



Consultation Report

*Review of the Residential Tenancies Act 1995 **

Background

On 15 November 2022, the state government released a [discussion paper](#) and online survey on [yourSAY](#) inviting feedback from the residential tenancies sector and community as part of a public consultation process that concluded on 16 December 2022.

This followed a roundtable of key stakeholders on 3 August 2022 to inform the development of the discussion paper on the key issues facing the sector.

More than 5,000 people completed the online survey and over 150 people or organisations contributed submissions.

The state government has since progressed certain priority measures to provide some immediate relief for tenants. The Residential Tenancies (Limit of Amount of Bond) Amendment Regulations 2023 commenced on 1 April 2023.

Before 1 April 2023, landlords were able to claim residential bonds equivalent to a maximum of six-weeks' rent when the weekly rent was more than \$250, with only a four-week bond entitled to be claimed for properties falling below that threshold. Increasingly fewer properties fell below this threshold. In April the bond threshold was raised to \$800 to ensure that for the majority of rental properties in South Australia, only a four-week bond is required.

More affordable bonds are estimated to have saved tenants up to \$1.3 million in upfront bond payments during the first month.

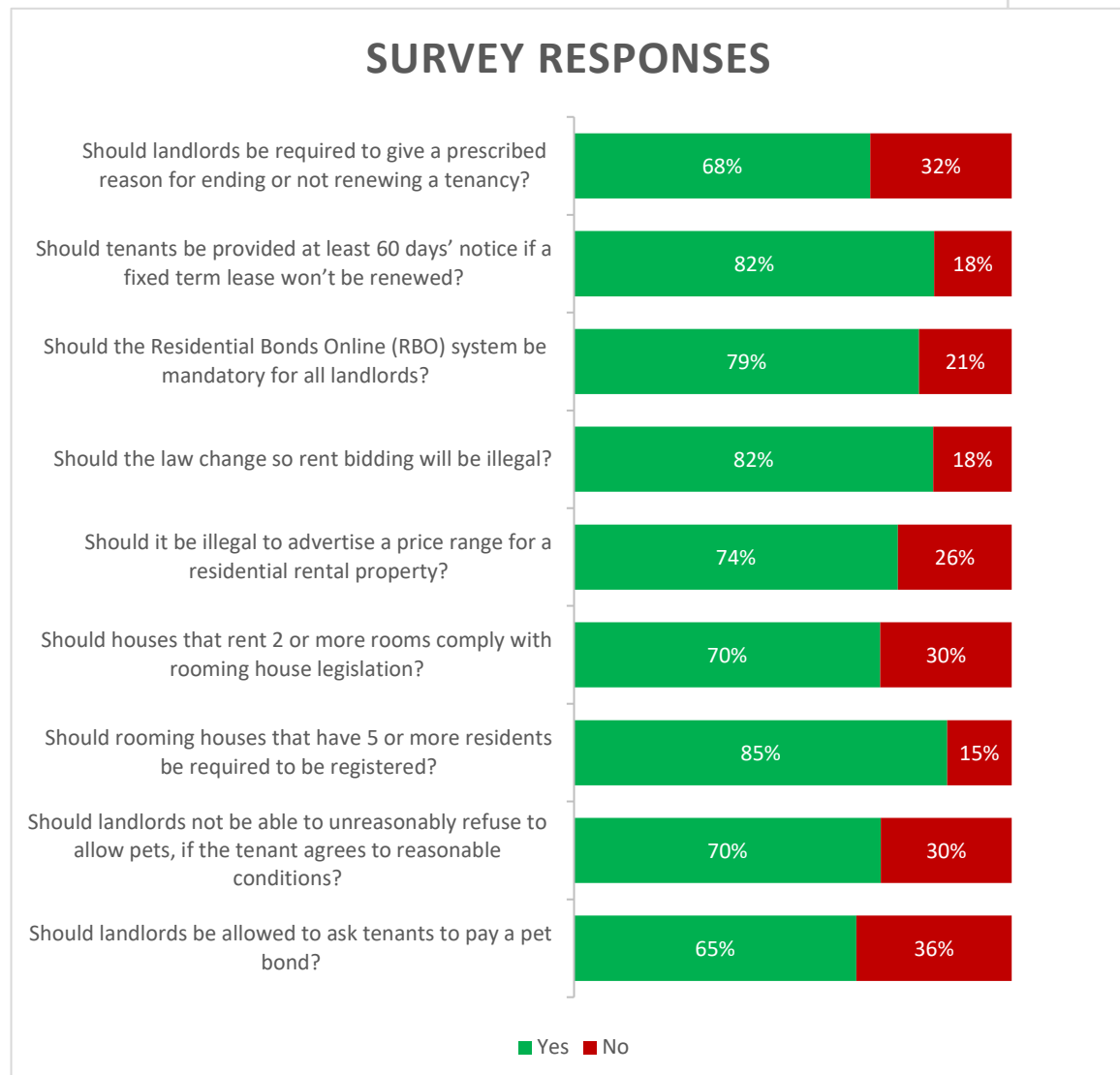
Other priority measures in the *Residential Tenancies (Protection of Prospective Tenants) Amendment Act 2023* ban rent bidding and reduce the amount of information that can be asked for in rental application forms as well as protect tenant data.

The Amendment Act passed parliament on 27 June 2023 and is expected to commence on 1 September 2023.

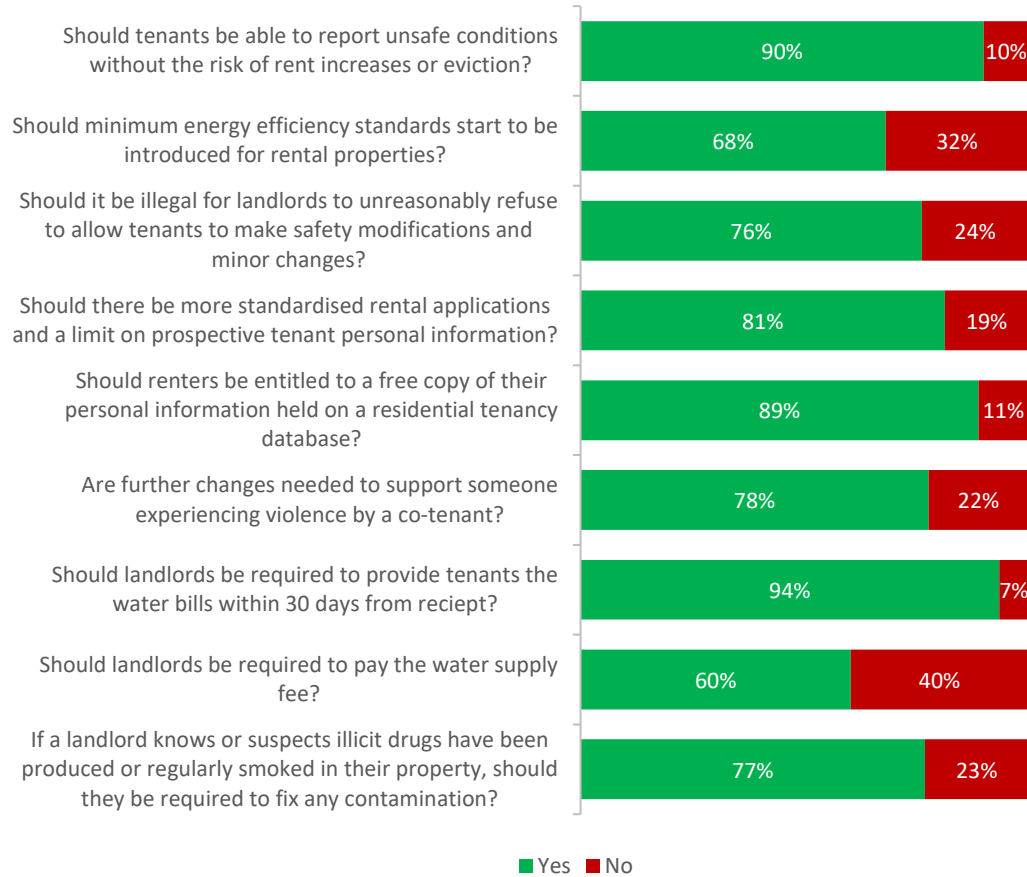
* This report was amended on 21 July 2023 to address the inadvertent omission of a submission.

Survey Responses

There were over 15,183 unique visitors to the residential tenancies yourSAy consultation web page. Of these visitors, 3,001 people downloaded the discussion paper and 5,565 completed the survey.



SURVEY RESPONSES (CONT.)



Responses to additional questions included in the survey that had response options other than yes or no are outlined below.

Should the relevant limit change from \$250 to \$800? 52% of respondents supported changing the relevant limit of weekly rent to \$800 for the purpose of setting the threshold for landlords to only be able to claim a four-week bond rather than a six-week bond, 30% supported keeping the relevant limit at \$250 and 17% voted that the relevant limit should be another amount.

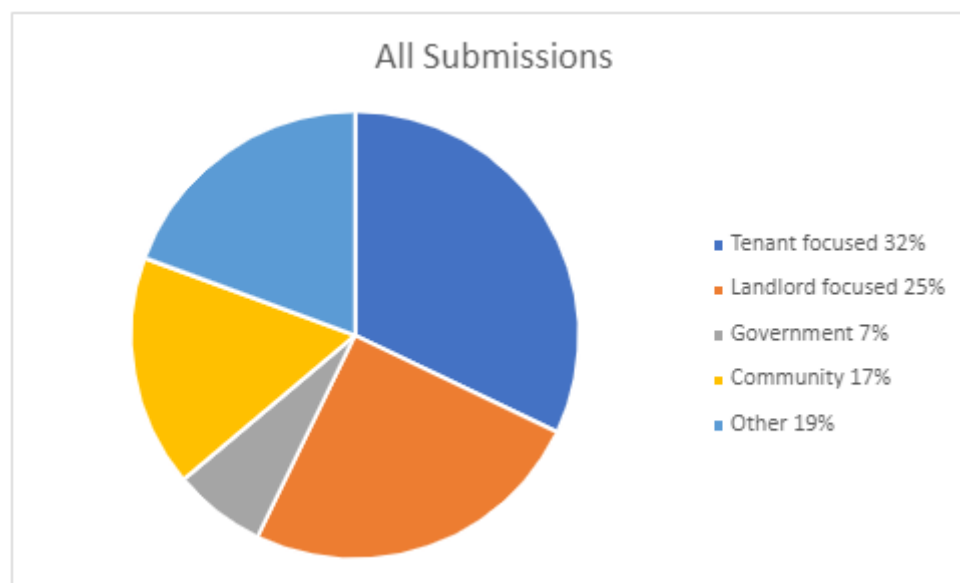
If there is a water leak who should pay the excess water charges? 58% of respondents supported the landlord paying the full amount, 32% supported the landlord paying part of the amount and 10% voted that the tenant should be paying the full amount.

Third parties that collect rent on behalf of landlords may charge a collection fee, should this be allowed or prohibited? 11% of respondents supported a collection fee, whilst 89% voted to prohibit a collection fee.

With respect to further questions relating to updating terminology within the Act, 65% of respondents did not support replacing the word landlord, 71% did not support replacing the word tenant and 52% did not support replacing the term tenancy agreement.

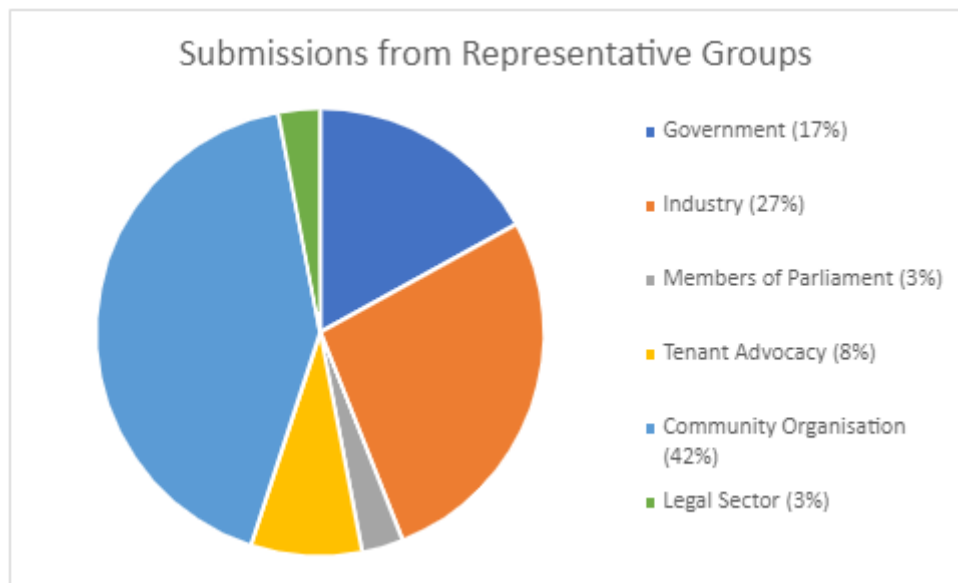
Submissions

A total of 150 submissions were received, comprised of 90 individual submissions and 60 submissions from representative groups. However, some of these submissions were co-signed or individuals provided a subsequent submission to be added to their initial feedback. In total there were representations made by over 155 individuals and stakeholders from representative groups.



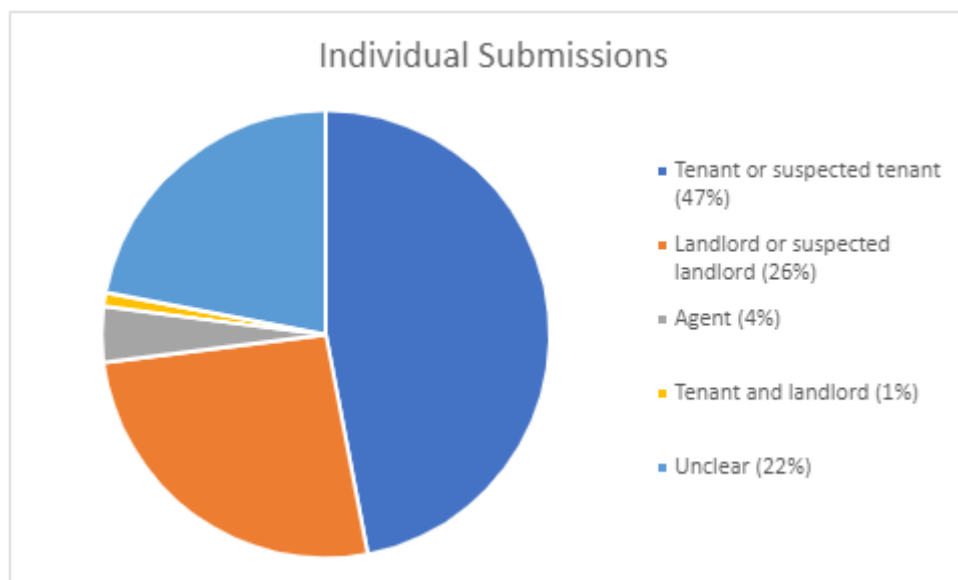
There were 52 detailed submissions (35%) received that were comprehensive and addressed multiple areas of proposed reform. Other key themes emerging from the submissions related to pets, bonds, rent, longer leases, water and evictions. Further areas that were raised included housing standards, inspections, the conduct of agents and maintenance.

Individual submissions have been summarised on pages 5-8 of this report. Many of the individual submissions contain personal accounts specific to the individual and have therefore not been published to protect personal privacy and rights of individuals and third parties mentioned in the submissions. The summary contains the key themes identified by landlords and tenants in the individual submissions, as well as extracts from some of the submissions.



The submissions from representative groups, except those that were marked confidential, have been published at <https://cbs.sa.gov.au/sections/renting/renting-laws-review-consultation> and are listed in Appendix 1.

Summary of individual submissions



Key themes addressed in the individual submissions made by landlords or suspected landlords included pets, bonds, water, reasons for ending tenancies, longer leases, minor

modifications and standard application forms. In particular, submissions made by landlords or suspected landlords included:

- “Past experience, with numerous tenants, has resulted in a huge amount of destruction to my property caused by renters with dogs including the stench being left behind.” — Andy
- “We believe that landlords should have the final say on whether pets are allowed, simply because the property belongs to the landlord. There are plenty of rentals where the landlord does not mind pets, so do not force landlords who do not wish to deal with property damage from pets, to have pets.” — Fotini and Craig
- “Whilst I support the notion of standardised application forms for simplicity and consistency. I am not in support of limiting the personal information that can be obtained from a tenant. Current legislation already exists to prevent discrimination against age, sex, race, religion and children, the removal of these questions on application forms would be duplicitous in the sense of the law.” — Ryan
- “The purpose of the bond is to cover costs the landlord might incur where a tenant leaves with unpaid rent and/or to cover damage, lack of cleaning etc. Our position is that all bonds should be the equivalent of 6 weeks rent as even this often does not cover the cost the landlord bears at the end of a tenancy.” — John
- “If laws were introduced capping rent increases at CPI (or some other figure), landlords will feel they must increase the rent by CPI every year, because if they don't they will never be able to “catch up” to market rates if they need to. Tenants will end up paying more.” — Kenneth
- “Energy efficiency requirements are a good idea but should not be too onerous - insulation could be required, but solar panels would be too much... Energy and water efficient appliances (in the case of furnished dwellings) could be required in the event of their replacement.” — Marcus
- “Some tenants make modifications without the necessary knowledge and 'know how', these modifications could create a danger in themselves. The landlord needs to be consulted at all times of any modifications regardless of whether they are considered as minor and need to be carried out by a competent person.” — Peter
- “Given that landlords lack the means to screen against illicit drug users, we believe it is unfair to impose the [drug contamination] remediation costs onto the landlord” — Rod and Marion

Key themes addressed in the individual submissions made by tenants or suspected tenants included pets, rent, maintenance, longer leases, bonds, issues with estate agents, property standards, subletting, inspections, affordability, payment options, renters' rights and reasons for ending tenancies. In particular, submissions made by tenants or suspected tenants included:

- “It needs to be made illegal plain and simple for the landlord to even ask about pets on the rental application or any part of the rental process. ...[A]s long as it is within council guidelines for both appropriate number & types of pets that should be the end of it. Maybe adjust the requirements of cleaning on rental contract end to be a bit more thoroughly done?” — Andy and Silva
- “When entering a new Tenancy Agreement, [i]t has become a common practice for the property to be in a poor state of cleanliness. Thus new incoming Tenants are needing to do an [e]ntry clean as no [e]xit clean was completed by the previous tenant or Landlord etc. This can be very hard on a new Tenant especially as they would have completed an [e]xit clean on their recently vacated property. Moving is very stressful and expensive. Unfair practices by Landlords/Real Estate agents who take advantage of [m]arket pressures need to be addressed.” — Cate
- “Longer fixed term leases must be accommodated. Given that home ownership is currently impossible for many people, shorter term rentals are disruptive to continuity in schooling and employment.” — Jane
- “I believe that tenants should be able to request timely maintenance without fear of retaliation or rent increases. There should be minimum standards in energy efficiency in all homes, including new builds and established buildings, and renters should have the same access to energy efficient, well insulated homes that owner-occupiers have.” — Jasmin
- “As a renter the most intrusive and stressful event is if the owner decides to sell the property during the tenancy and proceeds to hold open inspections... Strangers coming through your home is very stressful for the family and makes the rental feel unsafe and no longer a secure place to reside...during the lease agreement period, the owner should not have the right to sell and hold open inspections.” — Jill
- “We worry when we leave this property how much of our bond will go to cleaning fee from a bad experience in a previous rental property. The expectations of cleanliness were ridiculous. One experience I remember is the carpet cleaning. We had been there for 11 years and there was normal wear and tear. We cleaned the carpet only for the Landlord to rip them out and replace anyway.” — Karen

- “[I have been asked to]... attend a minimum 1 hour mandatory verbal "induction" during business hours at the start of the tenancy.... keep paying for electricity after providing vacant possession at the end of a tenancy [and agree to trivial clauses in my residential tenancy agreement], including ‘tenants are not permitted to wear high heels inside the property’”. — Laura
- “Growing up in rentals I experienced what it was like to live with the uncertainty that at any moment you may be asked suddenly to move out of your home, away from your school and your friends. People should have more security of tenure such as the option of longer leases of at least two years that can only be broken in exceptional circumstances.” — Vanessa

Summary of proposed reforms

In addition to the priority measures that were progressed to provide immediate relief for tenants, the drafting of a Bill for further reforms has commenced, with targeted consultation to soon follow. It is intended the resulting Bill will be introduced to Parliament by the end of this year.

Some of the key reforms to be included in the Bill follow.

Renting with pets

- The draft Bill will introduce a presumption that a tenant who applies to keep a pet in a rental property cannot have their request unreasonably refused, provided the tenant agrees to comply with any reasonable conditions imposed by the landlord.
- Reasonable conditions include requiring a pet to be kept outside of the rental property, if the pet is not a type of pet ordinarily kept inside, and requiring carpets to be professionally cleaned at the end of the tenancy, if a pet is allowed inside the premises.
- The draft Bill will contain the option for the tenant to apply to South Australian Civil and Administrative Tribunal (SACAT) if they are not satisfied that conditions imposed by the landlord are reasonable or if they believe their request for a pet was unreasonably refused.

No cause evictions

- Landlords will be required to provide tenants with a prescribed reason in order to end a periodic tenancy agreement or to not renew a fixed term agreement.
- The prescribed reasons will include the reasons currently listed at section 81 of the *Residential Tenancies Act 1995* (RTA), which include that a landlord requires possession of the premises for their own occupation or to sell, demolish or renovate the premises.

- After consultation, further reasons will be prescribed which will include a tenant engaging in illegal activity at the property, or a tenant harassing, threatening or abusing a property manager, landlord or neighbour.
- Tenants who believe their tenancy has been ended without proper cause will have the option to apply to SACAT.

Increasing minimum notice periods

- South Australia is currently experiencing record low rental vacancy rates, making it an extremely competitive time to be in the market for a new rental property.
- Reforms will change minimum notice from 28 days to 60 days so tenants will have more time to secure a new rental property and make the necessary arrangements to move.

Protections in shared accommodation (rooming house)

- Changes will allow more renters living in shared accommodation to be afforded protections under the RTA.
- A rooming house registration scheme will be established for rooming houses with five or more residents.
- Changes will require rooming house proprietors to provide CBS with evidence that they are fit and proper to carry out business involving the provision of accommodation under rooming house agreements.

Minor modifications and safety modifications

- The draft Bill will prevent the unreasonable refusal of safety modifications and minor changes including the installation of wall anchors, child safety gates, childproof latches, showerheads, and internal window coverings.
- Modifications will need to be made good (removed) at the end of the tenancy if the landlord requires.

Routine and open inspections

- The draft Bill will propose to reduce the number of routine inspections permitted under the RTA to a maximum of four inspections per year, with additional inspections to be permitted with approval from SACAT.
- The notice period for routine inspections will remain not less than 7 days but be increased to be not more than 28 days (as opposed to 14 days).
- This includes a requirement that a tenant cannot unreasonably withhold consent for open inspections.
- It is proposed that the requirement in the Regulations to provide 2 signed copies of the inspection sheet to the tenant at the beginning of the tenancy be amended to 1.

Domestic Violence

- More work is being undertaken in consultation with the Office for Women on increased protections for victims of domestic violence who are renting.

Energy efficiency and water saving standards

- The draft Bill will allow for the Regulations to specify that new or replacement fixtures in rental properties are required to meet certain energy efficiency or water saving standards.
- It is intended that this will be introduced gradually with further consultation to occur.

Prohibiting additional fees on tenants

- Drafted provisions will prevent landlords and land agents from charging tenants an additional fee to make rental payments.
- Provisions will also prohibit landlords, land agents and database operators from charging a fee to a person who requests a copy of their personal information listed on a residential tenancy database.

Changes to water and electricity billing

- Draft provisions will require landlords to provide tenants with a copy of any water bill that the tenant is required to pay within 30 days of receiving the water bill.
- A further amendment will specify that where there is no agreement between the landlord and tenant as to who pays the water supply fee, the RTA will require that the water supply fee is paid by the landlord.
- Landlords will have an obligation to pay excess water charges resulting from reported water leaks that remain unrepaired, or latent water leaks that could not reasonably be expected to be detected or reported by a tenant.
- Existing protections for tenants that specify rates and charges for water are not required to be paid if the landlord fails to request payment within 3 months will be extended to include all utilities, should these be in the landlord's name.

Changes to residential bonds

The changes will build on tenants' more affordable bonds by improving the bond lodgement process to allow greater flexibility, transparency and tenant participation in lodgements.

Changes include:

- mandating the use of the Residential Bonds Online (RBO) system for all landlords and agents
- allowing the RBO to collect additional contact details for the purpose of reducing unclaimed bonds held by CBS
- accommodating partial bond refunds
- allowing tenants to lodge their own bond through the RBO
- exploring further options to streamline the bond lodgement and refund process.

Drug Contamination

- The draft Bill will allow the landlord to terminate a tenancy where the tenant has engaged in drug related conduct on the premises and require the landlord to ensure the premises is tested for contamination and undertake necessary remediation.

Clarify tenant and landlord obligations

- The draft Bill will require that landlords distribute a prescribed fact sheet to tenants at the start of their tenancy.
- This fact sheet will be drafted in plain language and contain helpful information about tenant and landlord obligations, legal rights and further resources.

Compliance and enforcement charges

- The draft Bill will increase various penalties within the RTA and *Residential Parks Act 2007* to discourage landlords contravening various provisions.
- The draft Bill will prohibit landlords and agents from inducing someone to enter a residential tenancy agreement by misleading or deceptive conduct.

Appendix 1 –

Submissions received from representative groups that were not marked confidential

Affordable Housing Consulting
Airbnb
Anti-Poverty Network SA
Australian Pet Welfare Foundation (APWF)
Australian Services Union (South Australia and Northern Territory)
Better Renting
Centre for Health in All Policies Research Translation (CHiAPRT)
Child and Family Focus SA (CAFFSA)
Commissioner for Children and Young People (CCYP)
Community Housing Council of South Australia (CHSA)
ConnectEd
Consumer Policy Research Centre
COTA South Australia
Department for Energy and Water (DEW)
Department of Human Services (DHS)
Department of Social Services (DSS)
Detector Inspector
Digital Rights Watch
Disability Rights Advocacy Service Inc
Flinders University
Healthy Homes for Renters (HH4R)
Helping Heroes Rehabilitation Service
Hon Robert Simms MLC
Kidsafe SA
Landlords' Association of SA
Legal Services Commission
Local Government Association of SA (LGA)
Lucy Hood MP
Mars Petcare Australia
National Affordable Housing Providers (NAHP)
Office for Ageing Well
Office of the Public Advocate (OPA)
OurProperty.com.au Pty Ltd
Property Council of Australia
Real Estate Institute of South Australia (REISA)
Renew Australia

Rental Property Network
RentRight SA (SYC)
RSPCA SA
SA Housing Authority (SAHA)
SA Unions
SA Water
Shelter SA
South Aussies For Animals Inc (SAFA)
South Australian Civil and Administrative Tribunal (SACAT)
South Australian Council of Social Service (SACOSS)
South Australian Property Management Community (SAPMC)
St Vincent de Paul Society (SA)
Student Accommodation Council (within Property Council of Australia)
SYC's Lived Experience Engagement Service
The Law Society of South Australia
Toward Home Alliance (THA)
Trove Property Management
UniSA - AHURI Research Centre
Uniting Communities
Wellbeing SA (&SACOSS)
Youth Affairs Council of South Australia