

Residential Tenancies and Rooming Accommodation (Rent Freeze) Amendment Bill 2022

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COTA Queensland
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Residential Tenancies and Rooming Accommodation (Rent Freeze) Amendment Bill 2022

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Introduction

The Council on the Ageing (COTA Queensland) is Queensland's peak organisation for older Queenslanders, advancing the rights, needs, interests and futures of people as we age. With the large and growing number of older people in Queensland our organisation has worked to influence positive outcomes for older Queenslanders for over sixty years. COTA Queensland provides a connection point for older people, their families and communities, organisations, and governments at all levels to address issues for older Queenslanders and co-create change. We provide independent information and education for older people, their communities, and organisations as well as education and training, advice, and other services to the public and private sectors.

On 31 August 2022, Dr Amy MacMahon MP, Member for South Brisbane, introduced the Residential Tenancies and Rooming Accommodation (Rent Freeze) Amendment Bill 2022 (Bill) into the Queensland Parliament. The Bill was referred to the Community Support and Services Committee for detailed consideration and report. COTA Queensland welcomes the opportunity to make comment on the Bill.

COTA Queensland has advocated previously to the Queensland Government that access to comfortable, appropriate, and affordable housing is a key determinant of good health and well-being for older Queenslanders. The mental and physical stress that can result from an individual not having access to sustainable housing is substantial. Housing is another key domain in achieving an age-friendly Queensland.

Queensland has been experiencing a shortage of affordable housing supply and a high level of unsatisfied demand for both affordable homes to purchase and rent. This situation is expected to continue into the future unless major changes occur in national and state housing policy and strategy. It is expected that the 2032 Brisbane Olympic Games and related economic stimulus will maintain a strong housing market in South-eastern Queensland across the intervening years.

Navigating the housing rental market has also become more complex largely due to its highly competitive nature, upwardly mobile rents and insufficient rental stock.

Volatile Rental Market

CoreLogic reports an annual rent rate increase to June 2022 in Brisbane of 12.1 per cent compared with the Combined Capitals increase of 9.1 percent¹. Regional Queensland experienced an annual rental rate growth of 12.7 per cent to March 2022 compared with the Combined Regional rent rate increase of 10.8 per cent². Housing ownership continues to be hard to achieve in Brisbane with median home values in Brisbane increasing by 29.3 per cent for the year ending 31 March, 2022 compared to 18.2 per cent nationally.³

¹ CoreLogic. (2022). Quarterly Rental Review. Australia. [July 2022]. <https://www.corelogic.com.au/news-research/news/2022/residential-rents-hit-record-highs-as-national-vacancy-rates-plummet#:~:text=CoreLogic%20Q2%202022%20Rental%20Review%20Key%20Trends&text=National%20dwelling%20vacancy%20rates%20fell,since%20the%20onset%20of%20COVID>.

² CoreLogic. (2022). Monthly Housing Chart Pack. [March 2022]. https://images.insight.corelogic.com.au/Web/RpDataPtyLtd/%7b91bdb9f8-0f27-43dd-b19f-88e056ab7b02%7d_Monthly_Housing_Chart_Pack.pdf?elqTrackId=11f46dae49f4703a797d0bf69832739&elq=a9c799b99fc047a4843ffef70b40c434&elqaid=3675&elqat=1&elqCampaignId=2506&elqcst=272&elqcsid=326

³ CoreLogic. (2022). Property Pulse. [April 2022]. <https://www.corelogic.com.au/news-research/news/2022/Australias->

The current upward price trend in the Australian housing market is making it even more difficult for those on low incomes to keep a roof over their heads. This year's Anglicare Rental Affordability Snapshot underlines the worsening situation for older renters. The Snapshot surveyed 74,266 rental listings across the country on one sample weekend. The Snapshot reports:

The most generous of government payments is the Age Pension. Yet for a couple living on the Age Pension, only two percent of rentals were affordable. Single retirees have it even worse, with less than one percent of listings left to compete for.⁴

There is clear evidence that many older people are currently in uncertain housing situations. The HAAG⁵ reported that in the 2016 census, more than a third of Queensland households were in extreme housing stress, paying at least 50 per cent of their income in rent. Nearly a third of these were aged 75 years or older. HAAG also advised that "overall homelessness in Queensland is rising and the older age groups (55 years and over) are increasingly contributing to this growth". The number of older women who are becoming homeless or in precarious housing situations is of particular concern.

In a recent report the Productivity Commission⁶ details the increase in rental stress experienced by low-income earners. *According to the measure of rental stress that was agreed by the Housing and Homelessness Data Working Group, in 2019-20, 42 per cent of low-income renters (or more than 600 000 households) experienced rental stress, up from 35 per cent in 2007-08... And many low-income households have little income left after paying rent... The rates of rental stress for low-income households renting in the private market are higher again — rental stress is rare for social housing tenants (tenants in social housing pay rent based on income...). And declining social housing stock, relative to the population, has increased the proportion of low-income households renting in the private market...*

The Productivity Commission details rent burdens for different households as at 2019-20⁷. For householders over 65 years of age the median rent as share of disposable income was 36%, the proportion of these households spending more than 30% of disposable income on rent was 62% and more than 50% of disposable income on rent was 21%. The report also comments: *Low-income renters' experiences of rental affordability pressures may have worsened since 2019-20, when the last comprehensive data are available. As discussed above, data on vacancy rates and asking rents indicate that the rental market has tightened. Low-income renters bear the brunt of a tightening rental market....*

[smallest-cities-drive-growth-in-national-housing-values-as-sydney-and-melbourne-decline?utm_medium=email&utm_source=newsletter&utm_campaign=20220404_propertypulse](https://www.propertypulse.com.au/news/smallest-cities-drive-growth-in-national-housing-values-as-sydney-and-melbourne-decline?utm_medium=email&utm_source=newsletter&utm_campaign=20220404_propertypulse)

⁴ Anglicare. (2021). Rental Affordability Snapshot. [National report, April 2021]. <https://www.anglicare.asn.au/wp-content/uploads/2021/05/rental-affordability-snapshot-national-report.pdf>

⁵ Fiedler, J. and Faulkner, D. (2020). 'I Just Want Secure, Safe Housing': Older People at Risk of Homelessness in Queensland. Housing for the Aged Action Group, The University of Adelaide, and The Wicking Trust. https://www.oldertenants.org.au/sites/default/files/ageing_on_the_edge_queensland_report_march_2020.pdf

⁶ Productivity Commission. (2022). In need of repair: The National Housing and Homelessness Agreement - Study Report. <https://apo.org.au/node/319742>

⁷ Productivity Commission, In need of repair: The National Housing and Homelessness Agreement – Study Report, p. 308

Social Housing Shortage

Q Shelter has projected that between 2016 – 2036, there has/will be a shortage in Queensland of 174,900 social housing dwellings, and 79,200 of these will be in the greater Brisbane area.⁸ As at 30 June 2021, there were 27,933 applications on the Social Housing Register, 20,408 were very high need and 3,903 were high need. The public data does not provide an age breakdown for applicants. The 27,933 is the number of applications, the number of people captured in this figure would be substantially more as it includes singles, couples and families.⁹

The National Rental Affordability Scheme will soon cease and the affordable rents available under this scheme will also end as investors seek better returns. This will probably increase demand for social housing in Queensland as NRAS tenants seek more affordable rental costs.

The Queensland Government¹⁰ has stated that: *The Australian Government's decision to discontinue NRAS is expected to adversely affect around 10,000 low-to-medium income Queensland households, who will face a return to paying market rents. The expiry of NRAS incentives will impact the quantum of affordable rental dwellings available in Queensland at a time of escalating demand from interstate migration, and significant pressure on local housing markets, with rising house prices and very low vacancy rates. The cessation of NRAS will place further pressure on government assistance for those in the private rental market experiencing housing stress. Approximately 60 per cent of tenants living in remaining NRAS dwellings would be eligible for social housing and classified as having a high and complex need for assistance.*

While there is a clear need for a substantial increase in the supply of social housing in all regions of Queensland to meet the rental housing needs of older adults. It is also clear that the volume of social housing required to enable many struggling older renters to transfer from private rental will not become available in the short term.

Housing Summit developments

The Queensland Government has made commitments during the recent Housing Summit to substantially increase the availability of social housing. The 2022-23 Federal Budget through the national Housing Accord will target the construction of one million new homes by 2029. These initiatives will in the longer-term help those currently struggling to rent, however, these renters also need help to meet the cost and availability of rental properties today.

Q Shelter reports in its submission¹¹ to the Queensland Housing Summit that *...There is currently an unprecedented level of demand for assistance from Specialist Homelessness Services and other support services providing wellbeing assistance (such as mental health services, family support*

⁸ Q Shelter. (2020). *Queensland State Budget Submission*. <https://www.qshelter.asn.au/wp-content/uploads/2020/01/20200124-Queensland-State-Budget-Submission-1.0.pdf>

⁹ Queensland Government. (2021). Social Housing Register at 30 June 2021. <https://www.data.qld.gov.au/dataset/social-housing-register/resource/9fd99c88-c117-4e30-8b4b-54ac24170b80>

¹⁰ Queensland Government. (2022). *Queensland Government Submission – Submission 27. Productivity Commission Review of the National Housing and Homelessness Agreement*. [March 2022]. https://www.pc.gov.au/data/assets/pdf_file/0006/337389/sub027-housing-homelessness.pdf

¹¹ Q Shelter. (2022). *Better together: Q Shelter submission to the Queensland Housing Summit*. <https://qshelter.asn.au/storage/2022/10/20221004-Submission-to-Queensland-Housing-Summit-Web.pdf>

services). Q Shelter's engagement with stakeholders including the Queensland Housing and Homelessness Peaks Partnerships identifies the critical importance of increasing the availability of intensive, ongoing support to households across all tenures to help them exit from homelessness and/or sustain their housing outcome. An immediate intensification of support services to sustain housing outcomes could improve continuity of care from homelessness to sustaining a tenancy. There is also a critical need to enhance the support system ahead of potential extreme weather events so that vulnerable households can be identified and assisted proactively.

Q Shelter details an additional support program to support homeless and vulnerable people. COTA Queensland believes that the proposed program detailed below would greatly assist at-risk older Queenslanders.

The Q Shelter proposal is comprised of twelve elements:

- Active and assertive outreach
- Support to exit homelessness
- Support to sustain housing outcomes thus preventing future homelessness
- Support to sustain home ownership
- Support to improve housing circumstances for people on the housing register and to assist in the active management of the housing register
- Support to identify and proactively assist households whose housing is vulnerable because of extreme weather events
- Support to address a range of domains to improve wellbeing and housing sustainability such as mental health, substance misuse, hoarding and squalor, DFV, complex family needs, community connection, economic participation and resolution of legal issues including debt.
- Support in existing social and affordable housing environments to improve allocations processes, reduce conflict and to support social sustainability and harmony
- Flexible brokerage
- Access to specialised legal and financial advice
- Active and assertive linkages with all housing providers including private real estate agencies
- Integration with full suite of housing products offered by DCHDE

Conclusion

It is clear that many older Queensland renters who cannot access accommodation in the social housing sector are struggling to afford private rental accommodation. Many of these older renters need not only a rent freeze to enable a reasonable standard of living. Landlords need to consider what is a fair and equitable rental return for their rental portfolio. It is unclear how a rent freeze could be implemented in an equitable manner; however, the Queensland Government should give the proposal careful consideration. A longer-term assistance package as proposed by Q Shelter would provide assistance to a broader vulnerable target group.