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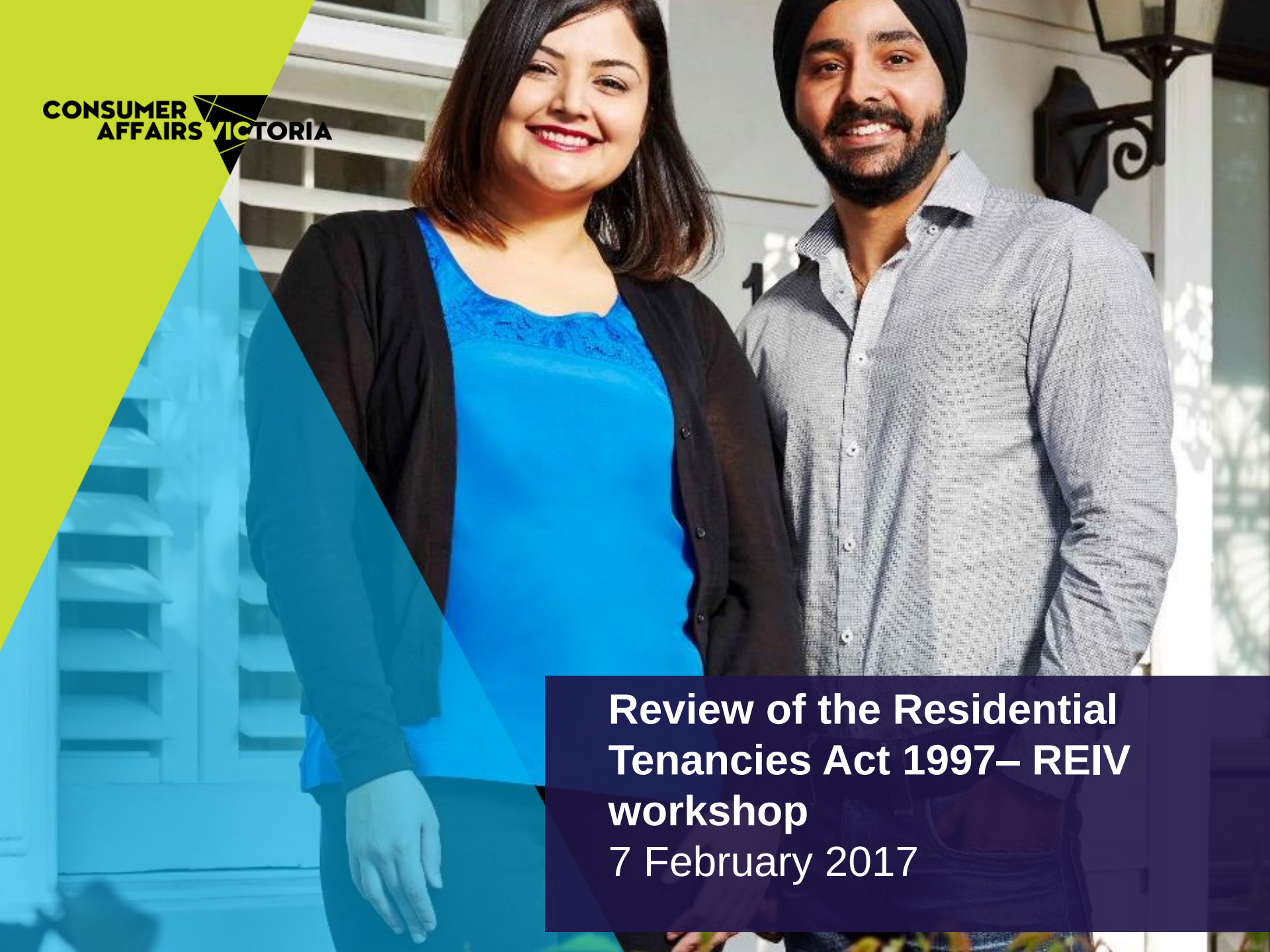

Review of the Residential Tenancies Act 1997– REIV workshop

7 February 2017

RTA Review – Progress

- The Review arises from the Government's Plan for Fairer, Safer Housing
- It commenced in June 2015 with the release of Laying the Groundwork
- Six issues papers were released for public consultation between November 2015 and August 2016
- The results of market research detailing the experiences of tenants, landlords, property managers and parks residents was published in May 2016
- The Options Discussion Paper, Heading for Home, was released for public consultation on 7 January 2017

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Heading for Home

- The options recognise that a growing proportion of Victorians are likely to rent for longer periods of time
- They –
  - support the overarching policy aims of the Victorian Government's various housing related activities
  - respond to the Royal Commission into Family Violence
  - link to the Government's Energy Efficiency and Productivity Statement and the review of the current electricity licence exemptions framework
- The options target general residential tenancies and rooming houses, and apply equally to both the social housing and private rental sector

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Heading for Home

- Options responding to issues about caravan and residential parks have been deferred until after the release of the final report of the Parliamentary Inquiry into the Retirement Housing Sector
- The Inquiry is due to report in March 2017
- The options presented do not represented approved Government policy

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Heading for Home

- Not every issue raised by stakeholders is addressed
- The paper discusses in detail around 30 issues and presents over 180 options
- The REIV has advised that the are 10 issues that you are interested in
- These are the issues we are presenting today –

Terms of the tenancy agreement	Urgent and non-urgent repairs
Pets	Condition reports
Rights of entry for sales campaigns	Minimum standards
Lease breaking	Notice periods for change of use terminations
Exemptions to the maximum bond provision	Security of tenure: no reason notice to vacate

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Terms of the tenancy agreement

Stand-alone options

•Option 4.9 – A comprehensive standard prescribed tenancy agreement.

•Option 4.10 – Blacklist of tenancy agreement prohibited terms.

•Option 4.11 – Offence to include invalid or prohibited term.

Alternative options for enforcement of additional terms

•Option 4.12A – Maintain status quo for enforcement of additional terms, or

•Option 4.12B – Additional terms enforceable, with limited exceptions.

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Pets

Alternative options

•Option 5.3A – An optional pet bond lodged with RTBA, or

•Option 5.3B – Optional pet consent clauses in standard prescribed tenancy agreement.

Stand-alone option

•Option 5.4 – A ‘no pets’ clause is unenforceable if it is unreasonable.

Rights of entry for sales campaigns

Stand-alone options

•Option 5.6 – Landlord liable for tenant loss caused during entry.

•Option 5.7 – Reasonable inspections to show to prospective purchasers, with right to compensation for tenant.

•Option 5.8 – 48 hours notice for entry to show to prospective tenants, within 21 days of termination.

Alternative options

•Option 5.9A – VLRC recommendations for entry to take advertising images, or

•Option 5.9B – Tenant's reasonable consent for entry to take advertising images.

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Lease breaking

Stand-alone options - Fees

•Option 6.1 – Codify common law compensation principles for lease break fees.

•Option 6.2 – Fixed lease break fees as an optional clause in prescribed tenancy agreement.

•Option 6.5 – Tenants in special circumstances not required to pay lease break fees.

Stand-alone options – Severe hardship

•Option 6.3 – VCAT can take a tenant or landlord's severe hardship into account when awarding compensation after a lease is broken

•Option 6.4 – In cases of tenant severe hardship, compensation to landlord capped at two week's rent

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Exemptions to the maximum bond provision

Alternative options

- Option 7.1A – Update high value exemption to reflect current market rents, or
- Option 7.1B – Update high value exemption to reflect current market rents and remove other exemptions, or
- Option 7.1C – Remove all exemptions but the VCAT exemption.

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Urgent & non urgent repairs

Stand-alone options

•Option 8.29 – Expand list of urgent repairs.

•Option 8.31 – Guidelines clarifying time frames for responding to urgent repairs.

•Option 8.32 – Faster resolution of repairs disputes.

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Condition reports

Stand-alone options

•Option 8.1 – Expanded circumstances in which a condition report is required.

•Option 8.2 – Change timeframe for returning condition report.

•Option 8.3 – Condition report as evidence of need for repair.

•Option 8.4 – Tenant to complete condition report if one is not provided.

•Option 8.5 – Condition report checklist.

•Option 8.6 – Prohibition on false, misleading or deceptive information.

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Minimum standards

***Alternative options* - property standards at point of lease**

•Option 8.13A – Requirement that vacant premises are safe for habitation, or

•Option 8.13B – Adapt minimum standards for rooming houses for general tenancies, or

•Option 8.13C – Adapt social housing reletting standards for general tenancies, or

•Option 8.13D – Minimum health, safety, amenity standards for vacant premises.

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Notice for change of use terminations

Stand-alone options relating to grounds for termination

- Option 11.28 – Require notice to vacate to be accompanied by evidence of change of use.
- Option 11.29 – Allow for greater VCAT discretion granting possession orders.

Alternative options relating to notice periods

- Option 11.30A – Extend notice periods to 90 days for change of use terminations, or
- Option 11.30B – Extend notice periods for long term tenancies.

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No reason notices to vacate

Alternative options

•Option 11.27A – Extend the notice period for a notice to vacate during periodic tenancy, or

•Option 11.27B – Require a reason to be specified for a notice to vacate during periodic tenancy, or

•Option 11.27C – Require a landlord to apply directly to VCAT for a termination order where termination is for reasons not specified in the RTA, or

•Option 11.27D – Remove the notice to vacate for no specified reason.

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Discussion groups

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Next Steps

- Consultation on Heading for Home closes on 10 February 2017
- We will be receiving late submissions after that date
- Feedback on Heading for Home will be used to develop a reform package for Government approval
- We expect legislation to be before Parliament in the first half of 2018

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