

RESIDENTIAL TENANCY DATABASES

COMMENT ON ISSUES PAPER

Rosier Real Estate Pty Ltd is a small Family run Real Estate Company in the Melbourne Outer Eastern Suburbs with a rent roll of approximately 700 properties under management.

We use the National Tenancy Database for the checking of prospective tenants and offer the following comments to the questions raised in the above Issues Paper.

Q1. Yes. Mainly to assess a prospective tenant's application. Tenant selection is predominantly a risk assessment of that tenant, information gained, including RTD check is part of that risk assessment. Non-use of an RTD would leave a hole in that risk assessment that can not be covered from another source.

Q2. Definitely. A minimal charge of \$11.55 per check, no charge for lodgements. Non-use of an RTD has the potential for significant losses to a landlord, although rare, losses of up to \$50,000 have occurred. This is from rent default of a tenant, significant damage to the property and lost rent whilst repairs are being undertaken.

Q4. Yes, NTD.

Q5. Yes, REIV.

Q14. Yes, one only, NTD.

Q15. Yes. We interview each applicant when they submit an application, part of that process is that they read and sign a Privacy Statement which in part informs the applicant that an RTD check will be made. Each applicant is also verbally advised of an RTD check.

Q16. No. An RTD check would not usually be the sole reason for an application to be rejected, in most instances other factors have led to a rejection prior to an RTD check being carried out.

Q19. Yes. Positive, neutral and negative listings will assist others in their risk assessment of an application in the future.

Q20. No.

Q21. Not normally. The vast majority of negative listings on RTD's are in situations where a tenant has been evicted, abandoned a property or significant damage has occurred. In these cases the current location of the tenant is generally unknown as they are trying to avoid us. If a situation or breach has been rectified or remedied a negative RTD is not normally lodged.

Q22. If we can contact them, Yes.

Q23. My understanding of the Privacy Act is that unless a Privacy Statement is signed it would be illegal for us to pass on personal information to any other party, this would include RTD's. This would result in only those who signed Privacy Statements being able to reported, it would be unusual for anyone to sign a Privacy Statement and not be a signatory to the lease agreement.

Q34. An RTD would have no part in dispute resolution. If at the end of a tenancy a dispute cannot be resolved it has to go to the Tribunal, the determination from the Tribunal should be the basis for what is lodged with an RTD.

Q37. NTD do not offer a facility to review listings. If we have lodged a tenant as something why would we have a need to review that listing? Different situation if for example a tenant has been lodged as a debt of \$400 and 12 months later he/she pays that debt then the RTD should be updated to reflect the payment. This is a fairly rare situation but it has occurred in the past.

Q41. None that I am aware of apart from confirmation of the information that is provided on an application. Estate Agents are not permitted to belong to a Credit Reference Association, as such we cannot conduct a Credit Check on a prospective tenant. If Estate Agents were permitted access to Credit Check prospective tenants I would think there would be little need for RTD's and they would slowly disappear.

Q42. Not every application has an RTD undertaken, if the routine checking of an application reveals obvious adverse information the application would be rejected prior to an RTD. An RTD is the last step in the process in the risk assessment and is more a backup or to confirm the information gained from the information provided on the application.

Q45. The Code of Conduct should be adopted and followed by all members, breaches of the Code can result in disciplinary action from the institute depending upon the type and severity of the breach. However the Issues Paper shows that 70 percent are members of an institute therefore 30 percent will not be covered by a Code of Conduct which is a significant number. If member of an institute or not should not have a bearing on the quality of reporting to RTD's otherwise reporting will not be consistent and/or double standards would apply.

Q46. No.

Q48. The RTD should have clear and logical options for lodgement of a tenant, this would provide consistency. What type of breach and if it was resolved should also be recorded. E.g. if a tenant has a work transfer interstate and requires to break their lease and all monies were paid is not a negative, could even be a positive as all monies were paid up. If a debt is owing it must be verifiable with a Tribunal Order.

Q49. Only those persons who have completed a tenancy application and privacy statement are able to be listed whether they are a signatory to the lease or not.

Q50. At the end of a tenancy unless an exceptional situation is evident, i.e. Violence or significant property damage.

Q51. I would like to see all tenants on an RTD, good, bad or otherwise. If a negative lodgement a clear criteria for what the breach was must be provided. NTD lodgement is via internet and is a simple matter of clicking in a box.

Q52. No as most negative lodgements are where a tenant is uncontactable, if it was a requirement to notify a tenant prior to lodgement would make the use of RTD's unworkable.

Cases

I would like to give two examples where an RTD check was critical in assessing an application.

Case 1. An applicant had all information confirmed on the application and it looked fairly good, an RTD check showed as a "Clear Out" from another agent approx 3 years earlier. The applicant was contacted to get his side of the story, when the property address was mentioned he was very aggressive and replied "I didn't want the **** property anyway, F*** off." And hung up, this was even before we could mention that we wanted his side of the story. His application was rejected.

Case 2. A couple applied for a home, they had their own business and provided bank statements for their income etc and a letter from their landlord which stated that they had been tenants of his for 7 years, were excellent tenants and he was moving into the house and would be sorry to lose them. This gentleman was contacted and he confirmed everything in the letter. An RTD check showed them as "Current Tenants" with another agent, this agent advised that the Police were evicting the tenants in 4 days time with over \$2000.00 owing in rent. This application was rejected.

Application Approval

The Issues Paper infers that Property Managers are the ones who decide to approve a tenant or not. This is incorrect, we assemble a risk assessment of an applicant and put that assessment to the landlord for their decision.

A Property Manager can recommend an applicant but in many instances landlords have chosen a tenant against the advice of the Property Manager and vice versa.