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## ***HOUSING, BIG BUILD AND MANUFACTURING COMMITTEE***

**Members present:**

Mr CG Whiting MP—Chair  
Mr JJ McDonald MP  
Mr DJ Brown MP  
Mr MJ Hart MP  
Mr RI Katter MP  
Mr TJ Smith MP

**Staff present:**

Ms S Galbraith—Committee Secretary  
Dr V Lowik—Assistant Committee Secretary

### **PUBLIC HEARING—INQUIRY INTO THE RESIDENTIAL TENANCIES AND ROOMING ACCOMMODATION AND OTHER LEGISLATION AMENDMENT BILL 2024**

#### **TRANSCRIPT OF PROCEEDINGS**

**Monday, 29 April 2024**

**Brisbane**

## MONDAY, 29 APRIL 2024

### **The committee met at 9.49 am.**

**CHAIR:** Good morning. I declare open this public hearing for the committee's inquiry into the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024. My name is Chris Whiting. I am the member for Bancroft and chair of the committee. I would like to respectfully acknowledge the traditional custodians of the land on which we meet today and pay our respects to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander people whose lands, winds and waters we all share.

With me here today are Jim McDonald, member for Lockyer and deputy chair; Don Brown, member for Capalaba; and Michael Hart, member for Burleigh. This hearing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious offence. I also remind members of the public that they may be excluded from the hearing at the discretion of the committee.

These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may also be filmed or photographed during proceedings and images may also appear on the parliament's website or social media pages. I ask everyone to turn their mobile phones off or onto silent mode and turn their computers onto silent mode.

### **CANIGLIA, Ms Fiona, Executive Director, Q Shelter**

### **CARR, Ms Penny, Chief Executive Officer, Tenants Queensland**

**CHAIR:** I now welcome our representatives from Tenants Queensland and Q Shelter. Would you like to make an opening statement before we ask some questions?

**Ms Carr:** Thank you very much for letting us appear today. Tenants Queensland welcomes the opportunity to both submit in writing and appear today at the public hearing on the Residential Tenancies Rooming Accommodation and Other Legislation Amendment Bill 2024. Just to give you a little bit of information about Tenants Queensland, we operate our services right across Queensland. We talk with our colleagues nationally about what is going on in the rental market across the country. In Queensland we support around 30,000 renting households per annum through 15 offices spread throughout the state.

The most common issues that we see are repairs, termination of tenancies and bond disputes, but, increasingly, people are coming to us around rent increases. The amount of rent being increased is on average \$100 per week but certainly there are many people experiencing rent increases much larger than that. That does not seem to be abating. Many people are struggling financially and it is not just those ones on the lowest incomes anymore. That rental affordability issue is moving up the income chain throughout a variety of households.

Just over a third of the households in Queensland are renters and almost half of those households include dependent children. People are renting for longer, sometimes for life. Younger people are finding it harder to get into home ownership and, therefore, are seeing renting as their tenure of life. We are ageing in the rental market, we are raising children in the rental market and many single people are living in the rental market. The conditions in the rental market very much determine the quality of people's lives who rely on that rental market.

Tenants Queensland welcomes the bill. We think all of the things contained in the bill are important and we think that they will definitely improve the lives of people living in the rental market. There are a couple of minor things that we have made note of in our written submission that we think need to be adjusted such as some things around exempt lessors where there is a person paying market rent; that lessor is exempt from being an exempt lessor. Otherwise we support that idea. Then

there is the 28 days for a landlord to respond to a request for modifications where it is an amenity issue. That seems far too long a period of time to us, especially where there is a body corporate involved.

The changes to bond returns are welcomed, but we believe that renters should never be the applicant in a QCAT matter to get their own bond back because you can never be sure what claims are being made against them. Given that it is the other person claiming against the tenant's money, it should be that person who makes the application to QCAT. With those things said, we fully support the bill. We want to see it move ahead quickly. There are three things that require significant work in the regulations to take effect and we want to see those things happen quickly. They are the code of conduct, the bond transfer scheme and the regulation of the minor modifications or changes to structures.

We also want to note that whilst we really support this bill and see that it will improve the situation for renters in Queensland, there are key omissions. Right now we have an opportunity as a society to really change the way renters experience the insecurity and fear they currently do. The issues that we really do need to address to change those are the true removal of without ground notices to leave in Queensland. Despite some assertions that we have done that, we have not. Right now Queenslanders can have their tenancies ended simply because a fixed term is coming to an end and that equates to a without ground notice to leave. We have already put in the reasonable grounds that are required to effect a just cause tenancy termination process; we have already got those in there. We did those last time we made changes. Until we remove that, people will live in fear. They will be too scared to ask for repairs or to challenge things that are unlawful that they are being asked to do such as the ways in which they are asked to pay rent, for example.

The other issue is whilst we fully support the changes that are being made to rent increases, we think we also need to limit the quantum by which rents can be increased. We are not advocating a position where rents cannot increase—we support the idea that rents can increase—but we do believe that they should be moderated by something like an annual application of the consumer price index or a similar mechanism. That would equate to the situation when landlords pay land tax; they smooth the increases to the land value over three years. That is what we are calling for, a smoothing out, a protection from bill shock.

The two issues that are really outstanding that we have an opportunity right now in Queensland to fix for Queensland renters are truly bringing in a just cause eviction process—removing the ending of a fixed term as a ground to end tenancy terminations—and limiting the amounts by which rent can increase by applying the CPI or similar.

**Ms Caniglia:** Queensland Shelter is a peak organisation working to ensure every Queenslander has a home. We work to influence policy and investment in housing solutions and we also work to build system capacity to deliver those solutions. We really welcome this opportunity because of the declining rates of home ownership in Queensland and Australia-wide with nothing on the horizon to really address that decline. There are serious limits structurally to the prospect that we can increase home ownership. It is a very challenging thing to do with the fundamental costs of homes. Therefore, we have an increased number of renters in Queensland. The number between the two last census periods increased significantly, so we have more people who are representing and, as Penny says, renting potentially for life.

There is absolutely no aspect of the economy unaffected by the lack of housing in Queensland at the moment. The supply of housing and a healthy housing system in which people have a reasonable chance of either purchasing or renting a home they can afford close to the services and infrastructure that mean the most to them, including schools, is seriously at risk. We would really place our comments about this particular bill at the heart of the success of our economy in terms of achieving a flourishing set of opportunities for the entire state and nation without households at the household level being so fundamentally preoccupied by the most fundamental resource to their wellbeing. That is a home that they can guarantee they can afford, a place where their children can grow up and where they are not facing the prospect of moving as frequently as every six months. The cost of that, the cost of people's wellbeing, with some emerging information about the relative wellbeing of tenants being somewhat less than that of people who have genuine security of tenure because they own or are purchasing the property they live in—this widening divide is a hit to our economy. It is a hit to social cohesion.

Some children will ultimately be affected by a growing divide in terms of intergenerational wealth transfer attached to the home. People previously were in a better position and more people were able to achieve home ownership. It is in that context that we are really striving for rental reforms that are favourable to tenants. We absolutely support the scope of the bill as it stands but there are a few areas that we would reinforce need additional attention.

We would like to see a limit to excessive rental increases. We concur with Tenants Queensland that this should be linked to CPI or some other way of making sure those increases are reasonable in a context that renters are not in a position to pay an increase of unlimited amounts of money. Effectively, the rate of rental increases has disadvantaged lower income households much more because in a competitive rental market sometimes casual incomes do not compete very well in terms of making an application for a rental property. We need to see the price of rental homes regulated.

I acknowledge that the structure of the rental market means that many owner-investors are really struggling with rising mortgage costs and other rising costs. However, renters are in no better position. In fact, they are in a worse position to cope with rising rental costs because they are very often not underpinned by any capital growth in other assets. We need to understand that this is an incredible power imbalance and that limiting the potential for rent rises linked to something like CPI is a far more fair, just and reasonable approach given some people are confined to renting for life, and that number of people is increasing all the time. We also agree that the ability of landlords to end a tenancy simply due to it being the end of a fixed term should not be allowed. We would really like to see the introduction of minimum renting standards in Queensland that could form part of the rental sector code of conduct or be implemented through a rental price regulation framework as is done in other jurisdictions.

There are other ways we could be progressive in the rental market such as looking at energy efficiency measures so that tenants are not paying more for energy than owner-occupiers. We also have a significant relationship and engagement with community housing providers in the state. We understand that they are exempt lessors and this is for some important reasons that we agree with; in community housing provision most tenancies are linked to a percentage of income. If people's incomes fluctuate, then it is really important that it is allowable to review those rent levels more frequently. Sometimes it is because of contracting household size or income support changes and it is very favourable to the tenant for that to be reviewed more than once a year. It is also really important to the viability and sustainability of community housing providers that run on extremely small margins and they are in the business of providing more homes to Queenslanders. So if they can achieve greater sustainability and financial viability through higher rents when people's incomes go up, they will be turning that back into growth into the future, which is in everybody's interests.

I will leave my comments there. Again, I say thank you very much for the opportunity.

**CHAIR:** Thank you very much, Fiona. The bill aims to achieve policy by, as it says, easing cost-of-living pressures by making fees and charges fairer—for example, tenants or renters must be offered a fee-free method to pay—and capping re-letting costs at a prescribed amount. Those things are an important component of helping make those fees and charges fairer; am I right in that?

**Ms Carr:** We support those changes. There are several things. One is requiring utility bills to come forward within prescribed time frames. That will be helpful because, as we have seen, there is no prescribed time frame. For example, someone can get three water bills when they are leaving the property. In regards to ending tenancies, to have the option to have a fixed break-lease fee, depending on whether you are ending an agreement for no reason other than you are just wanting to move, being able to make the choice of either a prescribed break-lease fee or quantifying the reasonable costs, I think, is a good step forward. It is a very complicated set of circumstances when someone is a renter moving out and trying to make sure that they are mitigating their costs and then working out what really is reasonable compensation. I think it will make things a lot simpler. What was the other one that you mentioned?

**CHAIR:** Capping re-letting costs and a fee-free method to pay.

**Ms Carr:** We really should have a fee-free way of payment now. In fact, changes previously to the law were aimed at doing that. That has been somewhat successful. The update to it is warmly welcomed because there have been ways developed to get around those fee-free ways of paying rent. Simply stating it in the bill and updating it in the laws will be very good for renters. It is a fair enough thing that people should be able to pay their rent without paying a cost to pay the rent.

**Ms Caniglia:** We concur with that latter point. Some households having absolutely no money left at the end of a pay period. It accumulates across different platforms with a greater reliance on these kinds of methods for paying anything these days. I think we have to think about those people through a lens of poverty, and some people honestly have nothing left at the end of a pay period.

**Mr HART:** When you say 'fee-free' what are you pointing at? Do you mean some form of debit card or real estate fee?

**Ms Carr:** I did not read the bill again last night, but it says something to the effect of ‘the only fee is your own bank fee’, so it cannot be a third party or the other party imposing. What is happening sometimes is that people are being encouraged in various ways onto rent payment cards which are a third-party contract. Sometimes they do not realise they have signed with a third party. If the money is not there on the day that they go to take the money out, there are fees and charges to the renter which is probably not in the landlord’s best interests anyway because if the money is not there then it is not helpful to have another fee on top of it.

**CHAIR:** Fiona, I will put this question to you first and then to Penny. One of the things the bill does is establish a head of power to allow a new rental sector code of conduct to be developed. Obviously there will be some consultation for that. Once again, how important is that in making the process of renting fairer?

**Ms Caniglia:** It is a really important question, and we are really supportive of the code of conduct. When you consider how many Queenslanders are housed through the private rental market, this affects many people’s lives. A code of conduct, for any professional group or body, is absolutely essential. While we know that the majority of people are doing the right thing most of the time, it is really important to put on the record the expectations that the wider community has of such an important sector. It is just another opportunity, really, to reinforce the administration of the act and a variety of other regulations to ensure there is a very clear articulation of expectations that the industry needs to strive for.

**Ms Carr:** If I can add, I think there is a really good opportunity that arises from the bill. Queensland could be a leader in this space because I do not think we have seen a code of conduct for the rental industry alone before. With some collective effort, I think we can get some clear expectations and show the other states and territories how it is done.

**Mr McDONALD:** Thank you, Penny and Fiona, for your presentations and submissions on behalf of your organisations. I have a couple of questions with regards to the consultation on this bill. Were you consulted in regards to the development of this bill?

**Ms Carr:** There is a variety of things in the bill. We have been consulted on the changes to the rent increases applying to the property and not the tenancy. We have been consulted over the second-stage tenancy law reforms. We have certainly made comments and written to governments, both state and Commonwealth, in regard to A Better Deal for Renters that came out through National Cabinet.

**Ms Caniglia:** We have on record three submissions to different stages of the process, and there have also been consultation meetings with groups of peak organisations to seek our views over years, really.

**Mr HART:** You have been lobbying for this for years, haven’t you?

**Ms Caniglia:** Yes, we have; that is right.

**Ms Carr:** In fact, this did start in 2018 with the launch of—I forget what it was called, but it was on International Tenants Day and then over time it got split into two stages. The first stage was started before COVID. COVID put a brake on everything. The first stage came into play after COVID, and this is the final step in that.

**Ms Caniglia:** Also, during COVID we were regularly convened to have input as to how some changes and supports for tenants could be put in place as a result of COVID conditions. There have been many waves of consultation and ample opportunities to make submissions.

**Ms Carr:** Actually, *Open doors to renting reform* was the first consultation process.

**Mr McDONALD:** You have made approaches to government to try to see how the issues you have raised with the committee today could be implemented. You must be disappointed that they are not included in this bill.

**Ms Carr:** Yes, we are. We do think this is a very good first step, but we think the two fundamental things that are missing are the limits on the amount rents can rise on an annual basis and the true implementation of a just-cause tenancy termination process, which means removing the end of a fixed term as a reason to end tenancies.

**Ms Caniglia:** Yes, exactly. We are disappointed, especially in relation to rent increases. I do not know how tenants can be expected to pay when everything else is favourable. We understand the concern from property owners and investors, too. I acknowledge that there are tough times all

round, but how can we expect tenants to pay potentially unlimited increases? We are very happy about the end to rent bidding—that is one really important step—but if you can still raise the rent by excessive amounts then we will eventually see an underclass of people who cannot afford to live anywhere.

**Mr McDONALD:** In terms of the rental market—I think you used the term ‘the rental system’ earlier, Penny—the explanatory notes outline that there is a clear shortage of rental supply. In February 2024, the average rental vacancy rate in Queensland was 0.91 per cent. Do you see this bill assisting that vacancy rate, and if you do, tell me how?

**Ms Carr:** It might not affect the vacancy rate, but it will affect the quality of what people are able to experience in the rental market. That is part of the reason we are also advocating that the end of a fixed term is removed from the use of tenancy terminations. You can protect people and give them security and take the fear out of renting. What we are hearing every day from people who contact us is the fear of losing the tenancy because the fixed term is coming to an end and they could just have it ended for no reason other than the fixed term is coming to an end. If they ask for repairs or if they resist the rent card payment process that costs them money to use and use the fee-free way of paying rent, they feel like they are risking their current tenancy and they are also worried about future tenancies. While they can have their tenancies ended by either unreasonable rent increases or simply because the end of the fixed term is coming up, they are fearful about their other rights and enforcing them.

Things about being able to make your property safe—this is work that needs to be done in the regulation. Once we know what you can do to make your place safe and accessible, that will go a long way to people’s experiences as well. We know people who want to fix furniture against the wall because they have young children but they are not allowed to or they have not been given permission. Those things really do improve the environment people live in. If the property is available for rent and the tenants are meeting all their obligations, we think there is no reason that they should not be able to continue renting there, and that does stop the churn and stops the costs. It costs thousands of dollars to move, and a lot of emotion and upheaval as well in trying to locate yourself in your community.

**Ms Caniglia:** I think there is an argument out there that increased regulation can be a negative hit to the investor sentiment, that this is a way of investing that is as painless as possible. I think that really highlights a much bigger systemic challenge that we have, that just about our entire rental market, apart from some emerging new initiatives, is built on the ownership of individuals. Sometimes those individuals might only own one or a few homes. With the margins, when they change in terms of mortgages, for example, and other cost-of-living pressures, then that ceases to be as viable. We have structured the entire rental market expecting to house 35 per cent of the population. It is really a house of cards. It is not structurally right.

We do need, I think, to embrace reforms that take us towards more institutional investing in rental homes, which means that people living in rental homes can possibly be offered much longer term leases. As long as they are compliant with the terms of those leases, there is no reason why they cannot live there for longer.

We are seeing the emergence of build-to-rent. We need build-to-rent models that are not just high-end products. We need to see every dollar of government investment in build-to-rent go towards genuinely affordable rents that are held in perpetuity and delivered in perpetuity. It is not just about 10 per cent discount to an elite or a very elite housing product. It is really critical that we get the build-to-rent sector right. I would take this opportunity to say that community housing providers are build-to-rent providers, and that is one way to safeguard the provision of those homes for people on low to middle incomes, guaranteeing the effectiveness and that our economy flourishes.

**Mr McDONALD:** It is about a fair system, isn’t it? QCAT has a very long set of delays to resolve conflicts. When I read about developing a code of conduct, how would that code of conduct fit with the existing legislation? Would it mirror the existing legislation? How will that be resolved if somebody does not meet that code of conduct? If the code of conduct aligned to the legislation, then the process is already there, and for people who are doing the right thing, the code of conduct will not make a difference. I also fail to see how, for people doing the wrong thing, the code of conduct will have legislative impact.

**CHAIR:** Can I point out, Deputy Chair, it might be a bit hard for them to answer this question because the code of conduct is yet to be developed. It will be established through consultation and then through regulation. You are asking about how you would imagine or hope a code of conduct would work; have I got that right?

**Mr McDONALD:** Yes, that is correct. Thank you, Chair.

**Ms Caniglia:** What I would like to think is that a code of conduct—and many other professional bodies have codes of conduct—sets in place perhaps an upstream prevention, an expectation, a culture of delivering to a code of conduct. If we raise the level of community understanding of that code of conduct, then there can be a reasonable set of expectations that that will become an augmentative set of guidelines and principles that help an industry to be delivering what is fundamentally a human service. It is not just a transaction, it is a human service effectively. I think it is just an additional augmentative set of guidelines that raise the level of expectation and perhaps also help tenants to understand more about what they can expect in the engagement and relationship. There is no single instrument that will solve every single problem in terms of behaviour and conduct, but as an additional set of guidelines and principles, I think it raises the level of expectation and hopefully prevents even some of the reasons we have to exercise the law because people have a sense of this being the social contract that they have with each other as well.

**Ms Carr:** I will add that we are looking to introduce a continuing professional development program for property managers, and I could see there could be some links between a code of conduct and requirements to do CPD points and there would be ways to enforce it. It is not unusual for an industry to have a code of conduct. In fact, for people we are talking to every day, their experiences and the way they are treated carries a very strong theme, particularly in the current market where there are low vacancy rates. Certainly it is not the whole industry and, in fact, I think that people who are already treating renters well would welcome a code of conduct. However, at the margins there are people being treated very poorly, and that is what people are telling us every day. The code of conduct is about the industry expressing what it expects from itself and from its components. I strongly support that, too.

**Mr BROWN:** Do you think the removal of the fixed-term lease evictions would dramatically increase the number of matters that go before QCAT?

**Ms Carr:** I do not think it would increase it. The last round of changes in the act introduced new reasons to end tenancies. We advocated for the introduction of those things, like the lessor needs to move into the tenancy, a change of use, or renovation requiring vacancy for a period of time. The intent there was to remove all evictions that were without grounds, and they used to be called 'without grounds' and then at the end of the process, we ended up putting in 'the end of a fixed term' in there. I am not sure it would increase the number of people going to QCAT. It would require people to give a reason to end the tenancy, though.

**Mr BROWN:** Are there any other jurisdictions where no-ground evictions—

**Ms Carr:** It is currently operational in the Australian Capital Territory, as are rent caps in the ACT. In Victoria, you need a reason to end tenancies as well, with the exception of the first fixed term. So, at the end of the first fixed term, you can end it for the end of that fixed term. Once it goes into the second fixed term, it needs a reason in the act. It is operational in major states in Australia.

**Mr BROWN:** In relation to the experience in those two jurisdictions, what is the main reason that is given for ending a tenancy or a lease?

**Ms Carr:** In Queensland?

**Mr BROWN:** No, in those jurisdictions of the ACT and Victoria.

**Ms Carr:** I do not have the data, sorry. I do not know.

**Mr BROWN:** Are you able to take that on notice?

**Ms Carr:** I could give it a go.

**Mr HART:** Ladies, we heard last year that there were 56,000 rental properties that left the market. Do you ladies get a sense that that is the case; are people leaving the rental market? Is that why we have this housing crisis at the moment?

**CHAIR:** That is a pretty broad question, member for Burleigh. Can you be a bit more specific and avoid some generalisations?

**Mr HART:** I will drop the word 'crisis'. Will that make you happy?

**CHAIR:** Can you rephrase the question so it makes me happy?

**Mr HART:** Ladies, are the numbers of renters in Queensland going down or up?

**Ms Caniglia:** The number of renters is definitely going up, as I understand it. Based on the census between 2016 and 2021, I think there were about 60,000 more renters. Even though the percentage stayed the same, the population was greater, so the number of renters is increasing. To

the idea that there are homes leaving the rental market, I think it is really important to monitor that as part of a monitoring program and to understand the reasons for it. We have often sought advice from different research institutions to understand that trend, and one of the things that has been put to us is that it is important to understand that those homes do not leave the housing system; they are still there. They might be used to purchase; they might give somebody a chance to purchase something. The number of homes are still there.

The causes of our current crisis are multifaceted and have evolved over decades. It includes a general lack of planning to achieve housing supply to meet population demands. I think we are in a better position now with the way that we are using population predictions through mechanisms like the South East Queensland Regional Plan to really state, based on those predictions that we need a certain number of homes into the market over a certain period of time, and that is inclusive of social and affordable homes. We need targets for those as well. We have had a lack of planning and a lack of targets. Then we have not monitored delivery terribly well also. The monitoring is a very important thing.

Other factors have been higher net inward migration, and an ever so slight reduction in household size has driven the need for tens of thousands more homes. There are some serious population level trends that are impacting this moment in time as well.

**Ms Carr:** Post COVID there was an increase in first home buyers, so that would have shifted where those properties sit, which market they sit in.

**Mr HART:** Do we collect before the number of properties on the rental market anywhere?

**Ms Carr:** The Residential Tenancies Authority has a number of bonds that are held. We did call that for a—

**Mr HART:** That is the best indication we have?

**Ms Carr:** We would like to see a registration process for landlords which would give us much more information about how many properties we have, how many properties people own, the transition of properties in and out of short-term, long-term and other markets.

**Mr HART:** What about councils? Do they not collect information on rental properties, or is that only short term?

**Ms Caniglia:** I am a little shaky on all of the different data sets that are important to understanding this particular space. It is critical that we do and that we monitor it over time.

**Mr HART:** It is hard to know how to fix something if you do not know the point of the problem.

**Ms Caniglia:** Registering short-term rentals, for example, and understanding the movement in that market would be very helpful as a subset of other rental data.

**Ms Carr:** We are about to do that.

**Mr HART:** Have either of your groups seen the regulations that are part of this?

**Ms Carr:** To the best of my knowledge, they have not been developed yet. That is the next stage.

**Mr HART:** That tends to be the case quite a bit, does it not? Fiona, you were talking about the community housing sector being exempt, or you understand they are exempt. Can you extrapolate on that?

**Ms Caniglia:** Exempt from being limited to one rise of the rental price per year.

**Mr HART:** Do you mean under this bill?

**Ms Caniglia:** Yes.

**Mr HART:** It is unclear to you whether they are exempt or not?

**Ms Caniglia:** No. We are coming out in support of that because it will help them to calibrate rents in favour of the tenant, and it will also help them to receipt higher rents if the tenants' circumstances improve.

**Mr HART:** I 100 per cent agree with you. I just wonder whether we need to clarify that. You are perfectly satisfied that they are exempt?

**Ms Caniglia:** That is what we have been told. If that is the case, we are really pleased with that and we are certainly looking forward to supporting the implementation of that as well.

**Mr HART:** Have you read that in the bill?

**Ms Carr:** Yes.



**Mr HART:** So you are happy with it then?

**Ms Caniglia:** And we are defending it because we want it to stay there.

**Mr HART:** Absolutely. I totally agree with you.

**Ms Caniglia:** Thank you.

**Mr HART:** With locking the rental increases to CPI—and this committee has another bill in front of it at the moment that does something similar in another area—what would you like to see on the change of renters as in one situation finishing and the property being advertised again for rental as far as increases go then?

**Ms Carr:** Our position has been that it is a market rent when someone is advertising and the tenant moves into property. Once they are in the property, there should be limits on the amount it can go up on an annual basis—for example, at the rate of CPI or three per cent.

**Mr HART:** Any concern then that that would maybe encourage a landlord to push the tenant out?

**Ms Carr:** That is why you need to remove the end of a fixed term as a reason to end the tenancy and require a reason in law every time a tenancy is terminated.

**Mr HART:** Should there be any exemptions to that or exceptions to that? I am sure there would be reasons someone would finish rental at the end of the lease—for instance, they want to move in themselves or they want to sell the property; they are exemptions already. Is there anything else that we need to be careful about there?

**Ms Carr:** I think we have quite a liberal number. The breach matters have not changed—when the tenant is not in breach and the landlord needs the property for another reason. We did quite a good job last time. In fact, I would say we went a bit too far in trying to find grounds that might be required, but I guess the premise that we used was in the context of the Australian housing market, what would be reasonable grounds that a landlord might require their property back when the tenant is not in breach. That is where we started from. We came up with a whole list of reasons. They were put into the laws. A couple more were added as well that we did not necessarily support, but then at the end of it we also got the ‘end of a fixed term’ added.

**Mr HART:** I am cognisant of changes to regulations making the problem worse instead of better. We do not want to do anything that would drive those properties out of the market. We want to encourage more people in. Your point about Build-to-Rent is exactly right—absolutely we need to be looking at the lower end of the market there. That is just a comment.

**CHAIR:** Before we finish, Fiona, returning to a comment you made earlier, you said that certainly the number of renters has increased, but as a percentage of the population that has remained relatively stable. Do I have that correct?

**Ms Caniglia:** Yes, that is right. However, my understanding is that Queensland’s rental population is slightly higher than the overall rate for Australia, so we have more of our population renting. As the population rises, even if the percentage does not change, the number of people impacted does.

**CHAIR:** When we talk about migration, a lot of that is interstate. People are focused on international migration, but this is interstate migration.

**Ms Caniglia:** Yes, that is right. We have had a very high level of net inward migration to Queensland as a state. It is why we hope that, in terms of national government opportunities for funding social and affordable housing, Queensland’s unique needs are considered if we are going to continue to face such high net inward migration. When we think about all the opportunities on the horizon around infrastructure projects and also the Olympics, it is a runway to a lot of infrastructure projects that will be a pull factor to our state as we need the workforce to surge. To underpin those infrastructure projects, we really need a range of housing solutions including this raft of changes.

**CHAIR:** Thank you very much. That concludes this section of the hearing. The question on notice taken is around any data on reasons for ending tenancy agreements in the ACT and Victoria. We understand that may be difficult, but we request the answer to that by 5pm on Thursday, 2 May. Thank you very much for appearing today.

**BEAVON, Ms Katrina, General Counsel and Company Secretary, Real Estate Institute of Queensland**

**COSSU, Ms Casey, Legal and Policy Officer, Real Estate Institute of Queensland**

**McNEIL, Mr Allan, QLD Policy Manager, Property Council of Australia**

**SEAL, Mr Arin, Uni Lodge, Student Accommodation Council, Property Council of Australia**

**CHAIR:** Thank you very much for appearing today. We will give everyone the opportunity to make a statement, after which we will have some questions for you.

**Ms Beavon:** Thank you for inviting the Real Estate Institute of Queensland, the REIQ, to provide further feedback regarding the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024, which hereafter I will refer to as the bill. I would like to begin by acknowledging the Turrbal and Yagara people, the traditional custodians of the land on which we meet today. I pay my respects to their elders, past, present and emerging.

The REIQ is the peak body representing real estate professionals across Queensland. Our enduring purpose is to lead a sustainable industry which continues to make significant contributions to the Queensland economy and to strengthen conditions for those working within our industry. As the state's leading real estate peak body, we aim to make important contributions to legislation and policy settings, to advocate for a balanced regulation for the benefit of all stakeholders and to provide industry-leading training for real estate professionals in Queensland.

Although the REIQ is supportive of some of the measures introduced in the bill, we are deeply concerned with a number of changes proposed in part 2 of the bill relating to residential tenancy law. In our view, many of these proposals are unwarranted and will adversely impact all stakeholders within the rental housing sector. We have also identified a series of significant drafting errors and omissions that must be urgently addressed. The REIQ has provided 39 recommendations to the committee outlining urgent necessary changes to the bill. We appreciate that we will not have time today to go through all 39 recommendations. However, we strongly recommend that more time is afforded to thoroughly consider the serious issues that we have raised.

Our key concerns are summarised as follows: section 93 will make the rent frequency limit of 12 months attached to the property apply retrospectively. This provision will create an unprecedented new title encumbrance which attaches a private contractual residential tenancy obligation to a property and fails to consider how other property transactions would be impacted by this proposal. Further, the retrospective nature of these provisions will create admin legal difficulties and may result in hundreds of property purchases breaching the provisions through matters outside of their control.

Under section 93B, in addition to the required disclosure of the date of the last rent increase in a tenancy agreement, a tenant will be able to demand a copy of the last tenant's tenancy agreement. This change unjustifiably defies procedural fairness, breaches the Legislative Standards Act, the doctrine of privity of contract and privacy laws.

Under sections 57B, 57C and 57D, the property manager will not be permitted to request information that is essential for complying with their fiduciary and legal obligations to their client. For example, a tenant will not need to indicate if they have a pet or how many approved occupants will be living in that property.

The application of section 166 in practice, in our view, will not work. These changes inadvertently remove a tenant's obligation to pay for water they consume at the end of a tenancy. Property owners will be forced to pay for a tenant's consumption of water from the last billing period to the end of a tenancy because of a technical drafting error. The new formula for reletting costs, under section 357A, will in some scenarios make tenants liable for greater fees than they pay now.

We submit that these proposals and the drafting of the provisions have not been properly tested and, unfortunately, critical errors and omissions have been made and will simply not work in practice. The REIQ understands that laws must be reviewed and modernised to reflect changing conditions and community expectations. We support tenant protections and rights being enshrined in residential tenancies legislation. However, the rights of lessors, commercial realities and the risk of owning a residential property must not be overlooked. If part 2 of the bill passes without substantial amendment, the REIQ is seriously concerned about the ramifications and negative consequences that will be felt throughout the sector.

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Legislation Amendment Bill 2024

Turning to the provisions which amend the Property Occupations Act, the REIQ welcomes part 3 of the bill which introduces a continuing professional development regime for property agents in Queensland. For almost a decade, the REIQ has strongly advocated for a statewide regime of CPD as a condition of holding and renewing a real estate licence or registration in Queensland. It has been a core position of the REIQ that introducing CPD for property agents in Queensland will ensure all real estate professionals can deliver the highest level of service to clients and consumers and will enhance the integrity of the profession.

Thank you for the opportunity to make an opening statement. We look forward to discussing our concerns and views with the committee

**Mr McNeil:** I would like to begin today by acknowledging the traditional owners of the land on which we meet and thank the committee for the opportunity to provide feedback on the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill. My name is Allan McNeil. I am the policy manager for the Property Council of Australia. Also joining me today, representing the Property Council of Australia's Student Accommodation Council, is Arin Seal, Brisbane Area General Manager of Uni Lodge.

The Property Council is the leading advocate for Australia's property industry, with members who invest in, design, build and manage places that matter, including the rental accommodation critical to responding to the ongoing housing crisis. While Queensland's rental market predominantly consists of privately owned individual dwellings, such as detached houses or units, there are also specialist accommodation types built specifically for renters that play an important role in our state's rental market. This includes build-to-rent units and purpose-built student accommodation. The intent of our submission and our appearance here today is to seek clarity on the potential impacts of the bill on these specialist rental products.

Queensland's purpose-built student accommodation, referred to as PBSA, provides a unique accommodation offering for the state's important education sector, relieving pressure from the wider rental market. PBSA is often a single building consisting of several fully-furnished individual units with shared common areas and additional provisions such as electricity, internet and social support included in the lease agreement. PBSA buildings do not have long-term tenants living in them for many years; rather their benefit is the ability to respond to the needs of students, including offering short-term leases that align with semesters. Each PBSA room is tenanted separately, depending on the student's needs. As such, it is important that the rental provisions not be linked to the individual premises but rather to the tenancy in effect for the fixed period of the lease agreement. To protect the viability and workability of the critical PBSA sector, we recommend that it be carved out of this amendment.

We are also seeking to clarify the potential impacts of the bill on the long-term viability of build-to-rent, referred to as BTR, which is a burgeoning sector in Queensland with a unique management style. Unlike strata title unit blocks, BTR buildings are delivered, owned and managed by a single entity, often large institutional investors. This means that while there are separate leasing agreements for each individual unit within them, the entire BTR building is owned, metered and rated as one asset. It is noted the amendment bill proposes applying the rent increase frequency limit to a rental property rather than the tenant. To ensure this change does not tie a single 12-month rental increase to an entire BTR building rather than the individual BTR units, we recommend the use of the word 'premises' rather than 'property' in our submission to the state government discussion paper on this bill. We acknowledge and thank the government for supporting the BTR sector by listening to this request and we are eager to continue to work with the government to ensure this bill does not have other unintended consequences for the BTR sector.

As already stated, build-to-rent is a burgeoning asset class in Queensland and its unique management style is still being established and understood. This is evidenced by the state government's investment in establishing the sector through its BTR pilot projects currently under construction. As such, it is important for industry and government to work together to understand and mitigate the potential impacts of these amendments on the BTR sector to ensure they do not deter the delivery of more BTR units for Queensland renters. In response to the concerns outlined today, we would be happy to work with government to ensure this bill continues to support students and BTR tenants.

Thank you again for your time today. We would be happy to answer any questions. If we are unable to provide an immediate response then we will commit to taking them on notice.

**CHAIR:** Arin, did you want to add to that?

**Mr McNeil:** Arin is part of our Student Accommodation Council and is here to support us.

**CHAIR:** Allan, you said something that I did not quite catch. Has the change of the word 'property' to 'premises' already been made to the bill? I have it here but I have not checked it as yet.

**Mr McNeil:** Yes, that is my understanding.

**CHAIR:** That has come through your advocacy, pointing out the advantages of using the word 'premises' and not 'property'.

**Mr McNeil:** Yes. We were concerned that the use of the word 'property' would catch the entire building so preferred the use of the word 'premises'. We will be seeking assurances from the government that that does allow individual rental agreements to move within a BTR unit and not catch the whole building.

**CHAIR:** In terms of clarifying the needs for the student accommodation sector, you have talked briefly about the changes that you would like to see. Can you expand on whether that is a similar problem in terms of being treated as a premise instead of a property?

**Mr McNeil:** I might let Arin handle that question in terms of how PBSA buildings work.

**Mr Seal:** It is being classified as a property rather than a premise also in a student accommodation perspective. However, what we really want to carve from this amendment is the prospect of the 12-month rent limits being made to a property in student accommodation that would mean individual rooms tenanted to the residents instead of the tenancy. Ensuring that would mean that we do not end up with a lot of the rents which are significantly different across the entire building that is housing many different students.

**CHAIR:** A big change we are seeing in the bill is in relation to continuing professional development, CPD. The REIQ has been very active in this area over a number of years. You know it is very important because you have been providing opportunities for CPD. Instead of it being optional, all real estate professionals will have to do it. What product do you currently offer in terms of continuing professional development to real estate professionals?

**Ms Beavon:** As a membership body, the REIQ has imposed mandatory CPD on our members for a number of years. Currently we develop resources such as articles, written resources like FAQs and toolkits, as well as webinars and face-to-face training for us to deliver the CPD that we expect our members to complete to ensure they remain relevant, they remain educated and, of course, given the legislative requirements and obligations they have to comply with, that they continue to understand any expected changes or proposed amendments to the bill.

**CHAIR:** After this bill is passed that CPD, as a function of the REIQ, will get bigger and bigger.

**Ms Beavon:** Yes, we want to support the Office of Fair Trading to ensure that the CPD that is developed for this sector is appropriate for the sector. This will mean that it will cover all of the different sectors, so not only in residential sales and property management but also buyers' agents, auctioneers, commercial and industrial agents as well as business brokers.

**Mr McDONALD:** Thank you all for being here today and for your submissions and presentations; I really appreciate it. Were you both consulted with regard to the development of this bill?

**Ms Beavon:** We did respond to the regulatory impact statement in relation to stage 2, but we did not receive the draft bill until it was released to the public so we did not have the opportunity to provide any extensive feedback in the way it has been drafted.

**Mr McNeil:** Just to clarify, you are referring to stage 2 of the bill that was introduced to parliament in March?

**Mr McDONALD:** Yes.

**Mr McNeil:** I can only talk from my personal experience. I was not consulted. I do not know about anyone within the Property Council, but personally I was not, no.

**Mr McDONALD:** The explanatory notes of the bill outline the rental shortage that we have in Queensland and both of your submissions address both of those things. I know there are 39 issues there, but I would like to hear from you about the things we could look at in this bill to try and approve the availability of housing products.

**Ms Beavon:** In our view, the implementation of Homes for Queenslanders is a positive approach in terms of making sure that we are looking at all of the avenues. It would be remiss of us not to note that our view is that this is a supply issue, so we should be discussing these matters with PCA, UDIA and HIA to ensure we develop ways to ensure we increase supply within the market. We understand that Homes for Queenslanders already has information or proposals relating to financial

sustainability and additional offerings and expanding on what would be available to tenants. Our view is that our time would be better spent in ensuring tenants have access to rental subsidies or expanded rental subsidies and financial assistance to ensure they are able to continue to be housed.

**Mr McNeil:** Is the question: how do we increase rental supply?

**Mr McDONALD:** Yes, I was just seeking clarification. I note your submission says that BTR will provide up to a quarter of the proposed supply if it is allowed to.

**Mr McNeil:** I think you are referring to our submission, which states—

A large amount of this incoming future supply, approximately one quarter, are BTR projects. If all these projects are delivered, there will be 60 per cent more apartments delivered in the next three years compared to the previous three.

As previously explained, BTR is an emerging product here in Queensland. Earlier panellists discussed the importance of BTR in supporting long-term rentals. We have seen some really positive incentives introduced across all levels of government in relation to supporting BTR and indeed acknowledge the state government's BTR pilot projects in doing that. BTR, like all housing, is struggling. It is a very tough market to deliver those products at the moment. That being said, it is really important that government and industry continue to work together, which is what we are seeing in those BTR pilots, to deliver more products. The advantage of BTR for tenants cannot be underestimated. I think that having long-term rental security will go a long way to providing the security tenants need.

**Mr McDONALD:** Do you think that the bill as it stands will stimulate the private market to provide additional supply?

**CHAIR:** I like your way of asking that question today. You have asked that question on the last three bills. Correct me if I get this wrong, Deputy Chair. Mr McNeil, you talked about Homes for Queenslanders. The policy intent of this bill is to fulfil those parts of Homes for Queenslanders. Will this help meet the policy intent of government? There you go, member for Lockyer; I just rephrased your question for you.

**Mr McDONALD:** I liked my question better. I thought I was being very good to not use the term 'crisis'.

**CHAIR:** You have done well.

**Mr McDONALD:** What if I rephrase the question, Chair, and ask: in terms of housing supply, will this bill assist in providing more housing supply as it currently stands?

**Ms Beavon:** Our view is that the way the bill is currently written it definitely does not incentivise private investors to continue to remain within the market, which will then in turn, perhaps anecdotally, remove investors from the market.

**CHAIR:** In your opinion.

**Ms Beavon:** Yes.

**Mr McDONALD:** Do you have anything to add, Allan?

**Mr McNeil:** The only thing I would add is that our members are large-scale investors in the product, so we are here to talk about BTR and PBSA. What investors look for in delivering that product is certainty. Investment sentiment is the sum of the whole, so you cannot talk to a particular bill. I think it is really important to look at the whole environment. Whether that is the regulatory framework or the financial security of investment, you really need to look at the whole ecosystem.

**Mr BROWN:** I want to thank the Property Council for releasing a report—I think it was timely on Friday—about international students not being to blame for the housing crisis.

**Mr McNeil:** It is important.

**Mr BROWN:** Yes, what the report said was important. It basically said it was only four per cent of the rental market. Other reasons included solo person households, getting the mix right with regard to the number of bedrooms and the trend of second bedrooms being converted into home offices. With regard to student accommodation, your report said it is projected there will be 7,770 new beds by 2026 but we need 66,000 across Australia for student accommodation; is that correct? Are the amendments you are seeking to ensure there is confidence in that sector moving forward to get those new bedrooms by 2026?

**Mr Seal:** That is correct. Our intention is that the bill supports the industry so it is ready to deliver student-only housing, which will predominantly impact positively on the housing rental market that is currently at our disposal. In Brisbane and surrounds, we currently have over 16,000 student

accommodation beds. Without the PBSA sector those 16,000 new residents would be looking towards the private rental market. In effect, student leasing options vary from a few weeks all the way to an annual lease. Sometimes this may lead to them looking at short-term leasing options in the current rental market, which would incentivise some of the landlords to turn their private rental market into Airbnbs, which will take them away from the longer term private residential market, which is not our intent. That is what we believe, but obviously I am not entirely sure of those numbers. We can take that on notice.

**Mr BROWN:** There are currently 16,000 or there is a need for 16,000? What is the current stock for student accommodation in South-East Queensland?

**Mr Seal:** Currently in Brisbane and its surrounding suburbs there are over 16,000 student accommodation beds.

**Mr BROWN:** How many do we need?

**Mr Seal:** I am not able to answer that question right now, but I am happy to take that on notice and come back to the committee.

**Mr BROWN:** What are investors looking for with regard to increasing stock for students? It contributes \$25.5 billion to the Australian economy. What are investors looking at to try and get into the market to increase student stock?

**Mr Seal:** Stability. As has been pointed out, a stable market. If the bill looks forward towards stability in the sector it will give them the assurance to come into the market and provide more student-only beds, which are definitely needed.

**Mr BROWN:** Are there any zoning barriers at the moment with councils such as Brisbane City Council?

**Mr Seal:** I am not aware of that at the moment, but I might be able to take that on notice and come back to you.

**CHAIR:** Member for Capalaba, going back to some of those question on notice issues, we will just need to confirm the wording when we go through our transcript. Do you want to specify if there is anything in particular?

**Mr BROWN:** Obviously we do not want students spilling out of student accommodation into the private rental market, and your report went into this. I was just trying to dig in further about what investors need to ensure they are investing in student accommodation for the future needs of the sector.

**CHAIR:** We will get back to you with the wording of those specific questions.

**Mr HART:** On that subject, it would seem to me that student accommodation would be low-hanging fruit for build-to-rent. Do you know how many build-to-rents are being built for that purpose at the moment?

**Mr McNeil:** Just to clarify, build-to-rent is not for student accommodation. They are two separate asset classes.

**Mr HART:** I would have thought that build-to-rent would be ideal to provide student accommodation.

**Mr McNeil:** I would assume there would be students using BTR, but purpose-built student accommodation is a different use and a different asset class to BTR. BTR can be used by anyone. No doubt students do use it. A lot of BTR assets are designed with work from home, study purposes, gyms and all those sorts of things built into them. I have no doubt that some students do use them, but they are two different asset classes.

**Mr HART:** I understand that. Down on the Gold Coast, Bond University has a building right beside it that was built to provide student accommodation. It may not have been purely build-to-rent, but that would be the ideal situation. I guess my question is: is anybody moving into that area now, are some things underway and are there any barriers to that happening that you are aware of?

**Mr McNeil:** Sorry, just to clarify: is anyone specifically focusing BTR, or build-to-rent—

**Mr HART:** BTR and student accommodation.

**Mr McNeil:** I am not aware of any. As I said, BTR is still a relatively new product here in Queensland and it is still being established, so I do not know that anyone has done that marketing exercise.

**Mr HART:** Both of your entities put in submissions and the government department has provided a response. Given the REIQ have put in 39 issues to step through, you will not have had a chance to look at the government response yet, but it is going to appear on the government website very soon—maybe today. Can you come back to us after you have looked at the government response and tell us whether you are satisfied with the responses the government has made to that and whether you have any further suggestions after you see that government response? Katrina, point 1 of your submission specifically states ‘... a fine of \$7,742 for the property manager or lessor, if a tenant makes the decision to unlawfully pay more than four weeks’ rent ...’ I imagine there are circumstances when it would suit a renter to pay four weeks in advance. What is the issue? Can you explain the issue here?

**Ms Beavon:** Absolutely. Essentially, the current provision states that a tenant will be limited to pay rent in advance of up to a maximum of four weeks rent. This limits the ability for a tenant to budget on a monthly basis. By way of an example, not every tenant has a consistent salary or is able to provide evidence of stable income so some would choose, if they receive funds within a certain month, to be able to pay rent in advance to ensure that they cover their expenses. Another example would be if there is a marriage breakdown and one of the parties wishes to pay in advance for the particular rent to ensure that they have paid it off so there is some clarity for them from a budgeting perspective. This will limit any tenants from paying any more than four weeks rent.

The other issue that we see is that, in the event that a tenant does pay more than four weeks rent in advance, a property manager will immediately be in breach of the legislation. Therefore, it is a provision that is outside of their control whereby they would be penalised for another party’s actions. Our other concerns are the fact that this provision is proposed to commence on assent, which means that the majority of the CRMs will need to update their software to ensure that it prevents parties from paying four weeks in advance. As you are aware, currently tenants are able to pay weekly, fortnightly and monthly. This removes that monthly option.

**Ms Cossu:** If I can add to that, this means essentially practically for the property manager that they are going to have to manually check and crosscheck every single rent payment that is received every day. That is hundreds of rent payments they are going to have to crosscheck manually every single day to make sure it is not overpaid, even by a few dollars. It will need to be tested through QCAT on what is accepting rent—is it receipt into a trust fund; or if it is receipted into the trust account, is a refund sufficient? A property manager is going to need to crosscheck and make sure every single payment is correct and then that they are refunding, which is turning essentially automated processes back to manual processes.

**Mr HART:** I imagine there would be cases where it would suit both parties for someone to pay rent well in advance—like a year at a time. An investor might like it because they can prepay interest or whatever, and the renter may like it because it locks everything down for that year. This will end that practice, won’t it?

**Ms Beavon:** Owners currently do not have the ability to request rent in advance. An owner can receive it if a tenant chooses to offer rent in advance. However, an owner cannot contractually impose that requirement on tenants. That is in the current legislation.

**Mr HART:** But if that happens now, if the two parties agree to that, that \$7,000 fine would kick in. Is that correct?

**Ms Beavon:** Yes. If there is even a dollar that is paid by the tenant outside of the agent’s or owner’s control, we have to wait to see how QCAT will interpret this particular provision, but they may be required to pay that penalty.

**Mr HART:** I am going to move on to point 2 out of 39.

**CHAIR:** I just point out that the department has responded to that in their submissions.

**Mr HART:** Yes. I would like to hear. The committee has only seen the government response this morning. I just tried to flick through it to see what the response to this was and I could not quite see it there. The second point is—

To attach the rent increase frequency limit of 12 months to the property instead of a tenancy agreement, to apply retrospectively to tenancy agreements ...

How will that affect a property sale if this is retrospective and somebody has just negotiated a sale and a condition is that that sale change?

**Ms Beavon:** By way of example, if this bill passes on 1 May, for any settled properties from, let us say, two months ago that were sold vacant and were previously tenanted, if the new owner wants to then put that property back on the market, firstly, they will not have any information relating

to the previous tenancy because they were not required by way of that property sale transaction to learn about whether or not there was a tenancy, so the tenancy agreement would not have been included within that contract of sale. They would not even be aware, unless previously disclosed by the agent, that it used to be tenanted and when the last rent increase was. Therefore, what the bill is proposing to do is impose legislation and a restriction on an owner without having even any knowledge of the tenancy agreement previously. This will mean that any properties that have settled to date that had a previous tenancy agreement that had a rent increase could potentially be in breach of legislation just simply because they have not been privy to the information.

**Mr HART:** If I can go through the rest of them. The third point is that lessors and property managers are prohibited from asking if a prospective tenant has a pet, multiple pets or dependents in their tenancy application. Are we saying here that a landlord cannot ask whether five dogs, 10 cats and 50 kids will live in a property so they will have no idea how many people will occupy their property?

**Ms Beavon:** Firstly, we are in support of the fact that there will be a tenancy application prescribed by legislation. Our submission though is that it does not go far enough in terms of requesting for the information required—for example, whether there are pets on the premises or whether there are any other approved occupants. This type of information is required. An agent has a fiduciary obligation to ensure that they disclose all information to their client, and there are also insurance consequences if they do not ask the question or they do not have the information regarding any other approved occupants within the premises.

**Mr HART:** So the agent possibly cannot ask the question but could get in trouble for not writing the answer?

**Ms Beavon:** Correct. The proposal is a strict prescribed list of what can be asked. What we request is that this be expanded to include all the essential other matters that we have noted in our submission to ensure that an agent is able to ask for information that legally and by way of their fiduciary obligations they are required to ask a prospective tenant to ensure the viability of that tenant within the tenancy agreement.

**Mr HART:** You cannot ask for property history, suitability or whether someone can meet their financial obligations. You cannot ask any of those questions either?

**Ms Beavon:** That is correct.

**CHAIR:** I think once again that is dealt with in the—

**Mr HART:** I have gone far enough, I think.

**CHAIR:** That is quite an extensive one, but certainly that will be clarified if that is indeed the case. Member for Traeger, do you have any questions?

**Mr KATTER:** I would probably only be going through the rest of the list. Most of them are fairly self-explanatory.

**CHAIR:** We talked about the issue of paying in advance. If you have a potential tenant who can offer six months or 12 months in advance, that is very attractive to an owner, isn't it?

**Ms Beavon:** It is, but it is also not the only item that a property manager would consider. There are other factors that they will look to ensure that tenant is the best tenant for that property.

**CHAIR:** But certainly a person who can offer that in advance is going to have an advantage over those who can offer, say, only four weeks in advance.

**Ms Cossu:** Not necessarily. In some cases an offer of rent payment in advance is actually to assist the tenant to be on a level playing field with other tenants who might have a better rental history or who may have a stronger employment history. As Kat mentioned earlier with the example of a marriage breakdown or a tenant who might be a contract worker and does not have a consistent or stable income, that tenant may elect to try to pay some rent in advance to try to make their application more attractive to the lessor, compared to tenants who do have a good rental history and who do have consistent and stable income.

**CHAIR:** It would be very attractive so they could potentially jump to the top of the list if they can offer that.

**Ms Beavon:** It will be one of the factors that they will consider.

**CHAIR:** The issue of payment in advance is very attractive for some but some people do not have the capacity to offer that. As there are no further questions, I thank you for appearing before us today. We will send those questions on notice to you, and they are to be received by 5 pm on Thursday, 2 May.



**BROWN, Mr Scott, Executive Director, Research and Policy, Queensland Council of Social Service**

**CALLANDER, Ms Annemaree, Executive Officer, Community Housing Industry Association Queensland**

**KIPPEN, Ms Bronwen, Campaign Coordinator, Queensland Council of Social Service**

**MOSS, Ms Michelle, Chief Executive Officer, Queenslanders with Disability Network**

**CHAIR:** Welcome. I invite you to make an opening statement, after which we will have some questions for you.

**Ms Kippen:** We would like to start by acknowledging the traditional custodians of the land on which we gather today, the Yagara and Turrbal people, and pay our respects to elders past and present. We would also like to thank the committee for the opportunity to speak today. We acknowledge the important work of the committee to consider the detail of the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024

QCROSS is the peak body for the social service sector in Queensland and our vision is to achieve equality, opportunity and wellbeing for all Queenslanders. With more than 300 member organisations across Queensland, QCROSS receives extensive feedback on the impact the housing crisis is having on communities, service delivery and also workforce sustainability. Queensland's current housing crisis has laid bare the vulnerabilities that exist in the private rental system, and the full extent of the human impact of the housing crisis must remain front of mind as rental law changes are being implemented.

More than 30 per cent of Queensland households are now renters, and rapidly rising rents are significantly damaging housing affordability. Current rental data confirms that rent increased more than 45 per cent in the four years to the quarter ended December 2023, and vacancy rates for rentals remain extremely low, at just 0.3 per cent on average across Queensland. QCROSS's 2023 *Living affordability in Queensland* report also found that housing was people's top cost-of-living priority and that housing costs were the highest expenditure for households. Our members have also told us that the housing situation is the hardest they have ever seen it. That housing instability has increased mental health presentations, domestic and family violence, and financial stress. High rent costs are also contributing to the inability of people to afford basic needs, such as food, medication and transport.

Rental law reform is an important part of the solution to providing Queenslanders with safe, secure and affordable housing that is appropriate for people's needs. We support the rental reforms and the continuing professional development measures in the bill. Implementing measures in the bill to strengthen renter rights is a significant step forward, providing greater protection for renters and a fairer private rental market. This rebalancing of rights and obligations between renters and property owners will enhance the housing system in Queensland. However, the reforms must go further to improve housing security and affordability. The Queensland government must limit rent increases by an amount calculated with reference to the consumer price index. Similar laws have already been adopted in the Australian Capital Territory and in many other international jurisdictions. Limiting rent increase amounts is a simple and immediate measure that governments can take to improve affordability and stability in the private rental market.

Introducing mechanisms to limit rent increase amounts would also be consistent with the proposed rent limits in the Manufactured Homes (Residential Parks) Amendment Bill 2024. These changes are being put in place to improve consumer protections by limiting the amount by which rent may be increased annually to ensure greater clarity and predictability. Similar protections must also be provided to renters.

Similarly, ending without grounds evictions, including no grounds evictions at the end of fixed term agreements, must be added to the bill. Without this measure tenants can still be evicted without grounds, adding significantly to rent insecurity.

Lastly, minimum energy efficiency standards for rental properties must be implemented. Energy efficient measures will assist renters in managing their energy bills and also help to make homes safer and healthier to live in. Energy efficiency incentives, along with regulatory requirements, will help to ensure that the transition to a cleaner energy future is a just transition that does not leave renters behind.

QCOSS, in addition to the recommendations in our submission, would like to express support for the amendments recommended by Tenants Queensland in their submission. In conclusion, over 150,000 households in Queensland are experiencing housing stress. Inadequate supply of housing has exposed the need to better regulate the rental system in Queensland. Without additional government intervention, the cost of renting will continue to increase and create insecurity for many people and families. Change is required in Queensland so that Queenslanders have access to affordable, secure and appropriate housing. Thank you for the opportunity to make this statement.

**CHAIR:** Thank you. Michelle, we will go to you next.

**Ms Moss:** Thank you to the committee for the opportunity to appear. I also would like to acknowledge the traditional owners of the land on which we meet and pay our respects to elders past, present and emerging. My name is Michelle Moss and I am the CEO of Queenslanders with Disability Network. QDN is the peak organisation for Queenslanders with disability and has over 2,000 members with diverse disability across the state.

QDN commends the introduction of the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill into the parliament and supports the proposed changes. Housing is a fundamental human right and key to enabling people with disability to be included in community life and to participate as fully as citizens in the wider society. Additionally, QDN sees the four guiding principles of housing—which are rights, inclusion, choice and control—adopted by the Queensland Department of Housing as important to enabling affordable, safe, accessible housing for people with disability. Queenslanders with disability, like other renters, are experiencing the challenges of insecurity and instability, as well as the impacts particularly for many people with disability who are on fixed incomes of pensions and the additional needs that people have in finding and securing accessible properties, which are in limited supply.

QDN welcomes a range of proposals in the bill including the 48-hour entry notice, the portable bond scheme, the banning of rent bidding and applying an annual limit for rent increases to the property as well as the rental sector code of conduct. For many people with disability, they require accessibility modifications to their rental properties. These minor modifications sought include handrails, ramps and safe seating. Minor modifications are critical for safety and accessibility for many people with disability and for some mean the difference between needing a support worker with them and being able to do something independently. This could be as basic as being able to get into their house or unit because there is a minor modification that has been able to be made to the front entrance or being able to go to the bathroom safely and independently. It is also important for people's dignity and privacy.

QDN welcomes the powers in the bill to establish a head of power with regard to modifications to premises to prescribe the safety, security and accessibility. QDN and REIQ, as outlined in our submission, undertook proactive work together and engaged with a range of stakeholders including people with disability to develop a framework for consideration. Additionally, whilst not included in the bill, QDN asks for further considerations of measures to deliver fairer annual rent increases which could be looked at in line within a 12-month period in line with CPI. QDN also sees that it is important to remove the landlord's ability to end tenancy due to an end of a fixed term agreement.

Like QCOSS, QDN supports the introduction of energy efficiency measures to assist people with disability to manage their energy bills and help make it safer and healthier. People with disability, because of the nature of the equipment that they use—such as powered wheelchairs, powered beds, hoists, assistive technology, heat-moderating equipment—have higher energy costs. As renters this would be a welcome addition to this bill to establish a head of power to facilitate some new minimum standards.

**CHAIR:** Thank you. Annemaree, it is over to you.

**Ms Callander:** I start by acknowledging the Yagara and the Turrbal people, the traditional custodians of this land, and pay my respects to their elders past, present and emerging. Thank you for the invitation to appear today.

The Community Housing Industry Association Queensland, or CHIA Queensland, is the independent industry body representing and supporting community housing providers in Queensland. Community housing providers are not-for-profit or for-purpose organisations that provide a wide range of homes for Queenslanders on very low, low and moderate incomes including key workers. Housing offered by our members includes crisis and transitional accommodation, long-term housing, purpose-built developments for seniors, homes for people with disability, and rooming and boarding houses.

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As outlined in our submission, CHIA Queensland supports the overarching intent of the bill. We are very pleased that community housing providers and specialist homelessness services have been included in the definition of 'exempt lessors'. We believe amendments are required to the definition of 'exempt lessors' and other changes are needed to ensure it is consistently applied throughout the bill.

As drafted, the definition of an 'exempt lessor' only includes community housing properties which are funded either under the Housing Act 2003 or the Community Services Act 2007 and where the amount of rent is determined by household income. This means that community housing properties which may be funded through other sources—for example, the Housing Australia Future Fund—are excluded unless they are concurrently funded under the Housing Act or the Community Services Act. It excludes affordable housing delivered by community housing providers, though it is unclear how the exemption will apply where affordable housing is a reduction from the market rate—say, 74.9 per cent of the market rate—but also capped at a maximum of 30 per cent of a tenant's income. The definition of 'exempt lessor' excludes community housing providers who are specialist disability accommodation providers where rent contribution is determined by reference to the disability support pension and Commonwealth rent assistance rather than household income.

Other issues that we have identified with the bill and that are outlined in our submission include that exempt lessors should be excluded from providing details of the last rent increase where rents are determined by income. We believe this could be confusing for new tenants where the previous tenant had a different assessable income to theirs which would make the previous rent settings irrelevant for the current tenant.

There are no exemptions provided in section 105B regarding the operation of rooms under a rooming accommodation agreement. A clause should be added to exclude exempt lessors to account for the social housing properties which community housing providers manage under rooming agreements such as boarding houses. Those tenancies are also tied to income.

The definition of 'exempt lessor' in section 57B differs from the definition used in section 82A. We believe that there needs to be a consistent definition throughout the bill and that the amended definition that we propose should be consistently applied and include rooming house accommodation by community housing providers where rent is tied to income.

Amendments are also required to the bill so that community housing providers can collect information from prospective tenants to ensure their eligibility—which differs across different funding programs, but we need to provide evidence of that to our funding bodies and to government—and to store personal information which ensures that they can comply with the terms of their funding agreement for reporting requirements but also for the national regulatory system and also to maintain a waitlist where that is relevant.

With the current housing crisis being felt across every part of Queensland and more than 45,000 households waiting on the social housing register, not to mention the significant population growth that is current and forecast to continue, community housing providers have a critical role to play in delivering new social and affordable housing for Queenslanders. We have a unique opportunity to grow much needed supply with clear commitments, targets and funding available at both federal and state levels to grow the supply of social and affordable housing. We must ensure that the legislative framework and the policy settings act as enablers and not inhibitors which support community housing providers to take up these opportunities.

**CHAIR:** Thank you very much for that. On the issue of the definition of 'exempt lessor', the department has responded at length on that. That will be on our website. Hopefully that provides more clarity, but we can look for more clarity on that. It may seem like a minor thing, but can you explain how important it is? You have explained what it means, but in a nutshell can you explain why it is so important for your operations? A small thing like that can make a huge difference.

**Ms Callander:** Community housing providers are delivering social housing where the rents are tied to a maximum of 25 per cent of someone's income under the social housing policy. There are already policy settings that community housing providers comply with which mean that there cannot be massive increases in rent. In fact, there is a rent calculator that is developed by the state government and available online that community housing providers use to ensure that the rent settings are fair and affordable for tenants.

It is really critical to community housing providers' operations that there is certainty around their rental income and that they can use that to forecast their future cash flow, especially at times when we are trying to put together proposals to develop new housing supply, attract federal or state funding

and/or private investment. Understanding and having confidence about what their income stream is going to be is really critical. As I said, it is already capped to prevent the kinds of concerns that this bill has been developed to respond to in the private rental market.

**CHAIR:** Michelle, there are many components in this bill that go to the ability to make modifications. All of them are about providing safe, secure and accessible housing. For people with disability, this is a hugely important benefit to them. Am I correct?

**Ms Moss:** Yes, Chair. Whilst minor modifications and the ability to make those changes to a property that are about safety and accessibility may seem very small in the grand scheme of things, for people with disability it is life changing. As I outlined in my presentation, for some people it might mean the difference of having a support worker come three times a day to support somebody to go to the bathroom, which means that they are regulated on when they can go depending on when a support worker can be at their property, at their home. In what we have proposed and worked through with REIQ, there would be a scaleable arrangement on minor modifications that are not going to impact on the property and cause damage to the property. That would be done with the owner's consent and through a process. Many people have acquired a disability through surgery or an injury that they have sustained that may not be permanent and ongoing but they need to make those adjustments to their property. It would have significant benefit for many people with disability and also, potentially, others in the community who might acquire a temporary or ongoing disability.

**Mr McDONALD:** Thank you all for being here and for your submissions. I have a question for each of you regarding consultation on this bill. Were you consulted individually with regard to the development of, I think they call it, phase 2 of the bill?

**Ms Kippen:** To my knowledge, no. Similar to the previous group, we put submissions forward in the stage 2 rental reforms but were not directly consulted on the draft.

**Ms Moss:** That is the same for us.

**Ms Callander:** The same for us also.

**Mr McDONALD:** Michelle, with regard to your issue on the improvements to the property, I am interested in the challenge that some people have now. They might qualify for NDIS funding or other programs to assist in additional safety and mobility assistance in the home. Will this overcome the ability for them to do that without getting the owner's consent, using those funds?

**Ms Moss:** They would still have to go through the same processes. If NDIS is funding them for modifications to the house, that would still be the case. This does not preclude where people either might self-fund or get that through state government funding programs or through the NDIS. It is about the process of getting those installed in a timely way and being able to respond to those in a more timely fashion.

**Mr McDONALD:** If it is a safety issue and the tenants do that work, would the cost of that be paid to the owner? Is that your expectation or is this just allowing those safety improvements to be made?

**Ms Moss:** This would be allowing the safety improvements to be made. I think this is done as a head of power, so the implementation of that is something that still would be developed. In other states there are make-good clauses if that is something that the owner of the property requires.

We certainly are of the view, and have had those discussions with the REIQ, that making modifications to properties is often something that is a benefit to many. It could be seen as something that actually increases the property's value. Certainly, as I pointed out, accessible properties are very few and far between in the market. We would certainly see that there needs to be some campaign and education work that is done alongside this about the benefits for not only individuals but also the future. We have an ageing population that will greatly benefit from properties that are accessible and have those modifications in them. We would see it as a value add, Deputy Chair.

**Mr McDONALD:** Thank you for the work that you did with the REIQ. That is a really sound document in terms of the framework. Annemaree, with regard to the community housing sector, can you take us through the quantum of the deficiency in the legislation in that it does not recognise that federal funding program? What is the quantum of that program?

**Ms Callander:** The Housing Australia Future Fund is attached to the national accord and the target of 1.2 million new social and affordable homes. I am not entirely sure what you mean by quantum, but they have just had their first round. With a quick survey of some of our members, it has become apparent that Queensland community housing providers have put in proposals to build more than 4,000 new social and affordable homes in Queensland. That is a significant increase in much needed supply here. It would be very problematic if the exemption were not amended to allow for different funding sources to bring new supply into Queensland.

**Mr McDONALD:** That is exactly what I was talking about: how many houses were involved in that. Is that a simple matter of including the funding program in this bill, do you think?

**Ms Callander:** I am not a lawyer or a drafting expert, but I imagine it is a matter of a small change to the definition. I have it here, helpfully. At the moment, it currently talks about an exempt lessor receives funding for the premises under the act and it gives some examples. I imagine it is a fairly minor change to broaden that out to include a community housing provider that may be funded through other sources.

**Mr McDONALD:** None of you will have seen the government's response to the submissions and so on, but I would appreciate any feedback that you might have on that. I think it is published now.

**CHAIR:** Like the member for Lockyer, we think that federal initiative is a very great one and we all support it, don't we? Do we have any questions from the member for Burleigh?

**Mr HART:** Yes, absolutely. When Michelle was talking about houses being modified for people as they get older, I was thinking that I might need some of those things myself soon. Annemaree, this is in the legislation and not regulation; is that what you are saying?

**Ms Callander:** The definition of 'exempt lessor' is the insertion of a new section.

**Mr HART:** I will look at that myself later and see. A lot of times there is a head of power in legislation that allows regulation to be made that specifies these things and then, if there is a mistake made or we need to change something, the regulation can be changed quite quickly.

**Ms Callander:** Yes, I understand.

**Mr HART:** I do not like that, mind you, but in this case maybe that is where it should have been directed to a regulation rather than the legislation. With regard to regulation, have any of you had the opportunity to have a look at or talk to the government about the regulation that may come, backing up this particular legislation? If you have, are you doing that directly yourself or do you have a lobbyist doing that on your behalf?

**Ms Callander:** We do not have a lobbyist. We have not had any conversations about the regulation. I accept what you say that sometimes regulation can close some of the gaps that might be in the actual legislation. My only concern with that in this instance is that it is very explicit about the two acts that they have to be funded under. I am not sure the regulation—

**Mr HART:** We have heard you. I absolutely take that on board. That needs to be looked at for sure. Michelle, do want to comment?

**Ms Moss:** No, we have not had any input into the drafting of any regulations. We have responded by our response paper that we jointly developed with REIQ.

**Mr HART:** QCOSS?

**Ms Kippen:** We are the same. We have not had any consultation in relation to the regulations.

**Mr HART:** Annemaree, on the issue with funding your community housing projects moving forward, you get your funding from various sources. If this legislation goes through and you are not exempt for those changes in rent to follow income, as such, how will that sit with your investors?

**Ms Callander:** I am not sure I can speak on their behalf but what I can talk about is the implications for community housing providers if we are not included as an exempt lessor. For example, take a property that might have a tenant in it who is a single person or one person and one child. That tenant leaves and the property is retenanting with someone who might be on a higher income, someone on a different pension, someone where one person is working or there are more children, but ultimately a new tenant with a different and, particularly, a higher income. We are unable to increase the rent, even using the rent calculator under the social housing policy, because it is capped for that 12 months. The implication of that for community housing providers is a significant loss in rental income. I have had community housing providers from across the state flag this issue with me ever since the consultations around stage 2 last year. It is currently impacting them. The problem with that is that we are in a period where community housing providers are trying to demonstrate their capacity to grow new supply and to show their cash flow, which will enable them to borrow and particularly to borrow from private investment.

**Mr HART:** If you are exempt, does that exempt you from the other conditions of the bill, as in the flow of information from the tenants about how many people are going to live there, if they have animals and things like that?

**Ms Callander:** There is no exemption in that. It is part of our submission. There are sections that specify where the exempt lessors are exempt. There are some where it is not there where it needs to be. Information collection and also storage is one, as I said, because we have requirements under our national regulatory system to provide reporting. We also have to demonstrate that tenants in some programs that are funded through the state or the HAFF, for example, meet certain eligibility because there are targets around housing for women escaping domestic and family violence and housing for veterans under the HAFF. There is some information that we are required to report, to demonstrate that we are delivering those properties to the groups that are targeted.

**Mr HART:** Are you exempt from seeking financial information from a tenant?

**Ms Callander:** As it is currently drafted, there are no exemptions for exempt lessors in relation to those information provisions.

**Mr HART:** That would be a vital part of your process in determining whether somebody is suitable for community housing?

**Ms Callander:** Absolutely.

**CHAIR:** I note that is specifically addressed in the response.

**Mr HART:** That can't work, can it? Is there any input from Michelle or QCOSS about the community housing sector and whether they should be exempt from some of these things? It is making sense to me. Is it making sense to you?

**Ms Kippen:** We would support and defer to CHIA as the experts in that area. Our reference to capping rent increases is specifically in relation to the private rental market.

**Ms Moss:** We are the same. I think people with disability, as Annemaree talked about, are very high constituents of community housing and part of that access is being able to provide—

**Mr HART:** Annemaree, I see a real problem here. I am going to talk to these guys about trying to fix that.

**CHAIR:** I am sure they would appreciate that.

**Mr KATTER:** I am going to go pretty wide on this because it is a generalised question. With a lot of new policy coming through on housing, often it is a concern to me how it applies in remote areas. We have community housing in Mount Isa but most of the rest is Indigenous housing in terms of community housing in the Traeger electorate. I am concerned how this might apply. I will give you an example of what I am getting at here.

In Urandangi, the population can fluctuate up to 100 people. The health centre building that is being used has been deemed to be unsafe and we were going to knock it down, but there was a big community outcry. It took us about 12 to 18 months to get it sold. There are two or three houses yet up to 100 people can live in Urandangi. There are people living out in a paddock, sleeping on a high-jump mat, an old mattress or something.

That is different to what this bill deals with, but my point is that when you structure these rental things you can almost flip the dynamics in some remote areas with housing, cost pressures, rents and so on. I cannot think of a good example of how any of this does apply. Can you see any issues with how this might apply in some of the remote areas? Sure, the tenant still needs protection and advocacy, but sometimes the dynamics can flip a bit in remote areas. I wonder if anything came up through consultation or in your consciousness where there might have been anomalies in remote areas or even just regional areas.

**Ms Callander:** Nothing comes to mind, would be the short answer. I think housing in remote areas is a challenge and certainly an area where the state government has to take an active kind of lead in ensuring that there is adequate housing out there. I would have thought—and maybe QCOSS will speak to this better—that the protections that are embodied in the bill will be of benefit to people in Queensland anywhere in terms of ensuring that they have better protection as a renter in the private market. However, I appreciate that the context in remote areas is very different where there may not be much of a private market, but I do not think that the application would be of any detriment.

**Mr KATTER:** I do not think so, but I just wanted to ask.

**Ms Kippen:** I cannot think of any examples where it would be detrimental in the regional areas. The feedback that we have had from our members in the regions is that the private rental crisis is very difficult and we also have workers in the sector who cannot get housing in regional and remote areas just because of the sheer lack of supply, so any protections for renters would benefit people in the regions and remote areas as well.

**Ms Callander:** If I could add to my answer, it occurs to me that there are a lot of First Nations housing organisations that are probably delivering housing in some of those remote areas. Some of those are registered housing providers and others are not, but some of them will be captured potentially under the definition of 'exempt lessor' if they are in receipt of funding under those acts.

**Mr KATTER:** That is interesting. I did not realise that. You are quite right, and I think I said before that it is the majority of the community out in my area.

**Mr SMITH:** I have a quick question with regard to bonds, and if this has already been asked let me know. How important is it—and maybe this is best addressed by QCOSS—for tenants to be able to have that protection against real estate agents who are claiming that there was some damage to the property and holding the bond and then having to go through a dispute to reverse that onus of proof essentially? How important is that for tenants, especially tenants in more vulnerable situations?

**Ms Kippen:** In terms of the bond process, we do get a lot of that information through Tenants Queensland and the direct support that they provide to tenants, but the feedback that we have received from them and other members is that it is very important because at the moment the burden is on the tenant to challenge any kind of claim against the bond and the bond is essentially their funds. Also in this environment where people need to look for new rental properties, they are very hesitant to dispute anything or even engage in legal challenges with landlords because of a fear that that will impact on their ability to get the next rental property, and that is just not bond processes but any kind of dispute or engagement with the landlord. We hear feedback from Tenants Queensland and LawRight that tenants are not wanting to engage in those processes, so changing the onus of responsibility would make a big difference to renters in terms of being able to access their bond as they should be able to.

**CHAIR:** As there are no further questions, thank you very much to all of you for appearing. In terms of questions on notice, we will send that through and we will require a response by 5 pm on Thursday, 2 May, and that is on your response to the government response.

**ALLAN, Ms Josephine, Senior Lawyer, LawRight**

**SWEENEY, Ms Greta, Volunteer Lawyer, LawRight**

**CHAIR:** I now welcome representatives from LawRight. Thank you both for attending today. I invite you to make an opening statement and then we will have some questions for you.

**Ms Allan:** First off, thank you for the opportunity to provide a written submission and to speak at the public hearing into the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill. I am joined by my colleague Greta Sweeney, who is a volunteer lawyer with our service and played an integral role in the preparation of our written submission. I am a senior lawyer in LawRight's Community and Health Justice Partnerships program, which includes our Homelessness Law and multicultural law services. I have worked at LawRight in this team for over two years and since October 2023 I have played a key role with our Your Own Home project which assists women and their families, particularly those with an experience of family violence, to avoid homelessness and our Homelessness Consumer Advocacy Project which keeps people safely housed by resolving consumer debts.

Established in 2002, Homelessness Law is Queensland's free specialist legal service for clients experiencing or at risk of homelessness. We provide integrated holistic legal support to try and prevent and end homelessness by resolving legal issues connected to a person's experience of violence, their housing or their money. We have a focus on key priority cohorts, particularly women and their families with an experience of violence, people exiting or in custody and also children and young people. Adopting a best practice trauma informed delivery model, we have staff lawyers embedded at Brisbane homelessness services and also up in Cairns and we work very closely with frontline workers, so those include domestic and family violence workers, social workers, health practitioners and financial counsellors, to provide our service. With this background in mind, we as LawRight commend and are very supportive of the overall content and purpose of the bill. We do wish to provide some feedback in relation to a few aspects of the bill and I will pass over to Greta to briefly outline those.

**Ms Sweeney:** We do wish to comment on a few areas for improvement in the bill. Firstly, we believe there is an urgent need to end arbitrary evictions in the form of the ability for lessors to end a tenancy simply due to the end of a fixed term. We consider this to effectively be a without-grounds eviction. Further, in relation to this proposed bill specifically, from our casework and longstanding partnerships with frontline homelessness and health agencies we know that being confronted with a sizeable and unexpected rent increase can be a significant factor that pushes our clients into homelessness as rental costs become unsustainable and the struggle to preserve their housing security and avoid falling into rental arrears can often come at the cost of affording other everyday necessities.

To this end, we recommend that rental increase provisions in the bill tie rent increase caps to economic indicia and market forces such as the consumer price index. This may ensure that any rent increases that are lawfully made at the end of each 12-month period are proportionate to the increased costs borne by landlords in connection with the relevant property during that 12-month period. We are also concerned that the legal and administrative complexity of the bond process may limit its accessibility and fairness for vulnerable tenants and we recommend that the rental bond processes be further amended to improve the fairness and accessibility of the process. Thank you.

**CHAIR:** Thank you very much. I think this is the first time we have seen you before this committee. You have probably appeared before the legal affairs committee a number of times. I note you have over 20 years experience working in this sector and, as you said, are embedded in those processes and those organisations that are working with people who are homeless. Do I have that right?

**Ms Allan:** Correct. We send staff lawyers down to the actual services, so personally I attend Micah Projects, which is the homelessness service, at West End every Wednesday afternoon and run a legal clinic with clients referred through social workers at that service. I also attend Multicultural Australia at Woolloongabba which supports newly arrived Queenslanders in their first five years to settle into Queensland. We also have staff lawyers embedded at Brisbane Youth Service every Monday; at the Mater Hospital every Wednesday; Anglicare women's at Toowong which is a women's refuge and homelessness service; New Farm Neighbourhood Centre fortnightly on a Monday; as well as our officers in Cairns. So, yes, we spread around.

**CHAIR:** You do indeed. How many people in your organisation?



**Ms Allan:** I do not know the exact number because we have different programs, but in our particular team we have three staff lawyers in Brisbane. We are heavily supported by partnerships with member firms and barristers who have been involved with our organisation over 20 years. We then have a director of service, Stephen Grace, and then above Stephen our co-CEOs are Karen Dyhrberg and Linda Macpherson. We are also supported by two paralegals in our service and then our Cairns office has one senior lawyer and a paralegal and we have some administrative support staff as well, so our team is relatively small but we try to go out to as many services as possible.

**CHAIR:** Thank you for that. I commend you on your submission as well. It is very well written and thought out and fully addresses those issues that you wanted to address.

**Ms Allan:** Thank you.

**Mr McDONALD:** Thanks, Josephine and Greta, for your presentation here today and I note the good work that you do in representing and assisting some of our most vulnerable people. I have asked this question of a number of different submitters and witnesses here today. Do you see that this bill in its current form will assist in the housing supply for our community where there is a very high shortage of housing?

**CHAIR:** Just before you answer, this is the same question that we have heard. I point out that it is not the specific policy intent of this bill to increase the number of houses. What we are looking at is how we increase the affordability and availability and how we stabilise rent and consumer protections, so the bill outlines where we are doing in terms of what this bill does to meet that policy intent broadly. However, saying that, I once again think the deputy chair is asking how meeting that policy intent of affordability and availability helps the rest of the sector bring in new stuff.

**Mr McDONALD:** I will rephrase. There are a number of consumer protections in the bill, but in terms of assisting with the housing supply can you point me to anything in the bill that will assist with the housing supply in Queensland?

**CHAIR:** I will allow you some latitude to answer or not answer that as you wish.

**Ms Allan:** From our organisation's perspective, as was noted, we do not see the purpose of the bill as particularly going to the housing supply issue, but we think that it will make incredible inroads in relation to the security of tenure for vulnerable tenants and housing security, which we think are a key part of the puzzle for the overall stabilisation of the rental market. We outlined in our submission that there is competing literature both of an economic nature and a legal nature around the benefits of rent regulation and whether that will increase investment in the private rental sector, and there are competing viewpoints on that, but from LawRight's perspective and on behalf of our vulnerable client base we see any increase to protecting renters' rights as potentially hopefully helpful to reducing housing insecurity that we see very regularly through the services we attend.

**Ms Sweeney:** I would also just note on that point that we did note the government is alive to the issue of the multifactorial approach to this issue that will need to be taken. There will also obviously need to be consultation with the federal government most likely. That was flagged in the explanatory notes, so I think it is one of those things where this is going to have to be one part of the puzzle, as Josie said, so, yes, we have sort of confined our consideration with that being in the back of our minds.

**Mr McDONALD:** Your submission is that rent increases should be tied to an economic indicator such as the consumer price index. We have dealt with this in a couple of other bills. There are different consumer price indices across Australia and Brisbane. Have you turned your mind to the specifics of CPI for this bill, as you are suggesting?

**Ms Sweeney:** We have not looked into specifically what metric would be used, mainly because we are not economists so we are probably not in the best position to suggest the most suitable metric. With that in mind, there are domestic and international case studies that might point the government in the right direction in terms of which indicia to use. Consumer price index appears to be the most commonly used anchor point. How high the increase cap would fall in relation to the consumer price index might be a matter for consultation with people with economic expertise.

**Ms Allan:** We would note as well that there are domestic comparisons in the ACT and also with the manufactured homes bill as well that does propose a cap. In some of the commentaries around the introduction of that bill it is noted the vulnerable client base of pensioners, and from our experience dealing with our clients who have fixed low incomes we think that is a comparable situation in terms of the actual client base and vulnerable Queenslanders that this bill seeks to address. A lot of our clients are renters and we see private rentals as a huge part of the solution to housing instability and homelessness.

**Ms Sweeney:** Picking up Josie's point that she just made, I believe that that manufactured homes bill suggests 3.5 per cent on top of CPI.

**Mr HART:** It is 3.5 per cent or CPI.

**Ms Sweeney:** My apologies, the highest of the two. Perhaps it might make sense from an administrative simplicity perspective to, as a starting point, adopt the same measure for the reason that Josie just stated: that we are dealing with a similar client base.

**Mr SMITH:** You mentioned a first dot point around evictions. Could you read that component out again?

**Ms Sweeney:** Yes, I sure can. This point relates to the stage 1 rental reforms. We just noted effectively that there is an urgent need to end arbitrary evictions in the form of allowing lessors to end a tenancy simply due to the end of a fixed term. In our view this is tantamount to a without-grounds eviction. The fact that a 12-month lease has ended does not necessarily mean that there is any other reason for that tenancy to come to an end. It puts tenants in a position where they have to find a new rental, sometimes at relatively short notice in a hard market. Our broad view is that it really has not, I suppose, targeted the mischief that it was intended to target. This point has been made by QCOSS and Tenants Queensland, as we understand it.

**CHAIR:** And Q Shelter I think talked on this.

**Mr SMITH:** If the landlord wishes to end the lease after 12 months, you are saying that they should not be able to just because it is the end of the lease?

**Ms Sweeney:** Yes, without another independent ground. There is nothing preventing a landlord, for example, ending the lease if they wanted to renovate. If the landlord were going to become an owner-occupier that would constitute a ground in and of itself. However, just because a lease has ended, as we understand it, sometimes this is used as a mechanism to get new tenants in and charge them a higher rent. It also ties in to, obviously, the very welcome measure of tying a rent increase to the property as opposed to the tenancy.

**Ms Allan:** I would just add that in our experience working with clients where the notice to leave is given on another basis—for example, unremedied breaches connected to rental arrears or behaviour during the tenancies and matters like that—those can sometimes be negotiated and resolved and reduce the burden on QCAT when they are involved with either Tenants Queensland or our service because there is an actual reason that you can argue against and try and advocate for payment plans moving forward or other resolutions. However, when it is on the ground of the end of a fixed-term lease, it is not disputed that the lease is coming to an end at that time so it can be difficult to prevent that situation from resulting in a warrant of possession from QCAT.

**Mr SMITH:** How would you police it? If the landlord says, 'It is coming up to the end of the 12 months. I am going to renovate. That is what I want to do', so the tenants move out and then the landlord does not actually renovate and just brings someone else in, what would you police that with? Would you fine them? Who is the police in that case?

**Ms Allan:** The police in that case would be the Residential Tenancies Authority's compliance and enforcement team, but in practice we do see there is a reluctance among tenants to complain to the agency or to take those further steps that they are entitled to take around complaining if it did not actually eventuate. We rarely see that happen in practice unfortunately. I think the monitoring piece is a huge part of the problem as well with making sure that evictions are not arbitrary. In short, once a client has received that notice to leave either they do just leave based on that or it goes through the QCAT process, but in that period they have usually already engaged with homelessness services and are supported into other housing and by the time that does happen, if they are able to obtain some emergency accommodation, the window of time of wanting to engage in a further complaint process with the RTA may have passed for some of our clients who have other barriers that they are facing.

**Mr SMITH:** I do not discount that it is a good idea and a fair idea; I just do not see how the policing of it could actually occur. How many compliance officers does the RTA have to go around and check renovations? I just think it would be very hard to police.

**CHAIR:** It is a classic conundrum for all compliance units: are you proactive or reactive?

**Mr SMITH:** Essentially, it is a property that is owned by someone. It is their property at the end of the day.

**Ms Allan:** Of course, and I think that is part of the reason why, for all the other grounds that are enumerated in the act, there is a reason that can be engaged on with the lessor and then at QCAT and that can be substantiated at that stage and if it is valid then obviously the warrant of possession will be ordered and the termination order made, whereas the end of a fixed-term agreement does not provide that same opportunity to engage over the actual reason for the eviction. That is our concern. Anecdotally, when seeing people coming through the service since the introduction of that ground, it has come up quite a lot, which may indicate that sometimes there may be another reason that could be used, but this is the default position in some cases.

**Mr HART:** It is good that we have a couple of lawyers here because when we were talking before about limiting rent increases to CPI I just had a look at the Reserve Bank site and rental increases and the cost of owner-occupied dwellings make up one-sixth of the CPI calculations. If we limited rent to CPI from last year, wouldn't we be chasing our tails as such? I wonder if you could put your mind to that. Also, if we limited rents to CPI in this bill, how might that affect the manufactured home bill because it has a different metric?

**Ms Sweeney:** I might answer your questions in reverse, if I may. In answer to your second question, I think it is probably desirable to adopt the same rule across both the manufactured homes bill and the bill we are considering today for the reasons I stated earlier, which are that the policy objective of the manufactured homes bill on this particular issue seems to align broadly with the hardships suffered by our client base, so it makes sense to impose the same measure. Also for administrative simplicity, as we understand both bills, hopefully once they become acts they will be administered by the same committee or the same portfolio members. That is more of a pragmatic answer. In answer to your first question about chasing one's tail in adopting a particular measure, that is absolutely a valid point and I do understand exactly where you are coming from. I agree that it is important to get the anchor point right. On that point I think it is something that should be a matter for consultation with the experts in economics, essentially. It is really important, particularly in our current economic climate where we are experiencing unprecedented cost-of-living pressures, in at least modern times. Even if the bill were to adopt a rolling anchor point by reference to regulation or something like that, that is another option that the committee might see on the table, and that would give the government the freedom to change it when economic circumstances require that to be done.

**CHAIR:** Once again thank you for coming along today. Thank you for your submission. We do not have any questions on notice. That concludes this hearing. Thank you to the secretariat and Hansard. A transcript of these proceedings will be available on the committee's webpage in due course.

**The committee adjourned at 12.11 pm.**