

FACT SHEET

The Residential Tenancy Amendment Bill 2010

The *Residential Tenancy Act 1997* (the Act) established a legal framework for residential tenancy agreements. The Act prescribes the rights and obligations of property owners and tenants and provides legal redress through the Magistrates Court.

The *Residential Tenancy Amendment Bill 2010* ensures eligibility for funding under the Commonwealth's National Rental Affordability Scheme (NRAS) for organisations such as community housing organisations and the University of Tasmania by:

- (i) removing the current exemption from the Act for University premises that are subject to funding under NRAS;
- (ii) allowing property owners to contract with 'managing agents' to perform the functions of property owner; and
- (iii) restricting the circumstances under which people can sub-let premises.

The Amendment Bill also clarifies some Rental Deposit Authority processes relating to notices of claims and referral of disputes.

The National Rental Affordability Scheme (NRAS) is an Australian Government initiative that aims to increase the supply of affordable rental housing for low and moderate income earners across Australia. Funding under NRAS is subject to the condition that the relevant tenancy law applies to tenants under any proposed scheme. Some of the proposed schemes in Tasmania may not currently be eligible for funding under Commonwealth's NRAS requirements. The Amendment Bill will ensure that the Act will apply to prospective University housing that is funded under the National Rental Affordability Scheme. This will assist the University's application for NRAS funding.

The Housing Innovations Unit of the Department of Health and Human Services (Housing) wishes to contract with community housing organisations to collect rents, undertake maintenance and perform a range of other obligations under the Act for properties funded under NRAS. This arrangement is known as a 'head lease' agreement. However, it is not currently possible to 'contract out' of the statutory obligations as the owner of the property and consequently it is not lawfully possible for Housing to enter into these types of head leasing arrangements. The Amendment Bill allows for a residential management agreement where the residential manager becomes the property owner for the purposes of the Act. Under this arrangement, any tenant of the residential manager will become the a tenant to whom the Act applies.

The Rental Deposit Authority (RDA) holds monies in trust for the parties to a residential tenancy agreement. The Act also established processes for notifying the parties when a claim had been lodged and for resolving disputes arising from the claims process. A number of business processes, detailed in the Act, have been found to be impractical. The Amendment Bill clarifies some of the process outlined in the Act relating to the RDA.