

Friday, 27th March 2009

RECORD FINES FOR AGENTS & LANDLORDS

Record numbers of landlords and agents have received fines and warnings this financial year as the Office of Consumer and Business Affairs' (OCBA) Tenancies Branch clamps down on breaches of the *Residential Tenancies Act 1995*.

Minister for Consumer Affairs Gail Gago says warning and expiation figures to date have ballooned nearly 300% since the 2006-2007 financial year. 124 expiations and 420 written warnings have already been issued this year, dwarfing the total 2006-2007 financial year figures of 27 expiations and 168 warnings.

Minister Gago says the vast majority of the warnings and expiations were issued because of late lodgement of bonds, or non-lodgement.

“Agents and landlords should be warned that if they fail to provide timely lodgements of tenants bond money then they can expect to hear from the tenancy regulator (OCBA),” says Ms Gago.

“We’re making a conscious effort to change the relaxed attitude some agents and landlords have about their legal responsibilities while also sending them the message that late lodgement or non-lodgement of bond money are serious breaches.

“Failure to comply can sometimes indicate agents are experiencing trust account and cash flow issues.”

Agents and landlords must lodge bond money with the Tenancies Branch within 30 days and 7 days respectively.

“The Tenancies Branch will explore whether agents who have received multiple expiations are experiencing trust account or cash flow problems,” says Ms Gago.

The use of illegal clauses in tenancy agreements by agents and landlords is also the focus of OCBA’s crackdown.

Minister Gago says “Tenants can be unsure of their rights and will sign tenancy agreements that include unfair clauses or are contrary to the Act.”

“Agents and landlords often have the advantage of knowing more than the tenant about how rental agreements work,” says Ms Gago.

“Sometimes they can take advantage of this by trying to slip in conditions or clauses and this is just not on.”

For example, the tenancy agreement may have a clause specifying the tenant to regularly prune trees in the backyard, or have the carpets professionally steam cleaned at the end of the tenancy agreement when the tenant is only required to ensure the carpets are in left in a reasonable state allowing for wear and tear and is not obliged to prune trees.

Minister Gago warns that agents and landlords caught engaging in this sort of behaviour can also be subject to warnings, expiations and possible further investigation.

“The message to agents and landlords is we are watching you. If you are a repeat offender, watch out,” Minister Gago says.

For more information contact the Tenancies Branch of OCBA on 8204 9544 or 131 882 for country callers, or visit the website at www.ocba.sa.gov.au.