



A HOUSING OMBUDSMAN FOR VICTORIA

THE GREENS' PLAN TO PROVIDE FREE, FAST AND FAIR DISPUTE RESOLUTION SERVICES FOR HOUSING

Housing is governed by an adversarial court system. It favours those with the power and the resources to use it. Renters, those living in retirement housing and caravan parks, and even home owners, are often too afraid or don't have the means to go through the courts, and as a result are getting a raw deal. The Greens will create a Housing Ombudsman to resolve disputes in a free, fast and fair manner.

In recent years, inquiries and reviews into the housing sector have found significant failures in the provision of binding dispute resolution services, leading to renters, retirees and home owners getting ripped off.

The Victorian Parliament's Inquiry into the Retirement Housing Sector found that some retirees are being fleeced by their retirement housing operator through unfair charges and returns on their property, but people are too afraid to speak up, let alone take the matter to court, for fear of bullying or losing even more financially.

A recent review by Consumer Affairs found a system that hugely favors landlords over tenants, with tenants bringing just seven per cent of the 60,000 cases to the Victorian and Civil Administrative Tribunal (VCAT) relating to rental properties.

People building their own home or purchasing a relatively new property are finding that soon after the building warranty expires, shoddy workmanship is showing up and they face massive costs for repairs that would never have been required without the builder cutting corners.

All these issues need a free, fast and fair dispute resolution service that makes binding decisions in accordance with the law. A service that avoids people having to go to court and endure a costly, stressful and lengthy legal process. We have an Energy and Water Ombudsman and a Public Transport Ombudsman. Evidence shows we also need a Housing Ombudsman.

OUR PLAN

To ensure people have access to a free, fast and fair dispute resolution service for housing, the Greens will:

- **create a Housing Ombudsman to resolve disputes between:**
 - **landlords/agents and renters;**
 - **home owners and builders;**
 - **retirement housing, caravan park and rooming house operators and residents;**
 - **home owners in strata owner corporation buildings; and**
 - **in disputes related to short stay accommodation.**



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The Ombudsman will be set up at arm's length from industry and the government, will operate by a clear charter and constitution ensuring it is independent, follows best practice in complaints handling, and is accessible, accountable, timely and effective. It will facilitate binding agreements, and provide binding decisions and orders in an informal and non-adversarial setting.

We will provide \$10 million a year to establish and run the Housing Ombudsman, funded from our proposed Windfall Rezoning Tax. This will ensure the value created by rezoning is used to support people with their housing needs.

RENTAL HOUSING

For rental properties, generally the first and only place where disputes can be resolved is at VCAT. VCAT is a very formal and adversarial process to go through to get a binding decision, and is not conducive to maintaining a positive relationship between the tenant and landlord.

In its 2015-2016 Annual Report, VCAT reported that just 7% of its approximately 60,000 residential tenancy cases for the year were brought by renters. All too often renters are not prepared to challenge an unfair decision by their agent or landlord because they are fearful to take the dispute to VCAT. They are concerned it will be expensive, stressful and lengthy. They are also concerned about losing if they don't have expensive legal representation, and that it will lead to consequences such as inspections, rent hikes, and their lease not being renewed. This means renters feel powerless over their home and circumstances, and often get a bad deal.

With recent changes to the Residential Tenancies Act, there are even more provisions that are required to be taken to VCAT if there is a dispute or even a deviation in the standard contracts. This is clogging up the court system unnecessarily. The reliance on VCAT for resolving disputes is outdated and expensive.

Consumer Affairs Victoria's 'Fairer Safer Housing -

Review of the Residential Tenancies Act 1997' found the system for resolving disputes in rental properties hugely favors landlords over tenants. They recommended a housing ombudsman be established.

A Housing Ombudsman is a better way for renters and landlords to apply for deviations in normal rental arrangements and get early intervention and dispute resolution in an amicable manner that enables them to maintain a relationship through an ongoing tenancy agreement.

The Ombudsman's office will work closely with the newly created Commissioner for Residential Tenancies to identify and advise government on systemic issues in the rental housing sector.

RETIREMENT HOUSING

Retirement housing contracts can be detailed and confusing, with significant charges hidden in the fine print. This makes it incredibly difficult for people to compare housing options and understand what costs they are really up for. That means some contracts are unfair, have very high exit fees, and provide for poor service. But many retirement housing residents fear speaking out because they believe it will lead to bullying or ill-treatment by the operators.

In recent years, the Greens have supported efforts of community advocates to shed light on the ill treatment and financial rip-off some people in retirement housing are experiencing. We were successful in an initiating the Victorian Parliamentary Inquiry into the Retirement Housing Sector, which recommended that a Retirement Housing Ombudsman be established to resolve disputes between retirement housing operators and residents in a binding, non-adversarial way. Unfortunately, the Labor Government has not acted on that recommendation.

The Greens believe the Housing Ombudsman body should be available for all housing types; however, we will prioritise introducing the legislative changes to set up a Retirement Housing Ombudsman, with the aim of expanding this service to all housing types. To achieve



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this, we will amend the Retirement Villages Act 1986 and any other Acts as needed to require retirement housing operators registered with Consumer Affairs Victoria to enter into a dispute resolution scheme as approved by Consumer Affairs Victoria.

The Housing Ombudsman will also provide essential dispute resolution services to residents, including in Owner Corporations, when problems arise with short stay accommodation and residents need free, fair and fast binding decisions to get an outcome.

BUILDING DISPUTES

Sometimes your dream home on the plan turns out to be a nightmare when you find your builder has done a shoddy job or has cut corners to reduce costs in the build. Under law, builders are obliged to meet certain standards under building warranties and consumer guarantees. Unfortunately, these are not always met, and often problems only show up after the 10 year warranty has expired.

In these circumstances, builders might not always be willing to do the necessary repairs and home owners might not have the time, money or gumption to take the builder to VCAT over the matter. When a body corporate is involved, it can be even more complicated to resolve.

Home owners and builders will benefit from having a free, fast and fair process to get binding decisions on the workmanship and responsibility for repairs when things go wrong with new homes.

SHORT STAY ACCOMMODATION

The sharing economy has brought many benefits, but it has also led to disputes. Particularly in apartment buildings, properties rented on AirBnB and Stayz can cause significant concern to owner/occupier residents as they lead to more wear and tear in communal areas and lifts, costing a lot more in repairs and often creating more disruption and noise. The Greens have a plan to make short stay accommodation in apartment buildings fairer through new regulations and a mandatory code of conduct. You can read about it [here](#).