

Running a better rooming house:

*A best practice handbook
for operators*

*Third edition (2014) – including information on
student accommodation rooming houses*



Produced by the

Registered Accommodation Association of Victoria.

Introduction

About this handbook

Running a better rooming house is produced by the Registered Accommodation Association of Victoria (RAAV). You should read this handbook in conjunction with *Rooming houses: A guide for residents and operators*, which explains your legal obligations as a rooming house operator. Print copies of this guide are available from Consumer Affairs Victoria and RAAV or for download online at raav.org.au or consumer.vic.gov.au/forms.

Who is this handbook for?

This handbook is for existing owners and operators of private rooming houses, and those who are thinking of starting a rooming house.

An **owner** owns the building where the rooming house is located, while an **operator** manages its day-to-day running. This handbook generally refers to 'operators', which, in this context, also covers 'owners'.

The purpose of this handbook is to:

- help you improve your rooming house operations
- encourage you to review your social and legal obligations
- raise standards within the private rooming house sector
- provide an incentive to increase the number of registered rooming houses in Victoria.

Why should you implement best practice?

The benefits of having best practice in your rooming house include:

- improving the image of your property
- improving the health and wellbeing of your residents
- increasing your profits
- setting you apart from other rooming house operators who do not use best practice principles.

About the Registered Accommodation Association of Victoria

The Registered Accommodation Association of Victoria (RAAV) comprises rooming house operators who aim to raise the standards and image of private rooming houses. RAAV can assist its members with good business conduct, meeting legal obligations, the wellbeing of rooming house residents, website support and accessing a range of services.

RAAV is a forum which assists meeting the needs of low income residents seeking accommodation.

RAAV represents the views of members and the private rooming house sector to Government and is a central communications base on key issues that impact on private rooming houses.

Contact RAAV for more information:

e: info@raav.org.au

w: raav.org.au

t: 0412 008 996

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The willingness of RAAV's members and other rooming house operators to share real-life examples of their best practice is also appreciated. The names of operators have been changed for privacy reasons. Please note you can visit raav.org.au to read more examples of operators' experiences.

Funding of *Running a better rooming house* was provided by the Residential Tenancies Fund, on the approval of Consumer Affairs Victoria.

Disclaimer

All care has been taken in preparing *Running a better rooming house*. However, RAAV will not accept responsibility for any action you may take as a result of the information provided in this document. This handbook contains general information and is not a substitute for professional legal or business advice relating to your particular circumstances. RAAV recommends you consult a solicitor, accountant and/or business adviser before acting on the information contained in this document.

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1. Understanding rooming houses

What is a rooming house?

Under the *Residential Tenancies Act 1997*, a rooming house is a building where:

- one or more rooms is available for rent, and
- the total number of people who may occupy those rooms is four or more.

Also, in most rooming houses:

- residents have shared access to bathrooms, kitchens, laundries and living areas
- the owner and their family generally do not live on the premises
- different rental agreements are likely to exist for different residents.

Sometimes it can be difficult trying to work out if you are operating a rooming house or other type of accommodation. If you have any doubt, contact your local council.

Different types of rooming houses

There are different types of rooming houses, such as **community rooming houses**, which are not-for-profit and funded by the government. This handbook is for **private rooming house operators**, who operate rooming houses for profit.

The Building Regulations 2006 distinguish between ‘small’ rooming houses (Class 1b) and ‘large’ rooming houses (Class 3). Class 1b rooming houses have up to 12 occupants and a total floor space of not more than 300m²; Class 3 rooming houses have more than 12 occupants and a floor space of more than 300m².

The difference between Class 1b and Class 3 rooming houses is important, as it affects your obligations, such as fire safety standards and other requirements. *Rooming houses: A guide for residents and operators* has more information; you can also contact your local council.

Your obligations

If you do not meet your legal obligations, you face penalties from Consumer Affairs Victoria or your local council, including large fines and/or legal action. You also risk losing your insurance. Therefore, you must take your responsibilities seriously.

Your legal responsibilities are covered in *Rooming houses: A guide for residents and operators*, while all Victorian laws governing rooming houses may be viewed at legislation.vic.gov.au.

Registering your rooming house

One of your most important obligations is to register your rooming house with the local council. You face large penalties or closure of your rooming house if you do not register.

Contact details for your local council are online at localgovernment.vic.gov.au, in your local phone directory or at your local library.

The benefits of registering your rooming house include:

- proof that you are complying with the law and that your performance is monitored regularly by the local council
- access to benefits such as land tax exemptions, if applicable
- having CentrePay transfer residents’ rent into your bank account
- improving the public image of your rooming house
- helping your case in any hearing at the Victorian Civil and Administrative Tribunal.

Consumer Affairs Victoria, local councils and RAAV conduct information sessions that include the steps to becoming registered, as well as other issues affecting rooming houses.

While councils do not have a set procedure for approving rooming houses, they can tell you what you need to do to comply with legal obligations, council’s town planning laws and other requirements.

Using residential tenancy agreements

Some rooming house operators ask residents to sign a formal tenancy agreement (lease). A tenancy agreement allows the operator to customise their arrangement with residents. If a resident signs a tenancy agreement, they are then considered a 'tenant' under the law, and this means your and their legal obligations change.

A model residential tenancy agreement, which includes the responsibilities of landlords and tenants, is available from Consumer Affairs Victoria.

For more information:

- visit consumer.vic.gov.au/renting
- download the guide *Renting a home: A guide for tenants* and the Residential tenancy agreement from consumer.vic.gov.au/forms.

Bonds

While you do not have to take a bond from residents, it is usually the accepted practice.

A rooming house resident's bond cannot be more than the equivalent of 14 days' rent.

If you take a bond, you must:

1. within two weeks of receiving the bond, lodge it with the Residential Tenancies Bond Authority (RTBA) using the prescribed form available from rtba.vic.gov.au
2. give the resident a copy of the bond lodgement form
3. give the resident two copies of a signed condition report before they move in. If the tenant or resident agrees with the contents of the condition report, they must also sign and give you a signed copy of it. For more information on condition reports, see consumervic.gov.au/renting.

Planning permits

Each council has its own town planning laws. You may need a planning permit for the use or construction of buildings, although there are exemptions if you meet certain requirements – for example, if your rooming house provides crisis accommodation or for shared housing, which is a growing requirement in the rooming house sector.

For more information, you can read the fact sheet 'Keeping it legal' on RAAV's website: raav.org.au. You can also find the planning schemes of every Victorian municipality at dse.vic.gov.au/planningschemes.

It is up to you to ensure you comply with your local council's regulations. It may take many meetings before you get council support and approval although the process will be easier the more information you have about what you must do to comply.

Complete all paperwork before your first meeting with council and be prepared to negotiate your way through the approval process.

2. The business of running a rooming house

Planning for long-term success

The long-term success of operating rooming houses requires taking a sound commercial approach; this will reduce the chances of you making quick or poor decisions.

This is especially important if you do not have much experience operating a rooming house.

Do your research

Before starting up or expanding your rooming house, ask yourself some basic questions:

- Is my rooming house a Class 1b or Class 3 – what are my obligations under each type?
- Is there demand for this type of property in the proposed location?
- Is my rooming house close to services such as public transport, supermarkets, laundromats (if there is no washing machine in the rooming house) and banks?
- How will my neighbours react to having a rooming house close by?

Your rooming house should reflect the needs of the residents who live there.

Land tax

If you provide accommodation to mainly low-income residents, you may be exempt from paying land tax under the *Land Tax Act 2005*.

For more information, contact the State Revenue Office:

w: sro.vic.gov.au

t: 13 21 61

Developing a business plan

A business plan is a statement that sets out your business goals and how you will achieve them; review your business plan regularly.

Many small businesses avoid developing a business plan due to lack of finances and business connections or think the document is unnecessary to running their business. A business plan is important because it will help you plan and successfully manage your rooming house.

A business plan also shows financial institutions, councils and other organisations that you have analysed your business and have planned for its ongoing success.

The contents of a business plan may include:

- a brief description and history about the person or company operating the rooming house
- the location, class of rooming house, and unique aspects of its operations
- council approval(s) obtained or being sought
- human resources available or needed for the operation
- what differentiates your rooming house from others, such as registration, facilities, networks or how you obtain new residents (for example, through advertising or agencies)
- an action plan to implement the key outcomes of the SWOT analysis (see page 9). For instance, timelines for you to:
 - engage a manager
 - renovate or expand
 - register for training courses or information sessions
- a projected income, profitability and expenses budget for the next three years
- a cash flow statement for ongoing operations and proposed improvements
- a plan of what would happen to the rooming house if something happened to you and you could no longer operate it.

The value of a SWOT analysis

Part of your business plan should include a SWOT analysis (**S**trengths, **W**eaknesses, **O**pportunities and **T**hreats), which is an excellent way to measure your current and future operations.

A SWOT analysis should review aspects that will enable you to stay in business long term. The following table shows what a SWOT analysis may look like:

<p>STRENGTHS</p> <ul style="list-style-type: none"> - I am a registered rooming house operator and I follow the law - My rooming house is clean and well maintained - Public transport and shops are close by - I have a low turnover of residents - I keep operating costs under control - I do regular cash flow and income and expense budgets and have a good return on investment 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> - Finding time to manage my rooming house is difficult - I do not attend information sessions to network and learn of legislative changes - I do not have an emergency evacuation manual - I do not check out references fully for new residents - I have a poor mix of residents
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - I will appoint a manager to take over some day-to-day responsibilities - I will talk to the council about increasing from a Class 1b to a Class 3 rooming house - I will install coin-operated washing or vending machines for more revenue - I will negotiate better rates for services - I will meet with agencies and establish good working relationships 	<p>THREATS</p> <ul style="list-style-type: none"> - The neighbours are not happy about living next door to a rooming house - There are already many other rooming houses in the area that are not compliant and offer reduced rents - Legal changes affecting rooming houses are taking place and I do not fully understand my obligations

Budget control and cash flow

A simple income and expense budget will help you keep control of your finances. It can include:

- establishment costs (eg. permits, renovations)
- income (eg. rents, interest on investments at bank)
- annual operating budget (eg. bank fees and charges, insurances, any legal fees, advertising for residents, repairs and maintenance, council rates, utilities, accounting fees, replacement of old or damaged fittings or furniture, pest control etc).

Improving your cash flow

One operator puts aside \$20 per room per week into a refurbishment account. This allows him to change carpets and furnishings as required without draining his cash flow.

When the income and expense budget is completed, this will show:

- the cash (profit) that will be available after running the business, and
- what will be available for any planned upgrades to the rooming house.

Controlling maintenance costs

Good maintenance practices will help you financially in the long term. Fix something before it becomes a major job, as a well-maintained property attracts good quality residents and helps to keep them there longer.

You should review a room whenever a resident leaves and prepare it as quickly as possible for the next resident. Make sure you:

- steam clean carpets and mattresses
- have the room professionally cleaned
- repair or repaint the room if required.

This will help you keep high standards in your rooming house and make it easier to rent out rooms again, improving your profitability.

How maintaining your rooming house can improve your financial position

Jonathan is a rooming house operator who paints his property every five years on the inside and every ten years on the outside; he also keeps the grounds and gardens in good condition. Jonathan says the benefits of maintaining high standards include:

- maintenance costs do not blow out unexpectedly
- happy residents who stay at the property longer
- easier to let vacant rooms.

Reducing energy and labour costs

Reducing your energy and labour costs will help your profitability. Reduce these costs by:

- minimising energy and water consumption
- shopping around for good utility prices
- maintaining a low carbon footprint
- installing solar heating and water heating
- choosing appliances that help control operating costs; e.g. a coin-operated washing machine, a garbage compactor for consolidating rubbish to reduce removal costs
- doing your own cleaning and vacuuming
- evaluating the best fire alarm system.

Installing separate meters

Installing separate electricity meters to rooms (where possible) encourages residents to be mindful of the costs and use less electricity. Separate meters also assist in keeping rent increases to a minimum as residents can be billed monthly and their energy use shown on the meter.

A property wired with separate meters is also less likely to become overloaded, and this increases safety for residents.

RAAV can provide more information about installing separate meters.

Installing energy efficient light bulbs

Installing new-generation incandescent and fluorescent light bulbs reduces electricity costs substantially. You can also install time switches on lights in common areas, which give sufficient time for security and use of that area. You will soon recover your costs of installing time switches through lower electricity use.

Helping residents understand rent rises

One operator meets with residents yearly and outlines the reasons for increasing the rents. She tables the electricity, gas, bank charges, insurance, council charges and other fees, and how they have increased over previous bills. She then aggregates the increases and divides these costs by the number of rooms to show the impact per resident. This helps residents understand and accept the increases.

RAAV's website has more handy tips on keeping running costs down at your rooming house. Visit raav.org.au for details.

3. Meeting your obligations

Minimum standards

Minimum standards are a range of standards that you must maintain at your rooming house in order for it to be compliant.

The following table summarises the minimum standards related to privacy, security, safety and amenity, along with tips on how to implement them.

The full list of standards is available at raav.org.au and the Consumer Affairs Victoria website at consumer.vic.gov.au/minimumstandards.

Summary of standards	Best practice tips
Residents' rooms <ul style="list-style-type: none"> any door used for entry to or exit from a resident's room <u>must</u> be fitted with a lock operated by a key from the outside, and can be unlocked from inside without a key. a resident's room <u>must</u> have at least two working power outlets (which may be single or one double outlet). residents' windows <u>must</u> have a covering that provides privacy and can be opened and closed by the resident. 	<p><i>RAAV's website (raav.org.au) outlines acceptable locks.</i></p> <p><i>These outlets may be two single or one double outlet.</i></p> <p><i>Provide window coverings that offer privacy day and night.</i></p>
Emergency evacuation plan <ul style="list-style-type: none"> an evacuation diagram that complies with section 3.5 and Appendix E of AS 3745 <u>must</u> be prominently displayed in each resident's room and in all shared areas. 	<p><i>The Metropolitan Fire Brigade has an easy to prepare emergency evacuation plan kit, which is available at raav.org.au.</i></p>
Gas and electrical requirements <ul style="list-style-type: none"> all gas installations and fittings <u>must</u> be checked at least once every two years by a licensed gas fitter. all electrical installations and fittings <u>must</u> be checked at least once every five years by a licensed electrician. all power outlets and electrical circuits <u>must</u> be connected to circuit breakers that comply with AS/NZS 3000 and switchboard-type residual current devices that comply with AS/NZS 3190, AS/NZS 61008.1 or AS/NZS 61009.1. you <u>must</u> keep records for a gas safety check for two years after the check was made and for five years after the electrical check was made. 	<p><i>Make sure your electrical and gas contractors have the appropriate qualifications to perform these checks.</i></p> <p><i>It is important to have your electrician advise if the outlets and electrical circuits, circuit breakers and residual current devices comply with the relevant Australian Standards.</i></p> <p><i>The records must include the details of the licensed gas fitter and licensed electrician who performed the checks.</i></p>
Bathrooms <ul style="list-style-type: none"> a shared bathroom or toilet <u>must</u> be fitted with a privacy latch that can be securely latched from the inside without a key. 	<p><i>Hardware stores have a range of inexpensive fittings that comply with this requirement.</i></p>
Kitchens <ul style="list-style-type: none"> each resident <u>must</u> have access to and use of food preparation facilities. These can be provided in the resident's room or a shared kitchen. if these facilities are in a resident's room, they <u>must</u> include a food preparation area, a sink, oven and cook-top in good working order, a refrigerator with at least 80 litres capacity, a cupboard with a minimum 0.1 cubic metres (100 litres) of storage capacity for each person in the room. 	<p><i>Make sure that any cooking appliance does not create a fire or safety hazard (e.g. do not install a bottled gas unit).</i></p> <p><i>Bar fridges usually have an acceptable capacity and most have a freezer compartment, which allows flexibility for residents to store food.</i></p>

Summary of standards	Best practice tips
<p>Kitchens (<i>Continued</i>)</p> <ul style="list-style-type: none"> a shared kitchen <u>must</u> have a: <ul style="list-style-type: none"> food preparation area, a sink, an oven and cook-top with four burners in good working order for every 12 or fewer residents who do not have an oven or cook-top in their room (based on the maximum number of residents the rooming house can accommodate) refrigerator with at least 400 litres capacity lockable cupboard for each resident, with a minimum 0.1 cubic metre capacity. 	<p><i>As all rooming house residents rarely prepare meals and eat at the same time (due to differing living patterns), four burners should be satisfactory.</i></p> <p><i>A small microwave oven may supplement those properties that have “peak times”.</i></p> <p><i>Where there are two or more residents sharing a larger storage cupboard, always remember to provide each resident with a key.</i></p>
<p>Dining facilities in a common area</p> <ul style="list-style-type: none"> <u>must</u> have enough chairs for the maximum number of residents that can be accommodated in a resident's room. <u>must</u> have a table that can comfortably accommodate this number of chairs. 	<p><i>If there are two occupants in a room, then a table and two chairs will be required. These may be located in a common area or the residents' room.</i></p>
<p>Shared laundries</p> <ul style="list-style-type: none"> <u>must</u> have a wash trough or basin plumbed to a continuous and adequate supply of hot and cold water. immediately next to the trough or basin, <u>must</u> have a space with hot and cold water supply outlets suitable for a washing machine. <u>must</u> have a clothes line or other clothes drying facility. 	<p><i>If you have not installed a washing machine, check where the nearest laundromat is located to supplement these facilities.</i></p>
<p>General rooming house standards</p> <ul style="list-style-type: none"> internal rooms, corridors and hallways <u>must</u> have a level of natural or artificial light appropriate to the function and use of the room. habitable rooms <u>must</u> have access to natural light during daylight hours, and artificial light during non-daylight hours, appropriate to the function and use of the room. habitable rooms, bathrooms, shower rooms, toilets and laundries <u>must</u> have ventilation that complies with the relevant Building Code of Australia (see section 17 of the Regulations). each external window that is able to be opened <u>must</u> stay securely closed or open without a key. each rooming house entrance <u>must</u> have a lock operated by a key from outside, and without a key from inside the rooming house. the main entry <u>must</u> have a window, peep-hole or intercom system, and a working external light fitting that provides enough light during non-daylight. 	<p><i>It is important for you to understand and implement these important general standards to ensure the safety and wellbeing of residents.</i></p>

Exemptions from minimum standards

In exceptional circumstances, the Director of Consumer Affairs may exempt a rooming house owner from certain minimum standards. The exemption may be unconditional or on specified conditions, and may be a total or limited exemption.

You may only be granted an exemption if you:

- cannot modify the rooming house to comply due to its nature, age or structure
- cannot modify the rooming house to comply due to an obligation to comply with a competing law, or
- have sufficiently addressed the relevant standards by other means.

Health issues in rooming houses

Lack of personal health and hygiene practices can sometimes have an impact on other residents. It is important to provide adequate bathing and toilet facilities. Some operators also recommend:

- placing signs in bathrooms advocating washing of hands before eating and after using the toilet
- providing antibacterial soap in all toilets and communal wash basins.

Insect infestations, such as bed bugs, can also be a problem in some rooming houses. You can minimise the spread of bed bugs by putting bedding brought into a rooming house into quarantine for eight weeks, or enclosing mattresses with mattress protectors.

If you find bed bugs, the infested room must be empty while it is treated. You can consult a pest control company who will give you further advice.

A good rooming house operator knows the value of regular pest control. You should have an action plan and maintenance program for pest control, and include the costs for it in your income and expense budget.

Make sure you inspect rooms regularly, as this will help you find any health or hygiene issues.

The health and hygiene standards you must maintain are contained in the Health and Wellbeing Regulations 2009. These can be viewed at legislation.vic.gov.au. *Rooming houses: A guide for residents and operators* also has more information.

Safety and fire checks

According to research by the Metropolitan Fire Brigade, 44 per cent of rooming house fires start in kitchens and 29 per cent in bedrooms. The main causes of these fires are:

- cooking left unattended
- misuse of electrical equipment, such as overloading or illegal wiring
- electrical appliances
- smoking.

You should maintain a checklist of items that may have an impact on residents' safety. Make sure you:

- check that smoke alarms comply with locations in the rooming house
- do a regular full check of all smoke alarms (decibel, button, sensitivity tests), planned battery replacement (checking the expiry date), and maintain inspection reports on file (monthly)
- check ducted heating and clean the vents every two years
- maintain cooking appliances (regularly)
- keep stoves and cooking areas free from grease and dust
- check fire extinguishers and fire blankets (every six months), and ensure residents know how to use these
- check that entrances and exits to the property are clear (ongoing)
- check emergency lighting and/or exit signs (every six months)
- have an evacuation plan prominently displayed, and conduct regular fire drills.

You should also develop relationships with police, fire stations, ambulance, medical services and other services to identify how they would react to an emergency.

A **fire and evacuation manual** can give rooming house staff the information and preparation they need to organise the safe evacuation of residents in an emergency. RAAV can give you more information about developing a fire and evacuation manual.

Managing health and safety issues in a rooming house

George is a rooming house operator who visits his residents once a month for a safety, health and wellbeing check. His visits include a quick inspection, testing the smoke alarms and reading the electricity check meter. George makes a note in his diary of any issues he notices.

The life and fire safety standards you must maintain are in the Building Regulations 2006. *Rooming houses: A guide for residents and operators* also has more information.

4. Selecting and maintaining managers and residents

Do you need a manager?

You will have to hire somebody to manage the rooming house if you are too busy to do it yourself. A manager may be onsite or one who visits the rooming house regularly. A manager can:

- have more direct communication with residents and help resolve problems sooner
- help residents feel safer and more secure
- help minimise damage to the building
- ensure repairs and maintenance works are carried out quickly and maintain hygiene standards
- help enforce the house rules
- help build good relationships with neighbours
- deal with legal issues
- represent you at the Victorian Civil and Administrative Tribunal (VCAT).

Is there a role for a 'lead resident'?

Some operators believe there is a role for a lead resident. The benefits of a lead resident may include:

- having the respect of other residents, if the lead resident has the right personality
- reducing the need for the owner or operator to always be at the property
- quicker resolution of disputes between residents if a lead resident is on the premises.

However, there are also reasons why you may not want to have a lead resident. For instance:

- they have no legal power to enforce the house rules
- privacy laws may stop them from doing anything if it impacts on other residents' wellbeing
- a lead resident may create an unequal hierarchy in the rooming house, causing resentment in other residents.

Think carefully before installing a lead resident, and work out if it is the right option for your rooming house.

'Working with children' checks

If you decide to hire a manager or have a lead resident, and there are children living in the rooming house, it is a good idea to ask them to undertake a 'Working with children' check. A clear check will ensure that the people you employ in the rooming house have not committed certain crimes, including crimes relating to children. The Department of Justice can provide more information.

Department of Justice:

e: workingwithchildren@justice.vic.gov.au | **w:** justice.vic.gov.au/workingwithchildren

t: 1300 652 879

Who lives in rooming houses?

Rooming house residents may be single people (particularly men), students (especially from overseas), short-term residents from interstate or rural areas, families and others.

Rooming house residents come from various ethnic, social and cultural backgrounds. You should become familiar with their particular needs and meet them wherever possible. This will help ensure the future success of your rooming house.

Getting the right mix of residents

It is important to have the right mix of residents. For example, if all your residents are students, they are more likely to have common interests, and this will help maintain a positive atmosphere in the rooming house.

On the other hand, it is not a good idea to put single men in the same rooming house as a family, younger people or women, especially as shower and toilet facilities are likely to be shared.

Children in rooming houses

Think very carefully before having children in your rooming house. It is very hard for residents to supervise their children in a rooming house environment, and there is also the possibility of other residents behaving inappropriately towards children. Even if children do not live permanently at the rooming house, they may visit family members who do.

If there are children in the rooming house, make sure the physical environment is safe and the mix of residents does not pose a risk. If you use a manager or lead resident, consider having that person undertake a 'Working with children' check (see page 14 for details).

You can also contact your local Child FIRST service via InfoXchange (contact details on page 23).

Keeping children safe

If you are concerned about the safety of a child, contact the Department of Human Services Child Protection. Visit dhs.vic.gov.au, then type 'contact child protection' in the search field to find the number for your local area. You can also call the Child Protection Line on 13 12 78 in an emergency.

How to find residents

You may find residents through advertising in a newspaper, referrals from previous residents, or welfare or housing agencies with clients who need crisis accommodation.

Developing relationships with agencies will help you find good applicants. If you accept a resident from an agency, try to arrange a regular review of the resident's performance and encourage the agency to take some responsibility and ongoing interest after the placement. Remember, though, that screening a resident is your responsibility.

How to conduct an interview

The first question you should ask when interviewing a potential new resident is: 'Have you lived in a rooming house before?' This will help you establish the applicant's understanding of this type of accommodation. Outline the rules of your rooming house, and ensure the applicant understands them. Also, advise that there will be a regular inspection of the room, as this encourages discipline.

Careful resident selection involves doing a check on their previous rental history. Ask for references and check them out. Photo identification adds to the credibility of the applicant.

Try to identify complex issues, such as alcohol usage. This will allow an action plan to be put in place if problems arise and/or a case worker is required.

Welcome pack

Creating a caring attitude with a new resident helps the long-term success of the rooming house. A happy resident is more likely to stay longer and pay their rent on time.

Consider giving every new resident a 'welcome pack' to help them learn the rules of the rooming house, their rights and obligations, and information about the local area. In addition to the information you must legally provide to every resident (a copy of *Rooming houses: A guide for residents and operators*, house rules, 'Notice to proposed rooming house resident' form, your contact details), a welcome pack can also include:

- a locality map (you can print one from the internet)
- transport options near the rooming house
- information on local community services (doctors, pharmacies, council services, etc.)
- a list of cheap places for meals, affordable food shops, op shops
- a brief outline of the Victorian Civil and Administrative Tribunal (VCAT) and how residents can access it.

5. Student accommodation rooming houses

Knowing your clients

If your rooming house is for students, it is a good idea for the property to:

- be in a location close to their education facilities
- be close to public transport
- have access to the internet.

It is important to form a good working relationship with local universities and TAFE colleges. Education providers may promote your rooming house to students via their accommodation website, if it meets their conditions.

Education providers can advise you on students' backgrounds and specific needs. This is especially important if your residents are international students, who may face language and cultural barriers while settling in to their accommodation. You can help these students on arrival by explaining:

- facilities in the kitchen, bathroom and laundry
- safe use of appliances
- housekeeping chores that students are responsible for doing.

You may need to plan for reduced income during the non-academic period, when most students return home. You could consider:

- offering accommodation to tourism or sporting organisations
- undertaking maintenance, or
- taking a holiday.

International students under 18 years old

The *Education Services for Overseas Students Act 2000* (ESOS Act) and the accompanying National Code place strict conditions on education providers for students under 18 years old. These include a requirement for providers to check the suitability of students' accommodation.

If your prospective residents include students under 18, you should seek advice from education providers to ensure you meet their ESOS Act requirements.

Working with education providers for students under 18

One Melbourne college requires its under-18 students' accommodation to:

- comply with the *Residential Tenancies Act 1997*
- have well-documented and appropriate house rules and grievance procedures
- meet requirements for students' physical security in their accommodation
- have a critical incident policy in place.

Inspections and deposits

When students and parents inspect your property, give them an information pack about the local area. This will add value and supplement the information that is available from education providers. For examples of information you could include, see 'Welcome pack' on page 15.

Outline the contractual and price arrangements clearly during the initial interview and provide a copy of the house rules.

Some rooming house operators take a deposit from students when negotiating accommodation arrangements, as a sign of good faith. This payment must be refunded, regardless of whether an agreement is entered into, as outlined in Section 50 of the *Residential Tenancies Act 1997*.

Fire safety in student rooming houses

You need to ensure students are aware of fire dangers and their own safety responsibilities. In addition to following the safety checks listed on page 13, you should emphasise fire safety precautions such as:

- no smoking in bed
- do not leave electrical appliances like hairdryers and laptops on bedding
- ensure monitors, laptops, televisions etc. have good air flow around them
- if candles, incense or oil burners are allowed, do not leave these unattended, and keep them away from curtains and other flammable items
- clean the lint filter in washing machines and clothes dryers after use
- always let the clothes dryer complete its cool down cycle before stopping it
- turn off portable heaters before leaving the house or going to sleep.

Best practice tips for running a student rooming house

RAAV has surveyed student accommodation providers on their tips for a successful business.

These best practice tips include:

- creating an informative website with testimonials from satisfied students, to help promote your rooming house
- having strict guidelines around drinking alcohol on the premises, explained to and signed by students on arrival
- displaying the emergency phone numbers for rooming house management and fire/ambulance/police in a common area
- providing contact details of student support services (e.g. counselling, legal advice) at universities and colleges
- providing information to help students with common questions, such as how to obtain a Myki card, driver's licence or tax file number
- obtaining students' mobile phone numbers and their families' contact details, for use in emergencies.

Features and facilities to consider for student rooming houses

These items are **not** mandatory, but you may wish to keep them in mind when planning for your rooming house business.

Consider providing:

- private bedrooms or sharing arrangements where students have their own space and facilities
- large or double beds
- a desk, chair, desk lamp and bookshelf for each student
- wardrobes with adequate hanging space for clothes
- drying racks for small laundry items
- personal fans for hot days and safe heating appliances for winter
- mattress protectors to control bed bugs or insects, laundered between student stays
- linen as an optional extra
- internet or wi-fi access
- if there is a common kitchen, a large refrigerator with individual drawers for residents, and a freezer
- weekly cleaning of common areas
- easy-to-use appliances
- laundry facilities
- first aid facilities
- adequate on-site parking and bike storage.

6. Day-to-day management

The house rules

Some rooming house operators choose to have a set of house rules, which set out the rules all residents must follow. There is no legal obligation to have house rules, although having them has many benefits, such as:

- giving residents and operators clear guidance on how the rooming house operates
- use in VCAT hearings.

The house rules should be concise and easy to read, reasonable and developed with the needs of different residents and types of properties in mind (e.g. shift workers, students, residents with a disability). The house rules should be accepted by residents and owners, and may cover:

- a summary of residents' legal rights and duties
- rent payment
- room inspections
- property damage
- fire safety, e.g. no smoking in bed
- items that are not permitted for safety reasons, e.g. double adaptors, extension cords, hotplates
- health and wellbeing issues, e.g. abusive language, bullying, anti-social behaviour, alcohol, smoking, illegal drugs and illegal activities
- noise, e.g. no playing music at a high volume or shouting loudly
- respect for other residents' privacy
- use and cleanliness of shared facilities, e.g. bathroom, kitchen, appliances and utensils
- keeping running costs down, e.g. turning off lights and taps, washing small loads by hand instead of in a machine
- rubbish disposal
- internet usage policy and charges
- pets
- permitted visiting times
- contact details for emergencies.

Changes to the house rules must be in writing and residents given seven days' notice before they begin.

Occupancy report card

One operator gives every new resident a 'report card', which helps the resident to understand their obligations and encourages them to improve their lives. It is also used as a reference if the resident leaves the rooming house.

The operator has found that the report card helps residents pay their rent on time, minimise damage to property, and follow the house rules. An example of an occupancy report card can be found at raav.org.au.

Hoarding in rooming houses

Hoarding is a condition where a person accumulates food and other items in their home, leading to rooms becoming cluttered to the point where they can no longer be used for their designated purpose.

Hoarding can cause potential fire and other health risks.

The Metropolitan Fire Brigade (MFB) provides advice on how to identify clutter, assess the level of hoarding and develop a program to counter this threat. For more information, visit mfb.vic.gov.au and type 'hoarding' into the search field.

Crime in rooming houses

The common issues police deal with at rooming houses are:

- thefts (often by non-residents, but sometimes residents steal from each other)
- assaults
- people affected by alcohol, drugs or mental health issues
- criminal damage.

Proven crime prevention strategies should be in place. Residents should be screened, references checked and emergency contacts kept up to date.

Implementing a duty of care

There are times when management and other residents are seen as ‘extended families’ in rooming houses, and are called upon to provide assistance. Make sure you respect the residents’ privacy in these circumstances.

You have a legal obligation to provide care to your residents. These duties are outlined in *Rooming houses: A guide for residents and operators*.

Beyond your legal requirements, a complete duty of care could also include:

- ensuring residents follow the house rules, for the benefit of all residents
- regular communication with residents to maintain good relationships
- prompt attention to complaints or queries
- installing personal safety measures, such as secure locks
- a process for addressing violence
- providing good quality and safe appliances
- an up-to-date list of local service organisations where residents can get help if they need it. See page 23 for more information on helping residents access support services.

Managing residents’ mail

You should have a process in place for making sure your residents receive their mail in a timely and direct way. Do not leave mail under doors, particularly in shared rooms, as it may be opened and read by another resident.

Managing visitors

Visitors’ activities in rooming houses must be managed closely but sensibly to ensure common areas, toilets, bathrooms and kitchen are only used by the residents and their legitimate visitors.

Rules for visitors

One rooming house operator has rules for visitors. For example:

- visiting hours are strictly from 10am to 9pm.
- residents must sign in any visitors
- visitors cannot enter the building without a resident
- any non resident found to be in the building unaccompanied should be asked to leave immediately
- the front door should be locked after 9pm and only residents are permitted entry after then.

These rules help manage the flow of visitors through the rooming house. Residents feel secure that no unauthorised people are coming into the rooming house.



7. Handling disputes

Handling a dispute with a resident

If you have a problem with a resident, try to resolve it quickly. The longer a dispute goes on without being settled, the more likelihood other residents will become involved. Good practice for handling disputes includes:

- not becoming personally involved
- listening carefully to the resident's complaint
- identifying and calling upon any independent witnesses to a dispute
- taking action in accordance with the house rules and legislation
- rescheduling the meeting to the next day if the resident is affected by drugs or alcohol
- having original paperwork with reasonable and enforceable house rules.

Getting skills in dispute resolution

Rooming house operators can take a free training course in managing disputes with the Dispute Settlement Centre of Victoria. The centre can also settle disputes within between residents.

Contact the Dispute Settlement Centre:

e: dscv@justice.vic.gov.au

w: disputes.vic.gov.au

t: 9603 8370

t: 1800 658 528 (toll free for regional callers)

When there is a dispute between residents

If there is a dispute between residents, you should follow the points outlined above. You should also:

- be fair to both parties – do not take sides
- understand the problem and restate the problem for acceptance
- come up with several options and let the parties decide on a solution.

Find out if the person causing the trouble needs help. If so, counsel the resident and suggest that a case manager be introduced, or advise the parties to contact the Dispute Settlement Centre for independent settlement of the dispute.

In any type of dispute, you should:

- be diplomatic and never speak down to residents
- remember that residents have rights under the Residential Tenancies Act
- be aware that if you are aggressive to residents, they often become very aggressive in return
- not allow residents to behave in a threatening manner. If they do, make it clear that you will continue the conversation only without foul language or screaming
- call the police if you lose control of the situation.

If these options fail and it is best for the resident to be removed from the rooming house, there is a legal process you must follow, including applying to the Victorian Civil and Administrative Tribunal (VCAT) to arrange an eviction. *Rooming houses: A guide for residents and operators* has more information about this process.

Dealing with aggressive residents

Rooming house owners have a duty of care when handling disputes with residents. You should always follow established procedures and contact the police if:

- a criminal offence occurs or you think is about to occur, or
- if aggressive behaviour is too difficult to handle.

Remember, every person has a legal right to protect themselves.

Take note of the following tips from Victoria Police when dealing with aggressive behaviour:

- focus on the problem, not on the aggressive behaviour
- ask open-ended questions to reframe the problem and persist until effective communication is established
- speak clearly and be assertive
- maintain eye contact
- be aware of your own body language
- have an escape route and avoid using force if possible.

Getting along with neighbours

Neighbours often have a poor impression of rooming houses and occupants, which can be improved by:

- maintaining a good external appearance of the rooming house
- including your neighbours in the operation of the rooming house (for instance, provide them with a copy of the house rules)
- telling them something about your residents (but always respecting your residents' privacy)
- giving them your mobile phone contact so that if residents are causing problems, the neighbours know they can call you and that something will be done
- showing them the notices you may issue and explain the laws around rooming houses
- banning excessive noise, littering or loitering by residents.

Do not make your residents feel insecure towards the neighbours but explain why it is necessary to get on with them.

Improving relationships with the neighbours

One student accommodation operator had a neighbour who did not want to live next to a rooming house. The residents were advised of this problem and they went out of their way to be courteous and friendly to the neighbour. The students' good conduct changed the neighbour's attitude, and he now supports the rooming house.

Managing common areas

Common areas, such as dining and living rooms, can be a space for residents to socialise and become friends.

However, common areas can also increase the chance of conflict, especially if there are residents with alcohol or drug abuse problems. Outdoor common areas may also cause problems for neighbours, who may have to listen to excessive noise, parties or anti-social behaviour. For more information about managing disputes between residents, see the section on 'When there is a dispute between residents' on page 20.

8. Helping residents access support services

How you can help your residents

Rooming house residents are often disadvantaged due to health, isolation, lack of English, limited finances or addiction issues. Without adequate support, these factors can have a large impact on the resident, other residents and neighbours, and create difficulties for operators.

Not all residents feel confident to contact services; some may have difficulty reading information or may get confused with dates, times and locations. As an operator, you can:

- ask the resident whether they have a worker who helps them, and get the resident's permission to call the worker. The worker may be known as a case manager, case worker, social worker or support worker
- make a referral to a health or community service, with the resident's permission. These services have an intake system and can refer you to a suitable service if they cannot help you. If an appointment is made, write down the details and give them to the resident. Ask the service whether transport can be arranged if it is needed.

Dealing with mental illness

If mental health issues affect your residents, consider having an information board with contact details for services such as Lifeline, Beyondblue and local bulk-billing medical centres. This sends a message to the residents that there is help available if needed. You could also consider undertaking a mental health first aid course, to better understand residents' issues and how to reduce harm in a crisis.

How to develop relationships with services

Getting to know your local health and community support services helps to build good relationships you can use when issues arise with residents. You can:

- contact your local services, tell them know about the general profile of your residents (age, gender, specific issues such as alcohol use or mental health) and find out which organisations provide the relevant assistance
- invite local community and health services to your rooming house to explain their service to residents. Some services can provide barbeques or other food as a social way of meeting the residents and linking them to services
- provide an area where residents and workers can meet if possible
- put up contact details of local services on the rooming house noticeboard
- ask local government and community services if there are service provider networks you can attend to find out about services, meet staff and raise issues.

How developing relationships can help a resident

A rooming house operator had an elderly resident on a disability pension, who was struggling keep his room clean and hygienic.

With the resident's permission, the operator worked with the local council to relocate the resident to a new, clean room in the same rooming house. The resident now receives ongoing assistance from the council's Aged Care Unit, which provides a cleaning service for this room.

Where to get more information

Community health services

Community health services are located throughout Victoria. They employ specialist nurses, social workers and community workers to address the health and community support needs of residents. Your local council can direct you to the nearest community health service.

- The Victorian Government Department of Health website *Community Health Directory* lists all health services in Victoria. You can do a search by suburb or postcode to find services near you.
w: health.vic.gov.au
From the home page, enter 'directory' in the search field
- The Community Connection Program provides outreach to people who are living in rooming houses to connect them to local health and support services.
w: health.vic.gov.au
From the home page, enter 'connection' in the search field.

InfoXchange Service Seeker website

This website provides details of all service types (legal, health, food, financial counselling, recreation, mental health, drug and alcohol etc.) for every Victorian postcode.

w: serviceseeker.com.au

Aged Care Australia

Aged Care Australia Community Care Service Finder has a full listing of services that support older people and people with a disability to live in the community.

w: agedcareaustralia.gov.au



Registered Accommodation
Association of Victoria
www.raav.org.au

Registered Accommodation Association of Victoria (RAAV)

RAAV represents owners and operators of private rooming houses and other registered accommodation in Victoria. RAAV can assist its members with a wide range of services, including information, support, access to financial advice, insurance and more.

e: info@raav.org.au
w: raav.org.au
t: 0412 008 996

Useful contacts

Consumer Affairs Victoria

Consumer Affairs Victoria can give advice on a range of tenancy and residency issues, including:

- rental bonds
- lease agreements
- repairs and maintenance
- rent increases
- rights and obligations of operators and residents
- notice periods
- goods left behind.

Consumer Affairs Victoria can also help solve tenancy disputes.

Consumer Affairs Victoria can take people to court if they do not follow certain obligations under the *Residential Tenancies Act 1997*.

Victorian Consumer & Business Centre

a: 113 Exhibition Street, Melbourne Victoria 3000
e: consumer@justice.vic.gov.au
w: consumervic.gov.au/renting
t: 1300 55 81 81 (local call cost)

Department of Health

The Department of Health and local councils administer the Public Health and Wellbeing Act 2008 and the Public Health and Wellbeing Regulations 2009. The Department of Health can provide information on the laws and regulations.

w: health.vic.gov.au/phwa
e: phwa.enquiries@dhs.vic.gov.au

Dispute Settlement Centre of Victoria (DSCV)

The DSCV can help resolve a wide range of issues, without the parties involved having to resort to legal action.

The service is free.

a: 4/456 Lonsdale Street, Melbourne Victoria 3000
e: dscv@justice.vic.gov.au
w: disputes.vic.gov.au
t: 9603 8370
t: 1800 658 528

InfoXchange Service Seeker website

This website provides details of all service types (legal, health, food, financial counselling, recreation, mental health, drug and alcohol etc.) for every Victorian postcode.

w: serviceseeker.com.au

Local councils

Rooming houses must be registered with the local council. Your local council can also provide information regarding your rights and obligations. The Department of Planning and Community Development keeps a list of local councils on its website.

w: localgovernment.vic.gov.au
Click on 'Find your local council'.

Study Melbourne

The Study Melbourne website provides information for international students on living, working and studying in Victoria, including where to find help and advice.

w: studymelbourne.vic.gov.au

Tenants Union of Victoria (TUV)

TUV can represent residents in negotiations with rooming house operators.

a: 55 Johnston Street, Fitzroy Victoria 3065
w: tuv.org.au
t: 9416 2577

Victorian Building Authority

The Victorian Building Authority regulates the Victorian building and plumbing industries, and can provide advice on building legislation and codes. It is located in Melbourne with regional offices in Ballarat, Bendigo, Morwell and Wangaratta.

w: vba.vic.gov.au
t: 1300 815 127

Victorian Civil and Administrative Tribunal (VCAT)

VCAT is similar to a court but not as formal, and deals with disputes in areas including rooming houses.

a: 55 King Street, Melbourne Victoria 3000
e: vcat@vcat.vic.gov.au
w: vcat-rt@justice.vic.gov.au
t: 9628 9800
t: 1800 133 055 (country callers only)

Victorian legislation and parliamentary documents

Refer to this website (under 'Victorian Law Today') to see an Act or Regulation.

w: legislation.vic.gov.au

Copies of legislation may also be purchased from:

Information Victoria
t: 1300 366 356

Anstat Pty Ltd

t: 9278 1133