

**Seminar Notes**  
**Bees Nees City Realty Landlord Breakfast**  
**Wednesday June 20<sup>th</sup> 2007**

**Fergus Smith: General Manager of the RTA**

- Role of RTA:
  - A large client base – almost a third of Queenslanders rent
  - Not on anyone's side – role is to look after everyone involved in residential tenancies
  - Look for fair resolutions.
  - Prosecutions eg: Landlords not handing over bonds
- Aim of the legislation is to reasonably balance the tenancy rights and responsibilities of lessors and tenants.
- First introduced in 1994 and recently received tenancy databases. But otherwise this is the first major review of the Act.
- Consultations started 2006. RTA will now report on outcome of this public consultation to Minister, cabinet approval will be sought in October 2007 to prepare legislation. Expect enactment late 2008.
- Subtle changes more than fundamental changes.
- Most significant and visible change – water.
  - Water saving devices must be installed and then water use can be charged on to tenants (if property has individual meter)

**David Breen: Manager, Policy and Education Services - RTA**

Some of the proposed changes:

- Applications
  - Deposits taken with applications will be limited to holding deposits and only one can be taken at a time.
- Agreements/Rent
  - Tenants will now be able to dispute “significant” changes e.g. rental amount, change to approving pets, number of people allowed
  - Currently no right to dispute with a new fixed term but they do have a right during a periodic
  - What is an excessive rent increase? Refer to: comparable rents, frequency of rises etc
  - Notice periods for rent increases when continuing or new term agreements will be brought into line – i.e will need to give 2 months notice of a rent increase for all tenancies.
- Entry
  - “reasonable entry” hours defined as 8.00am – 6.00pm, No Sundays, No public holidays

- Window of Entry – must specify maximum 2 hour period if landlord/agent comes alone (ie routine inspections etc); not for trades/repairs
- New ground for additional entries introduced: re-entry to inspect repairs have been carried out or re-inspect following remedy notice
- Will now allow electronic delivery of notices by mutual agreement
- New rules around sale of premises
  - Open Houses and auctions not allowed without consent of the tenant
  - Tenant will be able to terminate within first 2 months of starting an agreement if prospective sale was not disclosed.
  - Prohibit display of photos of tenants belongings unless consent from tenant

**Questions – handled by both Fergus and David:**

- Q1. Regarding taking photos – is written consent from tenant required?  
A1 Oral consent is fine, better in writing.
- Q2. Written consent – many agents now use professional photography costing more than \$200; who would be responsible for cost if tenant withdraws consent?  
A2 - Act would not get down to that detail  
- All you could do is try to negotiate  
- Dispute resolution request  
- Small claims tribunal
- Q3. Limited Access for Landlord/Maintenance – if I do my own maintenance am I able to enter more often?  
A3 Trades person enters as the lessor/under their authority.  
New legislation will specify lessor only or lessor and tradesperson
- Q3B Sometimes have problems with tenants disputing timing of entry.  
A3B Be careful - It is an offence under the Act to enter unlawfully
- Q4. When is notice received?  
A4 - It is given when you can reasonably assume that it is received  
- Australia post delivery times if it comes to a dispute  
- Not a matter of when the envelope is opened
- Q5. How do we do an auction when tenant refuses  
A5 - Auction off-site  
- Terminate tenancy  
- Balancing act: reasonable negotiation with tenant; RTA acknowledge that the market needs investors
- Q6. Can you ask for consent in Rental Agreement for future entry/open houses etc when selling property?  
A6 - Don't contract out of the Act  
- Disclose up front and negotiate

- Q7 Number of submissions received by RTA is low. Can RTA respond to each submission?  
A7 - A lot of work to do that  
- Minister, Cabinet, Parliament (process)  
- Not appropriate for RTA to say if they agree with your idea  
- There is consultation and actually a lot of submissions - 163
- Q8 Water consumption bill is sent to lessor. Can info be sent to tenant to make them aware of water amount being used?  
A8 RTA doesn't control water but understands water suppliers are acting on that
- Q9. We believe the market sets what rent is fair – if it's too high the tenant can move and the landlord will have it vacant. Also new investors may be scared off if 2 months notice required for rent increase. Suggest 1 month is plenty.  
A9 Need to recognize that for tenants the investment property is their home and it's a disruptive process to move house
- Q10. You're giving tenants new rights to dispute rent rises - do you have examples of over charging?  
A10 - Excessive increases have always been disputable for periodic tenancies  
- Of 15,000 disputes each year 60-80 have been of excessive rent increases with most resolved through dispute resolution
- Q10B If so few problems why change it?  
A10B - trying to bring fixed (new) tenancies into line with continuing (periodic) tenants
- Q11. Part of RTA's role is to take to ideas government. If tenant is on rent assistance, can that money be paid direct to landlord?  
A11 Minister has proposed "Home Link" where federal and state governments create greater pool of affordable housing. Issue has been raised by RTA and Lessors before – lobby federal ministers direct.
- Q12. If just half of 1% of complaints are about excessive rent rises seems ridiculous to change. Agree the 2 month period too long for a 6 month lease. If tenant can dispute then we should be able to build X% increase in to be expected at next renewal.  
A12 I'm sure we will have received those comments as a formal submission
- Q13. Any change to timing required to remove breaching tenants? We can only hold a 1 month bond but it can take 2 months to remove  
A13 Bonds do not cover all possible risks  
- Give incentive for tenants to "play along"  
- Aim of bond is not to cover all possibilities  
- Huge bond = Huge barrier to entry  
- Current proposal – No change
- Q14. Owners seem to have been under represented in submissions  
A14 -'Stakeholders' do not make decisions, only make submissions; don't assume that because the list has more tenant reps that they have a greater say.