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## **Consumer Property Law Review: Options for reform of the *Owners Corporations Act 2006***

The Tenants Union of Victoria was established in 1975 as an advocacy organisation and specialist community legal centre, providing information, advice and advocacy to residential tenants, rooming house and caravan park residents across the state. Our aim is to promote and protect the rights and interests of private and social residential tenants in Victoria.

The Tenants Union of Victoria contributed to the first stage of the Consumer Property Law review and welcomes the opportunity to provide our input to the Options Paper. We have focused our response to two options.

### **Rule-making powers and Model Rules**

*Option 6F: Develop a Model Rule for fire safety advice to tenants and provide for owners corporations rules to be part of tenancy agreements*

#### Model rules for fire safety advice

The Tenants Union supports the requirement for lot owners to advise tenants about applicable fire safety and fire alarm systems as this would work to ensure that all occupiers are provided with the relevant fire safety information.

It is appropriate that all occupants are provided with the required information to properly understand how to operate any fire safety systems. This will reduce false alarm callouts to the Melbourne Fire Brigade (MFB). False alarms can be highly costly to the individual, with fees often totalling over \$2000 for the MFB to attend. Unnecessary callouts also cause delays in response times to real emergencies, and can increase the risk of traffic injuries to firefighters and the public by having a fire engine attend the scene using its siren and lights. Requiring the landlord to provide fire alarm system information is an appropriate measure to reduce the occurrence of this issue.

#### Owners corporation rules to be part of tenancy agreements

The Tenants Union strongly opposes the inclusion of owners corporation rules in tenancy agreements. Many tenancy agreements already include terms stating that the tenant must comply

with any owners corporation rules, however including the owners corporation rules themselves into a tenancy agreement will create an additional layer of regulation for tenants that is not required of owner occupiers.

We are concerned that including owners corporation rules in tenancy agreements could reduce security of tenure for tenants, particularly those vulnerable to bullying by their landlord or agent. Under the current provisions of the *Residential Tenancies Act 1997* (RTA) terms included in the tenancy agreement are not enforceable through the breach of duty process. However we are concerned that this introduction may create opportunity for estate agents to threaten tenants who do not understand their rights.

Additionally the RTA is currently being reviewed and it is not known whether subsequent reform will result in harsher penalties for tenancy agreement breaches. This may enable tenants to be evicted if they breach an owners corporation rule. There are already provisions under the Owners Corporations Act for the enforcement of rules, and tenants should be treated no differently than other occupiers.

### **Abandoned goods**

#### *Option 8C: Permit owners corporations to dispose of abandoned goods on common property*

The Tenants Union supports the introduction of provisions similar to those under the ACLFTA, to be used in situations where goods have been abandoned on common property.

The ACLFTA provisions for unclaimed goods include a clear prescribed notice period and record keeping obligation that would provide greater protections and would ensure easier resolution for disputes than those provided under the RTA.

The protections provided under section 74 of the ACLFTA outlines requirements for record keeping if goods are to be disposed of. The inclusion of this provision is particularly important for ensuring transparency of process.

### **Reforms to the Owners Corporations Act**

As we know a growing number of Victorians are living in properties governed by owners corporations. A growing number of Victorians are also becoming long-term renters, with over 500,000 households now renting in Victoria. Any reforms to the Owners Corporations Act must ensure that tenants are awarded the same rights as other occupiers in multi-unit spaces.