

Residential Tenancies Act

AMENDMENTS 2021

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Introduction

The Victorian Government will be legislating a substantial number of changes to the Residential Tenancies Act on the 29th March 2021. As a landlord it is important that you are aware of what this means for you and what your responsibilities are moving forward to ensure compliancy with the Act.

These changes have been made to ensure the safety of the tenant in a property, and to ensure that all rights and responsibilities of tenants and landlords are abided by. These changes will last the lifecycle of the rental agreement (from the application, to until after the agreement has ended). There are 132 reforms to the Act, and we have summarised the key points for you in this document.

Terminology Changes

There are new terms used throughout the amended Residential Tenancies Act.

- **renters** – currently called tenants
- **rental providers** – currently called landlords
- **rental agreements** – currently called tenancy agreements
- **rooming house operators** – currently called rooming house owners.



Before the property is leased

Safety and minimum requirements

The rental property must be kept in good repair and reasonably fit for occupation. Rental providers must ensure that the property is in a suitable condition for occupation regardless of the amount of rent paid, or the property's age / character.

Rental providers must ensure that the rented property meets the rental minimum standards (see page 179 of the regulations, [here](#)). Should the rental provider be non-compliant in these standards, the renter can terminate the rental agreement before they move in, or alternatively can request an urgent repair to the property.

Find below a summary of minimum standards rental premises must adhere to:

- Locks: all external entry doors to the property that are not able to be secured with a functioning deadlock, other than any screen door attached to an external door must be fitted with a locking device that is operated by a key from the outside and may be unlocked from the inside or without a key.
- Vermin proof bins: a rubbish bin and recycling bin are to be supplied to the renter, provided by the council or otherwise.
- Toilets: all rented premises must contain a toilet that is in good working order.
- Bathroom facilities: a bathroom must contain a washbasin, a shower or bath and must be connected to a reasonable supply of hot and cold water with certain water star ratings to apply depending on the plumbing at the property.
- Kitchen facilities: rented properties must have a dedicated area for cooking and food preparation. The area must have a sink that is in good working order and is connected to a reasonable supply of hot and cold water, and a cooktop that is in good working order with two or more burners. If there is an oven at the property, it must be in good working order.
- Laundry: if laundry facilities are present, they must be connected to a reasonable supply of hot and cold water.
- Structural soundness: the property must be structurally sound and weatherproof.
- Mould and dampness: each room in the property must be free from mould and damp caused by or related to the building structure.
- Electrical safety: all power outlets and lighting circuits are to be connected to a required switchboard depending on the property requirements (from 29/3/2023, see page 182 of the regulations, [here](#)).
- Window Coverings: each window in a room that is likely to be used as a bedroom or as a living area must be fitted with a curtain/blind that can be opened and closed, can block light, and can provide privacy (from 29/3/2022).
- Windows: all external windows that are capable of opening, must be able to be set in an open or closed position and have a functioning latch protecting against external entry.
- Lighting: interior rooms, corridors and hallways must have access to light (whether natural or artificial) that provides a level of illuminance appropriate to the use of the room. Each room needs to have access to natural light (including borrowed light from an adjoining room) during daylight hours, and artificial light during non-daylight hours.
- Ventilation: each room of bathroom, shower room, toilet and laundry must meet certain ventilation requirements (see page 184 of the regulations, [here](#)).
- Heating: a heater is required in at least the main living area of the rented property. There are certain classifications depending on what Class of building the property is. (See page 184 of the regulations, [here](#)).

Renting the property

Rental providers and estate agents can only advertise/offer rental properties at a fixed price. Subsequently, there is a ban on inviting rental bids, or soliciting offers of rent that are higher than the advertised price. The rental provider and agent are banned from encouraging a potential renter into a rental agreement through misleading or false representations/or deceptive conduct. Before the renter enters into the rental agreement, the rental provider must also disclose to the renter whether the property is on the market for sale.

There is now a prescribed bond amount, whereby rental providers (or their property manager) cannot ask for, or accept more than one month's rent as bond, or require renters to pay more than one month's rent in advance. This is applicable for properties with a rental value of \$900 per week or less. For properties with a rental value over \$900 per week, the rental provider can require the renter to pay more than one month in advance.

All rental agreements must have an information statement that informs and educates applicants and rental providers on unlawful discrimination and provides a conduct that must be abided by when approving a renter. This includes determining consent for disability related modifications. See page 89 for a copy of the information statement, [here](#).

When a renter has entered into a rental agreement, the rental provider must provide each individual renter with a free set of keys/security device. It is only after this has occurred, and replacement/additional keys/security devices are required that a rental provider may charge a (reasonable) fee.

Pets in rental properties can be kept with the written consent of the rental provider. The rental provider may apply to VCAT for an order that is reasonable to refuse permission to allow an animal to be homed at the rental property.

Safety in the rented property

There are now safety checks that rental providers must comply with – this includes having a regular service of smoke alarms, gas appliances and electricity checks by a professional and ensuring that the records are kept. Should your property need a required service, please speak with your property manager. Listed below are further details on safety requirements in the rented premises:

- Electrical safety: the rental provider must ensure that an electrical safety check of all electric installations, appliances and fittings is conducted every 2 years using a registered electrician. These checks must be recorded and provided to the renter upon request.
- Gas safety: If the property contains any gas appliances, fixtures, or fittings there must be a gas safety check conducted every 2 years. These checks must be recorded and provided to the renter upon request.
- Smoke alarms: every smoke alarm in a rented premise must be correctly installed, be in working condition, and be tested at least once every 12 months. The rental provider must ensure batteries are replaced as required and the renter is provided with the information about how to use and test these alarms. The renter is not to tamper with smoke alarms and must report any breakdowns to the rental provider.
- Swimming pools: the rental provider must ensure that the swimming pool barrier is in good condition, and if not, must be replaced or repaired.
- Bushfire-prone areas: if the property is in a designated bushfire prone area, a water tank is required for firefighting purposes, and the tank and any connected infrastructure must be maintained.



Throughout the lease period

Late payment and rent increases

If the renter pays overdue rent within 14 days of the due date, any notice to vacate by the rental provider (for the reason being overdue rent) is invalidated. This applies to the first four times of the renter paying their rent late in a 12-month period. If, however, the renter fails to pay their rent as required on the 5th occasion in the same 12-month period, then the rental provider may give a notice to vacate and can apply to VCAT for a possession order. Once this issue has been raised with VCAT, they may adjourn the possession application and place the renter on a payment plan to recoup the outstanding arrears.

Should the rental provider wish to increase the rent for the property, this can be done no more than once in a 12-month period under any type of rental agreement. For those with fixed term rental agreements, rent increases can only occur if the rental agreement specifies the amount of the rent increase. Should there be a situation whereby there is a fixed term rental agreement and the rental provider would like to increase the rent, the amount/calculation method for the increase must be set out in the agreement and this amount/calculation method must be used.

Utility fees, charges, and responsibilities

Rental providers must pay for all charges that renters are not liable for. This includes:

- Water charges for the rented premises that are not separately metered
- Rates and outgoings
- Excessive utility bills that are attributed to a hidden fault (such as leaking water pipes, etc). In this case, the rental provider must pay for the cost that exceeded the renter's ordinary usage amounts.

Repairs, modifications, and property conditions

Should a renter be required to pay for urgent repairs in the event the rental provider has not promptly responded to the urgent request, there is now an increased limit of up to \$2,500 for these repairs. Any payment by the renter on urgent repairs must be paid back by the rental provider within 7 days of the renter giving written notice.

Urgent repairs now include:

- Any appliance, fixtures or fittings (other than a dishwasher) that uses or supplies water
- Air conditioning
- Safety devices
- Faults or damages that makes the property unsafe / insecure.
- Pest infestations
- Mould/damp

Repairs, modifications, and property conditions – cont.

If a rental provider has not responded to a non-urgent repair request, the renter can apply directly to VCAT if these repairs have not been carried out within 14 days.

Renters are now able to make certain modifications to the home (at their own expense) without the consent of the rental provider, in a rented premise that is not a registered place (Registered Place being a premise on the Heritage Register). Modifications include:

- Installation of picture hooks or screws for wall mounts, shelves or brackets on surfaces other than exposed brick or concrete walls.
- Installation of wall anchoring devices to secure furniture on surfaces other than exposed brick or concrete walls.
- Installation of LED light globes (that do not require new light fittings).
- Installation of a water efficient shower head (ensuring the original is retained).
- Installation of blind cords/anchors.
- Installation of security lights/cameras that do not impeach on the privacy of neighbours, are not hardwired to the property, and can be easily removed.
- Installation of hardware mounted child safety gates on surfaces other than exposed brick or concrete walls.
- Installation of non-permanent window film for reduced heat transfer or privacy.
- Installation of a wireless doorbell.
- Replacement of the curtains (ensuring the originals are retained).
- Installation of adhesive child safety locks on draws and doors.
- Installation of pressure mounted child safety gates.
- Installation of a lock on a letterbox.

Rental providers must not unreasonably refuse consent to the below modifications:

- Installation of hardware mounted child safety gates on exposed brick or concrete walls.
- Draughtproofing in homes without open flued gas heating, including installing weather seals, caulking or gap filling around the windows, doors, skirting and floorboards.
- Installation by a qualified person of a security system that does not impact on the privacy of neighbours.
- Installation of flyscreens on doors and windows.
- Installation of a vegetable/herb garden.
- Installation of a secure letterbox.
- Painting of rented premises.
- Modifications to secure external gates in rented premises (that are not multi-unit dwellings).

Should the rented premise be a registered place (i.e.: on the Heritage Register), then there are modifications for which the rental provider cannot unreasonably refuse consent. See page 65 for this list of modifications, [here](#).

The rental provider may request that any modifications that are being made, are to be made by a licensed tradesperson.

When a renter is vacating the rented premises, they must leave the property reasonably clean, and in the same condition as it was at the start of the rental, taking into account fair wear and tear. The renter and/or their visitors must not intentionally or negligently cause damage to the property and/or common areas of the premises.



At the conclusion of the lease period

Leaving a rental property

A rental provider must give a valid reason to end the rental agreement. There is no longer a “no specified reason” notice to vacate. If a rental provider wants to end the rental agreement, they must provide a valid reason, such as:

- The property is being sold
- There is a change of use of the property
- There is a demolition or major building works planned
- The rental provider or their family are moving into the property

There is also a limit to the use of a “end of fixed term” notice to vacate. The rental provider may only issue a notice to vacate at the end of the first fixed term of a rental agreement (excluding 5+ year leases). Should a notice to vacate be given to the renter upon “change of use” to the property, the rental provider must provide evidence of this change of use (for example, a building permit to undertake works to the property).

There are new grounds for issuing notices to vacate; threats and intimidation and for damaging property. Rental providers may give the renter a 14-day notice to vacate if the renter, or any person occupying that property has seriously threatened or intimidated the rental provider, the agent or a contractor or employee of either aforementioned parties. If the renter (or their visitor) has by act or omission, intentionally or recklessly caused serious damage to the property, including common areas or safety equipment, a notice to vacate may be issued.

Should the renter break their lease before the end of the fixed term, the rental provider can apply to VCAT for compensation. The amount payable by the renter is to be determined based on the loss incurred by the rental provider, and any hardship suffered by the renter. When making a compensation order, VCAT must consider any severe hardships that the renter may suffer due to an unforeseen change in circumstances if the rental agreement were to continue. Should the renter be required to break their lease because of a certain circumstance, they are permitted to give a 14-day notice without paying lease break fees. Circumstances whereby a renter is required to break their lease include:

- If they need special or personal care
- If they have been given certain notices to vacate
- If they require temporary crisis accommodation, or
- If they have been accepted into social housing.

Should a bank, or another mortgage provider take possession of the property, they must consent to the rental agreement in place upon said property and abide by all provisions of the Act as though they are the rental provider. Should the bank or another mortgage provider have taken possession of the property and wish to have the property vacated, they must give the renter at least 60 days’ notice to vacate.

Cleaning and Storage of Goods

When a renter leaves the property, professional cleaning is only required if it is needed to return the property to the condition it was in at the start of the rental agreement (taking into account fair wear and tear). If a renter has left behind goods at the property, the rental provider must give the renter notice of this, and store these in a safe place for at least 14 days after the notice has been given. There are further details in regards to the requirements to apply for storage, disposal, sale and reclamation of the goods left behind by the renter/s. See page 53 of the regulations, [here](#).



Other

Long term leases (5+ years)

Renters and rental providers can enter into a fixed term rental agreement for 5 years or more. This is considered a long-term lease. In a long-term lease, there are some varying regulations to the standard-length leases, including:

- Additional bonds
- Long term lease breaches
- Periodic tenancies
- Long term lease notice to vacate

To read further about longer term leases, see the Consumer Affairs website, [here](#).

Jellis Craig Property Managers have undergone training on all the reforms that are being legislated, so you can be rest assured you, your rights, and your rental property is in good hands. Should you have any questions about the changes in legislation, please don't hesitate to reach out to your Property Manager.

For more information, please visit the below websites:

For a summary of the key changes, please visit the CAV website, [here](#).

For the updated Residential Tenancies Act in full, please visit [this](#) website.

Disclaimer

All information in this document has been taken from the Consumer Affairs Website and the Authorised Version of the Residential Tenancies Regulations 2021 Document 3/2021.