



REIV THE STANDARD
FOR SUCCESS

SUBMISSION

Licensing Rooming
House Operators

April 2015

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ABOUT REIV

The Real Estate Institute of Victoria has been the peak professional association for the Victorian real estate industry since 1936.

Over 2,000 real estate agencies in Victoria are Members of the REIV. These Members are located in city, rural and regional areas.

The businesses employ more than 10,000 people in Victoria in a market which handles over \$70 billion of transactions totalling 22 per cent of GSP.

Members specialise in all facets of real estate, including: residential sales, commercial and industrial sales, auctions, business broking, buyers agency, property management, owners' corporations management and valuations.

Introduction

This submission is made by The Real Estate Institute of Victoria Ltd (REIV) in response to proposed new licensing requirements set out in the consultation paper Legislating a 'fit and proper person' test for Rooming House Operators by Consumer Affairs Victoria, dated April 2015.

The REIV is the peak body for the Victorian real estate profession.

General Comments

The REIV has an interest in this consultation paper as property managers may be required to manage rooming houses on behalf of rooming house operators or owners.

The REIV would like to thank Consumer Affairs Victoria for allowing the industry body to provide input and feedback on the proposed new legislation.

Response to Licensing Criteria

Legislating a 'fit and proper person' test for rooming house operators

Under the proposed requirements set out in the consultation paper, only 'fit and proper persons' would be granted rooming house licences.

Unlicensed persons would be guilty of a criminal offence and subject to significant penalties.

A person would be disqualified from being granted a licence to operate a rooming house if the applicant:

- has, within the previous 10 years, been convicted or found guilty of an indictable offence punishable by 3 months or more imprisonment;
- is insolvent, or under external administration; or
- is a represented person.

Given this, the guidelines for what constitutes a 'fit and proper person' are particularly important and will need to be explicitly clear to applicants, especially as appeal rights are limited.

Further to this, the REIV proposes that licenced operators should be at least 18 years of age, be required to submit to a police check (either a standard police certificate or a more rigorous fingerprint check) and also undertake and pass a 'working with children check'.

This requirement should extend to those who are associated with the operator and also attend the premises, for example the licensee's employees and subcontractors.

The REIV also supports the disqualification of any person who has operated a business in the past and has been found guilty of offences under the Corporations Act.

Compliance with legislative obligations to factor into 'fit and proper' assessment

An additional criterion requiring licencees to have a history of complying with the regulatory framework for rooming houses would also be taken into consideration. In order to comply with this criterion, a compliance inspection prior to granting the licence may need to be undertaken.

The REIV would also support the establishment of a governing body, whereby rooming houses breaching compliance could be reported by the community.

As there would be no automatic cancellation of a rooming house licence, the REIV believes a three year licence is too lengthy. The REIV would support renewal of rooming house licences on an annual basis.

Regulations for rooming house operators

The REIV supports the consideration of a basic test whereby rooming house operators would be required to demonstrate basic working knowledge of the Building Act 1993, the Residential Tenancies Act 1997 and any legislation that directly affects the running of a rooming house.

Conclusion

The REIV supports the introduction of a 'fit and proper person' test for rooming house operators and significant penalties for unlicensed operators.

The efficient processing of licence applications by the Business Licensing Authority at a minimal cost to industry is imperative in reducing the financial impact of the licensing scheme on rooming house residents, however proper licensing standards and light-touch regulation do not sit side-by-side.

The REIV believes proper regulations and legislation for rooming house operators is essential, especially given the vulnerability of people residing in rooming houses.

The REIV would support an annual licence renewal for rooming house operators in addition to compliance inspections and the establishment of a governing body.

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