



Reply to Consumer Affairs Victoria on proposal for a Model Rooming House Residency Agreement

1. Mandating the use of a prescribed form of agreement

We note that the Draft Agreement is actually in response to recommendation 11 of the Coroner's Report into the deaths of Leigh Sinclair and Christopher Georgi . This recommendation "... mandates the use of a prescribed form of agreement for the sub-lease of all rooming house premises rooms to occupying residents ..."

RAAV believes that its members and other registered rooming house owners and operators should have flexibility in complying with CAV's proposal. We believe that there is a good place for both the proposed Draft Model and a Residential Tenancy Agreement that registered rooming house operators are using increasingly to meet the needs of their operations and residents.

RAAV believes that mandating the use of the proposed Draft Model may cause some problems for the rooming house sector, e.g.

- The use of a Residential Tenancy Agreement allows the Owners and operators to customise their arrangements with residents
- Banks and finance organisations usually require long term , e.g. 12 month leases, to be put in place to provide funding options for new and existing rooming houses;
- Insurance brokers usually require a long term residential tenancy agreement to be in place before they will provide insurance cover. Without this provision, we are concerned that insurance premiums will increase resulting in the increased costs being passed on to residents;
- Not for profit organisations, e.g. the Frankston Crisis Centre, will not provide funding for tenants seeking crisis accommodation through the Housing Establishment Fund (HEF) until there is written proof of a stay which will last at least 3 months duration. We believe this is a requirement of all organisations distributing government HEF funds.

Rooming houses fill a "gap" in the accommodation market. It is difficult to define this " gap" and the various roles that rooming houses play in meeting the needs of low cost housing, crisis accommodation, student accommodation, etc.

It is similarly difficult to prescribe one type of agreement to service the needs of this "gap".

Residents have greater benefits under a residential tenancy agreement which provides residents with defined notice periods, opportunities for multiple breach warnings, a greater time frame to address any rent arrears.

If a landlord does not have a residential tenancy agreement in place then the maximum allowable bond is 2 weeks rent and the notice period for rent arrears is 7 days. Alternatively where there is a residential tenancy agreement in place then the maximum bond increases to one month and the notice period extends to 14 days. The resident gets ample time to respond to arrears instead of a short 7 day period.

In addition, the Residential Tenancies Act recognises and makes provision for “Self Contained Apartments” within a rooming house. These facilities should be subject to a residential tenancy agreement.

Recommendation:

We therefore recommend that registered rooming house owners and operators be given the flexibility to provide whichever agreement is more suitable for their needs. We would be pleased to discuss providing information to the residents along the lines contained in the draft Model as an attachment to a Residential Tenancy Agreement to meet CAV’s requirements.

2. Contents of the Model Residency Agreement

We have reviewed the Draft Model Agreement and we generally have no concerns with its contents. However, we do have some concerns about the section calling for the address for service of documents. We suggest that this be clarified to ensure that rooming house owners and operators will not be required to provide their own personal and private residential addresses. Our concerns about this section relate to maintaining privacy in circumstances where vexatious residents may become a problem.

RAAV raised similar concerns in our letter to Minister Michael O’Brien dated 28th August 2012 in response to the legislation being passed to create a rooming house register. In that letter we raised the need for privacy for some aspects of rooming house operations.

As stated to the Minister, “The experience of RAAV’s members is that a significant number of the residents, that they are asked to accommodate, have serious mental illness, or exhibit aggressive or violent behaviour. Accordingly, the privacy and personal security interests of owners and operators must be paramount considerations for the Bill, given it establishes a public register containing the personal details of owners and operators, which can be readily matched and used in combination with other publicly accessible information”.

We also stated that “Many rooming houses deal with difficult and challenging tenants with complex needs. These dealings can be intense – at times marked by conflict with the operator, but more often conflict with co-residents or visitors, for which the tenant naturally turns to the operator to rectify. Dealings and conflicts may occur on a daily basis, but also at any time of the day or night”.

RAAV continued by stating: “Accordingly, the privacy and personal security interests of owners and operators must be paramount considerations for the Bill, given it establishes a public register containing their personal details which can be readily matched and used in combination with other publicly accessible information”.

RAAV believes that there are similar privacy issues if private addresses are provided in the Draft Model Agreement. Allowing private address information about operators to be stipulated in the

Draft Model Agreement gives insufficient protection for the privacy and personal security interests of owners and operators.

The current process for serving documents allows rooming house owners, operators and/or their agents to nominate a P.O Box or a registered office address. Rooming house owners, operators or agents are deemed to be legally notified if registered post is used to any of these addresses.

We seek clarification please on this important matter of privacy.

Recommendation

An option should be given in the Draft Model Agreement to include a postal address for serving documents. A post office box address will be a sufficient for this purpose especially as an emergency telephone number, in case of the need for urgent repairs, will be provided.

We look forward to having further discussions on these recommendations.

Yours sincerely

Simon Roberts
President

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