

*tenant***NEWS**

NO. 39 JUNE 1990

BUMPER EDITION



The Tenants Union of NSW represents tenants against unfair treatment by property owners and real estate agents.

We help tenants to work together for decent affordable and secure housing by:

- \* Resourcing tenants advice services
- \* Lobbying Governments on tenancy issues.
- \* Publicising tenants' problems and rights.

We believe that good quality housing is a basic human right... This means security of tenure, houses in good repair and protection against excessive rents for all.

Solidarity in numbers is the only way that our rights can be fought for and won.

Join the Tenants' Union, and help fight for tenants' rights in NSW.



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### ARTICLES HELD OVER TO SEPTEMBER ISSUE.

Unfortunately, there was not enough room to print all of the articles submitted for this issue.

These articles will appear in the next edition of Tenant News, due out in September. This includes the T.U.'s Annual General Report.

We apologise to those people who's articles have been held over.



# REPORT GETS UP SCHIPP'S NOSE.

by Paul Mortimer

**The Minister for Housing, Joe Schipp, probably gagged on his wheatbix when he read this Herald headline just before Christmas: "Report Finds Help Service for Tenants Inadequate".**

The Report was based on a survey of Tenancy Advice Services, undertaken by the Tenants' Union, A.S.W.U and three other organisations.

It caused a bit of a flurry in in Schipp's office and within the Department of Housing, because of its findings and wide media coverage.

The Report took a dim view of the Department's failure to provide an adequate Tenancy Advice Service, and recommended basically to fund community-based tenancy services, not unlike the Tenancy Advice and Housing Referral Service which the Minister defunded in March last year.

The Report was publicly support by Shadow Minister, Ron Dyer, and the media enjoyed it a lot more than the Member for Wagga.

There was very good coverage on most major radio stations and in local press. The Telegraph's headline on 18th December, 1989, was "Tenancy Advice Comes Under Fire". Even a mention on ABC TV News.

Privately, relevant Departmental staff generally agreed with the report's findings and recommendations. They were, of course, asked to comment, internally on the Report for their superiors.

The survey was conducted through community organisations in NSW, in September and October. It was done by the ASWU, TU, Western Information and Tenancy Service (WITS), Projects Association of CTSSs, and the Local Community Service Association of NSW.

Interesting findings and information in the Report included:

- \* The Department's Service is not reaching a lot of tenants who need help. In November, its phone service received 500 calls a day, but could only deal with 250. The rest didn't get through. Also, only half of the cases in the survey (48%) had contacted the Department of Housing for advice.
- \* 63% of tenants who had contacted the Department, found its Tenancy Service unsatisfactory.
- \* The Department's Service has been unable to replace TAHRSSs, in either extent or quality of service.
- \* The Department's phone and regional advisers are better than local Departmental offices in giving tenancy advice.
- \* Most NESB people needing advice are not getting it from the Department.
- \* Many community organisations have a much bigger tenancy advice workload since the defunding of TAHRSSs.
- \* Community organisations could not provide proper assistance in almost half (48%) of the cases surveyed.



Clearly the Department has been unable to replace TAHRSS in either range, quantity or quality of service.

The Tenants' Union has copies of the Report if you would like more information. It was written by the worker for the Western Information/ Tenancy Service (now defunct).

All up - a disturbing but successful exercise.

# A LETTER FROM THE SHADOW HOUSING MINISTER.

The following letter has been received by the Tenants Union from the NSW Shadow Minister for Housing, Ron Dyer, MLC:

Dear Mr. Cronau,

I am writing in response to your letter dated 18 January 1990 received at my office on 25 January concerning the future funding of independent community-based tenancy advice services.

As mentioned in your letter, I did make an announcement at the press conference held at Parliament House on 30 October 1989 that a State Labor Government would re-fund independent community-based tenancy advice services at an appropriate level. In regard to the further information you now seek, I advise as follows:-

- (1) It is my intention in principle to re-establish an additional regional State-wide network of independent community-based tenants advice services. This would be done in consultation with groups such as the Tenants' Union of NSW, and the detail of the implementation would have to be decided closer to the time when services are to be re-established.
- (2) It would be my intention to reinstate funds to the Tenants' Union of NSW at a level of funding comparable to that which prevailed prior to the March, 1989 defunding decision, but there would have to be detailed discussions with the Tenants' Union at the relevant time on a similar basis to that mentioned in (1) above.
- (3) As to funds being reinstated to other peak organisations defunded at the same time as the Tenants' Union, namely Shelter NSW and the Housing Information and Referral Service, I look forward to further discussion at the time a Labor Government returns to office regarding the structure of such bodies and the services they would provide. A funding decision would have to

be made in the context of such discussions and the level of other available service at that time.

- (4) I expect that the services would be re-established following a change of government as soon as it is administratively possible to do so.

I am most grateful for the expressed willingness of the Tenants' Union to assist in planning and preparing the changes referred to above in order to facilitate an effective network of tenants advice services in New South Wales.

With kind regards  
Yours sincerely,

RON DYER MLC  
Shadow Minister for Housing and  
Assistant Shadow Minister for Law and Order.

## ANSWERS TO THE HOUSING SHORTAGE

PENTHOUSE, FULLY DETACHED,  
DEEP PILE CARPETS.



SELF-CONTAINED UNIT, BIG  
SKYLIGHT, 360° VIEWS.



BASEMENT FLAT, IN GREEN  
BELT, SMALL HOLE IN ROOF.



# TENANCY LAW REFORM FOR BOARDERS AND LODGERS

By Colin Jones

In April this year the Combined Pensioners Association of NSW launched a report which presents an undeniable case for the inclusion of boarders and lodgers within the existing tenancy laws for private renters.

TENANTS NEWS presents the findings of this report, "Lost in the Law: Tenancy Law Reform for Boarders and Lodgers", written by Robert Mowbray.



On October 31st, 1989 the State Government introduced the first significant review of tenancy legislation for almost 90 years.

The Residential Tenancies Act (As Amended) 1987 essentially drew all residential tenancy problems under one Act and established a tribunal system (with wide ranging powers) to rule on disputes between landlords and tenants.

Unfortunately, the Act specifically denied coverage to those tenants classed as boarders or lodgers. The most vulnerable of all tenants have no tenancy rights at all.

It is not possible to place an exact figure on the number of boarders and lodgers in NSW. The ABS Census (1986) estimated there to be 130,000 such tenants, obviously taking into

account those living in boarding or lodging situations in private homes, hostels, hotels/motels and those in share accommodation.

Most discussion concerning boarders and lodgers is confined to the situation of people living in boarding houses. However, it is our view that all types of boarding and lodging situations should be covered by the Residential Tenancies Act.

Many boarders and lodgers live in situations which are almost identical to tenants covered by the Act. It is unreasonable that classes of



tenants whose situations are almost identical should be treated so differently under the law. At this time, we do not support the introduction of separate legislation.

Why were boarders/lodgers originally exempted from coverage? There is still considerable legal argument concerning the definitions of boarder and lodger.

A boarder or lodger is a person granted the right for value to occupy premises as a residence, but with the owner retaining control as "master of the house".



The terms "Boarder" and "Lodger" are sufficiently wide to include all categories of occupants who are not classed by common law as tenants. Whilst the current Act broadened the definition of "tenant" by not making exclusive possession a requirement, by specifically excluding boarders and lodgers from coverage, the radical nature of the change was significantly compromised.

Further, many confused and ill-informed comments have been made about these tenants when discussing tenancy rights.

These include that they are transient; disruptive



occupants, need to be evicted immediately; coverage is inappropriate because services are provided; it is inappropriate to cover people with disabilities; housing is only part of the program (supported accommodation); it is unreasonable to regulate private homes.

These objections best illustrate the confusion and mis-information emanating from varied sources that has resulted in the State Government deserting the needs of boarders and lodgers. It would appear that these are the issues that need to be addressed prior to the government extending coverage of the Act.

### 1. They are transient

This argument is usually directed at residents of boarding houses. However, studies (mainly undertaken by Local Government) have proved conclusively that boarders and lodgers have considerable stability in their accommodation and, in most cases, greater than those in the private rental market.

### 2. Disruptive tenants need to be evicted immediately

Because of the close living environment of boarding houses, landlords consider it is imperative that they be allowed to quickly

evict disruptive occupants. Such a situation (as currently exists) is arbitrary and subject to abuse.

The current Act gives the Tribunal the power to make an order for vacant possession, taking effect immediately, where it is satisfied the tenant is likely to cause serious damage or injury. In more urgent cases (given any delays in the Tribunal) the Tribunal may issue an interim order - outside of working hours - permissible under the current Act and only involving a slight change to existing administrative procedure.



### 3. Coverage is inappropriate because services are provided.

Some boarding houses offer support in the form of referrals, supervision of medication and recreation, etc., but in the main part boarding houses provide minimal support. In contrast, many residential centres and group homes do provide a number of services, particularly so in support housing programmes.

Any objections about the restrictions on landlords that coverage may cause can be overcome by the introduction of "service contracts". Such contracts would spell out the landlord's rights and obligations with regard to the relevant issues, such as entry to rooms.



4. It is inappropriate to cover people with disabilities.

Such arguments say that disabled residents are unable to assert their rights under the Act and their special needs would make tenancy arrangements unworkable - such as supervision by stall and the possibility of rehospitalisation.

The current legislation allows for a tenant with "intellectual impairment or physical impairment" to appoint a person as the tenant's agent and it is likely that agent would be able to represent the tenant at Tribunal hearings.

The issue of special needs such as stall supervision is addressed by the provision of



a service contract as above. The possibility of the rehospitalisation - presumably in the case of ex-psychiatric patients - is no different from the situation of tenants presently covered under the Act. Where illness has caused the tenant to vacate without proper notice, there is a duty on both parties to mitigate their losses.

5. Housing is only part of the programme

This refers to residential centres or group homes where a community group, voluntary agency, proprietor or head tenant provide accommodation and support services, often supervised. Should a resident decide not to participate in the whole programme they may be asked to leave immediately.

Clearly there is a need to separate the provision of housing from the provision of support services as the combination of the two leads to a very unequal power relationship. Asking a tenant to leave a supported programme and become homeless is a drastic measure and proper notice, as for tenants covered by the existing Act, should be given.

Residents of residential centres and group homes often require stability more than anything else. Indeed, security of tenure is something that should be relied upon.



6. It is unreasonable to regulate boarding in private homes

We can see no reason to deny boarders and lodgers in private homes the rights and responsibilities given to other boarders and lodgers. A person who takes in a boarder and grants them a right of occupation in return for money, clearly, should no longer be exempt from the Act. These circumstances also apply to many people living in "share housing".

The principal argument is that a delay in the eviction process is unreasonable where the relationship between the landlord/head tenant and the boarder has irrevocably broken down. However, this situation is addressed by a simple amendment to section 69 of the Act to include such situations.



ALL BOARDERS AND LODGERS should be covered under the Residential Tenancies Act (As Amended) 1987). The rights of boarders and lodger should be similar to those of other tenants and therefore it is best to provide coverage under the same Act.

## **"LOST IN THE LAW : TENANCY LAW REFORM FOR BOARDERS AND LODGERS"**

### **Summary of Recommendations**

- 1 The State Government must act urgently to introduce tenancy laws to protect boarder and lodgers.
- 2 Coverage for boarders and lodgers should be given under the Residential Tenancies Act (as Amended) 1987 and the Landlord and Tenant (Rental Bonds) Act 1977.
3. All housing situations classed as either boarding or lodging are covered by the Act. This includes boarding houses, residential centres, group homes, share accommodation and private homes.
4. There be a standard form of tenancy agreement for boarders and lodgers.
5. "Service contracts" be introduced as part of the standard form of residential agreement and that they define such aspects as landlord access to rooms, supervision, etc.
6. Any "house rules" imposed on the tenant are only binding where it can be shown that a genuine attempt has been made to involve the residents in their formation. The Residential Tenancies Tribunal can declare house rules invalid.
7. Boarders and lodgers be given not less than thirty (30) days notice to vacate.
8. The costs of preparation of tenancy agreement be met by the landlord.
9. Rental bond be limited to no more than one week's rent.
- 10 Non-refundable key money be prohibited.
- 11 No more than one week's rent in advance be demanded.
12. Boarders and lodgers be required to give no more than seven (7) days' notice to vacate.





## CARAVANNERS

by Nick Warren

Joe Schipp's Residential Tenancy Act brought the first regulation of tenants' rights to NSW's permanent caravan population of over 100,000.

This was welcomed by caravan and mobile home residents for its promise of restricting the plethora of charges and cost increases and many discriminatory and invasive practices within the industry.

However, the United Caravan and Campers Association (UCCA), representing NSW park residents, is receiving a stream of complaints about application of the new Act.

Caravan residents are in some places being put under pressure to sign new agreements, often with additional clauses, by a certain date or face 60 day eviction.

There is also fundamental disagreement with the no cause eviction arrangements that apply equally to renters and people who may have invested over \$50,000 in a mobile home. At the same time caravan park residents are finding that many of the special charges in caravan parks are being legitimated by these agreements.

In particular, U.C.C.A identifies "commissions" on the sale of vans; visitors' fees; widespread introduction of bonds, including for those who rent the site only; gate or security deposits and essential services charges- as areas where caravanners are being disadvantaged.

The escalation in costs for this traditionally low cost housing option is also being exacerbated by other decisions by the Greiner Government. Local Government, Minister David Hay's decision of Jan 1 this year allows councils to charge a higher rate for specific buildings and areas, with caravan parks among the foreshadowed targets.

Under this scheme rate increases to caravan parks can exceed rate increase ceilings as long as offsets to other rate-payers means an average increase of less than 7.3%.

This may redress a benefit that caravan park owners have been getting but at the expense of caravan park residents who have already been subject to unregulated fee imposts.

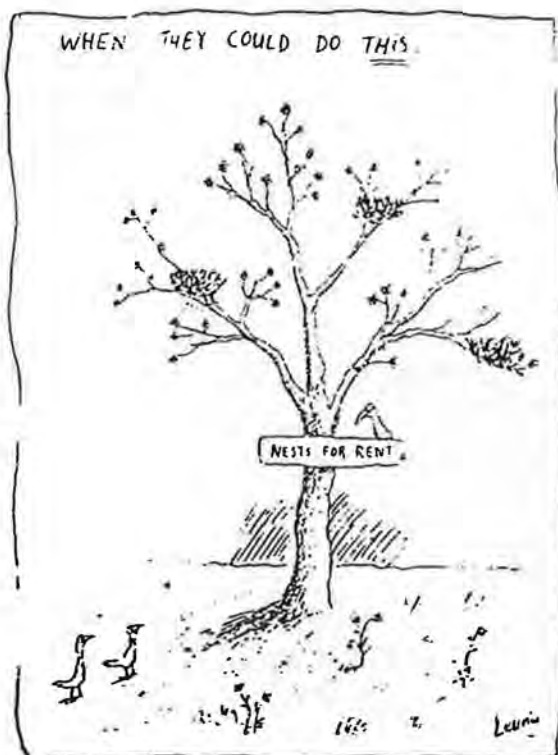
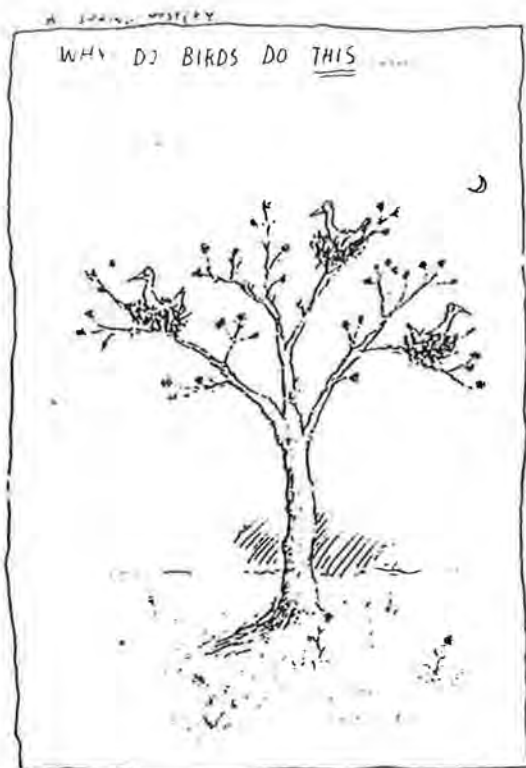
The U.C.C.A. is a voluntary association of consumers active in advocating the interest of permanent caravan and mobile home residents to both sides of state government, as well as local government, statutory authorities and private business interests.

Over the past couple of years, and in particular with the experience of legislation as an attempt to improve conditions within the industry, U.C.C.A has increasingly asserted the need for new strategies to change the vastly unequal relationship between consumers and developers/managers.

At present the Association is launching an ambitious plan to develop its own consumer-managed and owned caravan parks. It is negotiating both land and funding, with a site in the Wollongong area a likely first development.







[Editor's Note: This letter was written by a new T.U. member, who recently took a case to the Tribunal and lost.]

A "CHRIS", by any other name, may be interested in this letter from "M". to this END we publish it.

Dear Chris,

Your welcome letter arrived on Monday and although we are happy to hear the good news, we are concerned about the not so good details. The conditions of the house you are now renting sound most unhealthy. As you suggested I have talked with Grace who took her problem to the Residential Tenancies Tribunal a few weeks ago.

Although she had prepared her case very well and believed she had right on her side she was very nervous; she also described the "Hearing Room" as a cross between The Old Bailey and her old school room.

The man in charge of the hearing sits at a desk on a raised platform and dictates what statements may be made and what questions asked and by whom.

Grace tells me he was very articulate and reasonably fair. However, the agent, representing the owner, presented himself as a caring and helpful person and produced invoices etc., for work which in essence had not been done satisfactorily at the time.

Actually the agent had been quite indifferent to the well being of Grace and her family. The unhappy result was a judgement against your cousin and certainly no compensation for the discomfort they had suffered.

Maybe you will be influenced by what happened to Grace, however, the law is not always on the side of the smart operator. Don't be deterred from requesting a hearing, you have every right to be heard - prepare all the relevant facts and don't be overawed by it.

In my opinion you must pursue this matter and not let the landlord and agent put it over you, otherwise you will regret not taking them on.

I will ring you next week and we will arrange to fly over if and when you need us. Our love to you and all the family.

As ever "M"

# Protected Tenants Legislation: Future in Doubt

By Colin Jones

In October last year, a State Government Housing Committee released a report recommending that legislation covering 'protected tenants' be abolished.

The report concluded that currently, such tenants received unreasonable benefits whilst their landlords were virtually rendered powerless.

So what are that unfair "benefits" that the government are so concerned about?

Primarily, premises protected (or controlled) by the existing legislation limit:

- (i) the level of rent that can be charged; and
- (ii) the landlord's ability to evict the tenant.

## Rent Levels

Rents are set by agreement between the landlord and tenant or by the Residential Tenancies Tribunal. The RTT will base its assessment on the landlord's outgoings and management costs.

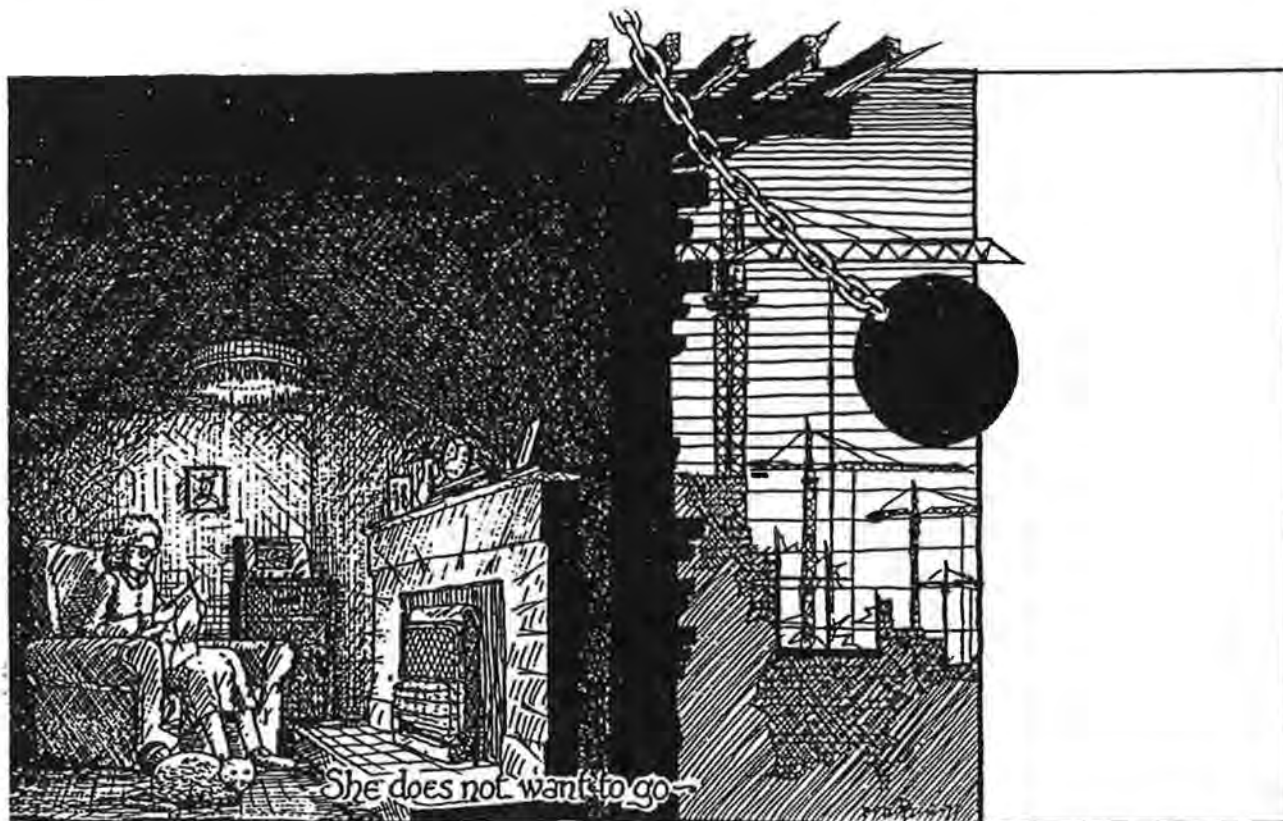
It is believed that the average weekly rent for protected tenants would be approximately \$60. However, to qualify for such an assessment the tenant must be in receipt of an annual income lower than \$18,356.

## Evictions

Common assumptions are made that a protected tenancy is one safe from eviction. But there are 25 grounds that a landlord can use to try and evict a tenant. The onus is on the landlord to prove there is a reason (they don't have to with other private rentals) and any tenant hardship will be taken into account.

Most publicity that surrounded the release of the report, centred on the anecdotal-type statements that we are becoming accustomed to with the Greiner government.

Reports of \$14 per week rentals for \$200,000 homes, tenants using the premises as holiday homes, a four income family paying \$16 rent, and so on. If these extreme cases do exist then the landlord has the power to rectify them under EXISTING legislation.





There is no argument to giving landlords more rights simply because they are incapable of enforcing the ones they already have.

There is little doubt that a substantial number of landlords purchased their properties in full knowledge of it being 'rent controlled'. These properties are usually sold at less than market value due to the deterrent of inheriting protected tenants.

Consequently there will be a considerable capital gain for the owner when the tenant is forced out, dies or when the legislation is abolished.

This was not acknowledged in anyway by the committee, who throughout the report painted the owner as the unfortunate victim of anomalies in tenancy law.

The committee head, Mr. Wayne Merton (Lib, Carlingford) stated that it will be ensured that any eligible tenant displaced due to legislative changes will be offered public housing.

The report itself states there may be in excess of 24,000 protected tenants (although 10,000 is more realistic). Given that only 11,000 vacancies occurred in the entire NSW public housing sector last year, it would appear an impossible task to relocate even a small proportion of those affected.

The tenants who do receive an allocation would be extremely fortunate for it to be situated in a preferred area.

What about the tenants who are unable to cope with the inevitable rent increases of 100% - 200%? The report does not indicate if such tenants will be classified as being "displaced" and therefore they may not qualify for public housing.

Leaving the Department of Housing to clean up the mess after the introduction of harsh housing policies seems to be favoured by this state government. Exactly the same approach was taken when zoning restrictions on Darlinghurst boarding houses were lifted in November last year.

Such schemes will add intolerable pressures to public housing waiting lists, that are already buckling under the demand from other applicants in genuine need.

All protected tenants are expected to register with the Department of Housing by June's end. The Department has stated that failure to do so will result in those tenants being excluded from a public housing allocation.



Just to make sure, it has been allowed for landlords to register on behalf of their tenants! At the time of writing the response by tenants has been poor, no doubt due to the government's poor publicity of the suggested changes and register.

The timing of the legislative changes is likely to be decided by the government once the register has closed, and it is known how many tenants will be affected. The final number of registered tenants should not be regarded as a reliable indicator of the actual incidence of protected premises.

A comprehensive inquiry and examination of existing records needs to be undertaken prior to making any assertions of this manner.

Most importantly, the tenants who will be affected by legislative changes will be older people. They have lived in their current houses for many years and heavily rely on the network of services in their local area.

Those community groups in regular contact with the tenants tell us that many are in ill-health and are frail. The State Government has been reckless in the way the registry has been operated and publicised, and has shown scant respect for the concerns of these older people.

The Opposition Housing Spokesman, Ron Dyer, has stated he will oppose the changes and will recommend to ALP caucus that they be blocked in the upper house.

It is thought there are still a high number of tenants who remain unaware of their special status. If they moved into premises before 1 January 1986 and the premises were built before 16 December 1954, the tenant may be subject to rent control.

Contact should be made with the TENANTS' UNION hotline on 251 6590 for further information on the register and/or your rights.

# INTERPRETER SERVICES : PROBLEMS IN NSW

By Paul Mortimer

There has been strong criticism recently about various Interpreter Services in NSW.

We reported the Department of Housing's Interpreter Serviced in the last Tenancy News. It involves different interpreters at Department of Housing regional offices at set times, which can be booked.

They also have bilingual workers on their 229-0011 number - if you can get through.

These moves are positive. However, Departmental counter staff often appear unaware of them, which means the Service just doesn't work.

In recent cases, people requesting interpreters were told by Department of Housing counter staff to bring in a friend. Interpreter Services were not mentioned. The Department obviously needs to fix this problem by training its staff.

The Government Interpreter Service (221-1111) is also under fire, from the Ethnic Affairs Commission of NSW (EAC). They are concerned about failures, such as people being refused help in dealing with NSW Government Departments.

The EAC has a 'Fix line', 831-5622, where people can ring to complain if they feel the Government Interpreter Service hasn't been up to scratch in some way.

Finally, the Ethnic Communities Council reports that translating assignment by the EAC are down by up to two thirds on last year. While the need for these services has obviously not fallen.

For some reason, Interpreter Services in NSW are not getting a high priority.

This obviously stops migrant communities getting information and resources. Not good enough, really.





# CLOVER MOORE ATTACKS GOVERNMENT ON BOARDING HOUSES AND PUBLIC HOUSING SELL-OFFS

By Paul Mortimer

**Independent M.P. Clover Moore let fly in NSW Parliament on March 28. It was a comprehensive attack on the State Government's approach to Inner City Housing.**

Tourism is closing down local Boarding Houses very quickly. The local member criticised the Government's reponse.

"Last October, the Government lifted Section 4D which had protected Boarding Houses in the Eastern Distributor Corridor," said Ms Moore, "169 properties were affected, including 44 boarding houses."

Ms Moore cited a case where a Potts Point boarding house was purchased late last year. The tenants were classed as lodgers by the new landlady. Rent was doubled from \$70 to \$140, they were harrassed, and in one case physically removed. Some had lived there many years.

"They have now been replaced by backpackers who are paying \$120 per week for dormitory accommodation. This consists of rows of mattresses on the floor."

She also attacked the Greiner Government for selling off land set aside for public housing. This worsened the housing crisis by losing possibly 2,000 cheap home units.



Ms Moore pointed out that the Crown Street Hospital site alone was intended to provide 300 Public Housing units. This has been cut to just 92 pensioner units. The rest is to be sold to private developers.

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# HOUSING CRISIS !

[From a leaflet distributed by the Public Housing Campaign Committee.]

**Rents and interest rates are going through the roof.**

**There are 175,000 households on public housing waiting lists in Australia, 100,000 alone in NSW. Over 40,000 homeless people sleep out in the streets every night.**

## **What is to be done?**

What follows is a 4 point programme to solve the housing crisis.

### **1. Build more public housing.**

With 175,000 household on public housing waiting lists over Australia, the need is clear. More public housing is needed, which would reduce the demand for private rental properties. The demand by homebuyers to take out a hefty

mortgage and buy a home would fall also and house prices would stop going up.

What's more, with interest rates likely to cause a down-turn in the building industry, jobs could be scarce if something isn't done to take up the slack. More public housing could help solve the problem, and not just for the building industry.

More public housing means more jobs; not just building the actual homes, but making all the bricks, and timber frames and tiles and aluminium windows and so on that go into making a home.

What's more, because public housing is built by the government and not just some property developer, the houses are built for people, not for profit.

This means that the demand for building products is more consistent and not prone to wild shifts in supply and demand because of changes in interest rates or because the builder has gone broke.

So we get a more steady, more even growth in jobs and a more steady development of the Australian economy overall.



### **2. Cut interest rates!**

How? By ending the tax deductibility of business borrowing...

Our high interest rates are largely caused by our massive foreign debt - over \$100 billion at last count. That's \$100,000,000,000.

When Alan Bond bought the Channel Nine Network from Kerry Packer, it cost him millions of dollars and he had to borrow heavily to do it. A lot of Bond's loans are borrowed overseas and like any loan, regular interest payments have to be made on them.



That means there's a fortune flowing out of Australia every month. This damages the Australian economy, adding to our major problem: the current account deficit.

This is the difference between the amount of money coming in and out of the country. Some people think that the deficit is mainly caused by the fact that we don't export enough to pay for the stuff we import. But this is not true.

In May this year the Australian Financial Review revealed that "Only 40% of the current account deficit is accounted for by the economy's trade deficit on goods and services. The remaining 60% - or \$10 billion is taken up by Australia's deficit on income and net transfers.

"This largely reflects interest payments totalling \$9.7 billion in 1988 on Australia's \$121 billion gross foreign debt. The economy is now trapped in a vicious circle Debt has ballooned, the interest bill has become a driving force behind the worsening current account deficit - which is then added to the debt servicing bill"

Meanwhile, back at Channel Nine not much has changed since Bond took over: no new jobs, the TV programmes have stayed pretty much the same. Nothing's changed except that Australia's foreign debt has got bigger.

If the government allows this to go on unchecked, the value of the Aussie dollar would fall and we'd be in worse trouble than we are at the moment.

So the government has to take steps to support the value of the dollar and the way it does that is to keep interest rates high. The government wants high interest rates because then foreign investors will move money into Australia to take advantage of our high interest rates ie increasing demand for Aussie dollars.

In other words, ordinary working people who are battling to pay off their mortgage or just keep up with the rent, are paying the price for the likes of Alan Bond and his overseas loans.

Alan Bond and others, like Laurie Connell, Christopher Skase etc get free money - that's right **FREE MONEY** - because their interest on foreign loans are tax deductible (That's why



Bond pays less than 1% tax while we pay 30% or more.) But we pay the price.

Tax deductibility has to stop. We simply can not afford it.

### 3. Capital gains tax on million dollar homes.

Capital Gains Tax is paid when a business or business property is sold. Capital gains tax isn't paid on the family home and that's the way it should be for most people.

But some wealthy folks, those with more money than they know what to do with, are using capital gains tax as a rort!

People on high incomes can reduce their tax bill by putting their spare cash into home renovations: "Let's just knock up a second storey! Cape Cod? No worries! or a triple garage. Why not a new pool or a tennis court?"

Any money invested in the family home increases its value and when it's sold there's no capital gains paid on it.





So the effect of not having a capital gains tax on million dollar homes is to artificially drive up the price of these homes. In turn this drags the rest of the market up with it, making it harder for the first homebuyers to get into the housing market in the first place. What we need is a capital gains tax on all homes worth a million dollars or more.]

This would have two effects:

1. All housing prices (and therefore rent too) would be dampened;
2. The tax recovered should be earmarked for housing homeless people in permanent public housing.

#### 4. End negative gearing

Negative gearing has the effect of helping landlords buy houses and flats that would otherwise be bought by genuine home buyers. That is, people who need a home - not to make a profit - but simply to live in.

Nationwide, more than 40% of all housing loans made in the past 18 months have gone into investment property, with the investors taking advantage of negative gearing.

The Commonwealth Bank, Australia's largest housing lender, estimates that 30% of its \$400

million monthly national loan budget goes to investment property. "Some experts say the return of negative gearing has brought at least a 20% increase in property prices, especially in Sydney" Business Review Weekly magazine, May 19, 1989.

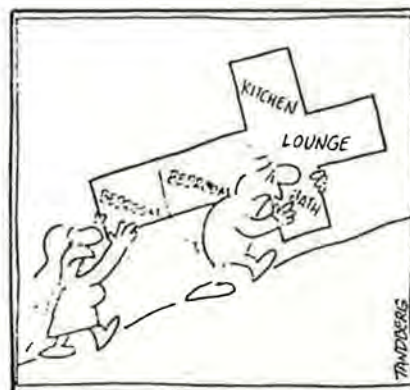
Negative gearing is another tax rort. It works like this. When a landlord buys a house or a unit to rent out to someone else, like most people he usually does it with borrowed money. The chances are that the rent isn't enough to cover the monthly repayment to the bank.

There is a shortfall that has to be made up out of his own pocket.

But Lucky Landlord!

He can claim this amount as a tax deduction, so it doesn't really come out of his pocket at all. This is called negative gearing.

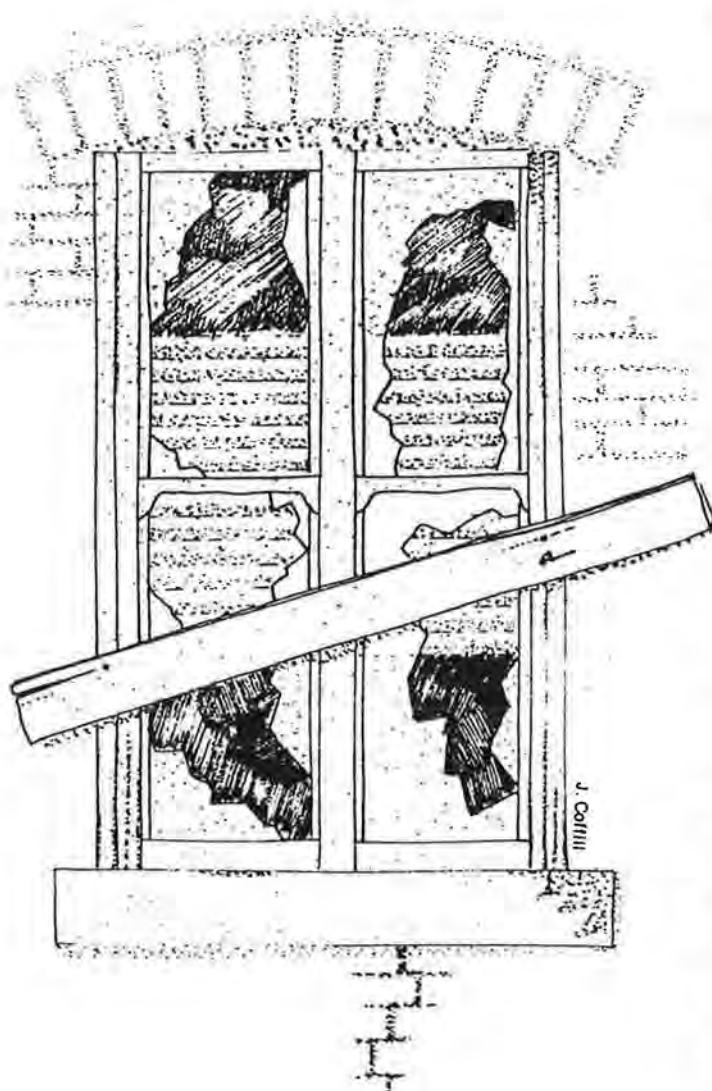
To understand why it is so attractive just look at the example of an executive on \$110,000 a year, who is able to make repayments on a loan of \$600,000 borrowed at 18%, to invest in a



property. The annual interest bill on that will be \$108,000. But he'll be pulling in \$40,000 a year rent.

He'll then have to pay rates, insurance and other outgoings totalling \$8,000. This leaves a net loss of \$60,000. The executive uses this to reduce his taxable income to \$50,000. Without these deductions his tax liability would be \$47,505. But the deductions cut this to \$16,508 - a net saving of \$30,997.





## NEW TENANTS' SERVICE LAUNCHED

**On a wet afternoon on March 19 more than 30 people watched as Sir Ronald Wilson, the new President of the Human Rights and Equal Opportunities Commission, launched a tenants' service for Western Sydney.**

Sir Ronald is also President of the Uniting Church in Australia, and it was the Board for Social Responsibility of the Church's NSW Synod that put up the money for the service.

Those attending included the Shadow Minister for Housing (Mr. Ron Dyer), the Chairperson of the Residential Tenancies Tribunal (Mr. Ray Collins), and the Department of Housing Regional Manager (Mrs. Lyn Peterson).

The NSW Minister for Housing (Mr. Joe Schipp), did not reply to his invitation. This was not surprising, as Mr. Schipp had already signalled his support for community-based services by knocking off the 20 tenants' advice and housing referral services his Department had previously funded, together with the Tenants' Union, Shelter and the Housing Information and Referral Service.

It probably didn't help, either, that the Board for Social Responsibility had been actively involved in the long-running campaign to save the services.

The Board responded to two submissions - one from its Community Services Director (Mr. John Nicolades) recommending development of a tenants' advice service and one from the Western Information Tenancy Service (WITS), recommending the western suburbs as an appropriate location for a service.

WITS had received short-term funding to develop tenancy services in the western suburbs, and had developed 20 such services in community agencies. It had also produced a report reviewing the Department of Housing's Tenancy Service.

So the Western Sydney Tenants' Service (WESTS) was born. The Uniting Church is putting up three years funding for the service, which employs two people - Robert Mowbray and Harvey Volke.

Ironically, these two workers were previously employed in the Department's now-disbanded Housing Information and Tenancy Services Program, which had funded the original services.

Rev. Harry Herbert, the director of the Board for Social Responsibility, had been active during the previous year in shaping the Uniting Church's housing policy, and chaired the launching. He said it was an important occasion, as "a lot of energy and thought" had gone into setting up WESTS.

In a carefully judged address, Sir Ronald spoke of the inequity of relations between landlords and tenants, and said it was important for the



Church to be seen to be concerned about issues of human rights and human justice.

"The existence of this service in itself would be valuable as a sign and symbol of a caring and compassionate community", he said.

However, he also insisted that this should not be seen as charity. "The word 'rights' reminds us that equality of opportunity, equality of bargaining power, equality of treatment are our right by virtue of our humanity", he said.

The service was set up to:

- \* Provide an advisory service to tenants;
- \* Inform tenants of their legal rights and obligations;
- \* Provide housing information and referral;
- \* Collect statistical data on tenancy and housing enquiries;
- \* Provide training, information and back-up advice to community organisations currently providing tenancy advice as part of their generalist programs.

Training is also to be targeted to agencies working with people from non-English speaking backgrounds, since this group is the most vulnerable of all private tenants.

In its first month of operation, the new service dealt with well over 100 enquiries, attracted widespread publicity in the western suburbs, and developed short-term campaigns around protected tenants and sittings of the Residential Tenancies Tribunal for the western suburbs. It also has been involved in consultation with the Department of Housing.

WESTS' phone number is 891 6377.

Great news, Mr President - we've come up with a bomb that only kills estate agents!



## LIMIT ON AGENT'S FEE FOR PREPARING A RESIDENTIAL TENANCY AGREEMENT

By Robert Mowbray

Following changes to the Auctioneers and Agents (Remuneration) Regulation 1981 and the Residential Tenancies Regulation 1989, a limit has been placed on what real estate agents and landlords may charge when renting out a property.

A real estate agent may only charge a landlord a maximum fee of \$30 for:

- inspection of premises for the purpose of preparing a report on the condition of the premises;
- preparation of the condition report; and
- checking the credentials of prospective tenants.

The real estate agent or landlord may ask the tenant to pay up to \$15 only for the costs of preparing a written residential tenancy agreement, real estate agent's fee and any other charges incurred at the time.





## TENANCY ADVICE SERVICES WESTERN SYDNEY

September 1989. Compiled by the Western Information/Tenancy Service, which finished operating at the beginning of 1990

The following organisations can provide Tenancy Advice over the phone. Most will see the tenant face-to-face by appointment.

### STATE-WIDE, BASED IN SYDNEY CITY.

Department of Housing  
Tenancy Service

229-0011  
Toll Free 008-45-1301

### VARIOUS LOCATIONS

Tenants' Union Hotline

251-6590

### BANKSTOWN

Bankstown Neighbourhood Centre 707-1809  
Panania Skillshare 772-3677

### LIVERPOOL

Liverpool Neighbourhood Centre(MWF 10-1)  
601-6308

### FAIRFIELD

Burnside Khmer Program (Cabramatta)728-4411

### AUBURN

Australian Turkish Childcare Centre (Auburn)  
643-1666

Cumberland College Education Officer  
(Lidcombe)

649-1270

### PARRAMATTA

Granville Multicultural Centre 637-7600  
Cambodian Baptist Fellowship (Granville)

637-2012

Macquarie Legal Centre (Parramatta)689-1777  
Parramatta Sydney City Mission 689-3077

### BLACKTOWN

Blacktown Salvation Army 622-3108  
Mt. Druitt Sydney City Mission 675-1255  
Hills Care (Seven Hills) 831-5522  
Rooty Hill Care Force 832-2300

### PENRITH

Penrith Accommodation Co-op 047-21-5336

### BLUE MOUNTAINS

Katoomba Neighbourhood Centre(M & Th)  
047-82-1117

Springwood Neighbourhood Centre047-51-3033

### HAWKESBURY

Hawkesbury Community Housing045-78-4503  
Hawkesbury Community Aid 045-78-2791  
Colo Mobile Resource Unit 045-76-1263





*Despite spiralling labour costs, exorbitant interest rates and unconscionable government interference, property investment allows us, through a combination of deceptive marketing practices, rent inflation, and tax avoidance, to show a profit which, in all modesty, could only be called excessive.*

## FREEDOM OF INFORMATION

by Harvey Volke

Community agencies are still testing the State Government's new Freedom Of Information Act, but it is a tool that should prove increasingly useful as we grow accustomed to its face.

It should be noted that to date, in my experience at least, the Department of Housing has been helpful and prompt in providing information.

Nor has it insisted on going through rigorous or formal procedures in getting access to information. This may, of course, depend on what information is being sought, and flexibility may at some stage be constrained by the sheer volume of FOI requests.

We have not had difficulty in gaining access to the Department's operating procedures, which are the key to determining how its officers will (or should) act in relation to clients.

A phone request to the Freedom Of Information Co-ordinator at the Liverpool head office of the Department has resulted, for example, in acquisition of copies of procedures for the Rental Assistance Scheme, rental arrears recovery, rehousing of tenants, Tenancy Services, and so on.

In response to requests for copies of the Applications and Allocations Manual, we were told that this was currently being updated, and should be available at the end of June. Nor have we yet tested FOI in seeking to gain access to policy-type documents.

Where we have requested material and it has been available, it has been sent to us within a week - well within the time required for the Department to notify applicants of the Department's decision on any request within 45 days.

The Department also has an FOI procedure manual, which is available, and which includes the Department's standard application forms.

So at this stage, the story is one of helpful co-operation. Of course that may not resolve two other potential problems: (1) knowing what you want so you can ask for it, and (2) departmental officers being increasingly careful of what they actually put on paper, or operating with two agendas (potentially a bit like Abe Saffron's two sets of books!)



**LAST CHANCE !**

**FREE OFFER TO  
T.U. MEMBERS  
ONLY**

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Just Write to the Tenants' Union for your updated booklet on Tenants' Rights.

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(\$3/copy for orders of 10 or more)**

**THIS OFFER DEFINITELY CLOSES  
ON AUGUST 31, 1990.**

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Contains Information on:

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- New Residential Tenancy Agreement
- Getting Repairs Done
- Bond Money
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- AND MUCH, MUCH MORE !

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Please send me my FREE copy of "Your Rights As A Tenant".



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Address:.....

.....Post Code.....

(If you are not a Member, please enclose \$5/copy, or \$3/copy for orders of 10 or more)

Return To: TENANTS UNION OF NSW 68 BETTINGTON STREET MILLERS POINT 2000.  
.....



# TENANTS' UNION MEMBERSHIP (Application/Renewal Form)

Name \_\_\_\_\_

Address \_\_\_\_\_  
Postcode \_\_\_\_\_

Telephone (h) \_\_\_\_\_ (wk) \_\_\_\_\_

First language \_\_\_\_\_

Ethnic Background \_\_\_\_\_

Occupation \_\_\_\_\_ Union \_\_\_\_\_

## Please tick

- \* Is this a: New Membership? \_\_\_\_\_ Membership Renewal? \_\_\_\_\_
- \* Are you a: tenant? \_\_\_\_\_ squatter? \_\_\_\_\_ home owner? \_\_\_\_\_  
other? (specify) \_\_\_\_\_
- \* Can you assist the Tenants' Union in any way? Yes \_\_\_\_\_ No \_\_\_\_\_  
Details \_\_\_\_\_

## Fees

Membership fees apply from January 1 to December 31 each year. New members joining after June 31 may pay half fees.

- \* Unwaged/pensioners/unemployed/student.....\$ 6.00  
(1 share + \$5 annual service fee)
- \* Waged workers.....\$11.00  
(1 share + \$10 annual service fee)
- \* Organisations.....\$45-\$105  
(5 shares + annual service fee based on income)
- \* Donations.....\$ \_\_\_\_\_  
I enclose .....\$ \_\_\_\_\_

This covers purchase of shares and service fees.  
I declare that I am over 18 years of age.

Signature \_\_\_\_\_

Witness \_\_\_\_\_

Date \_\_\_\_\_

Return to:  
Tenants' Union of NSW Co-op Ltd.,  
68 Bettington Street, MILLERS POINT, NSW 2000

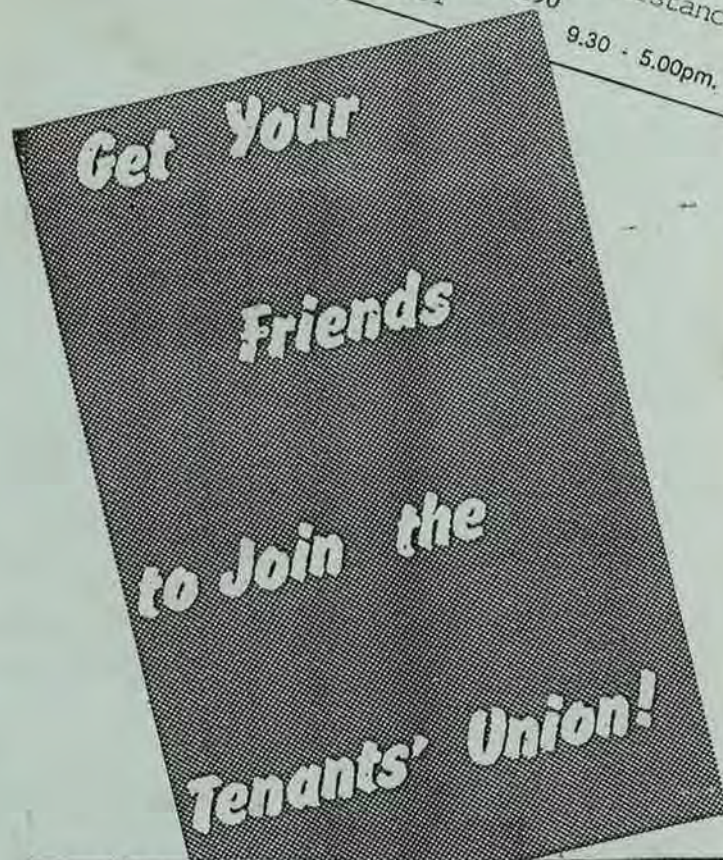
## OFFICE USE ONLY

Service \_\_\_\_\_ Donation \_\_\_\_\_  
Shares \_\_\_\_\_ Non-member trust \_\_\_\_\_  
Account \_\_\_\_\_

Receipt No. \_\_\_\_\_

Membership No. \_\_\_\_\_

TENANTS' HOTLINE  
For advice and assistance  
Phone: 251 6590  
Mon-Fri 9.30 - 5.00pm.



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