



Tenant News

Newsletter of the Tenants' Union, ACT

Summer 200809

HOUSING AFFORDABILITY

NAHA, NRAS, housing affordability, COAG.... What does it all mean? Does it mean anything? What is the story, below are some statements.....

The Federal Government says:

COAG has agreed to nearly \$10 billion in funding for the National Affordable Housing Agreement (NAHA) and its associated National Partnership payments.

These agreements commit Governments to pursue reforms in public and community housing, provide additional support for homelessness and to tackle the current state of remote Indigenous housing.

The National Partnership payments will provide additional funding towards:

- \$800 million over five years to reform and improve our response to homelessness
- \$1.94 billion over 10 years (\$834.6 million over five years) to improve the quality of Indigenous housing and tackle overcrowding in remote communities ; and
- \$400 million over two years for social housing as a down payment on longer term reforms.

The Commonwealth and the States agreed to a new NAHA, commencing on 1 January 2009 and providing \$6.2 billion over five years from 2008-09.

Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin and Minister for Housing, Tanya Plibersek said the agreements demonstrated the Australian Government's leadership role in helping Australians into secure and affordable housing.

Secure and affordable housing significantly improves economic and social outcomes, it also assists people to establish themselves in the broader community, and these agreements will help all levels of Government to work towards these goals for all Australians.

For the first time the National Affordable Housing Agreement covers all Government housing programs from home ownership to homelessness.

COAG has agreed to commence reform of the public and community housing system including greater national consistency and a national

regulatory framework for the not-for-profit housing sector.

State and Territory Governments have agreed to publicly report on their performance on housing affordability in key areas of homelessness, Indigenous housing, affordable rental, affordable home purchase and the efficiency and responsiveness of the housing market.

The agreement also includes commitments to increase housing supply. The Australian Government will be working with State and Territory governments to develop supply targets based on the work of the National Housing Supply Council and planning authorities.

The National Partnership on Remote Indigenous Housing will improve the living standards of Indigenous Australians in remote areas by tackling overcrowding, homelessness, poor housing conditions and severe housing shortages.

Under the National Partnership agreement on homelessness, the Commonwealth and the States will work together to reduce significantly homelessness by 2013, through a national strategic approach focused on prevention and early intervention, breaking the cycle of homelessness and creating a new outcomes-focused service

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Editor: Deborah Pippen

Many thanks to contributors: Heather Taplin for "Hangin' on the Line, also to International Union of Tenants for the IUT article.

The views of contributors to Tenant News are not necessarily those of the TAS or the Tenants' Union ACT and the service does not accept responsibility for the views and opinions expressed by contributors in this newsletter.

CONTRIBUTE!

We welcome and encourage all contributions, great and small, to **Tenant News**

This is a newsletter for tenancy issues, stories, thoughts, letters, cartoons...

If you are interested in contributing, call the office for details

02 6247 1026

Or post your contribution to:

PO Box 8, Civic Square ACT 2608.

Or email your contribution to:

TUACT@bigpond.net.au

TU Email List

The TU now operates an e-mail list for people wishing to view our new publications—including **Tenant News**—in electronic format.

The list is also used to advise subscribers of important tenancy and housing issues and news. If you would like to join the TU email list, please send a message to: tuact@bigpond.net.au

EDITORIAL

Another full year, and full of change. Change at all levels. Change for the TU with staff changes and extra funding ensuring expansion of our service to include our own solicitor. Change at the ACT level with regard to ACT law including new Unit Titles legislation and amendments to the Housing Assistance Act; also the ACT election bringing some change with the new role for the ACT Greens. What's more, anticipated change to the structure of ACT Tribunals in 2009. Finally we have been monitoring continual change at the Federal level with more details coming to light in relation to the Federal Affordable Housing initiatives.

However, as can be shown in "Sobering Stats", some things sadly have stayed the same - ever increasing rents; not enough affordable housing; and the heavy demand on our service, something reflected in other community legal centres, and other community agencies across the ACT. These issues are demonstrated in our annual report as presented at our Annual General Meeting in November (soon to be found on our website). The TAS top five problems also remain pretty much constant—rent increases, evictions, repairs, breaking leases, bond.

As we look to 2009, we do so anticipating that we will see the ACT Government follow through with much needed changes to the Residential Tenancies Act (RTA), as recommended in our RTA Report Card 2007. We also look forward to participating in the development of the new ACT Civil and Administrative Tribunal and that it will be accessed by many more tenants. Of course such access will only occur once the changes are made to the RTA and tenants feel secure in enforcing their rights. Yes, we live in hope.





Starting a Tenancy in the ACT

It's coming up to that time of year when people start looking to rent the ACT, whether that be for work or study, or because they have moved out of home, after finishing school, or other reasons..

At the TU we receive many questions about how to find a place, where to look, what to expect, what can be charged, what can be asked..... What it all means

We have several useful resources already in terms of checklists, share housing booklets, however we did not have a basic Tips Sheet on this specific issue. From next year we will have!

The Starting a Tenancy Tips sheet will be on our website and available in printed form early in 2009.

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model.

This will be achieved by improving the service response to homelessness, with the aim to end homelessness by driving integration between mainstream and homeless specific services and improving service quality.

This funding package will also help address the housing needs of Indigenous people in urban and regional Australia.

The agreement will contribute to the delivery of the Australian Government's White Paper on Homelessness to be released in coming weeks.

The National Partnership agreement on Social Housing will establish a Social Housing Growth Fund, which will be spent on building additional public and community housing including specialist accommodation for people who are homeless.

The funds from this agreement will need to be spent over the next 18 months as an immediate stimulus, providing a boost to the building and construction industry.

National Shelter says:

National Shelter welcomed the \$6.2 billion National Affordable Housing Agreement (NAHA) handed down at the COAG meeting, while criticising the government for axing base spending to public and community housing and for stimulating only short term growth in the social housing sector.

Chairperson of National Shelter, Adrian Pisarski, said that while the NAHA contained positive elements for homelessness and indigenous housing, the indexation of \$46 Million for public and community housing is a cut to base spending as it does not meet consumer price index increases.

"The cut to public housing is the most disappointing element of the NAHA," Mr Pisarski

said. "The consumer price index is currently running at 5%. The NAHA provides indexation of only 2%," he added.

Mr Pisarski continued on to say that the investment of \$400 million over 18 months in social housing is a down payment to promote growth in the future. "In our campaigns leading up to COAG we asked for a social housing boost of \$1 billion annually, the amount needed to lift housing supply for lower income earners.

"\$400 million will provide a short acting stimulus, but that's all. There must be a specific commitment that the Commonwealth will build on this to achieve longer term improvements to housing supply." He said.

"It is necessary to increase the supply of social housing in order to ensure that homelessness and other emergency accommodation and support programs work effectively."

One possible signal being sent by the new agreement is to shift public housing stock to the not for profit sector where it is eligible for Commonwealth Rent Assistance.

"If states embrace this direction it could put more money into the community housing sector," Mr Pisarski said. National Shelter welcomes the further investments of \$1.92 billion over ten years for remote Indigenous housing, and \$800 million over 4 years for homelessness.

"Both of these measures should help make our housing systems work much more effectively."

The TU will continue to contribute to these processes through our involvement with National Shelter and other relevant groups .



RESIDENTIAL TENANCIES TRIBUNAL

The Residential Tenancies Tribunal (RTT) is an independent body, which has exclusive jurisdiction to hear and determine all matters arising from residential tenancy agreements

The table below shows figures from the RTT Annual Report over the past three years. It can be clearly seen that tenants do not make up the majority of applicants to the RTT, in fact only 14%, or if considering that the vast majority of endorsement applications are by the landlord or agent this could be as low as 3.7%.

Unfortunately this reflects figures in other states and territories and in no way reflects the substantial numbers of tenants accessing services with problems. It is an issue of continuing concern to tenant advocates, and can only be addressed by securing tenants rights so that they do not feel they are taking risks that affect their homes by asserting their rights in relation to their tenancies.

As noted in the RTT Annual Report, "new arrangements were implemented in the past year with respect to the resolution of rental bond disputes. The Tribunal now actively manages all rental bond disputes once they are forwarded to the RTT by the Office of Rental bonds. The Tribunal now lists all such disputes for conference where settlement options can be explored and directions made, if necessary, before referral to the Tribunal for hearing."

This occurs when a party disputes the return of a bond. In the past if there was a dispute nothing would happen until either party made an application to the RTT. Under this new process the dispute is automatically referred to the RTT and resolution of some sort will occur.

The problem with this process is that generally the dispute is in relation to unsubstantiated claims that the tenant doesn't agree to in relation to their money (the bond money). Often it isn't appropriate to compromise and tenants have reported they feel at a conference that they should "give in". In general bond disputes should be adjudicated on the facts, not mediated on the basis of "being fair". The recommendations in our "RTA Report Card 2007" are for the bond to be automatically returned to the tenant if the Lessor doesn't dispute it within 5 working days. This resolves the issue of delays and bonds not being claimed. Hopefully we will see this addressed in 2009.

There will be changes to the RTT in 2009 with the introduction of the new **ACT Civil and Administrative Tribunal (ACAT)** set to commence in February 2009.

The RTT will be consolidated with 15 other jurisdictions and tribunals including the Administrative Appeals Tribunal. The aim of this consolidation is to improve access to justice, reduce costs and provide better support to tribunal members and registry staff.



ACT Magistrates Court, London Circ, Canberra City

	2005/2006	2006/2007	2007/08
Total Applications	3712	3484	4564
Apps – Endorsement	2896 (78%)	2758 (79%)	3383 (74%)
Apps – resolution of dispute	816	674	1181
Endorsement granted	2885	2905	Not supplied
*Apps – tenant	140	178	179
*Apps – landlord	618	481	755
*Apps – Housing ACT	208	201	247



ACT OFFICE OF RENTAL BONDS

The Office of Rental Bonds (ORB) is part of the Office of Regulatory Services.

Through ORB you can get a bond claim form to get your bond back, get a change of details form if there are changes in share houses, get a condition report, ask if your bond has been lodged.

The table below shows details of bonds over the past three years.

Scam alert

Commissioner for Fair Trading, Brett Phillips, is warning consumers in the ACT to beware of a person visiting homes claiming to be from the Rental Bonds unit of the Office of Regulatory Services. The Office of Regulatory Services has received reports that a man alleging to be from the Office of Rental Bonds has visited tenants in a unit complex demanding that they complete a form relating to the payment of their bond. The man may be accompanied by a woman.

"Staff from the Rental Bonds unit contact tenants by telephone but never make personal visits. The office holds bonds that have been lodged by tenants by

mail or in person over the counter at the Office's shopfront." Mr Phillips said.

"It is of concern that there people in the community claiming to be ACT government officials. At this stage we are only aware of a small number of tenants who have been approached but we need to alert the community to the fact that this may be a scam. If a Government official has reason to visit your home, they will state their name and show their identification.

"Look very carefully at the identification and, if you are at all suspicious about a person's identity, call the organisation they claim to work for to have their particulars and reason for their visit verified.

"If anyone claiming to be from Rental Bonds visits your home do not respond to any of their demands and contact the Office of Regulatory Services on 6207 3000 immediately," Mr Phillips concluded.

ORB—www.ors.act.gov.au Ph: 6207 1178



ORB offices at 255 Canberra Ave, Fyshwick

At the ORB website you can find information on:

- How to Lodge a Bond
- Non lodgement of a Bond by a Lessor and an Agent
- How to lodge a Claim for Refund of a Bond
- How to lodge a Claim for Refund of a Bond (Deceased Estate)
- How to lodge a Claim for Refund of a Bond (Bankrupt Estate)
- Disputed Claims for Refund
- Transfer of a Tenant on a Rental Bond / Transfer of a Bond between Properties
- How to Change the Lessor or Managing Agent on a Bond
- How to Advise the Office of Rental Bonds, if as a Tenant You Are Changing Your Address

	2005-06	2006-07	2007-08		2005-06	2006-07	2007-08
No. of bonds lodged	12,581	13,179	14,066	Value of bonds lodged (\$)	15,564,446	16,038,843	21,513,847
No. of bonds refunded	12,675	11,187	13,041	Value of bonds refunded (\$)	12,913,734	Not available	15,318,701
Average value of bonds (\$)	1,226	1,217	1,320	Value of bonds held at 30 June (\$)	28,790,458	Not available	34,653,986



TENANCY WEEK 2008

An official launch, art exhibitions by public and community housing tenants and primary school students, art competition, training workshops and information stalls. Another busy week highlighting tenancy issues and services in the ACT

The month of October is a significant month in terms of tenancy, both in the ACT and internationally. On the first Monday, International Tenants Day is celebrated around the world, and Canberra follows this celebration with ACT Tenancy Week.



Lisa Davis

International Tenants Day originated in 1986 when the French tenant organisation CNL proposed a special world day for tenants. The council of the International Union of Tenants agreed, and decided that it coincide with World Habitat Day (the first Monday in October). On this day throughout the world housing and tenancy issues are promoted and expounded. Issues such as rights for tenants, affordable rental, and tenant participation in all matters related to housing highlight the universality of tenancy.



Erin Hill and Kathleen McCoy

In the ACT, this day coincides not only with the Labour Day long weekend. It is a fitting start to Tenancy Week. This year, our 14th Tenancy Week was busy and events were well attended.

Events were organised by the Coordinating Committee chaired by the TU and including representatives from ACT Shelter, Welfare Rights & Legal Centre, Housing ACT, the Department of Disability, Housing and Community Services, the Joint Champions Group and the YWCA Linkages program.

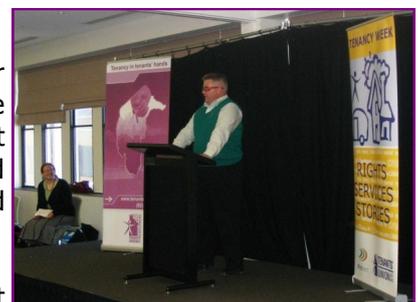
The official launch was by the Minister for Housing, John Hargraves on Tuesday 7 October at the Theo Notaras Multicultural Centre. The event was MC'd by the TU President, Kathleen McCoy and included

speakers sharing their experiences as tenants in public (Dave Primmer), private (Erin Hill) and community housing (Lisa Davis) tenants. It finished with a inspirational performance by local community choir Inannarama (Inanna is a crisis support service for women and children) including their song "Keys", about getting keys to a new home.

A major event for the week was the "home" an art competition and exhibition, detailed on the next page.

A regular event that was well attended was "No Place Like Home", a day long workshop for community workers on domestic violence and tenancy law. The workshop a joint project by the TU, Welfare Rights & Legal Centre and the Women's' Legal Centre.

Other activities were community information stalls at Belconnen, Woden, Erindale and Lanyon shopping centres. These stalls were promoted prior to the week and each of them reported a significant amount of interest from people seeking our general tenancy kits and information, as well as seeking the stall out because they had specific problems.



Dave Primmer



Inannarama



HOME

The exhibitions, the competition.

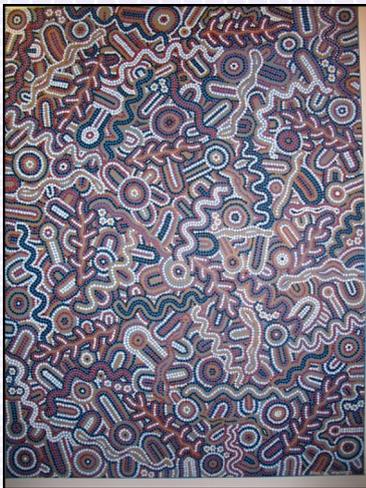
Two exhibitions (one by ACT school students and one by tenants) were at the Theo Notaras Gallery.

The tenants' exhibition included an art competition. Twenty-five works based on the artists' interpretation of "home" displayed. Prizes were awarded at a cocktail party on the Friday of Tenancy Week. Helen Musa and Jorge Bagnini graciously gave their time to judge the works.

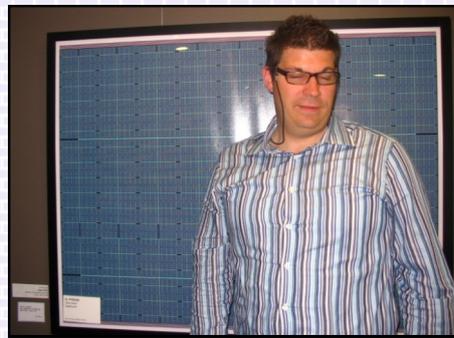
Prizes were supplied by Housing Act and awarded by Maureen Sheehan, Executive Director of Housing ACT.



Maureen Sheehan & Jorge Bagnini



1st Prize—
"Canberra at Night" by Belinda McDowell



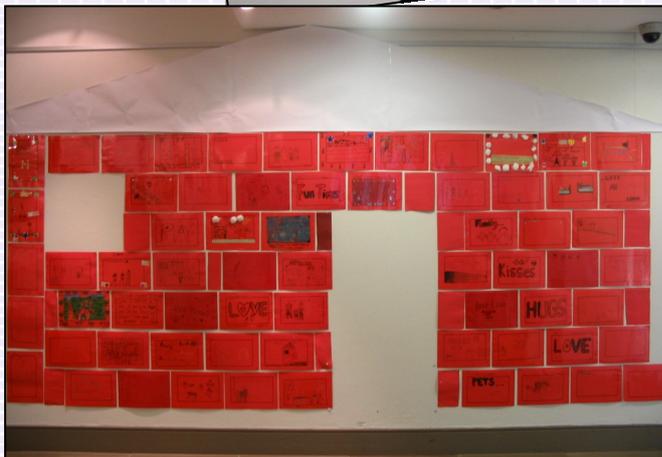
2nd Prize winner, Dr Possum for
"Are They Friendly or Hostile?"



3rd Prize— "Life—Tenants"
by Samantha Aston



Vijaya Sen & her work—
"Lyneham House"



A home made of bricks decorated students of several ACT Primary schools



HANGIN' ON THE LINE



The Tenants' Advice Service (TAS) offers free advice to all ACT tenants (public, private, community and others).

You can access the TAS line by calling 6247 2011 from 9:30am to 1pm Monday to Friday, and 4.30 — 8pm Tuesdays

Claiming your Bond when you Terminate a Fixed Term Lease Early - Why Pay for Breaking the House when You've Only "Broken" the Lease?

There is a surprising willingness among tenants to let the landlord have their bond when they terminate their fixed term lease early. By surprising, we mean it is surprisingly generous, surprisingly trusting, surprisingly creative or perhaps surprisingly misinformed. It is also surprisingly common – our callers on the TAS line often know someone who did it, or know a landlord who says they have to. There are a variety of reasons why forfeiting the bond might seem like a good idea, but in many cases it may not achieve what you are trying to achieve. Here are some of the reasons that tenants might offer the landlord their bond, and some of the reasons why it might not produce the desired results.

We just want to meet our obligations under the law

Tenants have no legal obligation to pay the landlord the bond when they end their fixed term lease early. There is nothing in the law that requires this. Yet many tenants believe that they have to, especially when landlords or real estate agents misrepresent the law to them. Sometimes, when something becomes a fairly common practice, this can lead to a misconception that it is legally required. This is probably why tenants steam-clean their carpets, even though this might not be required to meet their obligation to leave the premises in substantially the same cleanliness and condition as when they moved in (clause 64 of the standard terms). Extra obligations like this are invalid unless they have been endorsed by the Residential Tenancies Tribunal (the 'Tribunal'), even if the tenant has signed them. But when everyone steam-cleans, it starts to look like it's required, and then more tenants do it, and so begins a vicious cycle.

In the case of tenants who terminate their fixed term early, it is interesting to also consider the effect of the language used. The very phrase - "breaking the lease" – lends an air of legitimacy to unlawful fees and charges. It implies that tenants have committed some sort of shameful, destructive wrongdoing. This has the effect of making tenants feel guilty enough to believe that they have to make it up to their landlord, deserve to pay a fee, and have forfeited all their rights as tenants. But a

lease cannot really be "broken", despite the title of this article. There is no reference in the Residential Tenancies Act ('The Act') to a "broken lease" or "breaking a lease". Somehow this choice of language, reinforced and perhaps even invented by real estate agents with "Break Lease fees" and standardised forms titled "What to do When You Break the Lease", has become the accepted vocabulary, and it serves the interests of landlords for this to continue. This is despite the fact that terminating the fixed term lease early is expressly contemplated in clause 84 and section 107, as is the option of the landlord to accept the tenants' notice to vacate and accept that the tenancy ends on the date in the notice rather than seeking compensation.

If the landlord says we have to pay it, then we have to pay it, right?

Not necessarily. The tenant's potential liabilities for terminating a fixed-term lease early are set out in section 107 of the Act. But tenants only have to pay this compensation if the Tribunal makes an order that says so, and the Tribunal can only make this order if the landlord applies to the Tribunal and asks them to. Even then, if the tenants can show that the landlord failed to take reasonable steps that would have reduced their loss: for example, if they failed to advertise or if they turned down appropriate applicants, then the Tribunal may not award compensation for that part of their lost rent.

If the landlord merely tells the tenant to pay them compensation, even if it's written in bold writing on



official letterhead and is called a 'fee' or set out like an invoice, the tenant can politely decline to pay it without breaking any laws. The tenant can certainly make an agreement with the landlord about how much they will pay to end their liabilities (and there are some advantages to doing this which will be discussed later) but they are under no obligation to negotiate and reach an agreement. The tenant can simply choose to wait for a Tribunal order.

Can't compensation be deducted from the bond?

Section 31 of the Act sets out the types of claims that a landlord can make from the bond. The most common claim is for repairs where tenants have damaged the premises beyond what counts as fair wear and tear. Landlords can also make deductions from the bond for rent arrears or to replace fuel that the landlord has provided (such as firewood or a tank of gas).

Section 31 also allows landlords to deduct any rent owing at the end of the tenancy from the bond. This causes some confusion, because the Tribunal can order a tenant to pay compensation for lost rent under section 107. However, the tenancy ends when the tenant vacates in accordance with their notice to vacate and returns the keys (clause 84(1)). Assuming that the tenant pays their rent up until (and including) the day they vacate, the landlord has not lost any rent until *after* the tenant has vacated and *after* the tenancy has ended. So, although the landlord can apply for compensation for lost rent, this cannot be deducted from the bond. Compensation for lost rent is also limited to rent until new tenants move in, or until the fixed term ends or 25 weeks is reached, whichever is sooner.



When a tenant terminates their fixed term lease early, they should apply for their bond back as normal. If the landlord is happy with the condition of the premises at the final inspection, and has no other reason to deduct from the bond under section 31, then they should sign the bond return form for the tenants to hand in to the Office of Rental Bonds. The landlord shouldn't refuse to sign the bond return form as a round-a-bout way of getting compensation.

Fair's fair, we've done the wrong thing, we're happy to compensate the landlord for their loss.

Paying the bond for this reason assumes that the landlord will suffer a loss. They may not. They

may have already found new tenants who can move in the day after the tenant vacates. They may take the opportunity to renovate the house, or move in, and not seek new tenants.

It also assumes that the tenant can work out how much loss the landlord will suffer *at the time that they would normally be claiming their bond back*. This is usually not the case. The tenant should lodge the return of bond form at the end of the tenancy, after the final inspection. But at this stage, the tenant probably won't know when new tenants will be found, when they will be able to move in, at what rent, or how many days the property will be vacant for. They probably won't know whether the landlord or real estate agent will bother looking for new tenants, or whether they will advertise, or whether they will reject appropriate applicants.

If tenants who terminate their fixed term lease early pay any compensation before the amount of loss is determined, the tenants risk paying the landlord more than the loss. If the tenants give up their rights to their bond, the landlord may get new tenants in, and then it will be very difficult for the tenants to get any of their bond back. If a tenant receives a letter from the Office of Rental Bonds saying that the landlord has lodged a claim for their bond, and the tenant does not dispute it within two weeks, then they lose their right to seek it. Similarly, if a tenant tells their landlord that they can have their bond, and then the landlord doesn't bother to do a final inspection, it would be difficult for a tenant to show that their bond should be returned to them. The landlord may get new tenants in to pay rent, and the old tenants may end up paying up to 4 weeks' worth of rent to the landlord for no reason.

We want to pay the bond so they don't claim compensation

The landlord may find new tenants before the bond money runs out, so they may not apply for compensation if the tenants give up their bond. On the other hand, the landlord still may not have new tenants in by the time the bond money runs out. If the landlord ends up incurring a greater loss than the bond is worth, the landlord could still apply for compensation for the extra loss.

As long as the landlord has done the bare minimum of advertising or inspections to count as mitigating

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their loss, the tenant may end up paying more compensation in total than if they hadn't given the landlord the bond. Practically speaking, paying the bond takes away the incentive of the landlord to try to find new tenants as quickly as possible. If the landlord knows they are guaranteed rent for the



next 4 weeks, they may not invest as much energy in finding new tenants as they otherwise would, and the property may sit vacant for longer as a result. This may increase the loss to

the landlord and increase the amount that the tenant pays in compensation. Not only that, but it could mean that a good house sits vacant during a housing affordability crisis with a tight rental market.

Furthermore, the landlord may try to claim compensation even for the weeks when the bond would have covered the rent. The landlord could argue that they have not received anything for compensation because the tenants owed the bond money for repairs, or other costs under section 31. It would be difficult for the tenants to show the Tribunal that they had a claim to this bond, but gave it up in lieu of compensation.

How to settle your liabilities the safe way

It is understandable that some tenants want to pay a certain amount of money to the landlord to settle the matter once and for all. It can be stressful having an uncertain liability hanging over your head, particularly if you are trying to budget for a new tenancy agreement. There are certainly advantages in having closure and moving on. Also, the tenant may have terminated their lease because they are moving interstate, so they want to avoid a Tribunal hearing if possible (although they can participate in a hearing by phone hook-up at their expense, or be represented by someone with their authority). For these reasons, the tenant may be happy to risk paying more compensation than the landlord's loss if it means that they can leave with a clean slate and the landlord has to pay for any additional loss they incur. The landlord also has an incentive to reach an agreement because they have the chance to make a profit if they get new tenants in early. Furthermore, a landlord's real estate agent might make the effort to find new tenants quickly if they know that they cannot claim compensation from the tenants.

An agreement for mutual termination is one way that tenants can avoid a compensation claim arising out of terminating their lease early. As with any legal advice, reaching an agreement is only the first step – the important thing is having evidence of the agreement that you could present to the Tribunal if something goes wrong. If the tenant(s) are able to negotiate an agreement with the landlord, they should write it up, date it, both sign it and both keep copies of it. The agreement should state that both the tenant(s) and landlord agree to terminate the tenancy before the end of the fixed term on x date and that no compensation is payable under section 107. Such an agreement should have most of the advantages that tenants hope to gain from giving up their bond, but without the risks.

Tall tales from the TAS line:

A tenant reported that she had nothing in her lease saying no pets so she got two cats. The landlord sent her a letter saying that she was breaching cl72 of her tenancy agreement—subletting without the owner's permission.

TAS advised the tenant she has not breached cl72 because the cats are not human and are not paying rent.





TU Update

AGM

The TU AGM took place on Monday 24 November. Many thanks to those members who attended, it was a small gathering....

A copy of the annual report is available on the TU website under publications.

Nominations were received for all positions, no votes were necessary. The new TU Management Committee is:

President:	Kathleen McCoy
Vice President:	Maribeth Cole
Treasurer:	Anne Macduff
Secretary:	Genevieve Bolton
General Committee members:	Heather Roberts Helen Merrit Beth Policarpio Helen Sexton Jill Heeley Matthew Roberts.

Welcome to our new committee members and many thanks to Viren Jackson who left us after 3 years.

EVENTS

Tenancy Week 2008 was a success, as noted on pages 6 and 7.

SUBMISSIONS AND POLICY WORK

Issues we have been working on:

- National Housing policy issues through National Shelter meetings and work
- Affordable housing for older Canberrans and further initiatives to address homelessness and sleeping rough in the ACT. Submission to the ACT Affordable Housing Steering Group
- Regulation of Community Housing in the ACT.

NATO MEETING

In August two TU staff attended the face-to-face NATO meeting that occurred as part of the National Association of Community Legal Centres Conference in Darwin.

As usual the meeting was productive and interesting, sharing information about tenancy issues across the country and how different services deal with similar problems.

PUBLICATIONS

We have just had our Share Housing Booklet "Crowded House" printed. It has been on our website since last year and we did not have the funds to have it printed. It is now available for distribution.

We will be having an official launch of the publication early in 2009

STAFFING

It has been an interesting and challenging time for staff at the TU. John Passant briefly filled our part-time position advice position. Unfortunately John had to leave us. He was replaced by Heather Taplin. Heather threw herself into the experience that is the TAS line with gusto and happily we have been able to offer her extended hours until early next year, so we have an additional short-term full-time worker, always good for our busy service.

We were also able to fill the ongoing full-time position. Luke Coniston joined the TU team at the end of November.

TENANTS' ADVICE SERVICE

A very significant amount of our time recently has been concentrating on ensuring the advice line is covered and assisting tenants, we have also been spending a great deal of time establishing the additional part of service—advocacy, case work and representation.

THE TENANTS' UNION WELCOMES NEW MEMBERS.

**IF YOU WOULD LIKE TO JOIN SEND
IN THE MEMBERSHIP FORM FROM
THE BACK OF THIS NEWSLETTER**



GLOBAL TENANT

The following articles are sourced from the International Union of Tenants' newsletter "Global Tenant".

In this issue there are articles from the Czech Republic, San Francisco, England, Vancouver, Belgium, Brussels, Sweden, Queensland.

To see the full issue and/ or get a free subscription go to www.iut.nu.



Finally a sovereign state, where ownership is King. The Slovak Republic came into existence on first of January 1993. The Slovak people have been subjected to domination by stronger political entities, such as the Czechs of the Czechoslovak federation, the Magyars of the Austro-Hungarian Empire, and the sovereigns of the Habsburg Empire.

During the time of communist regime, no legal regulation regarding the lease of flats existed and in general all residential premises were owned by the state.

With the shift from socialism to a market-based economy, most housing units were sold to sitting tenants. Owner occupancy rate rose from 50% in 1990 to 76% in 2001, and to more than 95% today, while public rentals shrank from 27% to 4%.

The fact that Slovakia will adopt the Euro in 2009 triggers speculation in property. In the first 3-months of 2008 the average residential price was 4,500 SKK (Slovak Crowns), or 1,450 Euro per m², up almost 35% from the same quarter in 2007.

At present the average market rent for a flat of 3 rooms of 90 m² in Bratislava is approx. 800 Euro,

while a regulated rent is about 120 Euro. Net average income in Slovakia is about 600 Euro. Market rents in other cities in Slovakia are about 30 - 40% below the level of Bratislava.

After WWII residential buildings were expropriated in the process of nationalization of private property. During the communist regime all flats, nationalized as well as newly constructed, were allocated to the population in a directive way. Citizens were ordered to move to assigned flats and they were granted a permanent and inheritable right to housing. After the political changes in Central Europe in 1989 the state adopted a set of laws on restitution of nationalised property in Slovakia as elsewhere eastern Europe. Citizens living in houses given back to former owners, or their successors became "overnight" tenants of private landlords. Residents of flats belonging to state owned companies which were privatized go to a similar situation.

Clearance sale on flats

In 1993 the newly established Slovak parliament adopted within the process of economic transition a new law enabling the tenants living in state, or municipally owned flats to purchase their flats at a regulated price well below the market value. In 1993, the average of official price for a 3-room flat of 90m² was about 40,000 Slovak Crowns, or 1,300 Euro, which was only about 4% of the real market price.

All public owners of flats; state, state owned companies, municipalities and cooperatives, have been under legal obligation to sell the flats to the sitting tenants. Due to the favourable conditions almost all tenants concerned used their opportunity and bought the flats. As a consequence of the mass privatisation approximately 97% of the flats in Slovakia are now private.





Landlords make many efforts to make the life of the "original" "unwanted" tenants as difficult as possible, from refusing any maintenance of the flats to cuts of heating. "Repairs" of heating systems in the middle of winter are very popular among some landlords, cuts of electricity and water supplies. Even permanent mental pressure on the tenants (in particular elderly people are affected) is on daily order in some private houses.

Political irresoluteness

The Problem of tenants in restituted/privatised flats became a major political topic. The current government declared its willingness to find a solution. A draft proposal to a new Law, December 2007, was dismissed by both tenants and the Ministry of Social Affairs. According to the proposal landlords would be entitled to terminate voluntarily all existing contracts by end of 2009, but only a very limited number of tenants fulfilling extraordinary strong criteria eg having a monthly income exceeding the social minimum of 170 Euro would be eligible for assistance in a form of a social flat for maximum of 6 years.

According to a survey carried out by the association, Právo na bývanie—Right to Housing, the estimated total number of tenants living in restituted/privatised houses is about 30,000. Besides there is a small number of tenants living in social municipal flats. These tenants must fulfil strong criteria: being young families, being without any property, with low incomes etc. Social flats can be occupied maximum for a period of only 6 years, which makes life very uncertain for this category of residents.

Affordable rental housing needs to become a priority in Slovakia, to ensure everyone the right to a decent and secure life.

- By IUT in cooperation with IUT member organisation Právo na bývanie—Right to Housing

Few remaining rights

However, residents in the restituted houses were excluded from the option to purchase their flats. The similar reason prevented the residents in houses which were property of privatised companies from purchasing their flats. Hence this mass privatisation of the former public flats, the state adopted a collection of new laws on housing that gradually diminished the level of tenant's rights. Argument? The high level of tenants' protection was not necessary since the vast majority of flats had been transferred to private hands! Although the regulation of rents remained for flats hired before 2000, the inheritable right of housing has been abolished and the permanency of housing has been limited.

Scarcity worsens relations

The relationship between the tenants and their private landlords grew worse in the last decade. There are almost no public rental flats in Slovakia. Except a few social flats and flats in houses which were restituted/privatised only partially and where the municipality kept its share of property.

The lack of rental flats quickly caused a disproportion between the demand and supply of rental housing and consequently a big gap between market rents (rents for flats hired after 2000) and regulated rents (rents paid by "original" ie tenants resident in private houses before 2000)

The current situation is unsatisfactory for both the landlords as well as the tenants. The landlords claim the regulation of rents deprives them of the free usage of their property. However they took over their houses from the state at a time when there were no market rents legally possible and they were aware of the fact that the property subject to restitution was inhabited.





SOBERING STATS

The following figures are from *Market Facts*, the quarterly residential property report from the Real Estate Institute of Australia.

Data relates to the September 2008 quarter (July—September). The graphs compare figures over the past four years. There is no good news.

Note that these figures are based on rents advertised by real estate agents. Vacancy rates are an average

The National Picture

Median house prices may be decreasing all over the country, but high demand for rental properties ensures that median rents continue to rise in most capital cities. Only Hobart experienced a decrease in the median rent for a three bedroom house during the September quarter, and only Canberra experienced a decrease in the median rent for two bedroom other dwellings. The median rent for houses in Sydney increased 5.3% over the quarter, and 2.6% for other dwellings.

Darwin rents for three bedroom houses continue to be the most expensive in the country at \$520 per week, having increased a significant 18.2% over the year. Sydney now has the highest rent for other dwellings at \$390 per week, followed by Darwin at \$385 per week, and Canberra at \$365 per week.

The lowest rents in the country are still found in
(Continued on page 15)

City	Median Weekly rent 3 b/r house	Median Weekly rent 2 b/r unit
Canberra	390	365
Sydney	348	390
Melbourne	n/a	n/a
Brisbane	330	320
Adelaide	280	230
Perth	350	340
Hobart	285	250
Darwin	520	385

City	Vacancy rate	Quarterly change
Canberra	2.1	0.1
Sydney	1.2	0.1
Melbourne	1.1	0.1
Brisbane	1.7	-0.4
Adelaide	1.3	-0.2
Perth	2.6	-0.2
Hobart	2.1	-0.3
Darwin	0.3	0.0

Houses City zone	Median \$/week	Change over year %	Lower quartile \$/week	Upper quartile \$/ week
Inner Central 2 b/r	397.5	12	368.8	435
3 b/r	430	10.3	380	470
4 b/r	545	13.5	456.3	650
Inner South 2 b/r	n/a	n/a	n/a	n/a
3 b/r	400	8.1	378.8	420
4 b/r	470	4.4	425	525
West & North 2 b/r	n/a	n/a	n/a	n/a
3 b/r	380	8.6	350	400
4 b/r	450	2.3	420	495
Outer South 2 b/r	n/a	n/a	n/a	n/a
3 b/r	375	7.1	350	390
4 b/r	460	12.2	421.3	498.8

Be aware that these are not figures that should be the sole basis of a rent increase. Rent increases are regulated as to how often they can happen and what might be excessive. CHECK OUR WEBSITE OR RING TAS IF YOU GET NOTICE OF AN INCREASE



Other Dwellings City/Zone	Median \$/ week	Change over year %	Lower quartile \$/ week	Upper quartile \$/ week	
Inner Central	1 b/r	360	5.9	260	407.5
	2 b/r	420	8.4	370	470
	3 b/r	480	6.7	415	550
Inner South	1 b/r	237.5	8.0	216.3	287.5
	2 b/r	340	17.2	300	350
	3 b/r	400	5.3	380	470
West & North	1 b/r	290	16	240	328.8
	2 b/r	330	10	300	360
	3 b/r	375	10.3	350	400
Outer South	1 b/r	n/a	n/a	n/a	n/a
	2 b/r	330	10	320	380
	3 b/r	350	5.3	340	387.5

Adelaide for both three bedroom houses and two bedroom other dwellings.

An industry vacancy rate benchmark is considered to be a value of 3.0%. Vacancy rates lower than 3.0% indicate strong demand for rental accommodation, whilst rates higher than 3.0% are generally considered to reflect an oversupply of rental accommodation.

Vacancy rates remain at record lows in most capital cities around Australia and there was little improvement during the September quarter 2008. Sydney, Melbourne, and Canberra experienced slight improvements of 0.1%, and Darwin remained the same however critically low at 0.3%. All other capital cities experienced a decrease in vacancy rates with Brisbane recording a decrease of 0.4% during the quarter.

Last month the Government passed legislation to establish the National Rental Affordability Scheme, but it will some time before any of these properties will be established, so we can expect vacancy rates to remain tight well into next year.

The Canberra Story

Canberra maintains its position as being amongst most expensive locations in the country. As the graphs on the next page demonstrate, there has not been a fall in rents since March 1998. The REIA claims this reflects the high median weekly family income. The lowest rents for houses were \$350 (Outer South 3 bdrm), and \$216.30 for units (West/North 1 bdrm).

Canberra’s vacancy rate is not the lowest in the country, yet our rents are still amongst the highest.

