countervailing consumer voices has seen major pieces of reform to fund performance, duplicate accounts and insurance delayed for over a year. A strong consumer advocate would be able to redress this imbalance and help regulators and government continue to deliver policy solutions which are in the interests of the Australian people.

Secondly, markets can work if people are confident and informed. The inherent complexity in superannuation means there will always be a need for a default system to protect people, but beyond that the market should be responsive to people's needs. In functional markets people can rely on independent sources of information to help them make informed decisions. In superannuation few people have access to good information. This is due to a combination of poor transparency, conflicts in 'free' information and the lack of affordability of personal financial advice. Being an independent, consumer-focussed source of this information, the SCC will help people who are capable of helping themselves.

Even where good information is available, such as the value of consolidating accounts, few have either found or taken action on this information. Effective financial capability services go beyond just piling more information on top of people. Instead, it needs to engage and remove the 'friction' from the system so people can take action. CHOICE has piloted an online 'chat bot' to assist people to actually consolidate their accounts via the MyGov portal. In an independent audit of the pilot people overwhelmingly reported that they preferred this style of information. More importantly it lead to real action, with 18% of people with duplicate accounts consolidating while using the tool.[3] Again the SCC is uniquely placed to be a trusted source of this assistance.

Further detail of the SCC's proposal is available in its attached business plan.

Recommendation 1

- The Federal Government should make available long-term funding for an independent superannuation focused consumer organisation.

[3] Inca consulting, 2018, 'Doing Super Better Through Technology: evaluation report', p.2

2. A financial services market that puts consumers first

Since the Financial Services Royal Commission started, Australians have heard story after story of behaviour that is outrageous by community standards and outright illegal in many cases. Charging fees for no service, failing to report breaches to the regulator, charging fees to dead people, selling products that harm rather than help customers and eroding Australians' retirement savings are just a few examples.

The short-term pursuit of profit at the expense of good customer outcomes has been a leading cause of this misconduct. A culture of selling-at-all-costs has spread through every layer of our financial services sector, from front-line staff who are rewarded for selling products, to managers who are promoted and lauded for achieving sales targets, right up to executives who receive bonuses for achieving company-wide financial targets. We need a financial services sector that is profitable and successful because it meets the needs of its customers, not because it takes advantage of them. The 2019-20 Federal Budget provides an opportunity to actually implement tangible reforms that will help consumers in the financial services market now and for decades to come.

Funding for Treasury taskforce into Banking Royal Commission

CHOICE urges the Federal Government to allocate appropriate funding for a Treasury taskforce to examine and implement the policy reforms proposed by the Financial Services Royal Commission. The Commission did an admirable job under incredible time and resource pressures, touching upon a diverse and complex range of areas in the financial services sector from insurance, to consumer lending, to financial advice, to superannuation. However, due to these pressures while many issues and problems were brought to light, a limited amount of time was spent exploring options for reform in depth. Adequate funding and resourcing will be required to properly implement policy reforms, and ensure that tangible, positive outcomes come out of the Royal Commission. The Treasury is currently working through a backlog of important reforms, many of which came out of the 2015 Financial Systems Inquiry. Additional funding for Treasury is required to ensure that the Royal Commission recommendations are acted on in an appropriate time frame and that other important reforms are not delayed.

Further, it is essential that consumer groups are recognised as key stakeholders in this process. What is clear from the evidence of the Financial Services Royal Commission is that self-regulation - that is, banks writing their own unenforceable rules - has demonstrably failed and has led to widespread consumer harm. Well-funded industry lobbyists will seek to hijack the policy process, and water-down consumer protections. We saw this in industry's attempts to water down protections in the Future of Financial Advice (FoFA) reforms, and in the final result of a year's worth of consultations on the Life Insurance in Superannuation Code (the final result being a voluntary, unenforceable code). It is essential that consumer groups are supported to take the lead in this reform process and that Treasury resources allow for time to engage with consumer groups and properly review industry claims.

Increased funding for financial services regulators

CHOICE supports increased funding for financial services regulators in Australia. A regulator's funding greatly impacts on their ability to perform effectively. CHOICE acknowledges that in the 2018-19 Federal Budget, ASIC's funding was cut by $26m.[4] As ASIC's Chairman James Shipton recently acknowledged, the regulator's current level of resourcing 'weighs very heavily on the regulatory choices that we have to make."[5] It affects decisions across 'the full spectrum of regulatory work' from the enforcement and prosecution of misconduct, to proactive work in education and developing financial capabilities.[6]

This sentiment is shared by Professor Michael Legg who says:

> "*ASIC can only carry out enforcement within its means. If you reduce their resources they may choose to not take any enforcement in some cases, or they take the action and the defendant knows that if they can make it expensive enough ASIC might be more receptive to the soft options."*[7]

It is imperative that ASIC has appropriate funding and resourcing, to ensure that they are able to fearlessly and effectively prosecute financial services firms when they break the law. This will be especially pertinent going forward, with an increased volume of litigation likely emerging from the Financial Services Royal Commission.

The resources in the financial industry far outstrip those of the regulators responsible for monitoring their behaviour. Table 1.1 below illustrates this. It compares the income of ASIC, APRA and the four largest banks. As it shows, ASIC's income of $326.4 million pales in comparison to the $25.9 billion of CBA. Of course, a bank, especially the market leader in CBA, should be expected to have a larger income than the regulator. However, these figures illustrate

[4] Durkin, P. 2018, Australian Financial Review, 'Federal budget 2018: ASIC's shock $26m budget cut'.
[5] Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, 2018, p.6906
[6] Ibid. p. 6906
[7] UNSW, 2018, '$26M funding cut to hobble ASIC, experts say', available at http://www.law.unsw.edu.au/news/2018/05/26m-funding-cut-hobble-asic-experts-say

just how stark the asymmetry is. Regulators, when going to court, face opponents with much greater resources, which can dedicate more of these resources to preparing for litigation, and which are able to prolong and delay court proceedings. If there is an expectation that ASIC and APRA should increase their use of expensive litigation against well-resourced opponents, then this demands an increase in their resources.

Table 1.1 – Operating income of regulators and banks, FY2017

Organisation	Income ($m)
APRA[8]	149.0
ASIC[9]	326.4
National Australia Bank[10]	18,024
ANZ[11]	20,489
Westpac[12]	21,802
Commonwealth Bank[13]	25,940

Financial services entities have treated breaching laws and the risk of getting caught as simply the cost of doing business. To deter future misconduct, the Federal Government needs to also empower ASIC with an increased penalties regime. The regulator's compliance and enforcement toolkit also needs to be expanded to better enable ASIC to investigate and take action in instances where the law has been breached. With the right suite of investigation,

[8] APRA Annual Report 2016-2017, p. 83. Available at https://www.apra.gov.au/sites/default/files/apra_annual_report_2016-17_0.pdf

[9] ASIC Annual Report 2016-2017, p.129. Available at https://download.asic.gov.au/media/4527819/annual-report-2016-17-published-26-october-2017-full.pdf

[10] National Australia Bank Annual Financial Report 2017, p. 6. Available at https://capital.nab.com.au/docs/NAB-2017-annual-financial-report.pdf

[11] ANZ 2017 Annual Report, p. 14. Available at https://shareholder.anz.com/sites/default/files/2017_anz_annual_report.pdf

[12] 2017 Westpac Group Annual Report, p.70. Available at https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/2017_Westpac_Annual_Report_Web_ready_&_Bookmarked.pdf

[13] Commonwealth Bank Annual Report 2017, p. 141. Available at https://www.commbank.com.au/content/dam/commbank/about-us/shareholders/pdfs/annual-reports/annual_report_2017_14_aug_2017.pdf

compliance and enforcement powers, coupled with adequate resourcing and high penalties for breach, ASIC will be well-equipped to deal with challenges going forward.

Funding a compensation scheme of last resort

CHOICE maintains that in a properly functioning financial services sector the focus should be on harm prevention and empowering regulators as a first resort. However, when the system fails the sector as a whole should be responsible, through the funding of a last resort compensation scheme, to ensure consumers are not left financially ruined and without remedy. Leadership from the Federal Government is required to establish a compensation scheme of last resort scheme, although ultimately the scheme itself should be funded by industry.

The *Corporations Act 2001* and *National Consumer Credit Protection Act 2009* impose an obligation on licensees to provide compensation to consumers for certain losses incurred. However, there remain circumstances when consumers are left without compensation, typically when financial service entities become insolvent. This risk is heightened in an environment where large financial providers with significant capital holdings move away from the advice sector. Taking their place is likely to be a series of smaller advice businesses who is many cases will not have the resources to compensate consumers for improper advice which leads to loss.
This is best evidenced in the collapse of Dover Financial Services, an entity that arguably folded due to revelations of misconduct made public in their appearance before the Royal Commission. Dover Financial Services had an estimated 40,000 to 50,000 clients.These clients are now not able to access external dispute mechanisms, such as the Australian Financial Complaints Authority. If any of these clients had a complaint against the company, they will struggle to get fair compensation.

CHOICE supports the observations made by the Ramsay Review as to the benefits of a compensation scheme of last resort.[14] The scheme should be designed to ensure it is properly funded by financial firms and capable of compensating consumers in the event of failure. Such a scheme should shift the cost of misconduct away from the community and onto the sectors that are causing harm. An industry funded compensation scheme of last resort will firmly place an economic imperative to lift standards at the board, owner and professional body level of this sector. The Federal Government has an opportunity to throw its support behind this proposal through an announcement in the 2019-20 Budget.

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[14] September 2017, Ramsey Review, Supplementary Final Report – Review of the financial system's external dispute resolution and complaints framework‟, p.41, available at http://192.195.49.161/ConsultationsandReviews/Reviews/2016/Review-intoDispute-Resolution-and-Complaints-Framework/Final-Report

Funding financial counselling and community legal centres

The Federal Government should, in the 2019-20 Federal Budget, establish guaranteed funding for financial counselling and community legal centres. This funding can be established through an industry levy imposed on financial services entities. Investment in financial counselling is important in ensuring there are adequate safeguards to assist and protect vulnerable Australians.

Financial counselling services and community legal centres play a critical role in protecting people when they are facing periods of financial hardship or difficulty. The Financial Services Royal Commission has shown widespread examples of predatory behaviour from financial services entities, including irresponsible lending, selling of useless insurance products, and unfair claims handling. The scale of this misconduct is shocking - hundreds of thousands, if not millions, of Australians have been affected. It is the most vulnerable in society whose lives are most often affected by this exploitative behaviour. As the Royal Commission's Interim Report noted, "when financial problems become acute, consumers can and do seek financial counselling."[15] Despite this, the financial counselling system is struggling to keep up with demand for their services, with calls to the National Debt Helpline (the phone financial counselling service) increasing by 12% in 2017, and 5% in 2018.[16] However, funding for this industry is uncertain and is currently not adequate to meet growing demands.

A well-funded network of financial counsellors will also place downward budgetary pressure on other social services. The Productivity Commission recently evaluated the, 'positive spill-over or flow on effects to the wider community from providing legal assistance services.'[17] These services, which include financial counsellors and community legal centres,

> "prevent or reduce the escalation of legal problems, which in turn can mean reduced costs to the justice system and lower costs to other taxpayer funded services (in areas such as health, housing, and social security payments)."[18]

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[15] Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, Interim Report, p.52
[16] Financial Counselling Australia, 2018, 'FCA welcomes Senate Inquiry into Predatory and Other Lenders', https://www.financialcounsellingaustralia.org.au/Corporate/News/FCA-welcomes-Senate-Inquiry-into-Predatory-and-Oth
[17] Productivity Commission, 2014, *Access to Justice Arrangements Inquiry Report,* p.666.
[18] Ibid, p.666

Funding early-intervention financial counselling will simultaneously strengthen the resilience of the financial system and increase budgetary savings. Further, as the National Association of Community Legal Centres and Financial Counselling Australia recently noted,

> "Financial counsellors and community lawyers are skilled to provide early resolution and heading off matters before they need to be taken to ACFA."[19]

Increased investment in financial counselling will increase the effectiveness of, and reduce demand for, the Australian Financial Complaints Authority (AFCA).

CHOICE strongly supports the introduction of an levy on the financial services industry to fund financial counsellors. This can be achieved either through an increase in the Major Bank Levy or by expanding the existing ASIC funding levy on financial services institutions. This will also result in reduced budgetary pressure on the Federal Government. The entities responsible for widespread misconduct and consumer harm are charged with funding solutions that will assist their customers. This is the current model in the United Kingdom, where financial counselling is funded through a levy on financial services providers. Further, as Financial Rights Legal Centre noted, "financial institutions themselves routinely refer customers with financial hardship issues to community based financial counsellors. Despite this, banks do not currently contribute to the cost of community based financial counselling or community lawyers."[20]

An industry levy will assist in contributing to greater accountability in the sector, and help address the power imbalance that financial services firms have over their customers.

Recommendations 2 - 5

- The Federal Government should allocate appropriate funding in the 2019-20 Federal Budget for a Treasury taskforce to examine and implement the policy reforms proposed by the Banking Royal Commission.
- The Federal Government should increase funding to financial services regulators.
- The Federal Government should support the introduction of a compensation scheme of last resort for the financial sector through a levy on Australian Financial Services License holders, based on risk of consumer harm.

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[19] National Association of Community Legal Centres and Financial Counselling Australia, 2018, submission to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry – Interim Report, p.3

[20] Financial Rights Legal Centre, 2018, submission to the *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry – Interim Report,* https://financialservices.royalcommission.gov.au/Submissions/Documents/interim-report-submissions/POL.9100.0001.1047.pdf

- The Federal Government should establish guaranteed funding for financial counselling and community legal centres. This funding should be established through an industry levy imposed on financial services entities.

3. Ensuring the Consumer Data Right is implemented effectively

CHOICE is strongly supportive of the spirit and the intention of the Consumer Data Right (CDR). The CDR represents a significant, cross-market reform, developed to empower consumers through improved access to their data and increased mobility between products and services.. In order to succeed however, the CDR needs to be implemented in a way that takes the consumer experience into account.

A new system that involves consumers providing more data to third-parties can deliver positive consumer outcomes but it needs to be implemented alongside an effective education program so that consumers understand how to interact with markets in which the CDR operates and what their rights are if anything goes wrong.

A clear disclosure regime that lets people know how their data is used is important, but not enough. Companies must be required to think about consumer protections and the best interests of consumers when they use consumer data. Otherwise, there is a risk that the implementation of the CDR will be used by companies to exploit consumers, rather than foster competition and lead to better products and services for consumers. An education program for businesses that ensures they understand their responsibilities, and for consumers so that they understand their rights, will help to address this. It needs to be coupled with a strong legislative and policy framework, but these processes are underway and less suited to being addressed via the 2019-20 Federal Budget.

CHOICE is concerned that a comprehensive education program for consumers and businesses participating in the CDR has at this stage merely been floated as a possibility, rather than confirmed as a core part of implementing the reform. In order to ensure the CDR achieves its purpose, Treasury should allocate sufficient budget for a consumer and business education program - this needs to be appropriately funded, designed, implemented and evaluated. Special attention should be paid to educating consumers about accredited parties under the CDR, as well as dispute resolution mechanisms that are available to them.

It is also vital that data holders and accredited parties understand their new responsibilities within the CDR regime. Businesses should be encouraged through an education program to proactively inform consumers about their new rights as they relate to the products and services that they're providing them with, and be given access to appropriate tools to assist them with the process.

Recommendation 6

- The Federal Government should provide funding in the Federal Budget 2019-20 to support consumer and business education as a core part of implementing the Consumer Data Right.

4. A fairer and more equitable system for Australians who rent

More people are renting, across broader demographics, with more than 2.6 million Australian households renting their homes.. Nearly 3 in 10 Australians who rent (28%) have previously owned property and moved back into the private rental market.[21] Renting is not necessarily a stepping stone to home ownership, but a housing option available and used at every stage of an Australian's life. This movement from home ownership to renting is most prevalent with older Australians. Almost two thirds (65%) of people who rent at 55 years or above have previously owned property and no longer own it.[22]

Renters across all demographics are under enormous pressure, with the majority (77%) concerned about housing costs.[23]

These concerns are not just due to narrow factors like the cost of buying a home or paying rent, but are in part due to a failure in our legal framework to provide people who rent with the level of consumer protection that we expect in other markets. Recent research conducted by CHOICE and tenants' organisations has found that:

- 68% of Australians who rent are concerned that a request for repairs could mean a rent increase and 44% are concerned a request for repairs could get them evicted from their homes.

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[21] CHOICE, National Shelter and National Association of Tenants' Organisations, December 2018, 'Disrupted: the consumer experience of renting in Australia'.
[22] Ibid.
[23] CHOICE Consumer Pulse January 2018. This data is based on a survey of 1,029 Australian households, Quotas were applied for representations in each age group as well as genders and location to ensure coverage in each state and territory across metropolitan and regional areas. Fieldwork was conducted from the 3rd to 15th of January 2018. Of the overall sample size, 325 respondents identified as renters.

- Nearly 1 in 10 had previously been evicted "without grounds" and nearly 1 in 10 fear they'll be forced to leave their homes in the next 12 months.
- 51% of people who rent are currently living in a home that needs repairs.[24]

The private rental market isn't working well enough for consumers who are struggling to get a fair fix when something goes wrong, to make sellers follow through on promises and get fair security for the provision of this essential service.

In 2019-20 it is past time to address a primary element of housing stress – renters and their concerns. The 2019-20 Federal Budget should set aside funding to investigate options for the development of a national framework for renters' rights, simplifying a system that is currently confusing and inconsistent across States and Territories. The same approach taken with the consumer law reforms that commenced in 2011 resulted in a streamlined, consistent law that is easier to understand and apply. Multiple State and Territory-based laws were replaced with the Australian Consumer Law, and this has resulted in a better system where consumers are more able to assert their rights, and businesses are better aware of their responsibilities. The same approach could be taken in relation to renters' rights, creating a clearer system for renters and homeowners alike.

Recommendation 7

- The Federal Government should support an inquiry into options for addressing problems and inconsistencies in rental laws in a nationally coordinated way.

[24] CHOICE, National Shelter and National Association of Tenants' Organisations, December 2018, 'Disrupted: the consumer experience of renting in Australia'.