

16 December 2015



Residential Tenancies Act Review
Consumer Affairs Victoria
GPO Box 123
MELBOURNE VIC 3001

Dear RTA Review at Fairer Safer Housing,

Residential Tenancies Act Review, Security of Tenure - Issues Paper

The City of Boroondara would like to thank the Victorian Government for the opportunity to comment on the Security of Tenure - Issues Paper for Fairer Safer Housing. We believe that everyone has a right to safe and secure housing, and welcome this commitment to review the Residential Tenancies Act.

We agree that security of tenure is important, as it provides people with the stability to engage in education and employment, and to build a sense of belonging in their local community. Strong security of tenure can support positive social, economic and health outcomes. Individuals who have strong personal and social networks are more likely to have access to information and services, get help in an emergency, feel valued by society, accept diversity and have better health outcomes than those with weaker ties.¹

In Boroondara, security of tenure is particularly important for older adults, people with disabilities, people with mental illnesses, people on low incomes, key workers, and women experiencing domestic violence. Given the shortage of low cost rental housing in the municipality, weak security of tenure can have negative impacts on these groups including the financial and social costs associated with moving, and the loss of connections with family, friends and the community. This may lead to social exclusion, and in some instances, further disadvantage.

Important issues that Council would like consider as part of the review relating to security of tenure are outlined below.

¹ Department of Human Services Practice (DHS) 2003, Victorian Population Health Survey 2002: Selected finding, DHS, as cited in VicHealth 2005.

1) Lease terms

The Residential Tenancies Act currently does not apply to fixed term tenancy agreements exceeding five years, and industry practice is to offer short (6 to 12 month) leases. While some tenants might like a high degree of security of tenure through long (5 to 10 year) leases, we recognise that other tenants may prefer the flexibility of short leases. This allows them to move if their circumstances change, for example if they lose their job, if they get a job in a different location, or decide to cease living in shared accommodation.

We believe long leases could provide greater security of tenure to particular groups such as older adults, people with disabilities, key workers and low-income families. Five to 10 year leases may enable these groups to develop a greater sense of belonging by providing certainty about their schooling, employment and social support networks. For tenants that need to make modifications to their properties to suit their accessibility needs, long leases may be more desirable, as this would allow them to spread the costs of the modifications over a longer period of time.

2) Tenancy terminations

Landlords currently have the right to evict tenants with 120 days' notice if they are terminating the agreement for 'no specified reason'. This can create high levels of stress on low income households, in particular those faced with the expense of moving, finding another affordable property, as well as the potential disconnection from their community. Consultation with local key service providers indicates support for limiting landlords' ability to evict tenants for 'no specified reason', and exploring the impact of abolishing all 'no specified reason' notices to vacate.

We also support the need to explore options or initiatives that could be used to encourage landlords to choose to maintain tenancies rather than issuing a notice to vacate. This issue was also identified for people with a mental illness in the Victorian Government's Next 10-Year Mental Health Strategy Discussion Paper. As people with mental illness are over represented in the homelessness population, it is essential that the review of the Residential Tenancies Act explore the needs of people with mental illness and how landlords can be supported. Improving the tenancies of people with mental illnesses will have positive outcomes on their health and wellbeing and reduce costs on the housing, homelessness and health system.

3) Rents increases

Rent increases currently cannot occur more than once every six months and the landlord must give 60 days' notice of the increase. We are aware that for tenants on low or fixed incomes this can diminish their security of tenure due to uncertainty about whether they will receive a rent increase and the affordability of the increase. Annual rent increases, therefore, would be more appropriate, as they would provide tenants with greater security of tenure by providing certainty for a longer period of time about

their housing costs. Increasing the number of days required for a notice of the rent increase may also be more appropriate, as 60 days' notice is a very short amount of time for tenants to budget for the rent increase or to find alternative affordable accommodation.

4) Repairs, maintenance and modifications

Better guidance regarding repairs, maintenance and modifications of properties is important to support vulnerable members in the community. We are aware that there are residents in the community who live in substandard properties and who do not request property maintenance for fear of jeopardising their security of tenure. We agree that any changes to the regulations relating to repairs, maintenance and in particular modifications would need to be considered in light of risks of discrimination to groups who may be more likely to require modifications, such as people with disabilities and older adults. We also acknowledge that some of these issues might be addressed by exploring the regulations relating to property conditions and standards, which will be addressed through a subsequent issues paper.

5) Rooming houses

Consultation with a local housing provider indicates that the currently prescribed reasons and notice periods to terminate a rooming house resident's residency rights strike the right balance for security of tenure. This is important given that rooming houses provide shared spaces and facilities, which means that the residents' rights to stay in the property must be balanced with the rights of other tenants to enjoy the shared spaces and facilities.

Security of tenure for vulnerable residents, as well as flexible and accessible rental housing options, is important in increasing social diversity and building community capacity.

We look forward to the outcomes from this review and the opportunity to provide comment on further issues papers.

Yours sincerely



Dr Helen Molnar
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