

*tenant***NEWS**

NO 46 NOVEMBER 1992

HOT ISSUE





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.



TENANT NEWS is produced by the  
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ISSN - 1030 - 1054

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# NORTH SYDNEY TENANTS SERVICE

**North Sydney Council, North Sydney Community Service and Kirribilli Neighbourhood Centre have combined to fund and set up a new service: North Sydney Tenants' Advice Service.**

The new tenancy worker, Terri Williamson, began work on October 26.

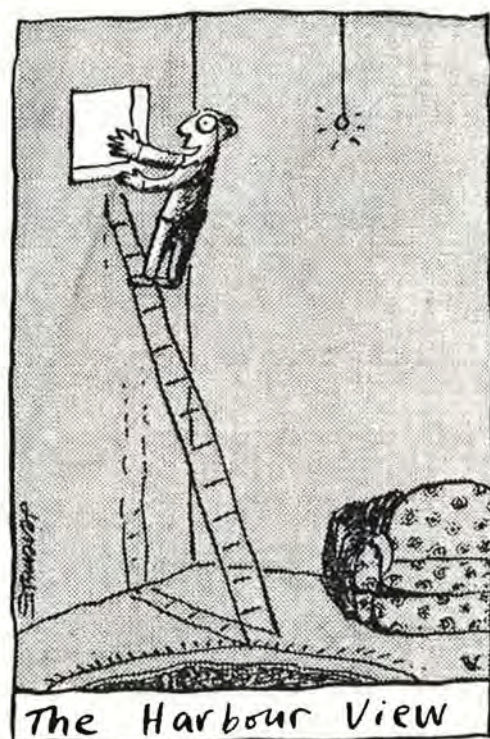
It will run 3 days a week for a 12 month pilot period. This is a welcome initiative, and comes on top of Waverley Council's service, reported in this issue.

Terri will be based at Kirribilli Neighbourhood Centre, and do outreach from Crows Nest Neighbourhood Centre.

**Tenants can phone for advice at Kirribilli Neighbourhood Centre, Mondays and Wednesdays, on 964 9654. The address is 16-18 Fitzroy Street, Kirribilli.**

Terri will focus on a direct service to tenants, but is also looking at community education.

Hopefully, the service will be ongoing. It will not be difficult to prove the need. They will be looking at funding alternatives.



## WAVERLEY TENANTS SERVICE

Waverley Council has funded Redfern Legal Centre to operate a tenants service in the Eastern Suburbs, 3 days a week.

This will run for a trial 6 month period. After that, the Council will review the situation.

Their new worker for this period is Beth Jewell. Waverley Council has been running the following ad:

### "WAVERLEY TENANTS SERVICE

Providing tenancy advice;  
Assistance with the Residential Tenancies Tribunal;  
A telephone advice and housing referral service.

This service operates

Tuesday	9am - 5pm
Thursday	9am - 5 pm
Friday	9am - 5 pm

For all your tenancy enquiries  
telephone 387 3979

OPERATED BY REDFERN LEGAL CENTRE."

## RISK OF CORRUPTION IN DEPARTMENT

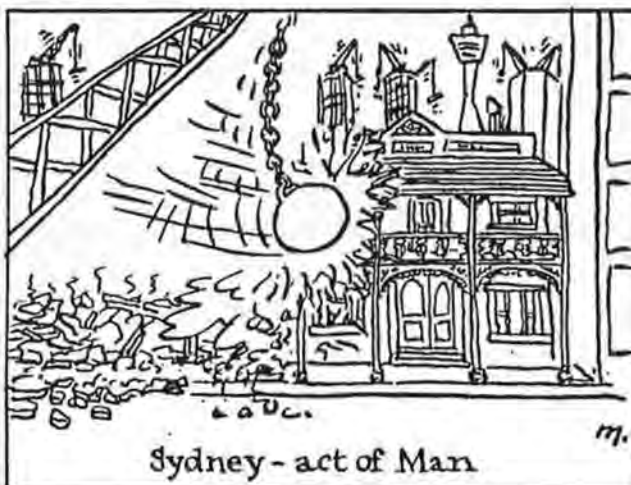
The ICAC booklet "In who interest?" has examined aspects of the NSW Department of Housing's Maintenance Contracts and found that they are open to abuse.

These contracts are the Department's system for maintaining and repairing its 120,000 properties and involves an annual budget of \$100 million.

The present manual system deals with more than 250,000 work orders yearly, two thirds of which were for amounts less than \$100.

The ICAC report said there was scope for abuse by any dishonest contractor, alone or in collusion with staff or tenants.

It recommends computerisation of all maintenance processing, for both efficiency and control, as a priority.





# FREE MARKET NEW ZEALAND:

WHERE PEOPLE CAN'T AFFORD  
STATE HOUSING

Christine Bird

**User-pays policies have been enacted with a vengeance on state housing tenants by the New Zealand Housing Minister.**

While unemployment benefits are going down, public housing rents are escalating by as much as 50%.

A market rent programme has been established, causing wide variance in the rents tenants must pay.

In the case of one 59 year old woman with chronic ill health, the Minister suggested her huge rent increase would be alleviated if she moved from outer Auckland to the lower South Island.

The pensioner commented that the Minister should move to Timbuktu and the sooner the better.

**There is increasing evidence that tenants unable to pay the increases are walking away from their homes, and**



**that in some areas whole streets were left untenanted.**

Social service agencies were uniting in opposition to the policy and political action groups forming.

**In defence of the programme, the Minister said it was allowing people to make conscious choices about their housing.**

Where have we heard that before!

## HEWSON ON TENANTS

The leader of the Federal Opposition, Dr John Hewson, recently made a controversial and widely-reported comment about tenants in Australia.

He said that houses occupied by renters were identifiable because they were ill-cared for.

An obvious response is that repairs and maintenance are usually the responsibility of the landlord and not the tenant.

So ill-cared for premises are generally the fault of the property owners.

It is difficult to say what this means about Dr Hewson's attitudes towards the rights of tenants.

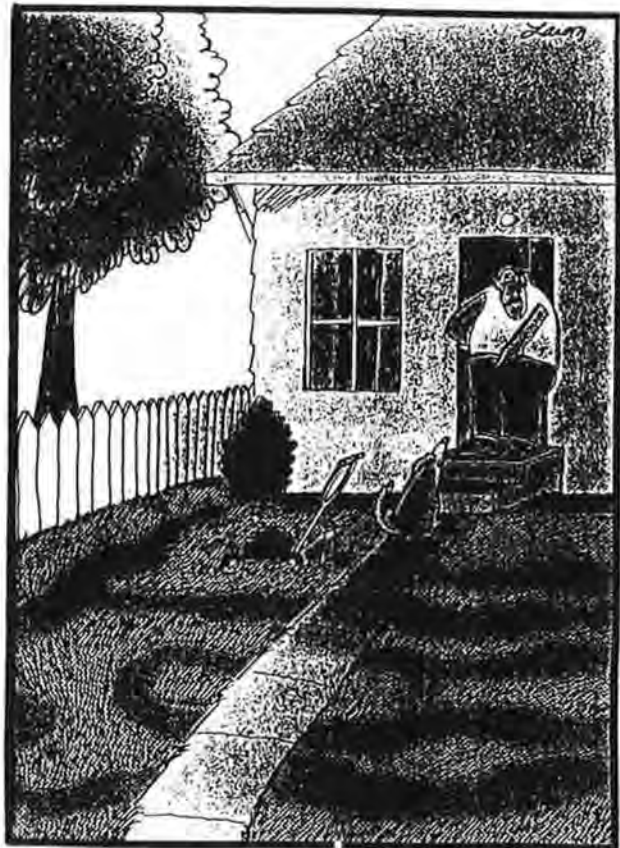
The media picked it up amongst a series of public comments which appear to have damaged his image.

Amongst these have been his conflict with the Catholic Church over Fightback, and his comments about Bob Carr: 'You've got to be suspicious of a guy that doesn't drive and doesn't like kids...'

Also, the Federal Opposition's Spokesperson on Social Security, David Connolly, has had to apologise for using the term 'riff-raff' to describe the unemployed.

Current opinion polls may reflect the apparent damage done to Dr Hewson by these comments.

Polls show Paul Keating gaining on him in surveys about voting intentions, and passing him as preferred Prime Minister.



"You call that mowin' the lawn? . . .  
Bad dog! . . . No biscuit! . . . Bad dog!"

# RENTS NOT RISING

Median Rents - New Lettings - All  
Dwellings

	June 92	March 92	Quarterly Change	June 91	Annual Change
	\$/week	\$/week	%	\$/week	%
<b>One Bedroom</b>					
Sydney SD	140	140	0.0	135	3.7
Metropolitan	140	140	0.0	140	0.0
Outer Metropolitan	95	100	-5.0	95	0.0
Hunter SD	95	90	5.6	90	5.6
Illawarra SD	90	85	5.9	85	5.9
Balance of NSW*	80	80	0.0	75	6.7
New South Wales	120	120	0.0	120	0.0
<b>Two Bedrooms</b>					
Sydney SD	170	170	0.0	170	0.0
Metropolitan	180	180	0.0	180	0.0
Outer Metropolitan	135	135	0.0	134	0.7
Hunter SD	135	135	0.0	135	0.0
Illawarra SD	125	125	0.0	120	4.2
Balance of NSW*	115	115	0.0	110	4.5
New South Wales	150	150	0.0	155	-3.2
<b>Three Bedrooms</b>					
Sydney SD	200	205	-2.4	200	0.0
Metropolitan	230	230	0.0	230	0.0
Outer Metropolitan	165	170	-2.9	165	0.0
Hunter SD	160	160	0.0	160	0.0
Illawarra SD	160	160	0.0	155	3.2
Balance of NSW*	150	150	0.0	140	7.1
New South Wales	175	175	0.0	175	0.0
* Excludes Sydney SD, Hunter SD and Illawarra SD					

SD means statistical division.



Average rents in NSW did not rise over the year ending this June. These figures are from the Rental Bond Board's 'Rent Report'. They also show that rents were stable in the June quarter.

The table on the opposite page shows that in some regions and categories rents are slightly up, but some have also dropped slightly.

Overall, they are about the same, although there can be local variations.

The recession has stopped rents rising, as people just don't have the money for high rents. If landlords try to put up rents, they find they simply cannot get anyone to move in, so they keep them down.

This slow down is welcome after the dramatic rent increases of the 80s, which resulted from unchecked property speculation.

Median rents in Sydney are still \$140 for a one bedroom dwelling (includes houses and units), \$180 for a 2 bedroom, and \$230 for a 3 bedroom.

These levels are still significantly higher than other Australian cities.



## NICHOLSON: DEPARTMENT BACKS DOWN

The NSW Department of Housing has withdrawn its challenge to the Supreme Court decision that public tenants cannot be evicted for no reason.

The Public Interest Advocacy Centre (PIAC) was ready for the appeal against the Nicholson decision.

But in late July the Department withdrew its application from the Court of Appeal.

So the Department cannot evict tenants without a reason under the Residential Tenancies Act, and they have to justify the reason to the Tribunal.

This was reported in the Sydney Morning Herald on July 30.

The government may have been scared that the public would get an even better decision.

**There was a possibility that the ruling could have been extended to other areas of government service.**

PIAC has warned the Department that it will take them back to the Supreme Court if it issues any 'no-cause' eviction notices to public tenants.

**If anyone hears of any 'no-cause' evictions they should contact PIAC on 299 7833.**

## HOMEFUND: THE GREAT AUSTRALIAN DREAM BECOMES A NIGHTMARE

Karen Davis

Home fund was set up in the mid 1980's and was designed to assist low income earners to own their own homes. It was aimed at people who do not qualify for mortgages from a bank.

The hassles surrounding Homefund have gained much publicity this year. The problem is that Homefund offers a fixed interest rate for 10 years.

In the mid-eighties when interest rates were climbing, fixed interest rates were attractive. Home loan interest rates began falling in late 1989, and since October 1991 Homefund loans have been more expensive than bank mortgages.

In August this year Homefund loans were 12.1%, compared to 10% offered by banks. In the past year nearly 9,000 people have left homefund by refinancing their mortgages at banks and other lending institutions.

The high interest rates are because Homefund raises its money on the long term securities market. Homefund interest rates have not fallen as much as those of bank mortgages.







Premier Trust Bonds are used to finance Homefund loans. As the loans are repaid, so the Bonds are repaid. If Homefund loans are being repaid early, investors in Premier Trust Bonds have their bonds repaid early. These Bonds attract a high interest rate because of the pre-payment uncertainty.

As borrowers leave Homefund for cheaper loans, the market is encouraged to push this uncertainty premium higher, which will make raising money for Homefund even more expensive.

This can create a vicious cycle because in turn Homefund borrowers will be faced with higher interest rates.

Many of the Homefund borrowers do not qualify for bank loans because of their low incomes and are stuck paying Homefund's high interest rates. It is ironic that the lowest income earners are paying the highest interest rates.

Some of the people who now have homefund loans were formerly Department of Housing tenants who were encouraged to pursue the Great Australian Dream and take out a mortgage on their own house.

About 1,500 borrowers are behind in their mortgage payments because they cannot meet the high interest rates. Some of these people are faced with eviction.

For these these people their dream is now a nightmare.



### Editors' update

Redfern Legal Centre has been at the forefront of the campaign to get the NSW Government to address this issue.

They inform us that even though some people are now refinancing (borrowing from somewhere else to pay off the loan) to get out of Homefund, this is often very difficult.

The way Homefund works, payments have been coming out of people's deposits, so they now have less deposit for a new loan than when they started.

Also, Homefund was intended for low-income people who the banks would not normally lend to. And the banks will still not lend to most of these people.

Just recently, the Trade Practices Commission (TPC) has put pressure on the NSW Government to compensate thousands of people who took out Homefund mortgages.

This was widely reported in the media on October 28.

The TPC's submission to the Government's review of Homefund said that many borrowers had been deceived by 'misleading' advertising.

They said that those who had suffered financial, emotional or personal damage after being misled should receive compensation.

In response, the Government said that all advertising promoting Homefund had already been suspended.

## RECORDED INFORMATION SERVICE

**There has been a major change to the Department of Housing's Tenancy Service.**

**It is now largely a recorded information service. Time will tell how well this works.**

Recorded information is available 24 hours a day, which is obviously an advantage.

**However, people also tend to get this recorded information during the day, instead of getting on to an advisor. It is not clear if this is a step forward.**

Before the change, when someone rang the line they were put in a phone queue, and got on to an operator after a short or long wait. The 'drop-out' rate while waiting was over 50%.

**Now, people immediately get recorded information when they phone in.**

The first eight calls are put on to recorded information, and only the second seven go through to an advisor straight away. If more

calls than these come through, they go on to a phone queue.

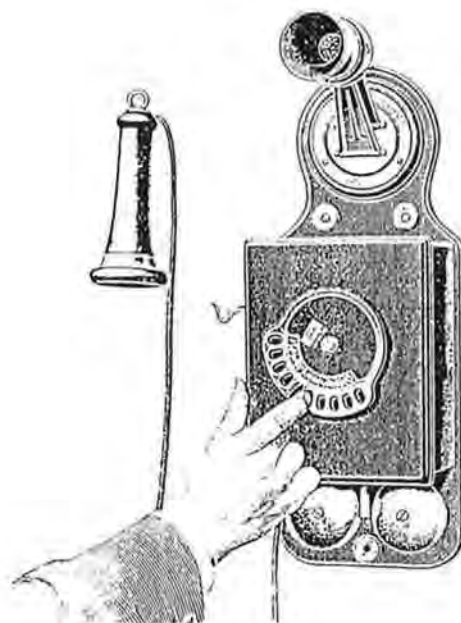
The recorded message asks people to press a number on their phone dial if they want information on a particular subject area, such as Bonds. There are six topics they can choose from.

**People are finally told that they can wait to speak to an 'officer' by hitting the number '0'.**

**But they are only told this at the end of the telephone message, which is just under one and a half minutes long.**

(That is, the first telephone message, not including any of the recorded information that people can select).

The Department of Housing says its 'drop-out' rate is now much lower, and that a high proportion of people are waiting on to talk to an advisor.







However, many people would find the message confusing and would not get through to the advisor. Particularly people who have difficulty with English, or just find recorded information intimidating.

The participation rate by people of NESB is down from 7 to 5 per cent. This is extremely low given the high incidence of tenancy problems in migrant communities.

**Recognising this, the Department will soon record information in nine community languages.**

**However, people will be told about this multilingual information in the English recorded information.**

This would mean many people would ring up and not understand that the information is available in their language. They would hear the English recording and hang up.

At a recent seminar on housing issues affecting migrants, it was recommended that each language recording have a different number, and these numbers be widely promoted to each community.

We hope that this will be taken up by the Department, be there appear to be no plans to do this at the present.

It was also pointed out that it is important to have an operator available to give advice in that language.

At present there are advisors available in four languages other than English. It is not clear if they are being fully utilised by the relevant communities.

**We further recommended that at the *beginning* of the message people be told that an operator is available, to help stop people hanging up in frustration.**



**There is also a concern that the Department could use the recorded information to replace its advisors. We have been assured that this will not take place.**

To date, there has been some criticism of the new service. Tenants contacting our 'Hotline' after ringing the Department's service have sometimes been less than happy.

One recently called it a joke, and did not realise that you could wait on for an advisor. Another said that she left a message as suggested by the recording, but was not phoned back.

And a Department of Housing employee from a different section said that phone queues and recorded messages are not a service. We will see how things develop.

**The Tenants Union is only too aware of the enormous demand for tenancy advice, but some questions have obviously been raised about this recorded information service.**

The Manager of the Department's Tenancy Service is inviting comments, so if you are having any problems, write to him:

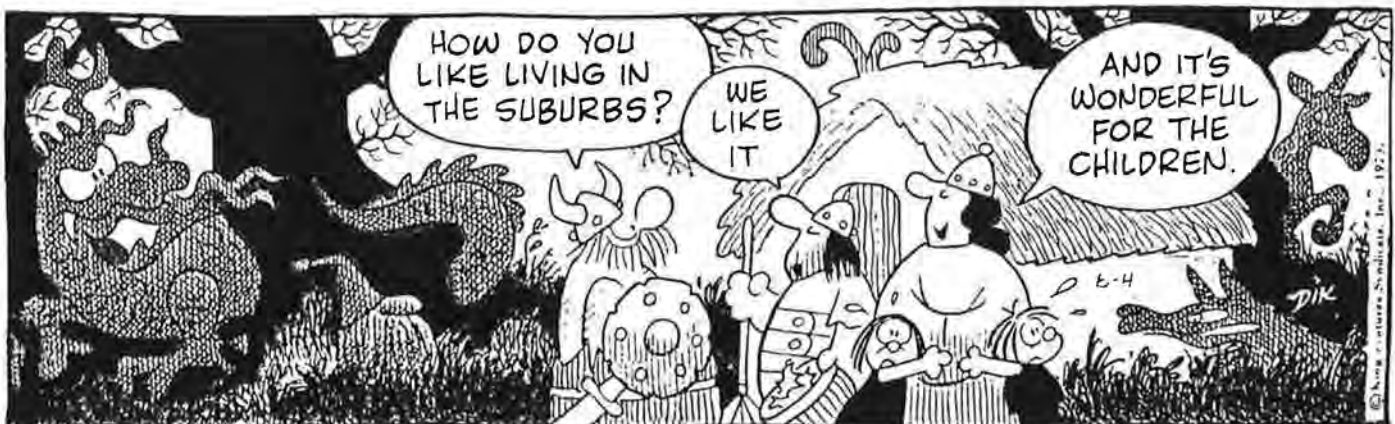
Manager, Tenancy Service  
GPO Box 4102  
Sydney 2001.



# SUCCESSION OF TENANCY

Gateshead West Public Tenant  
Action Group

1. A tenant came to us and asked our help. She had, on the death of her father applied for succession of tenancy. She was denied the tenancy and given six to eight weeks to vacate.
2. We then proceeded to examine her case and after discussion with the Department of Housing we set in motion an appeal on her behalf.  
  
We discovered that the proper Form EM118 was not given to her to fill in, but some sort of Statutory Declaration Form, which to us bore no resemblance to a Succession of Tenancy Form.
3. We were informed by the Department that there was a period of 12 months when she was not listed as residing at her father's address. Her husband had applied for Public Housing and had put her father's address on the application.
4. On going through her father's papers copies of Rental Rebate Forms were found with herself, husband and two children listed on them. When we pointed this out to the Department all of a sudden these Rebate Forms were found and very quickly her application for succession was granted.



# NEW POSTER NOW READY

Free copy being sent to all relevant community organisations.

\$2 each plus postage for personal or extra copies.



If your organisation needs a poster and hasn't received one yet, ring the Tenants Union office on 02 247 3813.

For extra copies, just send us payment plus your name and address to the Tenants' Union, 68 Bettington Street, Millers Point 2000.

They're in four 'fluoro' colours and are brilliant.

The main caption reads simply 'Tenants have rights!' The poster also gives our number to ring for tenancy advice, and the office number if people want to join the Tenants' Union.



## NEW HANDBOOK

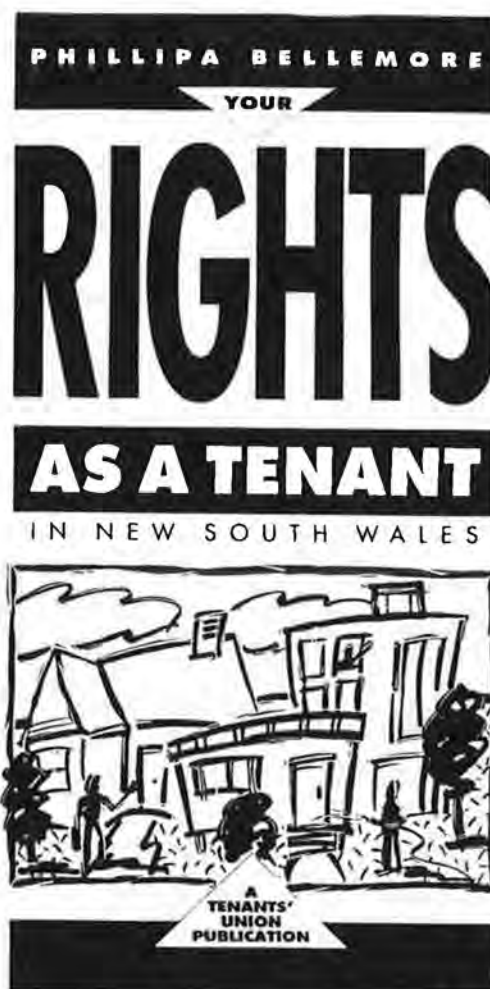
**We can modestly say that the new edition of the 'Your Rights as a Tenant' handbook looks great.**

It has a new arty cover and rewritten easy-to-read text.

**If any members want to trade in their old copy for a new one, just contact the office on 247 3813 before the launch on 9 February.**

The new version was written and put together by Phillipa Bellemore. Phillipa also did our Tenants Rights Manual.

It will be launched by Louise Sylvan of the Australian Consumers' Association.



This will be on February 9, 11 am, at the Tenants' Union's office, 68 Bettingham Street, Millers Point.

You are all welcome to the celebrations and media event. There will be food and drinks provided.

'Your Right as a Tenant' will be available in book stores for \$9.95, distributed by Redfern Legal Centre Publishing.

**Community organisations can buy it directly from the Tenants' Union for only \$5 a copy (including postage).**

New members automatically get one free.

## BOARD VACANCIES

**Two vacancies have occurred on the Board of the Tenants' Union.**

The Board can fill these positions by appointing people between Annual General Meetings.

Board members must be current members of the Tenants' Union.

**Any members interested should contact the Secretary of the Board, Rita Wilkinson, on 516 5596 during work hours.**

Also note that the Board is voted in at the General Meeting held in March. If people want to be elected on to the Board they should make sure they are financial members.



## TENANT OF YEAR NOMINATIONS

**Nominations are now open for the 1993 'Tenant of the Year'.**

This is awarded annually to recognise a tenant (or tenants) who has worked hard to improve the rights of tenants generally.

The award is announced at the AGM in March and usually attracts media coverage.

If you know anyone you think deserves this award, please contact the Tenants' Union office.

## CORRECTION

The first Tenant News was published in November 1976, and not 1991 as was inexplicably reported in last issue's nostalgic feature article



## Q&A: STEAM CLEANING

**Q** Our Tenancy Agreement has an additional term which says that the tenants agree to pay for the professional steam cleaning of the carpets when they leave.

We have been here nine months and have decided to move out. Do we have to steam clean the carpets?

**A** Landlords are not allowed to write such terms into Residential Tenancy Agreements because they cannot know at the start of the tenancy what state the carpets will be in when you move out.

Tenants are only liable for damage above fair wear and tear. Your Condition Report should show the condition of the carpets at the start of your tenancy.

Providing you leave the carpets in a similar condition as when you moved in (fair wear and tear excepted) you can't be asked to pay for steam cleaning.

If you *have* damaged the carpets, you must rectify that damage. However, you may be able to clean them without having to resort to steam cleaning.

Your liability depends on the facts of the case, not on an invalid additional term in your Agreement.



Roberla takes on a dust rhino.

# MIGRANT TENANCY WORKER: PROGRESS

Nahed Chahal

The Tenants' Union has received a MAPS (Migrant Access Projects Scheme) grant from the Department of Immigration, Local Government and Ethnic Affairs (DILGEA).

**This is to provide information and advice to newly arrived migrants about their rights and obligations as tenants.**

As the Migrant Tenancy Worker at the Tenants' Union I am conducting a number of questionnaires, interviews and consulting with welfare and community workers within the targetted groups (Arabic Community and Pacific Islanders) in order to gain their views and their support.

The project will include training sessions for the committed workers, covering all relevant training issues.

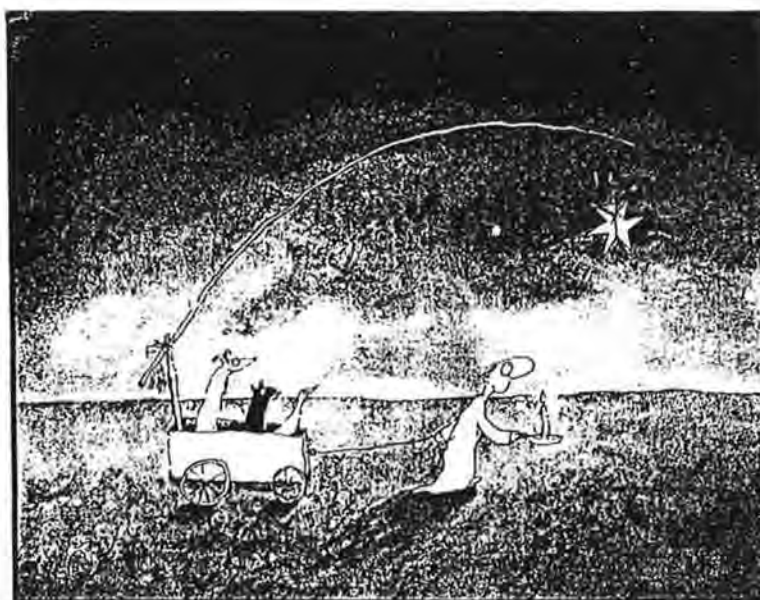
The trainees will be provided with resources, in their community's language where possible, in order to educate and enable them to assist the tenants.

The goal is that these workers will provide direct tenancy advice to their communities, in their own languages.

**A smaller number of workers will have their services promoted through community language radio programs, as providing regular tenants advice in their language.**

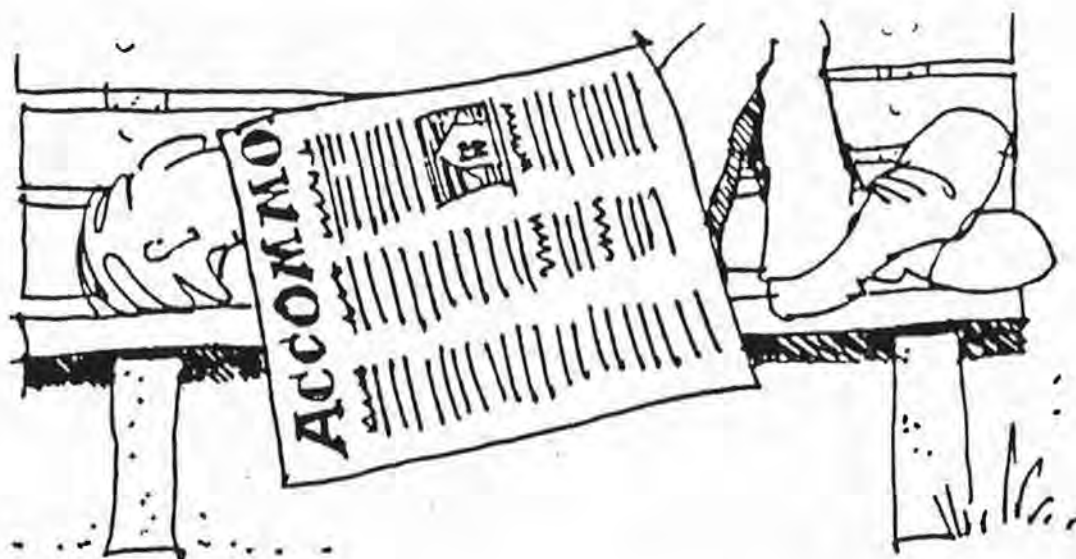
Part of my role is to let the communities know that these workers can help, and to tell them that tenants have rights.

So far, 22 workers in the Arabic community have committed themselves to attend the training, and 7 from the smaller Pacific Islander communities.



tenants' advisor





## McKENZIE CASE

In early July, Redfern Legal Centre acted on behalf of a couple, the McKenzies, and filed a claim in the Supreme Court against Homefund (see article on Homefund, page 9).

They claimed a series of breaches by the bodies responsible for the Homefund loan.

**The McKenzies faced eviction from their Homefund-financed home.**

In April they were given a 'Statement of Claim' in the Supreme Court, which could lead to their eviction from their house in Seven Hills.

So they decided to challenge the State Government and other people who managed the scheme.

Their cross-claim says the McKenzies were misled by Homefund advertisements which said repayments would be no more than 27% of your income. They say they had to pay more than the 27%.

Also, they had been told that their household income would be checked regularly and their repayments adjusted to 27% of their incomes.

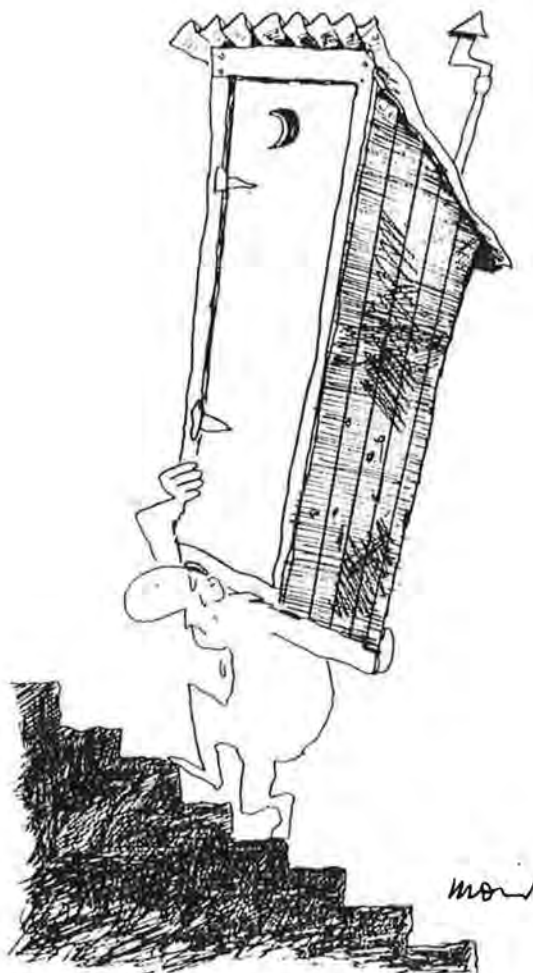
But they say there was no reduction until repayments were over 30% of their gross income.

# LAW CHANGE ON RENT INCREASES

Sue Creek

**One of the many problems with the Residential Tenancies Act was that it did not allow for negotiation over rent increases.**

If your landlord served you with a legal notice of a rent increase, you were stuck with it (unless you were successful in getting the Tribunal to reduce the amount which has been hard to do).



Once the 60 day notice had expired, you became liable for the new rent. If you did not pay it, you incurred a debt.

Even if you were able to get the landlord to agree to reduce the rent increase, this was not permitted under the Act.

Worse still, if your landlord later had a change of heart, the amount of the original rent increase could be enforced.

**Few realise that all this changed on 17th December last year. On that date, an amendment to Section 45 of the Act was introduced.**

**This allows landlords and tenants to negotiate over rent increases.**

The main things to know are:

- you must still get 60 days written notice of a rent increase;
- this increase can be cancelled or the amount of the increase decreased *providing* the landlord gives you notice of this;
- any revised (lesser) rent increase becomes payable 60 days from the date the original notice was served.

So next time your landlord or agent tells you they want to put the rent up, try a little negotiation.

*This change resulted from a recommendation of the Residential Tenancies Act Consultative Committee (the Tenants' Union is a member of this committee).*



## FOR ALL PET- URBED CITY SLICKERS

Life can be hard in Tokyo. As in any big city, loneliness stalks large crowds. Uprooted people living on their own spend long, solitary nights in their small flats.

In other cities, people frequently resort to pets to relieve loneliness. But in crowded and hygiene-conscious Tokyo, few landlords allow animals.

But suddenly, here comes Mew, the high-tech answer to the Tokyo blues. Mew is a stuffed toy cat with an electronic sensor that purrs when stroked.

For 12,000 yen (\$A130), you can possess an electronically reactive animal, part of the first generation of "fake pets" that Japanese toy-makers are developing for the lonely hearts cooped up in suburban anonymity.

If cats are too soppy, a rival firm has Super Doggy Guard One, a mechanical canine with an infra-red sensor that barks when something moves.

A third company is selling a puppy with a sophisticated voice-recognition mechanism - when you call its name, it yelps and wags its tail.

Tokyo is already becoming a happier and more emotionally balanced place.

[Editor's note: In NSW the body corporate of strata titled units can't 'unreasonably' refuse a resident permission to have a pet.]

## NEW DEPARTMENT HEAD

Sue Creek

NSW Department of Housing has a new Acting Director - Gabrielle Kibble (who is also the Director of Planning).

At this stage it is expected that she will only be in the position for six months, but she has already made a considerable impact.

A Shelter delegation, in which the TU took part, had a positive meeting with her in late September.

A range of housing issues were discussed, including the increase in the number of public housing evictions.

In response to our concern, Mrs Kibble agreed to monitor all public tenant evictions over the next three months.

As part of this, we hope she will also address the number of tenants who leave after receiving a Notice of Termination, as this figure is far more revealing of the change in Departmental policy over evictions.





## YES I want to join the Tenants' Union of NSW

Name \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Telephone (h) \_\_\_\_\_ (w) \_\_\_\_\_

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

Please tick

☐ New membership ☐ Renewal

Are you a: ☐ Tenant ☐ Home Owner

☐ Other (specify) \_\_\_\_\_

### FEES

Membership runs from 1 January to 31 December. New members can pay half fees after 30 June. New membership fee includes cost of share(s).

### YEARLY FEE

Tick the fee that applies

No (or low) wage/pension/benefit \$8

Waged worker \$15

Organisations \$30

Donation \$ \_\_\_\_\_

I enclose \$ \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Return to: Tenants Union, 68 Bettington Street  
Millers Point 2000

### OFFICE USE ONLY

Service Fee \_\_\_\_\_ Shares \_\_\_\_\_

Donation \_\_\_\_\_

Receipt No \_\_\_\_\_ Membership No \_\_\_\_\_

**TENANT'S HOTLINE**  
**251 6590**  
for advice and assistance  
Monday to Friday 9.30am - 5.00pm

**Get Your**

**Friends**

**to Join the**

**Tenants' Union!**



**SURFACE  
MAIL**

POSTAGE PAID  
IN AUSTRALIA  
IN AUSTRIA

**TENANT NEWS**

**TENANTS' UNION OF NSW CO-OP LTD,**  
68 BETTINGTON ST  
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REGISTERED BY AUSTRALIA POST  
PUBLICATION NUMBER NBH-2043