



# Action for More Independence & Dignity in Accommodation

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*Advocacy, Self Advocacy, Rights, Accessibility, & Community Living for People with a Disability*

## **Submission Residential Tenancies Act Review Rent, bonds and other charges April, 2016**

AMIDA (Action for More Independence & Dignity in Accommodation) is an independent advocacy organisation which advocates for good housing for people with disability. We provide advocacy to individuals, with priority given to people with an intellectual disability, and advocate for change in systems which prevent people from achieving good housing.

AMIDA acknowledges that people with disability have a right to a choice of who they live with and where they live. Further, people with disability have a right to good quality housing which is accessible, affordable and non-institutional. People with disability have a right to live in the community with access to support to participate and have a good quality of life.

AMIDA strongly supports the United Nations Convention on the Rights of Persons with a Disability and works to assert these rights and community inclusion for people with a disability and supports people with disability as valued members of our community. AMIDA recognises that people with disability contribute to and develop our community.

With this background and experience, we submit the following on Review of the Residential Tenancies Act - Rent, bonds and other charges:

### **Bonds**

1. AMIDA's experience is that it is sometimes difficult to retrieve the bond from a landlord, or that it takes more time than it should. The landlord is required to lodge the bond with Residential Tenancies Bond Authority within 10 days of receiving it. The same time frame should be adhered at the end of the tenancy.

2. Although bonds are not compulsory and one month's rent is the maximum that can be required, people on low incomes are greatly disadvantaged by this. They may only be able to raise 2 weeks rent in advance let alone an extra two weeks as a bond. This needs to be taken into consideration. The example of Ontario, Canada not allowing any security deposit should be noted.
3. As landlords have the opportunity to take out landlords insurance, and would be wise to do so, this seems to negate the need for a bond at the start of a tenancy, or at least could be used to keep the bond at a lower rate.
4. The idea that the landlord should also take out a bond to ensure that they keep to the agreement to provide urgent repairs to the property seems just. Our experience is that often landlords are reluctant, or tardy in providing maintenance to their properties. Tenants having to apply to VCAT for something that is clearly covered in the RTA, is an action that should not be necessary.
5. Like the TUV, we are concerned about landlords applying to retain bonds. There needs to be a discussion between landlord and tenant, or the tenant does not have the opportunity to put his side of the argument.
6. Of concern to us is the extensions provided by VCAT to landlords beyond the ten business days allowed to claim against the bond, prompt return of part bond to tenant and also delay in distributing a disputed bond at the conclusion of a tenancy. This can cause people on low incomes great distress and hardship and also affect their ability to attain new accommodation, therefore resulting in homelessness. This is of particular concern to people with a disability requiring access to their bond to secure accessible accommodation which is scarce.

## **Rent**

1. As mentioned above, for people on low incomes the need to pay rent in advance together with a bond can be a hardship. This needs to be taken into account when setting rents and bonds at the beginning of a tenancy. It should be acknowledged that people on low incomes can be good tenants.
2. It is AMIDA's experience that sometimes the landlord appears to wish to remove a tenant, and they make a rent increase that puts the property out of the reach of the current tenant. If the rent should be 'fair, and not excessive or extortionate so as to cause hardship to tenants and undermine security of tenure' at the beginning of a tenancy, perhaps a limit in increases to rent should be set.

3. Late payment of rent should not be acted upon immediately with the issue of a 14 day notice to vacate. The first step should be that the tenant is given the opportunity to pay the rent. The example given in the Issues Paper of South Australian landlords being able to issue a written notice to remedy the breach within 7 days demonstrates this approach, but could then be followed by the notice to vacate and then the application for an order to repossess the property.
4. The Issues paper points out that rental bidding and auctions could have a disproportionate impact on disadvantaged tenants. AMIDA would say that they do, not they could have.
5. AMIDA agrees with TUV that 'the Act should prohibit rental bidding and auctions to ensure applicants can rely on the advertised price when seeking a rental property'.
6. The Issues Paper discusses rent increases and the 'importance to balance the interests of landlords and tenants in regulating how rent can be increased. If regulation limits landlords' ability to seek to make a return on their investment, this may discourage supply of rental properties'. AMIDA's response would be that the reduction of investment in public housing resulting in this reliance on private investors is unworkable. If the aim is for people to have access to affordable housing, the government must return to its investment in public housing. Reliance on private investors and speculators, and 'community housing' projects which house only a percentage of people on low incomes, is failing. Waiting lists for public housing, and community housing, continue to grow and demand for housing increases the rent. When the market needs adjustment it is important governments pull the correct lever. Allowing rent increases to stimulate supply will only meet the demand of the section of the market who can afford it. The lack of supply is actually at the bottom end of the market and supply of affordable housing is what is required of government to address this.
7. The notice period for rent increases should not decrease. Rent should not increase more frequently than yearly - this gives tenants security, and allows them to budget properly knowing their costs over the year.
8. In reference to late payment of rent and the REIV suggestions that 'notice to vacate should be permitted after 7 days with ability to lodge a claim in VCAT for costs such as interest and bank fees and charges', AMIDA would argue that running a business requires insurance and careful budgeting to allow for instances such as late rental payments. Business budgets should not be quite so tight - they should allow for some flexibility. Also changes to Australia Post in 2016 have meant rent posted could take up to 6 days to arrive and if an

Agent spends a day processing it, 7 days may have passed. These changes must be considered as it could result in Notice to vacate being issued despite rent being sent.

9. Any sort of holding deposit will disadvantage low income people and people with disability who have other costs such as wheelchairs and other aids and equipment.
10. In relation to third-party 'rent collectors' - AMIDA considers that people should be offered the option of paying their own rent or having direct debit from their bank account or using Centrepay. No-one should be 'required' to hand over their banking details to a landlord or third party. AMIDA agrees with TUV that 'at least one free method of paying rent be prescribed'. Landlords should pay their own administration costs.

In conclusion AMIDA seeks to ensure that people with disability are not disadvantaged by any processes which have been set up. In addition we see the need to improve the Act so people with disability have equal access to well maintained, affordable housing.

We see that the major difficulties in the rent, bonds and charges area of RTA are the need for a bond, even two weeks can be difficult for some people. We also consider that the reluctance of landlords to provide maintenance quickly is an ongoing issue. We certainly consider that tenants should not be charged to pay their rent.