




Speech By
Stephen Bennett

MEMBER FOR BURNETT

Record of Proceedings, 13 October 2021

HOUSING LEGISLATION AMENDMENT BILL

 **Mr BENNETT** (Burnett—LNP) (12.37 pm): Carrying on from the chair, it is only appropriate that the committee and the secretariat are acknowledged when commenting on these reforms. A lot of work has gone into this. I rise to make my contribution to the bill and, like many, support some of the proposals and reforms. On the key objectives in the reforms, no-one would object to rental properties being safe and secure and meeting minimum housing standards, especially when people are experiencing domestic and family violence. I make that clear. However, I have some reservations about several of the reforms.

In trying to legislate in the interests of tenants, I think the government is effectively eroding the fundamental rights and decision-making powers of owners in respect to many matters that affect them and their properties. Many have reported that these changes will see current investors leaving the rental market, that its reforms will introduce disincentives for future investment decisions and that, with the government now fully responsible for what is seen as a housing crisis, this legislation may have detrimental effects and impacts on the rental market. It has been reported that Queensland will see a further reduction in housing supply for renters, increased rent and a further contribution to the strain that we are all seeing in our electorates. Many have raised concerns about the lack of clarity and have highlighted the failure to take into account relevant legal and practical considerations. We consider that the bill inappropriately tips the balance towards the rights of the tenant and we worry about the impacts on lessors.

During the inquiry, the committee received hundreds of submissions from individual lessors, property managers and industry groups such as the Real Estate Institute Queensland, the Property Owners' Association of Queensland, the Urban Development Institute of Australia, and many more. They all put their concerns to the committee in submissions. It was important to understand the impacts of the legislation and many talked about the statistics.

Through the Australian Bureau of Statistics, we know that 36 per cent of Queenslanders rent. It is a significant number and we really do need to make sure that legislation to deal with this large cohort of sometimes vulnerable Queenslanders is done and done properly. As private property owners provide over 90 per cent of Queensland rental housing, they are critical to any solutions that may affect them, so my concerns about the legislation are around the serious issues that are not being addressed.

There has already been talk about the periodic agreements. We share submitters' concerns that the removal of a lessor's right to issue without-grounds notices, we hope, are not problematic, but I guess we will wait and see with the review periods. The bill eliminating these agreements is something which will disadvantage tenants and lessors alike, and we hope that there are some flexibilities that will allow this important reform to be dealt with.

We question the perverse outcomes that will undermine the very tenet that we are trying to save and provide an opportunity. It is important that we look at what the Queensland Law Society said in their submission—

It would seem likely that lessors will prefer not to enter into periodic tenancies with a tenant when the fixed term agreement expires, given that under the Bill, there will be limited capacity to bring the periodic tenancy to an end. Instead, if a lessor is not in a position to grant a further fixed term, a lessor will likely require a tenant to leave at the end of the fixed term agreement ...

and on it goes. At the public hearing we also heard from the Law Society that—

We are concerned that the legislation will have adverse unintended consequences; for example, discouraging periodic tenancy, increasing the loss of housing stock for short-term rental, and requiring parties in conflict to remain in a landlord/tenant relationship. The law generally aims to facilitate the resolution of conflict, but this bill has the potential to entrench a conflictual relationship.

The REIQ made a submission that I felt was fairly on point—

The abolition of the ability to terminate a periodic tenancy undermines the whole point of parties entering periodic tenancy ...

They went on to talk about the matter using a lot of emotive language. I think at the end of the day their concerns have been mirrored by many who talk about it, removing the landlord's ability to terminate at the end of a term and questioning the whole point of the periodic tenancies.

The pets issue will be talked about at length during the debate. I do not have a rental property—I have in the past—but I cannot believe that we cannot get some sensibility around acknowledging the issue and how important pets are to people in Queensland in some cases. However, we must find the right balance with the owners' rights being a strong input into the discussion. The whole thing about pushing it off to QCAT or another arbitrary body to resolve I find somewhat frustrating. The REIQ talked about insurance not automatically covering damage or maybe accidental damage, and on it goes.

I notice that we have not put much time into the amendments to the Retirement Villages Act in contributions to date, but I do want to make sure that we talk about that at length as one of the areas I am very interested in. The amendments to the Retirement Villages Act to exempt freehold resident operated retirement villages from the statutory buyback requirement are very welcomed.

The opposition members of the committee, as we said in our statements, welcomed the changes. A lot of historical matters are thrown around this place, but we note that the government was warned about the adverse impact of the mandatory buyback provisions both in 2017 and 2019. I will talk about some of those villages in a moment, but many would question how long it took for the government to sort out the issue because those impacts have affected vulnerable Queenslanders, members of our community and a lot of business owners.

The objectives of the bill in relation to the Retirement Villages Act include getting rid of the very issues that we warned about on numerous occasions—the buyback requirements. I want to be clear that I fully support the process of people in retirement villages not having to wait for their appropriate settlement payments. I acknowledge the work that the government put in with consultation and in trying to navigate these very difficult and technical legislation areas.

The first errors came in 2017 with the Housing Legislation (Building Better Futures) Amendment Act. Again in 2019 the Retirement Villages Act was further amended by an omnibus bill, the Health and Other Legislation Amendment Act, and the government also had an independent review panel tell them again what was happening. We know that that report was given to the minister in September 2020. The summary of the report's recommendations around exemptions from buybacks for retirement villages was spoken about at length. With that historic context, I want to provide some examples of this side of the House wanting to move reasoned and sensible amendments during the debate and that the same changes have now been enacted some five years on.

On 3 April 2019, during the debate the member for Kawana mentioned the amendments that we were going to move. He used the words 'reasoned and sensible amendments' and the need to correct the errors of the minister. Shadow minister Bates, during the same debate on 3 April 2019, talked about the proposed amendments and the need to fix the issues that were going to confront us. The member for Burleigh also spoke about the problems identified in the 2017 legislation, highlighting the impacts particularly on the Pebble Beach Freehold Retirement Community at Bribie with the legislation requiring freehold title holders—these are individuals—under the government buyback proposals having to raise \$25 million to pay out exit provisions. How did we possibly expect people who live in these villages to come up with that sort of money? That is what we were trying to get across in very detailed and sensible amendments.

Speeches by the then members for Caloundra and Nicklin highlighted that during committee hearings it was explained many times that at least 10 retirement villages that were owned essentially by residents would be impacted by the problems that the legislation was going to cause. The members

for Scenic Rim and Coomera, during the debate on 3 April 2019, raised many issues including the part 9 changes that were never really listened to. The members for Southern Downs and Southport, during the debate, spoke to the support of a better system of buyback, but highlighted the need for government to support the opposition amendments.

It was not just the LNP exposing the problems that the Labor legislation caused; many media reports highlighted the flaws. The *Brisbane Times* on 4 April reported the problems identified. The *Gold Coast Bulletin* on 12 November 2019 had the headline: ‘Gold Coast retirement: “We are seriously stressed financially and mentally but the government doesn’t seem to care.”’ The story focuses on the serious impacts at Sunny Ridge Garden Retirement Village. In a media release, the shadow minister, the member for Burleigh, stated—

The changes made to the Retirement Village Act have no place in the Health Bill.

The Palaszczuk Labor Government is out of touch and doesn’t understand the damages these changes will cause to freehold retirement villages operated by residents.

Labor failed to get the previous Bill right in 2017 and the Minister should have realised that a freehold title sale process does not involve an exit entitlement.

The LNP is concerned these villages may be forced to close or remove themselves from the protection ...”

I have run out of time.