



By your side

Residential Tenancies Review
Consumer and Business Services
GPO Box 1719
Adelaide SA 5001

Via email CBSReforms@sa.gov.au

Submission of the Australian Services Union SA + NT (ASU) to the Rental Tenancies Act Review

The ASU welcomes the opportunity to provide views on the review of the Rental Tenancies Act 1995 (SA).

With the intention of ensuring this Act reflects the contemporary needs of renters in South Australia, we provide the following feedback:

Residential Bonds

The ASU supports changes to residential bond arrangements. In most cases, South Australians are required to submit significant bond deposits as a condition of residential tenancy. The amount is out of step with what is reasonable to ensure that property owners are able to recoup potential losses in the event that a tenant breaches their obligations under the Residential Tenancies Act.

For some time, working people have struggled with raising the funds required to supply a bond. This is coupled with systematic issues that stop renters from accessing the bond of prior residences, as outlines in the Discussion Paper.

Due to the delays in accessing bonds to secure a new property, even in instances with no dispute, the ASU is supportive of further government investigation of a transferable bonds scheme.

In relation to the bond amount, bonds at the equivalent of 6 weeks of rent are routinely more than 3 weeks wages for South Australian workers. As South Australians currently face a

cost-of-living crisis, with Adelaide CPI at 8.4%, working people struggle to save for the onerous bond of 6 weeks.

Pay-day lenders in Australia now prey on members of community who are seeking urgent housing but are unable to accumulate a bond.¹

These predatory schemes trap people into a spiral of poverty.

The ASU supports a change to the current calculation for residential bond and submits that the current cost of living crisis, paired with the ever-inflating housing market, required a reduction in the cap to 4 weeks of bond.

In September of this year, data showed rental prices rose to be 10.3% than the previous year in South Australia, which constitutes the greatest growth in the past seven years.²

With wage price index growth in SA for the same period at 3.3%, it is imperative that the State Government alleviates the cost pressure³ on the fundamental right of housing.³

Renting with pets

The ASU is the union for workers in the family and domestic violence sector. Our members see firsthand the significant barriers that people feeling family and domestic violence face. These barriers are increased when property owners proactively exclude people with pets from renting their properties.

The ASU supports the SA Unions submission in relation to this matter and echoes its concerns that a 'pet bond' may produce an impossible financial barrier for people who may already be in a financially vulnerable position.

Standardising application forms

The ASU supports the proposal made in the Discussion Paper, to standardise rental application forms and to reduce the information required.

¹ Stop the Debt Trap Alliance, "The Debt Trap: How payday lending is costing Australians" 2019 https://consumeraction.org.au/wp-content/uploads/2019/11/Payday-Lending-Report_FINAL_UPDATED_WEB-1.pdf

² Cameron Kusher, "PropTrack Rental Report – September 2022 quarter" realestate.com.au, October, 2022, <https://www.realestate.com.au/insights/proptrack-rental-report-september-2022-quarter/>

³ Australian Bureau of Statistics "State and territory wage growth" Wage Price Index, Australia, September, 2022, <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release#state-and-territory-wage-growth>

ASU members report the considerable amount of time required to fill out separate application forms for a property and the concern that this, on top of the potential for liaising with agents, can impact their work. This can lead to anxiety in the workplace that they are having to take additional time off to search for a property, on top of the time it will take to move house.

Energy Efficiency Standards

Housing and Health Guidelines from the World Health Organisation provide us evidence-based recommendations to promote healthy housing.⁴

The WHO states that improved housing conditions can save lives, reduce disease, increase quality of life, reduce poverty and help mitigate climate change.

In South Australia, more people are renting, and they are renting for longer.

When properties have insufficient insulation, heating and cooling people face increased risk of sickness and more expensive energy bills.

These problems are exacerbated further during the summer and winter peaks, and can lead to serious health conditions and even death.

In South Australia, Better Renting group research found the average winter temperature in SA homes is 13.6C with the lowest minimum at 9C.⁵

These statistics can be expected to worsen as our climate changes.

Government can play a role in ensuring that rented homes are of a standard that does not become harmful to tenants health.

This ASU supports the State Government implementing energy efficient standards for rental properties to support the health of tenants, as well as reducing the cost of heating or cooling properties.

The ASU further believes that the Government should look at appropriate incentives to enable tenants renting in South Australia to share in the benefits of renewable energy.

⁴ World Health Organization "WHO Housing and Health Guidelines" 2018, <https://apps.who.int/iris/bitstream/handle/10665/276001/9789241550376-eng.pdf>

⁵ Dignam, J., Barrett, B."Cold and costly: Renter Researchers' Experiences of Winter 22" Canberra: Better Renting, August 2022

The ASU also acknowledges the negative health of having gas devices in residential properties, and the significant financial cost.

Financial protections for victims of domestic violence

The ASU supports the submission on SA Unions in relation to the liability of a victim, and their bond, in the instance where a perpetrator's bond does not cover the extent of the costs owed.

The ASU supports the strengthening of financial protections for renters experiencing domestic violence.

Frequency of inspections

The ASU urges this review to consider a change to the minimum frequency of inspections in the Act.

Currently, a landlord can inspect a property every 4 weeks.

South Australia landlords have the ability to inspect a rental property 12 times a year.

This is staggeringly high when compared to other states and territories:

- New South Wales: 4 times per year
- Victoria: every 6 months (but not within the first 3 months)
- Queensland: every 3 months
- Western Australia: 4 times per year
- Tasmania: every 3 months
- Australia Capital Territory: 2 times a year
- Northern Territory: every 3 months

When considering the significant bond that renters have already submitted, it is an affront to members of our community that their property should be inspected so frequently.

Not only does South Australia's current limits allow the privacy of a renter to be invaded on a monthly basis, but there is also no clear evidence that these excessive inspections lead to beneficial outcomes for the landlord or the renter.

Inspections uproot renters as they have to spend time cleaning and gardening to a very high standard which rarely relates to the ongoing maintenance of the property.

The ASU strongly urges this review to adopt a model which reduces the frequency of these inspections and bring South Australia closer in line with the rest of Australia.

Thank you again for the opportunity to provide further contributions to this important process.

If you have any questions about this submission, please contact Ella Waters at the ASU SA + NT on 8363 1322.