

PREAMBLE

The Individual Housing Providers’ Association Inc (IHP) is an association formed to be an active participant in housing, as the views of the providers of housings were frankly absent from the discussion to date. Some tenants are represented by the Tenants Union, agents are well represented by the REIV, and yet the providers of the housing have no organised voice in Victoria. There are existing property associations, yet housings providers like myself and those who are member’s, felt a more specific body, was needed to complement their work. We do not support the use of the label - “landlord” as we are *individual housing providers* - or in contractual terms the lessor. We are not collective housing providers or corporate housing providers.

Similar to any industry body, as an active participant in the development of public policy, our goals are to:

- Advocate on behalf of individual housing providers;
- Research into housing matters relevant to our members;
- Educate individual housing providers into legislation, economics and best practices; and
- Support individual housing providers.

We are more focussed on developing along the lines of the NZ Property Owners Association, the two comparable UK organisations, along with the well-established interstate bodies in Queensland since 1916 and also in South Australia.

Being an IHP should not a matter of life or death, and in 2014 where a landlord was murdered during a dispute with a tenant in Noble Park, Victoria it was major catalyst to the creation of this organisation by its founders.

Hence we incorporated in 2015, and are already facing four significant reviews:

- Residential Tenancies Act amendments : www.fairersaferhousing.vic.gov.au/
- Local Government rates capping see : www.esc.vic.gov.au/
- Regulatory reforms to limit organised crime in lawful occupations : www.lawreform.vic.gov.au/
- Local Government Act Review : www.yourcouncilyourcommunity.vic.gov.au

As individuals providing housing we are proud to support the dramatic growth in the population, support labour mobility when employer provided housing is absent, and contribute in the goal of what makes a city great or liveable and how communities work well.

Our Mission

Similar to any industry body, we see our mission to be an active participant in the development of public policy concerning housing. Our continuing goals are to:

Goal	Theme	Activities on behalf of IHP
Advocate	To be the trusted voice for IHP, sought out by other industry participants over the long-term. (by year :2035-2045)	Be known to all participants as the reasonable voice, on the long term interests. Submissions like this as well as to the other key state inquiries. To participate on relevant bodies eg Estate Agent Council. Respond to media inquiries where appropriate.
Research	To produce and publish quality research in to IHP and related matters.	To be the thought leader about what makes great cities, and how IHP are a participant in this.
Educate	To be the first place that IHP hear of new legislation and any other issues that they should be aware	To engage with IHP around changing what you know as owner occupier, into the managing property, through a Certificate 3 or 4 TAFE course.
Support	To be the trusted partner of IHP to respond to their questions, concerns and inquiries.	To be the first point of call for advice and information concerning any issue an IHP may have state-wide.

Organisations we support

Category	Selected partner
Electronic Bill payment	BPAY and BPAY view are our prefer partner for bill presentation, bill payment and invoicing.
Finance, insurance, deposits	NAB and NAB insurance from Allianz are the preferred partner for deposits, loans and insurance. NAB support is also via the NAB Village Docklands.
Managing Agents	We encourage our members to make use of a REIV member agent, or to ask the REIV to nominate an agent if they do not know of one locally.
Trustee & guardianship	We are still awaiting a partner to select.
Hardware and Garden	We ask members to support Masters in store or online via <i>Click and Collect</i> for all their house and garden needs.
Landscaping	We ask members to support Victorian Indigenous Nursery Inc. all their landscaping needs.
Interior furnishings	We ask members to support Lincraft for all their housing interior needs
Charity	We ask members to support Birds Australia as we are share our longstanding interest in the land, and the surrounding trees and habitat.

Future updates on our activities for members and community are available from www.twitter.com/IHPvicInc
About IHP.

Over the long term the growth in IHP has been steady, yet there is no dedicated training course to skill up the sector.

Year	1982/3	1992/3	2002/3	2012/13	2013/14
Proportion of taxpayers who declare rent.	<6%	<10%	13%	15% (1.944 million taxpayers nationally)	Decline 1 st time in 19 years

The recent decline in landlords is concerning as the data lags due to it being from ATO returns.

Each year in Victoria, more than 637 585 individual housing providers:

- Paid \$487.5 million in council rates;
- Paid \$171.7 million in land tax (total government charges was over \$659 million);
- Paid \$249.3 million in water changes;
- Paid \$278 million in Owners Corporation fees;
- Paid \$531 million employing cleaning, gardening and repairs/maintenance work

as they managed \$423 billion of Victorian housing assets.

The residential housing sector has one of the highest levels of compliance with compulsory lodgement of Bonds, the majority of tenancies are Agent managed with all rent being paid to bank accounts, and all tenancies agreements dating back to 1985 are provided to the ATO along with property purchase / sale records. Housing providers are a key part of their successful culture of end to end compliance.

INDUSTRY DEVELOPMENT - Victoria Property Funds

At the same time we saw \$59.6 million in proceeds from the Victoria Property Funds are rarely being invested back into the suppliers to the industry, the IHP. The fund saw the following allocation made 2012-2015.

For 2012-2015	Social Housing	Industry Training (\$0 to IHP)	Policy Development	Other
Allocation	\$53,965,000 91%	\$719,671 1%	\$2,598,464 4%	\$2,255,454 4%

Note \$85 000 remains unreported from 2014/2015 grants approved of \$22,022,671- with only \$21 937 671 detailed.

The real opportunity is for the level of education of IHP to rise through an effective industry association. The greater the education of IHP, the greater the capacity of rental properties to be:

- more water efficient;
- more resistant to adverse weather and community emergencies
- more resilient to longer term climate change;
- fewer vacant homes, and great housing utilisation in the community; and
- creating a more vibrant community and contributing to what make cities great.

QUESTIONS TO ADDRESS BY THE SUBMISSION

Rental Housing supply remains in a delicate balance. Whether you consider the vacancy rate, or other statistics The presence of a Federal Tax review and recent comments by the Prime Minister (April 2016) to rule out changes to negative gearing has created awareness of how both federal and state government policy is a major determinant of investor confidence. There is a need for the rental industry to know that change is an incremental process, otherwise dramatic change will see investors on the back of substantial gains, simply choose to leave the industry. As an association we are neutral to investors staying or exiting as its solely their decision.

A -Pre-tenancy (questions 1 – 13)

Q10 Rating landlords and RE Agents.

Tenants remain free to do so, though we note the efforts of the Tenants Union to recently create an similar app wasn't support by the community. It should not be funded by government or the Vcitoria Property Fund.

Q13 Common Form

The usage of a common form should be developed more actively with Agents in mind, as 80% of landlords use agents. The landlord detail should not be provided by the Agent to the tenant in future usage. The very recent death of a landlord in Noble Park is reason to approach this topic with greater caution, and respect the majority of those landlord that make use agents, as the first point of call.

B- During tenancy (questions 14 – 26)

Q21 Pets

Landlords remain able to decide what terms they rent their property to including the presence of absence of pets. This remains solely a decision for landlords.

Q24 AirBnB and Sub-letting

Landlords remain able to decide what terms they rent their property to including sub-letting and accommodation sharing sites such as AirBnB.

Running a short-stay accommodation business falls within s74 of the Public Health & Wellbeing Act 2008 as prescribed accommodation and registration should be solely the decision of the landlord.

It really is an issue of tenant awareness of the fact how Victorian legislation well covers this already.

C- Post tenancy (questions 27 onwards) and other matters.

Q27 Offer of accommodation from social housing to provide a new a reason to break leases

This could create an loophole where tenants can break leases by presenting an offer, yet not following through on it. This would be a unwarranted development, as every lease has a term or notice to it.

Domestic violence

The organising of new keys should create a mandatory obligation of the tenants to provide two sets the agent within 2 days of it occurring. For a tenant to reset locks without a corresponding obligation by the tenant to provide them to the REA and landlord in a timely manner remains naïve.

FURTHER SUBMISSION ON OTHER TOPICS:

Negative gearing

Negative gearing is a large part of any new investment, and housing is no different. After the debt has been amortised, the asset becomes positive geared, and eventually debt free, most commonly in the owners retirement years, providing a secure income. This well established cycle has been upset by 2016.

In 2016, we have seen major political parties take different policy approaches to the future of negative gearing, prior to an election. Nonetheless the environment now has more doubt that the negative gearing topic will oscillate between the two parties during the life of each government. The end result, will be the long periods of certainty investors have experienced as the "norm" are well over and so investors simply may well find housing too difficult an investment asset class for negative gearing, resulting in fewer properties for rent each year as the pool reduces without new landlords entering.

There are a lot of shrill and misinformed commentators speculating about negative gearing. As the Prime Minister recently reaffirmed, that it remains a key part of the economy and whether it is for housing or other investments. Further, it is not a substantive part of the Federal Tax review. It remains a key part of the global economy as a key business principle.