



Winter 2009

The Rent Rant

Newsletter of the Tenants' Union of Tasmania Inc

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Bonds to be held by government authority from July.

Most Tasmanian residential tenants will no longer have their bonds held by the landlord or agent following the creation of the Rental Deposit Authority (RDA), a government body introduced to independently hold bonds.

Tasmania is the last state to introduce a government bond authority, some twenty years after the Tenants' Union called for one to be established to redress the imbalance that favoured landlords in bond disputes.

The new system will ensure bonds are quickly dispersed because the money is held independently. Previously bonds could be impossible to recover from interstate landlords, defaulting mortgagees and owners that used the bond on things such as repairs.

The establishment of the RDA is a plus for government too, with the interest received on tenants'

deposits set to exceed the set-up costs and ongoing expenses of its running.

From July 1 2009, all new bonds must be lodged with the RDA and renewed leases must transfer their bonds to the RDA as they fall due.

The bonds can be lodged with the agent if they are registered with the RDA, otherwise the tenant must lodge the bond with *Service Tasmania* and then present a receipt to the landlord before gaining the keys to the property.

The Tenants' Union has asked that post offices also be included in the network of bond drop off points on the West and East Coasts where there are few branches of *Service Tasmania*.

The Tenants' Union is also concerned that contact with the RDA may be a struggle for people with English language difficulties and has called for extra resources to help tenants with the transition to the new system.



Poster for the new
Rental Deposit Authority

Tenants hit hard by changes to water and sewerage in Tasmania

Tenants will be amongst the hardest hit by the changes to water and sewerage charges starting on July 1st. Under the new scheme, water services have been taken away from individual local governments and are now managed by three regional water corporations.

Whereas before many local governments rolled water charges into rates, now water will be billed separately throughout Tasmania.

The net result will be higher charges for most Tasmanians as most council's rates will fall by less than the new water charges. Indeed in the South, Kingborough Council has increased rates by 4% for the next financial year despite relinquishing their water and sewerage services.

Initially, charges are expected to rise by up to 10%, while other billing arrangements will remain the same for most properties. In cases where the landlord still receives the bill and there is no water meter, increased charges are expected to be passed onto the tenant through higher rent.

From July 1 2010 tenants will be billed directly for water, in the same way as electricity. Many of these tenants will receive a double slug of increases via higher rent initially, then user-pays charging in 2010.

As another possible disadvantage, it is uncertain whether tenants who qualify for concession rates will be able to claim cheaper rates if the bill is in the landlord's name.

In addition, the user-pays system places a disproportionate burden upon low-income earners and the TU is concerned about inequalities resulting from this new system. Questions the TU would like to see answered by State Government include:

Will tenants pay for water when leases demand regularly watered gardens?

Why should tenants pay extra bills for inefficient or leaking systems that are the responsibility of the landlord?

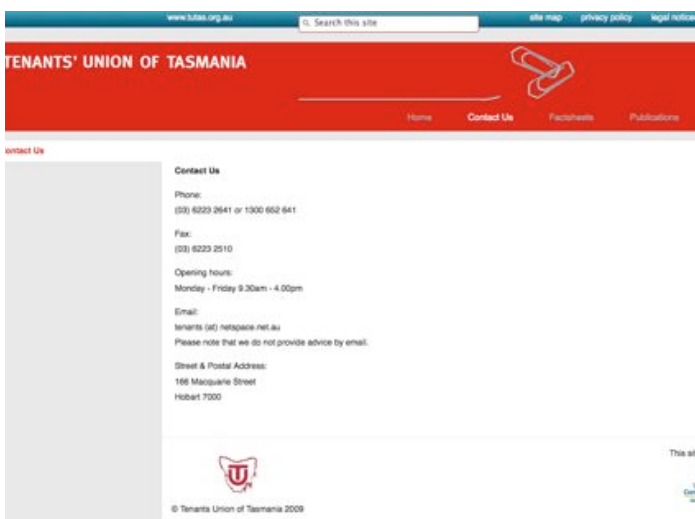
Should larger households get a greater amount of 'free' water than smaller households?

Are user-pays systems as effective in reducing water consumption as water restrictions? And will high-income earners change their patterns of consumption?

New TV ad and website coming soon

Production is nearly complete for the new Tenants' Union television advertisement to be screened from August.

Also, our website is being revamped and will be fully functional by the end of the year. It will feature more information that will be easier to access and it will be far spunkier.



Screenshot of the new website to be launched later this year

Tenants' Union welcomes discussion paper on Tasmania's Residential Tenancy Act

The Minister for Consumer Protection, Lisa Singh has recently declared that she will be releasing a discussion paper to consider amendments to the *Residential Tenancy Act* 1997.

Ms Singh has said that there is a need to examine a number of issues with regard to the operation of the Act and that she is "always looking for ways to strengthen and improve the way renters' rights can be realised".

The Tenants' Union has been calling for an overhaul of the Act for many years and has been anticipating some action after a Legislative Council Select Committee on housing recommended a review of the Act last year. This will go at least some way in airing major deficiencies in Tasmania's residential tenancy legislation.

Ms Singh has said the discussion paper would canvass issues such as unreasonable rent increases, repairs, databases, housing standards, and rent bidding.

To preempt the Tenants' Union submission to the discussion paper here are three of many amendments to the Act that would ameliorate the worse aspects of being a tenant in Tasmania.

1. Adequate housing standards for all residential dwellings

Presently, the Act only requires the landlord

to maintain the premises at the same level as when the tenant moved in, apart from wear and tear. The Tenants' Union wants legislated housing standards that ensure healthy, efficient housing for all Tasmanians, with resources to ensure that landlords comply with the legislation.

2. An end to 'no grounds' evictions

At the end of a lease a landlord can unilaterally decide to evict a tenant with as little as 14 days notice without reason. Tenants should be protected by legislation to ensure that if they are complying with the lease then they should be able to stay there. For evictions due to major renovations, bank foreclosures and the like, the notice period should be extended to 90 days.

3. Cap mid-lease rent increases

During leases, rents should only rise by a maximum of the CPI every twelve months. If a landlord requires an increase beyond this, then they must prove it is reasonable before a court or tribunal.

The Union intends to discuss these and many other changes in their submission. To see previous reports and submissions on the housing issues visit the Tenants' Union website (www.tutas.org.au) and look under Newsletters or Publications.

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We're on the Web!

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Quick News, Views

The TU was recently on the East Coast providing information and advice on tenancy matters. We thank the St. Helens Library and Scottsdale Salvo Shop for allowing us to hold our stall at their premises.

We are eager to provide information to the rural and regional parts of Tasmania, so if you're in the North-west or West Coast regions and think your organisation or citizens could benefit from community legal education relating to tenancy please give us a call or email.

If landlords pass on higher water charges through higher rents don't forget to ask if they will be passing on the lower interest rate repayments to you as well. Average variable housing loan repayments have fallen by over \$100 per week since September last year yet there have been few mid-lease rent reductions reported to the TU.

Rent Increase Scoreboard

The TU is trying to get legislation amended to prevent excessive rent increases during the term of a lease.

Presently, if your lease allows for a rent increase there is no limit to the increase as long as the rent does not exceed "the general level of rents for comparable residential premises in the locality or a similar locality".

Some of the more extraordinary rent increases reported to the TU recently include:

Moonah: from \$160 to \$275
Derwent Park: from \$160 to \$225
West Hobart: from \$350 to \$500
Warrane: from \$175 to \$270

Remember, if a landlord or agent tries to increase your rent mid-lease under a fixed lease, it must be written in your lease that they can do so, and usually they must give 60 days written notice.

Our Staff

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With thanks to Bernie Reade and Kat Layne