




Speech By
Hon. Leanne Enoch

MEMBER FOR ALGESTER

Record of Proceedings, 18 June 2021

HOUSING LEGISLATION AMENDMENT BILL

Introduction

 **Hon. LM ENOCH** (Algester—ALP) (Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts) (11.44 am): I present a bill for an act to amend the Residential Tenancies and Rooming Accommodation Act 2008, the Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Regulation 2020, the Residential Tenancies and Rooming Accommodation Regulation 2009 and the Retirement Villages Act 1999 for particular purposes. I table the bill, the explanatory notes and a statement of compatibility with human rights. I nominate the Community Support and Services Committee to consider the bill.

Tabled paper: Housing Legislation Amendment Bill 2021 [912](#).

Tabled paper: Housing Legislation Amendment Bill 2021, explanatory notes [913](#).

Tabled paper: Housing Legislation Amendment Bill 2021, statement of compatibility with human rights [914](#).

Today, the Palaszczuk government is delivering on our commitment to put in place renting reform for Queenslanders. In fact, the Housing Legislation Amendment Bill 2021 fulfils two commitments: firstly, to deliver stage 1 rental law reforms; and, secondly, to implement amendments to the Retirement Villages Act 1999 to exempt resident operated freehold retirement villages from mandatory buyback provisions.

The 10-year Queensland Housing Strategy 2017-2027 includes a commitment to modernise Queensland's housing legislation and improve the regulatory frameworks that apply to accommodation regulated by the Queensland government. Earlier this week we released the Queensland Housing and Homelessness Action Plan 2021-2025. The action plan is backed by an historic \$2.9 billion investment.

Through the action plan, we will drive closer integration between government and non-government services to deliver positive outcomes for Queenslanders, including a focus on preventing homelessness. Importantly, the action plan also supports the progression and implementation of reforms to modernise Queensland's housing legislation, protect tenant and lessor rights, and increase consumer confidence.

Renting is an important housing option for the increasing number of Queenslanders who rely on the private rental market for safe, secure and affordable housing. Around a third of Queensland households rent, and many Queenslanders also invest in rental properties. With more Queenslanders renting, and renting for longer, rental law reform is needed to keep up with the changing needs of tenants, lessors and real estate businesses.

The rental law reforms provided for in this bill will adjust and create new rights, protections and responsibilities for parties to residential leases in Queensland and follow a national trend towards modernising rental laws to better protect tenants and lessors. While addressing the challenges facing many tenants, and particularly the vulnerable people in our community, the Palaszczuk government

also recognises how important it is to protect the investments of the many property owners who contribute much needed supply to the housing market. Despite what some like the Greens political party would have people believe, many of these are mum-and-dad investors, not big corporate interests. The changes implemented through these reforms strike an appropriate balance between lessor and tenants' rights and provide a strong framework for parties to negotiate and manage mutually beneficial tenancy relationships.

The bill delivers reform for priority renting issues identified through extensive consultation with Queenslanders in 2018 and 2019. It is informed by consultation with key stakeholders and the learnings garnered from the implementation of key elements of the Queensland government's COVID-19 response for residential tenancies.

Certainty about how and when a tenancy can end benefits both tenants and owners. It helps tenants to plan for their future housing needs and owners to plan for how they manage their investment. We heard through consultation that many vulnerable renters are reluctant to enforce their tenancy rights because they fear their rent will increase, they will be asked to leave or they will not be offered a renewal when their current lease ends. Research conducted by the Productivity Commission in 2019 also found that vulnerable renters are more likely to incur severe consequences from adverse private rental market events, such as involuntary moves due to unexpected tenancy terminations, as it can heighten the risks of financial hardship and homelessness and disrupt connections with education, community and services.

This bill prevents lessors from ending a tenancy without grounds and requires lessors to only terminate a lease using approved grounds. The approved grounds for renters and lessors to end a tenancy are also expanded. We heard that it is important for lessors to have access to a range of grounds to end a tenancy and regain possession of their property, including if they need to occupy the property, intend to sell or redevelop it, or on the expiry of a fixed-term agreement.

We also heard that some renters may need to end their lease if the rental property is not in good repair or because they received false or misleading information about the property or agreement before entering the tenancy arrangement. Importantly, the bill provides that protections for renters against retaliatory actions for enforcing their rights will be retained and enhanced, including protection from retaliatory termination or rent increases. These reforms provide greater transparency and accountability and will help give renters more confidence to enforce their rights. The use of additional grounds to end a tenancy will be monitored, including investigation and enforcement actions, to inform evaluation of this reform and determine whether further change is needed in the future.

All Queenslanders deserve to live in homes that are safe, secure and functional. In its 2019 research report the Productivity Commission found that: the rental properties in which vulnerable renters live are more likely to have greater repair needs or major structural problems; households that rely on government payments have a person with disability or long-term health condition, or a single parent, or are more likely to live in housing that needs essential repair. The Productivity Commission suggested in its report that vulnerable renters may be less willing than others to request repairs and maintenance because they fear negative consequences. This is unacceptable. As such, this bill provides for basic standards to ensure all residential rental properties in Queensland meet a minimum level of quality for renters to feel safe and secure in the knowledge that living in their home will not cause them harm.

Some of these minimum housing standards include the requirement that a property: be weatherproof and structurally sound; have fixtures and fittings that are in sound condition, good repair and do not present a health hazard with normal use; be free from vermin, damp and mould; have adequate plumbing and drainage and be connected to a supply of hot and cold water for drinking; and ensure the toilet is connected to a sewer, septic or other waste disposal system. These standards do not require lessors to provide luxury or high-end fixtures, fittings and amenities but generally clarify existing obligations for the rental property to be clean, in good repair and fit to live in. Frankly, no Queenslanders should have to settle for less than this. Strengthened repair and maintenance provisions, including specific repair orders that can be made by QCAT, combined with the approved ground for renters to terminate their lease if their rental property does not comply with the minimum housing standards provided for in the bill, will support renters to enforce their right to live in a home that is safe and secure.

Everyone has the right to feel safe and live their life free of violence, abuse and intimidation. The Palaszczuk government is committed to preventing domestic and family violence and recognises the important role that safe and secure housing has in achieving this. We know that domestic and family violence increases vulnerability to homelessness, as people who are forced to leave their homes often find it difficult to secure alternative accommodation. People experiencing domestic and family violence

are often at their most vulnerable when they are attempting to leave. In 2020 the Palaszczuk government acted swiftly to ensure that people experiencing domestic and family violence during the COVID-19 pandemic were supported to leave the home quickly and safely and avoid getting caught up in lengthy administrative processes.

The protections allow a tenant experiencing domestic and family violence to end their interest in a lease with seven days notice. The tenant can leave the property immediately, and their liability for end-of-tenancy costs would be capped to the seven-day notice period. The tenant would also be able to apply to the Residential Tenancies Authority to access their portion of the rental bond. Tenants can substantiate that they have experienced domestic and family violence by providing evidence signed by an authorised professional such as a doctor, social worker, refuge or crisis worker, domestic and family violence support worker or case manager, Aboriginal and Torres Strait Islander medical service worker or solicitor. This allows the tenant to provide evidence without the need for a domestic violence order or apprehended violence order.

There is strong community support for these protections. Domestic and family violence stakeholders have commented that these measures have greatly assisted their clients and should be continued. The Housing Legislation Amendment Bill will make these domestic and family violence provisions enduring. This will ensure tenants experiencing domestic and family violence continue to have access to options to improve their safety and security after the temporary COVID-19 regulatory measures expire and will align Queensland with best practice approaches in other jurisdictions.

Pets are an important part of life for many Queenslanders and are often viewed as part of the family. They provide companionship, safety and physical and mental health benefits. We saw during the COVID-19 pandemic that many people sought stronger companionship at home and a greater connection to their communities, and pets delivered this for many householders. However, only a small proportion—estimated to be 15 per cent—of rental properties in Queensland are pet friendly. Consultation with Queenslanders about their rental experiences demonstrated there is a high unmet need for pet-friendly rental accommodation but that lessors hold significant concerns about the risks to their investment of allowing renters to keep pets at their rental property.

The bill provides for rental law reforms that encourage more pet-friendly rental properties in Queensland by introducing a framework to support renters who want to keep their pet. These reforms will allow tenants to keep a pet with the lessor's written consent, which may be subject to reasonable conditions agreed with the tenant. Lessors will retain their right to decide if a pet can be kept at their rental property but can only refuse a renter's request on prescribed reasonable grounds if they cannot be addressed through the application of reasonable conditions, which does not include a rent increase or additional pet bond. The pet reform provided for in this bill will improve rental satisfaction and security, encourage responsible pet ownership and provide greater assurance for property owners.

The Palaszczuk government has taken the time to ensure we get these reforms right. We have engaged extensively with the community and sector to make sure we understand the issues, that our response is proportionate, finds the balance between the rights and needs of renters and lessors, and provides certainty and stability in the rental market. I would like to thank the thousands of Queenslanders who have had their say about renting laws and helped to inform these reforms. We received more than 135,000 responses to the Open Doors to Renting Reform consultation in 2018 and a further 15,200 responses to the consultation regulatory impact statement in 2019. Targeted consultation was also carried out with key stakeholders. This consultation has also identified a number of other issues which will form the basis for a future second stage of rental law reform.

In developing these reforms, full consideration has been given to potential costs and impacts. Rent markets across most regions in Queensland are experiencing tight vacancy rates. Over the last quarter, Queensland has experienced the greatest net interstate migration of any Australian state, which has contributed to an increase in rent and house prices and tight vacancy rates. Housing affordability is an ongoing and national issue; however, current rental market conditions are also a reminder of why it is important to carefully consider all potential impacts of reform measures. The bill I present today takes a balanced approach and considers the needs of all stakeholders as well as broad sector and community impacts. It does not simply respond to current rental market conditions but will deliver long-term certainty and stability in the Queensland rental market.

Independent economic analysis of the reforms has been undertaken, which found that at the aggregate level impacts are expected to be negligible, and the reforms are unlikely to significantly impact rent, supply or affordability. In addition, significant economic, social and health benefits will be derived from these important reforms. The staged implementation of these reforms will also mitigate any risks of significant impacts.

While domestic and family violence provisions will commence immediately upon assent to provide continuity of protections established through COVID-19 regulation, ending tenancies fairly and pet reforms will commence on proclamation, which is expected to be 12 months after the amendments are passed by the Queensland parliament. Following the passage of this bill, minimum housing standards reforms will have a longer transition period to assist lessors to plan for and undertake any necessary repairs on their properties. Minimum housing standards will begin applying to rental properties when a new residential lease is entered into from 1 September 2023 and will apply to all agreements, including existing agreements, by 1 September 2024.

I would now like to turn my attention to the amendments to the Retirement Villages Act 1999. Approximately 40,000 Queenslanders live in retirement villages, often investing a significant amount of capital to do so. Previously, when a resident moved out of a retirement village, they were required to wait until their unit was re-sold before their funds were returned to them. However, these funds are often needed to provide for a resident's next place of accommodation, such as aged care. In 2017, the Palaszczuk government introduced amendments to the Retirement Villages Act 1999 requiring village operators to pay a resident their exit entitlement 18 months after a resident has permanently left the village. In 2019, these provisions were expanded. These amendments protect elderly consumers by ensuring they had a maximum wait of 18 months after permanently leaving a village before they received their funds. These reforms have resulted in millions of dollars being returned to former retirement village residents and their families.

When the laws were introduced in 2017, a review of the payment time frames, by an independent panel, was built into the amendments, and that review was undertaken in 2020. The terms of reference required the panel to specifically look at the impact on retirement villages where residents control the operations of the retirement village. Unlike other retirement villages, resident-operated villages do not have a commercial or not-for-profit operator with the revenue and assets to cover the mandatory purchase of a freehold unit.

In its interim report, the independent review panel noted that there are fundamental differences between the arrangements for resident-operated retirement villages and other retirement villages, which justifies its recommendation for these villages to be granted an exemption from the mandatory buyback requirements. The amendments to the Retirement Villages Act 1999 in the bill create a regulation-making power to exempt resident-operated retirement villages where listed by regulation. These amendments establish clear criteria for when an exemption is appropriate. They also create appropriate investigation powers for the government and notification duties for exempt retirement villages to ensure an exemption remains appropriate if the circumstances of the villages change.

We have engaged closely with stakeholders on the proposed amendments who reiterated their general support for amending the Retirement Villages Act 1999 to enable a regulation to be made to exempt resident-operated retirement villages from the mandatory buyback requirements. The proposed amendments will commence upon assent of the bill, after which a regulation will need to be made. Following this, my department will contact the villages that may be eligible to obtain an exemption and help them to seek that exemption if they wish.

To conclude, the Housing Legislation Amendment Bill 2021 delivers on the Palaszczuk government's commitment to deliver a fair and contemporary housing system that meets the needs of Queenslanders. Tenants and lessors will benefit from more certainty and clearer assignment of risks that will provide for a well-functioning and efficient private rental market. I commend the bill to the House.

First Reading

Hon. LM ENOCH (Alger—ALP) (Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts) (12.03 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to Community Support and Services Committee

Mr DEPUTY SPEAKER (Mr Kelly): In accordance with standing order 131, the bill is now referred to the Community Support and Services Committee.