

Committee Secretary  
Community Support and Services Committee  
Parliament House  
George Street  
Brisbane Qld 4001  
13 July 2021

## Submission on the Housing Legislation Amendment Bill 2021

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### Our general position on the proposed amendments

We oppose the recommendations about ending tenancies and renting with pets. It is our property not the Governments.

After reading through the **Decision Regulatory Impact Statement Stage 1 reforms June 2021** proposed reforms we cannot see how most of these reforms better protect property owners. All of the proposed reforms benefit the tenant with more rights, less responsibilities and disadvantage the property owner by increase responsibilities, less rights and add additional costs in maintaining and managing a rental property. The imbalance is clearly substantiated in the '*cost and benefits tables*' listed in the document. There is limited consideration shown to property owner rights, their circumstances or their financial factors.

With respect to financial factors, in the Supreme Court of Queensland in *Paton & Others v Mackay Regional Council [2014] QSC 75*, 3 non-occupied property owners submitted that the Councils decision to impose differential rates were invalid as the Council took into account irrelevant considerations including the capacity of landowners to pay these higher rates.

Of important and we believe relevant today is the obiter comments at paragraph 50 of the courts findings which states:

*"To make an assessment of wealth, or **capacity to pay**, one needs more than an indication of the ownership of valuable land, or an apparently profitable enterprise conducted on land, or the income of the ratepayer. Before an assessment could be made one must know also the **level of debt obligation and the cost of operations**. I doubt that any local authority would have access to such information concerning its ratepayers."*

The DRIS has not considered and/or take into account property owners level of debt obligations and the cost of operations affecting property owners and/or their capacity to pay the costs for these reforms, for example:

- Solicitors Costs in purchasing the land and dwelling;
- Significant cost to purchase the property;
- Significant Stamp Duty Tax which was paid;
- Significant continuous Land Tax payments to the Office of State Revenue;
- Large monthly loan & interest repayments including interest increases;
- Real estate management and letting fees;
- Cost for yearly Landlord insurance including increases due to the ALP last amendments to the *Residential Tenancies Act*. In fact it was very difficult to obtain Landlord Insurance;
- Cost for yearly maintenance including increases;
- Considerable effort and significant cost of restoration of duplex's built in the 1980;
- Cost for yearly water usage including increases by utilities, Councils & the State Government bulk water charges;
- With respect to the rental capacity of the property on the land. The DRIS appears to assume the property will be rented continuously and the property owner will be receiving a continuous rental income. This does not occur;
- With respect to the capacity of the property to be revenue producing and to what extent. The income produced from the use of the land and residence has only increased by 1.5% for only one property, however Council's differential rates have increased every year for the same use of the land and services;
- No income is received from the tenant who neglects to pay owed rent or no income is received from the property when not occupied;
- The income of the rate payers. I am a self funded retiree with a fixed income, which is decreasing every year. Over the past 18 months I lost a significant amount in my Super due to Covid-19 impacts. My wife receives low wages and our income has decreased, living costs have increased and we are now experiencing increased hardship;
- As home owners we are facing several head winds: supporting adult children at home, record low wage growth, record levels of debt, higher insurance, water and rate bills etc.

Neglecting to consider these financial factors affecting the property owner is very concerning. The specific amendments are fundamentally flawed and must be reconsidered in order to provide an equitable, fair and balanced solution that benefits both landlords and tenants and does not disadvantage or discriminate against one stakeholder.

In the **Decision Regulatory Impact Statement (DRIS) June 2021**, it states in the Overview: The Queensland Government is committed to modernising tenancy laws to create a contemporary legislative framework that better protects tenants and property owners and to improve housing stability in the rental market.

## **Ending tenancies fairly**

The DRIS recommends that property owners and managers to only end tenancy agreements for approved reasons with additional grounds.

Under current arrangements in the RTRA Act, both property owners and tenants can issue a notice to leave without ground. This notice requires a two-month notice period if issued by the property owner and a two-week notice period if issued by the tenant.

The DRIS recommends the tenant to issue a two week notice to leave without ground to the property owner, however removes this current right from the property owner. We oppose this recommendation. In fairness to tenant and property owner, both property owners and tenants should continue to issue a notice to leave without ground.

## **Unfair and inadequate recommendations for property owners**

Here the DRIS only considers property owners are only to end tenancy agreements for approved reasons with additional grounds. In fairness to the property owners, the DRIS neglects to consider or provide any proposals or recommendations that:

- require tenants to give a minimum 2 months notice to leave to the property owner (Property owners are required to give the tenant a minimum 2 months notice to leave);

If no proposals or changes are made to the current legislation it appears the tenant can end a tenancy without any grounds or reason when it suits them with only 14.days notice. Where is the certainty about how and when a tenancy can end for .the property owner under these circumstances? When this occurs before the fixed term end date the property owner then incurs:

- additional administration burden and costs in inspecting and acquiring vacant possession of the property;
- additional administration burden and costs in advertising and re-rental;
- additional burden and costs in maintaining the property whilst unoccupied;
- additional burden and costs in screening new tenants;
- loss of rental income whilst the property in not occupied;

How can these proposed tenancy laws create a contemporary legislative framework that better protects tenants and property owners when there are no fair and adequate proposals or recommendations requiring tenants to end tenancy agreements fairly.

## **Renting with pets**

The DRIS states on page 24 Pets are an important part of life for many Queenslanders, who often view their pets as part of the family. Nearly six in 10 of all

Queensland households (around 1 million households) keep a pet. However, only a small proportion of rental properties (15 per cent of around 566,000 dwellings or 84,900) in Queensland are pet-friendly.

The DRIS neglects to state that the 1 million owner householders who have a pet have the democratic right whether or not to keep a pet, the type and or the number of pets on their property. The DRIS is recommending to remove this democratic right away from property owners and their managers.

The DRIS advocates on page 25 the Queensland Government's objectives in proposing renting with pets reforms is to encourage more pet-friendly rental properties in Queensland while providing effective safeguards to protect property owners interests.

I note the DRIS has neglected to provide any surveyed findings from property owners and/or managers of the 84,900 rental properties to ascertain if there were any complaints, problems, damage, destruction, injuries, personal claims or health or safety problems caused by pets and consequences to tenants, property owners and other people. Without these findings an accurate cost benefit analysis cannot be provided.

The DRIS recommends tenants should be allowed to keep pets on rented premises outlining the responsibilities and procedures, mainly for property owners and/or managers with limited safeguards to protect property owner's interests.

We oppose these unreasonable and unfair recommendations and as property owners maintain we should have the democratic right to refuse keeping pets on our rental properties as every owner occupiers enjoys. Current legislation allows property owners to approve the keeping of pets in rental properties.

### **Unfair and inadequate recommendations for property owners and managers**

The DRIS only considers how property owners are to consider, approve or refuse tenant pet requests. The DRIS neglects to provide any recommendations that requires the tenant to:

- provide in writing a reasonable reason to keep a pet on the owners property;
- provide adequate details in writing about the pet for the property owner to consider whether to approve or refuse the request.
- provide documentation indicating that they are physically, mentally and financial capable of caring and controlling their pet.

## **Inadequate considerations and proposals for property owners and managers and others**

The DRIS has neglected to properly consider and make recommendations for:

- Making the tenant responsible for their pet injuring or causing any suffering or ill health to any other tenants, visitors or neighbors (Nuisance does not cover this);
- The time period the tenant has to pay or repair any damage caused by a pet;
- 6 monthly floor cleaning and pet control/fumigation, not just once at the end of the tenancy to maintain the property in a safe, clean and healthy condition. Pets excrete on a daily basis which causes damage, odour and health issues if not cleaned daily; Also pest infestation (e.g. fleas) need immediate treatment not once at the end of the tenancy;
- The time period the tenant has to pay for floor cleaning and pet control/fumigation during the tenancy;
- Compensation for additional burdens and costs to property owners and managers for assessing and replying to tenant pet requests, managing additional inspections of premises and complaints, repairs to damaged property caused by pets;

### **DRIS Inadequate research and findings**

Where is the research findings conducted by DRIS to show:

- Injuries, illness or health issues to people caused by pets;
- damage to rental properties and damage to other tenants or neighbours property caused by pets;
- infestation, allergies, phobias, odours caused by pets; and
- complaints of noise caused by pets..

There have been many claims of unreliable research and percentage findings in favour of the tenant, however there is significant lacking research and findings in favour of the property owner and manager. The research is biased and flawed and cannot be relied upon to support legislation amendments.

The proposed amendments do not hold the pet owner responsible for any injuries, illness or health issues to people caused by their pets. Dogs and cats have the capacity to injury other tenants, visitors, property owners, managers and neighbors. The proposed amendments only hold the tenant responsible for all nuisances caused by a pet and repairing any damage to the premises caused by pets.

Further the DRIS highlight physical and mental benefits for tenants keeping pets, however neglects to mention any detrimental mental effects pets have on other tenants, visitors, property owners, managers and neighbours. We certainly worry about the chance of dogs and cats causing injury to other tenants, visitors, property owners, managers and neighbors. There is also the liability issue if someone is injured.

Keeping the pet on rental property poses unacceptable risks to people's health, property and safety and unacceptable risks to other tenants, visitors, neighbours, property owners and managers and creates greater burdens and financial issues than not keeping a pet on a rental property. In summary the risks in keeping a pet on rental property outweighs the benefits of pet ownership for tenants on rental properties.

In support of our claims and comments please consider these facts. I recently restored two units at my duplex at the Gold Coast at considerable effort, time and cost to improve the safety and living standard for the tenants. Both units are occupied. Unit 2 is occupied by a 76 year old male pensioner, Bob (who has limited finances) with his 8 year old son. Due to Bobs situation I reduced his weekly rent by \$100. The son has repeatedly asked me permission to allow a cat and a dog to reside in the two bedroom Unit. When I asked him who would clean up the mess created by the animals he said his father would. The father was silent and my managing agent has had to give him instructions to clean the bathrooms and toilet after inspections. Knowing the age and health of the father including his living standards I believe the mess caused by any cat and dog would not be cleaned from the unit every day, 365 days a year, which has the real likelihood to cause pest infestation and disease including health risk to the son, father and tenants in Unit 1.

Further the father would be challenged financially in paying for the animals care and physically challenged in controlling the animals in and around the duplex (duty of care). What happens when the dog or cat injures some one? Further I know the 76 year old father will be unable to pay for damages the cat and dog will do to the new walls and floors, fly screens and roller blinds and any other property (and the bond would not cover the damage caused). Further there will be additional time, effort and cost to me in obtaining restitution for the damaged property and/or loss of rent and/or re-letting the unit. These factors will create unnecessary mental and physical health to me as a property owner and deteriorate the good owner tenant relationship I have with the father presently. Prevention is better than cure.

## **Summary**

We oppose the recommendations about ending tenancies and renting with pets.

If these reforms are implemented into legislation it has the potential for Real-estate agents to increase management fees payable by the property owner. We will have to increase the fortnightly rent to cover these reforms, using QCAT and/or sell our rental properties to pay off our debts and prepare to apply for the pension. The ALP Government needs to realize that we live in a democratic society and the ALP Government needs to respect our rights to manage our property.

My wife (62) and I (64) own 3 rental properties in Queensland. We have worked hard, saved and sacrificed for over 46 years to acquire these properties. Two years ago we

renovated one property at considerable time, effort and cost, which the tenants now enjoy. Then came along COVID-19. As a result of the impacts of COVID-19, I lost a significant amount of money in my Super over the past 16 months. We rely on the rent from these properties to maintain the properties and provide us with income for necessities of life. Increasing costs and burdens concerns us, creating hardships and reducing our quality of life. Don't unfairly take away our retirement plans and our children's plans from us.

Yours sincerely,

Barry and Leanne Binnie.