




Speech By
Joseph Kelly

MEMBER FOR GREENSLOPES

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RESIDENTIAL TENANCIES AND ROOMING ACCOMMODATION AND OTHER LEGISLATION AMENDMENT BILL; MANUFACTURED HOMES (RESIDENTIAL PARKS) AMENDMENT BILL

 **Mr KELLY** (Greenslopes—ALP) (6.35 pm): We had better take it up a notch then, hadn't we, Mr Deputy Speaker, and be on our best behaviour? I want to thank the member for Kawana for the wonderful political lesson he gave earlier tonight, but I want to assure the member for Kawana that no member on this side of the House and no Labor candidate anywhere would seek or want the endorsement of the member for Kawana. That would do nothing but drive their primary vote in a downwards direction. In fact, I would urge the member for Kawana to continue to do what he does best—that is, get out there in public and drive the voters of Queensland away from the LNP and over to Labor. It is only a matter of time before 'Operation Boring' is relaunched and we see the member for Kawana whipped from our screens once again, both big and small.

I support these bills. I want to speak mainly to the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill. However, I do commend the manufactured homes bill and note that improving regulation in this sector will greatly assist responding to challenges in the housing sector. There are really big challenges in all parts of the housing sector—social and affordable housing, the rental market, the residential market and of course the investment and development sectors as well. I commend the minister for rolling out the Homes for Queenslanders plan. This plan is increasing support for people experiencing homelessness. It is building more social and affordable housing. It is supporting new homebuyers to move into their own home, and it is encouraging and supporting developers and councils to increase private sector housing supply. The plan also aims to make renting a home cheaper, easier and fairer, and that is what this bill focuses on and that is what I will focus on, too.

The current cost pressures in the housing market, whether you are renting, buying a house to live in or looking to invest in property, are being driven by a number of key factors: increased demand that is outstripping supply and increasing interest rates and other costs, particularly insurance costs. Just this week we debated the cheaper power bill. The purpose of this bill is to provide cost-of-living relief, but from a macroeconomic perspective it is part of a range of measures that the Miles and Albanese governments are putting in place to put downward pressure on interest rates. If we do put that downward pressure on interest rates, one of the drivers of rental increases and one of the barriers to buying your first home will be reduced.

There are other activities as part of the Homes for Queenslanders plan that are responding to supply issues, but I will not go through those, other than to mention the 80 units of social and affordable housing being built in Stones Corner as we speak. Interestingly, the Albanese government's Help to Buy scheme will also help to reduce demand in the rental market by helping 40,000 low-income people, including many young people, to buy a house. Amazingly, this is being blocked in the federal parliament by the Greens and the LNP. While the Greens are rightly pointing out that there are massive challenges

for renters, they do not want to support policy solutions to actually help renters. Why? Apparently the Greens will only pass this initiative if the Albanese government supports a two-year rent freeze. That is an alternative policy idea that really needs exploring.

I would suggest that those interested start by reading Per Capita's report *Regulating rentals in Australia: what works?*. The rent freeze advocated by the Greens are known as first-generation rent freezes and involve very hard rent controls. Before anyone suggests that I have read this one report and think I know it all, it is important to note that this report includes systematic reviews, and I have read many of the studies referred to in the reviews and other studies as well. Here is what the report says about first-generation rent freezes—

What is clear from a systematic review of the literature ... is that hard rent controls, such as rent freezes, have significant potential downsides.

Overall, the research seems to find that setting a hard cap on nominal rent prices, tend to induce high costs for landlords, and fewer benefits for tenants.

I will not go through all of the aspects of this report, but those downsides include a decrease in housing supply, a decrease in spending on maintenance and tenants being extremely reluctant to move, which leads to a very inefficient use of housing.

What the report does say is that there is very strong evidence for improving housing outcomes for renters by using second and third generation rent freeze policies, and these are the sorts of initiatives that are actually outlined in this bill—such as only allowing an annual rent increase. By slowing down the frequency of rent increases, you slow down the velocity in the market which will also contribute to moderating rental increases. The bill does a number of other things to make renting fairer and easier, such as banning all forms of rent bidding, increasing notice periods for entry, allowing for transferable bond loans, limiting reletting costs and ensuring fee-free options for payment of rent.

I welcome the establishment of a head of power to allow a new rental sector code of conduct to be developed. There are two things that I think should be explored under this provision that would greatly assist both landlords and tenants. Firstly, I believe it would be extremely beneficial if offers from landlords and responses from tenants had to be documented in an agreed form when this process involves a managing agent. I am aware of some landlords who wanted to offer two-year leases and were told that tenants did not want this. When the landlord insisted on evidence that the offer was made in writing and a response was received in writing, amazingly the tenants accepted the offer. Why would a managing agent not want to offer a two-year tenancy? I would put the following: first, less opportunity to increase rents which means less opportunity to increase the fees of management agents; and, second, less opportunity to collect reletting fees.

Secondly, I would encourage the minister to consider the manner in which managing agents charge the landlords. The majority of managing agents charge a fee that is based on a percentage of rent. This creates a significant incentive for managing agents to encourage landlords to increase rents. I have seen numerous examples of correspondence from managing agents encouraging significant rental increases, and I have spoken to many landlords who have outlined the many examples of being pressured by managing agents to increase rents. One solution would be to ban percentage-based fees. I would certainly never advocate for setting the fee a managing agent can charge. Like any business, they need to be able to cover their costs based on their expenses and they need to be able to apply a fee that they think the market can bear. This would remove an incentive to encourage the increasing of rents, and it would encourage more competition in the market between managing agents.

I want to say that my managing agents have always done a very good job in managing our investment property. I think the majority of managing agents are decent people and do a fine job for property owners and renters. However, there are significant market failures in this area and smart business owners take advantage of those. I think these market failures need to be corrected in the interests of both renters and landlords.

It is very rare that I would agree with the member for Everton, but I agree that the manner in which some political parties target and portray landlords is completely unfair, divisive and inappropriate, and I will declare for the House that I am a landlord. I really do not care what those political parties say about landlords. Like the majority of landlords in Australia, my wife and I have one investment property and we would like to think we are fair and reasonable landlords. We purchased this property as part of our financial plan which aims to look after us into our retirement and it allows us to help our children as they move into adulthood. Like most landlords, we willingly comply with any laws introduced by the government. I will note the really important role that managing agents play in helping landlords to comply with those laws.

I personally would have liked to have seen a policy that Bill Shorten put forward and took to the 2019 election implemented. That was incentivising people who want to invest in property to do so by investing in new housing stock. I think that would have made a real difference. Perhaps that will be reconsidered in future.

The Homes for Queenslanders plan is working to ensure that all Queenslanders have access to high-quality, appropriate housing regardless of whether you live in public housing, own your own home, rent a property or live in specialist accommodation such as manufactured home parks, aged-care facilities or retirement villages. The provisions in this bill will make it cheaper, easier and fairer to rent a house. I commend the bill to the House.