

Queensland Productivity Commission Bill 2024

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6 December 2024

Governance, Energy and Finance Committee
Parliament House
George Street
BRISBANE QLD 4000

By Email: GEFC@parliament.qld.gov.au

Dear Committee

RE: QUEENSLAND PRODUCTIVITY COMMISSION BILL 2024

The Real Estate Institute of Queensland (the **REIQ**) welcomes the opportunity to provide a written submission in relation to the *Queensland Productivity Commission Bill 2024* (the **Bill**) introduced into Parliament by the Treasurer, Minister for Energy and Minister for Home Ownership on 28 November 2024.

About the REIQ

The REIQ is the peak industry body representing the real estate sector in Queensland. As the State's most trusted and influential advocate for real estate interests for more than 106 years, the REIQ's enduring purpose is to lead a sustainable industry which makes important contributions to government legislation and policy settings and advocates for balanced regulations for the benefit of all stakeholders in the housing sector.

The REIQ's vision statement, for the real estate profession, extends our support and expertise beyond our membership to the broader real estate profession and community. We believe everyone should be able to make educated, informed decisions about buying, selling or renting property and business in Queensland.

REIQ response - Establishment of Queensland Productivity Commission

The REIQ welcomes the introduction of the Bill. We strongly agree with the re-establishment of an independent statutory body to oversee government policy-making in Queensland in order to enhance transparency, accountability and to ensure the Government is obtaining critical feedback from relevant subject matter experts and industry bodies.

As the Committee would be aware, the housing sector has endured an onslaught of legislative change since 2020. In our view, this has led to a reduction in productivity in the rental housing sector, amplifying the negative impacts of the housing crisis in Queensland.

A total of 9 tranches of tenancy law reform have occurred (and will occur) between 2020 and May 2025. These reforms include:

- *Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Amendment Regulation 2020;*
- *Housing Legislation Amendment Act 2021* (which introduced reforms in four tranches: October 2021, October 2022, September 2023 and September 2024);
- *Local Government Electoral and Other Legislation (Expenditure Caps) Amendment Act 2023;* and
- *Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Act 2024* (which introduced reforms in three tranches: June 2024, September 2024 and May 2025).

Although the REIQ acknowledges the objectives of some of the reforms were appropriate to align Queensland's tenancy framework with modern community expectations, there was an evident lack of consideration for stakeholder and industry advice resulting in poor implementation. In our view, this has led to significant practical ramifications for the sector and in some cases, have caused more harm than good.

For each tranche of reform referred to above, property managers have shouldered a far greater administrative burden. The reforms have led to a significant increase in the complexity of work that is being undertaken, creating arduous and impractical processes, slowing down productivity, contributing to an exceedingly high turnover of staff and staff shortages, unmanageable workloads and additional costs that essentially act as a tax on small business.

Notably, the majority of Queensland real estate businesses are small independent offices that are not associated with a franchise model. The cost and administrative time burden of changing business practices to adapt to reforms has a significant impact on real estate businesses.

The human impact of legislative reform should also be taken into account when policy is formed. We saw the last government demonising property managers in the media and using the profession as a scapegoat for issues that were created as a result of inadequate housing supply, economic issues and poorly implemented legislation. As a result, mounting mental health challenges are pushing experienced and professional property managers out of the industry, with small businesses struggling to attract, train and retain experienced staff.

All the above factors have a significant impact on a tenant's experience of renting.

With 36% of Queenslanders renting and the vast majority (almost 90%) of those tenancies being managed by property managers¹, conditions within the sector needs to be addressed to improve outcomes for all stakeholders, including the tenant's experience of renting.

Further, there is no evidence that these legislative reforms have made a positive impact on rental conditions in Queensland. In fact, despite the specified objective of improving conditions, Queensland continues to be gripped by a housing crisis, with those most vulnerable in our communities facing housing insecurity.

Recent social housing waitlist data shows that the waitlist has increased by more than an astonishing 11% in the past year, with over 1,800 Queenslanders added to the waitlist during the September quarter (Queensland Social Housing Register).

¹ RTA Annual Report 2023-24

The rate of homelessness in Queensland has been reported to be increasing at almost three times the national rate of increase (Australian Bureau of Statistics).

Queensland's rental vacancy rate has also continued to hold tightly at 1%, indicating that the supply of housing continues to be a significant challenge across Queensland. As a result of these market conditions, Queensland's weekly median rents have also continued to rise substantially over this period (RTA Annual Report 2023-24).

Recent data from the Residential Tenancies Authority (RTA) shows that tenancy disputes have steadily increased since 2020, suggesting that the reforms have not provided any meaningful solution to tenancy issues over the past 5 years (RTA Annual Report 2023-24).

The REIQ has seen first-hand how limited, or in some cases non-existent, industry or stakeholder consultation has led to worsening conditions in the rental housing sector. Many stakeholders are still grappling with the uncertainty, ambiguities and impracticalities created by the rushed implementation of critical legislation.

To our knowledge, the impacts of these legislative changes have never been evaluated by policy-makers.

Housing is an essential pillar of our economy and community wellbeing, often regarded as the backbone of stability, but we are concerned that legislative interventions and current tax settings are stifling its potential. A targeted review of productivity in this far-reaching and economically critical sector will drive substantial benefits, boosting prosperity and delivering value for all Queenslanders.

With the re-establishment of the Queensland Productivity Commission, the REIQ would like to see an inquiry into the following matters:

1. The social and economic impacts of the Palaszczuk and Miles Governments' reforms to the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld) (**RTRA Act**) between 2020 to 2024; and
2. The impacts of current policy settings (including taxation settings) on the supply of housing and homeownership rate in Queensland with the objective of boosting these levels.

We would like to see Queensland's housing challenges addressed with industry-informed policy solutions. Re-establishing an independent Productivity Commission for Queensland is a commendable approach to ensuring that policy is properly scrutinised and the potential impacts are evaluated thoroughly.

To ensure these admirable objectives are met, we would like to see the Queensland Productivity Commission hold public hearings wherever possible to ensure transparency and robust debate. Additionally, we would welcome meaningful engagement between the Queensland Productivity Commission and a variety of industry experts and key stakeholders to ensure its recommendations are practical, balanced and enhance productivity across the housing ecosystem.

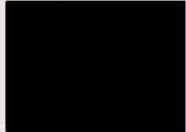
In relation to the proposed Best Practice Industry Conditions inquiry, the REIQ understands that other stakeholders in the building and construction sector are better placed to provide feedback, such as Urban Development Institute of Australia or Property Council of Australia.

The REIQ would like to see the new Crisafulli Government prioritise its time seeking to enhance the productivity of Queensland through this review of policy and legislative settings.

We would also be pleased to discuss any of the matters raised further and invite you to contact Katrina Beavon at [REDACTED]

We confirm no aspect of this Submission is confidential and we consent to its publication.

Yours Sincerely



Katrina Beavon
Acting Chief Executive Officer
General Counsel and Company Secretary
Real Estate Institute of Queensland