

Submission:

Ray White response to Proposed Tenancies Regulation 2020

November 2019

item	title	proposed regulation	Ray White position
11	Prohibited terms	<p>For the purposes of section 27B(1)(g) of the Act, the following are prescribed prohibited terms —</p> <p>(b) a term that requires the renter to indemnify the residential rental provider for any injury or damage arising from any conduct of the renter or visitor of the renter;</p>	<p>That this term remains a term of the current residential tenancy agreement. A Rental Provider cannot be held accountable for the conduct of a tenant or their visitors. They are not present and have no practical control over the actions of others. This proposal is unfair and does not achieve its objectives as it is reasonable to expect a renter to indemnify a rental provider for damage, loss, injury or death caused by or within the control of a renter or arising from the renter breaching the rental agreement.</p>
15	Information which residential rental provider must not require rental applicant to disclose	<p>For the purposes of section 30C of the Act, the following information is prescribed—</p> <p>(a) whether the applicant has previously taken legal action or has had a dispute with a residential rental provider, rooming house operator, caravan owner, caravan park owner, site owner or SDA provider;</p>	<p>This proposal does not achieve its objectives and makes it more difficult for a rental provider to assess an applicant's suitability. It is likely to adversely impact the rental market because rental providers will be less likely to offer their properties for rent and less likely to offer a renter a long term lease.</p> <p>The only means a rental provider has to currently understand whether the prospective tenant can (i)</p>

		<p>(b) the applicant's rental bond history, including whether the applicant has ever had a claim made on their bond;</p> <p>(c) a passport, if alternative proof of identification is provided;</p> <p>(d) a statement from a credit or bank account which has not been redacted;</p> <p>(e) details of the applicant's nationality or residency status, if this information is not required to assess eligibility for public housing or community housing</p>	<p>afford the rent and (ii) have the ability to maintain the property are by collecting the information in (a), (b), (c) and (e) that this proposal intends to prohibit.</p> <p>The rental provider must have a means to review the suitability of a tenant for their investment property as in most cases (seeking statistic from LM) the property will be mortgaged to secure a loan used to fund its purchase and they will be permanently disadvantaged if they are unable to meet this financial commitment.</p>
28	Modifications for which residential rental provider must not unreasonably refuse consent	<p>The renter can make some modifications without seeking the rental provider's consent and in other cases consent cannot be unreasonably refused. These modifications are listed on pages (ix) and (x) of the Regulatory Impact Statement.</p> <p>The renter:</p> <ul style="list-style-type: none"> · must seek the rental provider's consent before installing any other fixtures or additions; <p>can apply to VCAT if they believe that the rental</p>	<p>Sec 64 (2) (a) of the RTA VIC 1997 states a tenant must restore the property to the condition it was in prior to the tenancy and that this must be completed prior to the end of the tenancy.</p> <p>We do not oppose that the tenant can make minor alterations without the rental providers consent however must include terms to protect the landlord from the loss of value of their property investment.</p> <p>Therefore, remedial works</p>

		<p>provider has unreasonably refused consent for a modification mentioned in the Act;</p> <ul style="list-style-type: none"> at the end of the agreement, must restore the premises to the condition it was in before they moved in (excluding fair wear and tear). This includes removing all modifications. 	<p>should be required before the tenant returns possession of the property, not after. If the works occur after, the rental provider will endure a loss of rental income and be unable to minimise the risk of vacancy.</p>
35	<p>Compensation</p> <ul style="list-style-type: none"> Sale Inspections 	<p>For the purposes of section 86(2A)(c) of the Act, the prescribed compensation for each sales inspection is an amount that is equal to one half of the daily amount of rent payable under the residential rental agreement per inspection.</p>	Agree
32 and item 28 of Schedule 1	Urgent repairs	<p>Urgent repairs include failure or breakdown of any essential service or appliance provided for hot water, cooking, heating or laundering supplied by the rental provider.</p> <p>A renter may arrange for urgent repairs to be done if the renter has taken reasonable steps to arrange for the rental provider to immediately do the repairs and the</p>	<p>S.72 2 (a) currently requires the tenant to provide written notice to the landlord of the cost of the repair.</p> <p>As the proposed changes increase the statutory limit from \$1800 to \$2500, the rental provider must be provided with the original invoice for the works undertaken to provide for warranty purposes, taxation purposes inline with ATO requirements for property investors and the current legislation provides for this.</p>

		<p>residential provider has not carried out the repairs.</p> <p>If the renter has arranged for urgent repairs, the renter may be reimbursed directly by the rental provider for the reasonable cost of repairs up to \$2,500.</p> <p>The renter may apply to VCAT for an order requiring the rental provider to carry out urgent repairs if:</p> <ul style="list-style-type: none"> a) the renter cannot meet the cost of the repairs; or b) the cost of repairs is more than \$2,500; or c) the rental provider refuses to pay the cost of repairs if it is carried out by the renter. 	<p>We agree an increase is warranted but the rental provider should remain protected as a property investor.</p>
<p>Item 29 of Schedule 1</p>	<p>Non Urgent Repairs</p>	<p>The renter must notify the rental provider as soon as practicable of:</p> <ul style="list-style-type: none"> · damage to the premises; and · breakdown of facilities, fixtures, furniture or equipment supplied by the rental provider. <p>The rental provider must carry out non-urgent repairs in a reasonable time.</p>	<p>Terms like 'reasonable' and 'as soon as practicable' have proven over time to be open to interpretation by the renting industry. As maintenance and repairs are amongst the most contentious of issues for current tenants and landlords, we recommend that renters be required to notify rental providers within a time period of seven days if there is damage to the premises or A breakdown of facilities,</p>

		<p>The renter can apply to VCAT for an order requiring the rental provider to do the repairs if the rental provider has not carried out the repairs within 14 days after receiving notice.</p>	<p>fixtures, furniture or equipment supplied by the rental provider.</p> <p>As the occupant of the property, it is renter's obligation to mitigate the risk of the rental provider and without a time frame specified for reporting the above, it is difficult to see that a rental provider can reply upon the proposed term.</p> <p>Our recommendation is for a seven day period to be adhered to by the renter for the reporting of the above.</p>
<p>Item 30 of Schedule 1</p>	<p>Assignment or sub-letting</p>	<p>The renter must not assign (transfer to another person) or sub-let the whole or any part of the premises without the written consent of the rental provider.</p> <p>The rental provider:</p> <ul style="list-style-type: none"> · cannot unreasonably withhold consent to assign or sublet the premises; and · must not demand or receive a fee or payment for consent, other than the reasonable cost to prepare a revised written agreement. 	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. The Rental Provider can require the renter to submit a Transfer of Bond form with the Rental Bond Authority within seven days of the change in tenancy, listing the new tenant and removing the vacating tenant from the premises. 2. The Rental Provider can refuse consent on the basis that the additional renter would exceed the amount of approved renters named of the schedule of tenancy agreement.

<p>Item 33 of Schedule 1</p>	<p>Pets</p>	<p>The renter must seek consent from the rental provider before keeping a pet on the premises.</p> <p>The rental provider must not unreasonably refuse a request to keep a pet.</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. Where a renter has a Pet living at the property they are required to provide written advice in advance of the Pet moving into the property for the type, breed and age of the pet 2. Where a renter has a Pet or Pets living in the premises the renter is required to professionally dry or steam clean all carpets, drapes and curtains upon vacating the premises. 3. Where the renter has a Pet or Pets living in the premises, the renter is required to professional fumigate the property upon vacating the premises. 4. A renter is limited to no more than two pets living in the premises without the written consent of the rental provider.
<p>Item 26 of Schedule 1</p>	<p>Locks</p>	<p>Single Action deadlock</p>	<p>Oppose on the grounds are deadlocks provide safety for tenants and the cost is exuberant and unnecessary to place upon landlords.</p>

