

13 July 2021

Committee Secretary
Community Support and Services Committee
Parliament House
George Street
Brisbane Qld 4001

Via: CSSC@parliament.qld.gov.au

Housing Legislation Amendment Bill 2021

Thank you for the opportunity to provide feedback on the *Housing Legislation Amendment Bill 2021*.

The Property Council of Australia is the leading advocate for Australia's biggest industry – property. We are a national not-for-profit organisation established to promote the work of the property industry in delivering prosperity, jobs and strong communities to all Australians. Previously, the Property Council provided input to Government on rental reform and engaged extensively on the independent review into the timeframes for exit payments in retirement villages.

As part of this feedback on mandatory exit entitlements, the Property Council provided input into the Interim Report which specifically related to exit payments in the resident-operated villages sub-sector. In this feedback, the Property Council supported the report's recommendation to exempt the seven resident-operated freehold villages in Queensland from mandatory buybacks and therefore supports this Bill implementing these provisions. Furthermore, exempting these villages highlights that a blanket approach to buybacks is completely unsuitable for dealing with the vast array of tenure arrangements that exist in retirement villages.

Queensland's current retrospective buyback provisions have created a range of issues for retirement villages in Queensland. The rationale that led the Government to exempting resident operated freehold villages applies equally to other corporate-operated segments of the retirement village sector. As a first step, the Government should align itself with other states in not enforcing mandatory buyback provisions for all freehold villages.

Residential Tenancies and Rooming Accommodation Act 2008

The rental market forms an integral part of Queensland's property sector. Not only does it support an array of jobs for those involved, it provides an avenue for many Australians to protect and supplement their income and allows Queenslanders to access safe and affordable accommodation. As such, the Property Council has spent several years working with government both nationally and here in Queensland to ensure a fair and stable rental market. This has included working with the Government directly on the *Housing Legislation (Building Better Futures) Amendments Bill 2017*, the *Open Doors to Renting Reform consultation paper* in November 2018 and providing input on the changes proposed in the *Consultation Regulatory Impact Statement (RIS) A Better Renting Future – Safety, security and certainty* in December 2019.

Managing and ending a tenancy

The Property Council believes that for all intents and purposes a tenant's rental property is their home and they should feel safe and comfortable in this accommodation.

However, it is the property owner that invests and cares for the property long term. Property owners are responsible for paying the taxes, rates and other regulatory charges associated with owning a home. It is also incumbent on property owners to make any necessary repairs and carry out maintenance to ensure the property remains livable and in good working order. Taking into consideration the costs and risks of owning and making a property available to rent, the property owner should be afforded the right to maintain control over who rents the property and on what terms.

Currently the legislation allows a tenant to end a tenancy "without grounds" with a notice period of only two weeks. This is in stark comparison to a lessor being unable to end a fixed term tenancy before a contract date unless the tenant agrees and a requirement to provide a notice period of two months when meeting prescribed grounds at the end of a fixed term contract. There is a risk that this perceived imbalance will deter prospective investors and have an adverse impact on the supply of rental accommodation at a time where Queensland is on the brink of a rental supply crisis.

As such, the Property Council suggest that the final legislation strives to ensure the final legislation ensures a more equitable balance between the notice periods required by tenants and lessors.

Renting with pets

Mandating that property owners take on any additional requirements and responsibilities—including mandating that pets are permitted—may have the adverse impact of increasing the cost of renting. Mandating a right to keep pets may increase the costs and responsibilities associated with property insurance, maintenance and management. These costs are then likely to be informally passed on to the tenants in the form of increased rent. Due to this, the Property Council believes that mandating pets is unnecessary and may lump owners and tenants with additional responsibilities that will add to the cost of renting.

However, if the requirement to allow pets is implemented the legislation should allow for an owner to be compensated for any damage that a pet may cause to a property. Despite the legislation allowing lessor to refuse a request for a tenant to keep pets if it is likely to result in damage to a property that could not be repaired for less than the rental bond, it does not provide an avenue for recouping this cost if damage that exceeds the cost of the rental bond does occur. Despite the legislation's best intentions, it is impossible to guarantee that any pet will not cause damage. Therefore, the legislation should provide an avenue for a lessor to recoup costs that exceed the amount provided for in the rental bond.

Thank you again for the opportunity to provide feedback on the *Housing Legislation and Amendment Bill 2021*. If you have any questions about any of the issues raised in this submission, please do not hesitate to contact me on [REDACTED]

Yours sincerely

A handwritten signature in black ink that reads "Jen W". The letters are cursive and fluid.

Jen Williams
Queensland Executive Director