

Submission in response to the:
Improving NSW rental laws consultation paper

11 August 2023

To:
Residential Tenancies
Policy & Strategy, NSW Fair Trading,
Better Regulation Division
Department of Customer Service
4 Parramatta Square, 12 Darcy Street
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by email to residentialtenancy@customerservice.nsw.gov.au

About Real Coach

This submission has been prepared by Real Coach Pty Ltd (**Real Coach**), and is in response to the NSW Government's Consultation Paper in relation to improving NSW's rental laws, dated July 2023 (**Consultation Paper**).

Ailo is a registered training organisation (RTO) servicing real estate agencies in NSW and work heavily in property management businesses, landlords and renters. Real Coach is also an approved training organisation to deliver CPD

We have a range of capabilities and experiences that we believe can contribute to the achievement of the policy goals set out in the Consultation Paper.

This submission is directed to the questions set out in the Consultation Paper that we believe we have an informed perspective on.

3.5 Evidence and other restrictions could apply

4. What reasons should require evidence from the landlord? What should the evidence be?

The evidence should be verifiable from an external source, this could include invoice, quotes etc.

5. Should there be a temporary ban on renting again after using them? If so, which ones and how long should the ban be?

60 days, this is a reasonable period i.e. renovation of a kitchen etc.

4. A new model for keeping pets

6. Is 21 days the right amount of time for a landlord to consider a request to keep a pet? If not, should the landlord have more or less time?

Yes we agree 21 days is sufficient

7. What are valid reasons why a landlord should be able to refuse a pet without going to the Tribunal? Why?

Mainly to do with the property not being suitable for such a pet, area for bathroom activities, and noise to neighbours and general fair and reasonable test to do with a balance for pet safety, likelihood of damage and quiet enjoyment.

8. Should the Tribunal be able to allow a landlord to refuse the keeping of animals at a specific rental property on an ongoing basis? Please explain.

Yes if it is proven that the above answers are unable to occur.

9. What other conditions could a landlord reasonably set for keeping a pet in the property? What conditions should not be allowed?

Yes many landlord insurance policies have additional costs and excess payment for damage which occurs to do with pets, it is reasonable that any pet insurance coverage or premium or cost is paid for by the tenant. This should be like a pet bond, which should sit in the rental bonds online system in a separate area. This is helpful for the acknowledgement and lodgement there is of a pet and it serves as evidence of a tribunal or a history for future applications and banning of unappealing / unapproved pets. The bond amount should be 2 weeks additional rent and can be used at the end related to damage and issues of remedy at the end of any lease, including smells etc.

5.2 Proposed new model for personal information.

10. Do you support limiting the information that applicants can be asked for in a tenancy application? Why/Why not?

Yes, as a company who deals with education and training and sees first hand breaches of personal information, I believe that a complete change to this process is required, we need to use Prop Tech companies who have integrations with identification databases and income verification systems, and little or no data from the prospective tenants should change hands or ever be provided physically or in digital scanned format. We in Education have a system called USI, (unique student identification) implemented by the federal government, we have an approved system that integrates and just shows us a green tick if the person meets verification.

In the industry we all use computer systems to manage the real estate process and these systems can interface with other API databases and all the systems require is a rules based engine that a office would put in there criteria and then it would go and check this data using API in open banking etc and green tick that the person has been verified and has meet the financial requirements. No data changing hands, security for the real estate office, the tenant etc.

11. Do you have any concerns with landlords or agents only being able to collect the information set out in the table above to assess a tenancy application? Please explain.

I think our answer to point 10 should be the basis, not more manual evidence that still causes issues in the fraud of fake documentation and cyber security breaches with the keeping of the records.

I do agree with limiting the amount of information.

12. Do you support the use of a standard tenancy application form that limits the information that can be collected?

I believe in setting minimum and maximum requirements on what information is gained in any application form or technology platform. While cyber security is a challenge manual records pose a significant risk also. I believe that the Prop Tech companies are best to build a system like indicated in point 10 and they should be required to meet the government standards and not go above these.

13. Do you think that limiting the information that may be collected from rental applicants will help reduce discrimination in the application process?

Yes if the recommendations in point 10 are implemented and the green tick mentally exists with someone meeting the requirement without so much physical or supplied documentation this would aid and reduce discrimination

14. Do you support new laws that set out how landlords and agents can use and disclose renters' personal information? Why/why not?

I believe any information received should be used and destroyed within 30 days of the use or assessment of this data. If evidence is needed for approved applications, I believe a summary of the information used in a register or log should be retained, not the physical or details of the evidence.

With the current POI form for identification, we suggest that summary data or last 4 digits of something etc be retained, not copies of the evidence.

15. What should applicants be told about how their information will be used before they submit a tenancy application? Why?

Yes this should be outlined in a detailed area of the application process prior to lodgement or supply of any data. The applicant should be aware of how the application will be processed, evidence required, and the how quickly the data supplied will be deleted or destroyed and cannot be retained.

16. Do you support new laws to require anyone holding renter personal information to secure it? Why/Why not?

I believe that it should be 30 days regardless of outcome this includes the approved tenant, only a summary of the information reviewed or sighted should be retained. No evidence after processing or application.

17. How long should landlords, agents or proptechs be able to keep renter personal information? Please explain.

30 days as indicated above.

18. Do you support requiring landlords, agents or proptechs to:

(a) give rental applicants' access their personal information,

(b) correct rental applicants' personal information?

Please explain your concerns (if any).

Yes I believe an open and transparent approach is required, we should have the ability to show and acknowledge the data protection principles we have in place. The records should be only kept for 1 - 3 years of the end of the transaction, remembering that it is summary data not copies of all records.

5.3 Automated decision making

19. Are you aware of automated decision making having unfair outcomes for rental applicants? Please explain.

Yes I am aware and believe that these tools use be used as a tool not the whole decision making process, it should be noted that a non automated assessment should occur and this tools are only that a tool.

20. What should we consider as we explore options to address the use of automated decision making to assess rental applications?

They can not / should be used without manual review and intervention. We have seen the challenges with these tools like robo debt etc.

6 Portable rental bond scheme

6.2 Design of the portable bond scheme

21. How long should a renter have to top up the new bond if some or part of the bond has been claimed by the previous landlord?

7 days

22. What should happen if the renter does not top up the second bond on time?

Please explain why.

14 days notice as this should be a breach of the agreement.

23. Should this scheme be available to all renters, or should it only be available to some? Please explain why.

All or it wont be used as intended.

24. Who should have a choice on whether to use the scheme?

Mandatory to all

25. What other (if any) things should we consider as we design and implement the portable bond scheme? Please explain.

The scheme should allow for 80% of the bond to be used, allowing the 20% to be used for bond claims related to cleaning, this is the majority of the reason a bond is actually used. Only 80% should be able to be used and the remainder would need to be topped up within 14 days and if this is not paid by this date this provides a breach of the tenancy agreement.

7 Information to help renters know when a rent increase is 'excessive'

26. Do you have any concerns about the NSW Government collecting information on rent increases and making it publicly available for renters? If yes, please provide details.

I agree and believe this will avoid over pricing, and less tribunal cases for excessive rent increases.

27. What do you think is the best way to collect this information?

Rental Bonds Online (RBO) this should capture the suburb, number bedrooms, standard 3 types, average, above average, high standard, this data should be public

8.2 Clarifying the limits on rent increases

28. Do you think the 'one increase per 12 months' limit should carry over if the renter is swapped to a different type of tenancy agreement (periodic or fixed term)? Please explain.

Yes this should be the same regardless of the type of agreement, as long as the same tenants are listed and the same property address, 1 increase per year regardless. In the case of a longer lease this should be written into the agreement as a % at the start and should be % or CPI which is higher

29. Do you think fixed term agreements under two years should be limited to one increase within a 12 month period? Why or why not?

Yes one per year regardless, as answered in question 28.

8.3 Other options to address affordability

30. What do you think about the above options? Please provide details.

I think that you as a landlord or agent get to choose, CPI or a rent increase 1 per 12 months inline with the maximum and minimum covered in data held by the RBO system in suburb public data.