

## Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024

**Submission No:** 103  
**Submitted by:** Tenants Queensland  
**Publication:**  
**Attachments:**  
**Submitter Comments:**



**Submission to the**

**Housing, Big Build & Manufacturing  
Parliamentary Committee**

**on the**

**RESIDENTIAL TENANCIES AND  
ROOMING ACCOMMODATION AND  
OTHER LEGISLATION AMENDMENT  
BILL 2024**

**April 2024**

# Contents

## RESIDENTIAL TENANCIES AND ROOMING ACCOMMODATION AND OTHER LEGISLATION AMENDMENT BILL 2024

1	Introduction .....	2
1.1	About Tenants Queensland .....	2
1.2	About Renting .....	2
2	Response to the Bill.....	2
2.1	Overview .....	2
2.2	Outstanding issues.....	3
2.2.1	Limits to the amount rent can increase .....	3
2.2.2	Ending Evictions with No Grounds .....	4
2.2.3	Energy efficiency minimum standards .....	4
2.3	Contents of the Bill .....	4
2.3.1	Support for the Bill .....	4
2.3.2	Qualified Support for and Concerns with the Bill.....	6
2.4	Conclusion.....	8

# 1 Introduction

## 1.1 About Tenants Queensland

Tenants Queensland (TQ) is a statewide community and legal service providing free tenant advisory services for residential renters. TQ aims to protect and improve the rights of all people who rent their home in Queensland. This includes renters in private rental accommodation or social housing and renters in more marginal tenures such as caravan parks and boarding houses.

TQ is the manager and lead provider of the Queensland Statewide Tenant Advice and Referral Service (QSTARS) program initiated by the Queensland Government in 2015. QSTARS provides quality, free, independent advisory services to tenants across Queensland. Through QSTARS and our Community Legal Centre's Program work, TQ assists renters to understand and exercise their legislative rights and responsibilities, and ultimately, to manage and sustain their tenancies. Our services are directed to those most in need.

TQ operates a range of other projects. Our Domestic and Family Violence Sector Capacity Building Project supports DFV workers when working with clients experiencing renting issues whilst our Financial Counselling Project supports renting households directly.

Since forming in 1986 around the need for the centralised collection of tenant bonds, TQ has been at the forefront of all the State's progressive tenancy law reforms.

TQ operates a statewide network of tenant advisory services and speaks to tens of thousands of renting households every year. Our policy positions are developed by drawing on the knowledge and understanding of the situation for renting households, as well as other research and policy development.

TQ thanks the Housing, Big Build and Manufacturing Committee (the Committee) for the opportunity to comment on these important proposed laws.

## 1.2 About Renting

Eight million Australians, including about 1.8 million Queenslanders, make their homes in the residential rental sector. Just under half of these households include dependent children, with a growing of long-term renters who will rent through their entire life, including into retirement.

Renting is a way of life not a temporary step, meaning that for many people their ability to have a decent home is determined by the conditions in the rental sector.

Currently the rental market is characterised by instability, insecurity, and a lack of adequate protections for renters. Market rents are unaffordable with many renters struggle to secure a new rental property in the fiercely competitive environment.

The Queensland parliament has the opportunity to improve these conditions right now.

# 2 Response to the Bill

## 2.1 Overview

TQ commends the introduction of the *Residential Tenancies and Rooming Accommodation & Other Legislation Bill 2024* (the Bill) into the Parliament and supports the contained changes. These proposals go some way to addressing the issues noted above and will bring relief to renting households across Queensland.

TQ makes particular note of: the options for limiting liability when renters end a lease early; ending rent bidding; the limitations on the collection and retention of personal information; and,

improved privacy for renters experiencing DFV, as changes that will make a real difference to the lives of Queensland renters.

In addition to welcoming the changes, TQ notes some significant gaps in protections which leave renters vulnerable to unaffordable rent increases and the instability and fear arising from a landlord's access to arbitrary eviction.

These issues are expanded below.

## 2.2 Outstanding issues

The proposed changes respond to the changing role of renting as a long term and lifetime tenure. However, three key items will continue to undermine renters' stability, affordability and ontological security if not addressed. TQ implores the Queensland parliament to address them.

We call for the inclusion of the following in the proposed changes.

### 2.2.1 Limits to the amount rent can increase

TQ is calling for a smoothing out of rent increases over time with ***an annual limit to the amount rent can increase, to no more than the Consumer Price Index (CPI)***<sup>1</sup>.

Recent changes that limit the frequency of rent increases and the proposal to apply this to the property rather than the tenancy are welcomed, however, they do not stabilise rents. Rents have continued to rise unabated, driven by demand in a turbulent market.

A lack of rental affordability is impacting increasing numbers of households. Whilst affordability issues are felt most acutely by those on the lowest incomes (due to the loss of affordable stock and the failure for incomes to rise as quickly as rents and other cost of living expenses), large rent increases are impacting a broad range of renters. Issues of affordability appear to be moving upwards from the lowest income renters, impacting those on the next income quintiles.

According to ABS 2020 data over half renters on lower incomes were in housing stress<sup>2</sup>. The May 2023 Corelogic report<sup>3</sup> looking at imputed rents found that renters on medium incomes are handing over nearly one-third of their income for a new lease as rents continue to rise.

In January 2024, [Core Logic reported](#) that almost all the Brisbane and 'rest of the state' markets reported on were at their rental value index peak. Nationally, their median rent value of \$601 (or \$31,252 a year) is a 'series high', aligning with 'annual rent increases of 8.3% nationally'.

Allowing an annual rent increase, but limiting the amount to CPI is fair to both parties. It maintains returns to landlords whilst providing predictability and stability to renting households. This method of stabilising rents, by smoothing increases over time, is not unlike the use of averaged value for the application of land tax for landlords (and used to prevent bill shock). In calculating land tax, the [Queensland Revenue Office](#) states:

"Averaged value

The averaged value of land is:

- the average of the statutory land value for the current and previous 2 financial years
- or

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<sup>1</sup> An exception is where the lessor has improved the amenity of the property (beyond required repairs and maintenance) and successfully takes a claim to QCAT to increase the rent above the CPI. The renter must have the opportunity to respond to the claim. Improving the amenity would include significant renovations etc.

<sup>2</sup> <https://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/2019-20>,

<sup>3</sup> P2 ANZ Corelogic, *Housing Affordability report*, <https://www.corelogic.com.au/news-research/reports/housing-affordability>

- the current year’s statutory land value multiplied by the averaging factor for the year (where the previous 2 statutory land values are not available).”

**TQ calls for a limit to the amount rents can be increased each year, to the Consumer Price Index.**

### **2.2.2 Ending Evictions with No Grounds**

TQ is calling for an end to no ground evictions. This requires **removing the ‘End of a Fixed Term’ as a ground to end a tenancy** because such a notice equates to an eviction without grounds.

Without better protections against no cause evictions, renters cannot assert other rights without fear of reprisal. The availability of the ‘End of a Fixed Term’ notice to leave undermines the security and stability of renting households for fear of an eviction at the end of their fixed term agreement (commonly 6 or 12 months long).

The power imbalance experienced by renters will continue as long as this ground for eviction remains in our tenancy laws. Requiring a valid and just reason for terminating all tenancies protects people from retaliatory and discriminatory evictions. Laws in the Australian Capital Territory (ACT) currently operate in this way and exemplify how such laws operate successfully.

**TQ is calling for the removal of the ‘End of a Fixed Term’ as a ground to end a tenancy.**

### **2.2.3 Energy efficiency minimum standards**

TQ is calling for the inclusion of energy efficiency standards in rental properties.

We must ensure that Queensland’s transition to renewable energy includes everyone, including renters. To achieve this, we need to implement mandatory and enforceable performance-based energy efficiency minimum standards for rental properties in line with the [Community Sector Blueprint: A National Framework for Minimum Energy Efficiency Rental Requirements](#).

We call for inclusion of the following energy efficiency provisions in regulations to effect the following:

- Initially require the energy efficient features of a home to be disclosed at the point of advertisement, and eventually the energy efficiency rating to be disclosed on Entry Condition Reports; and,
- Require lessors to consent to energy performance improvements to the property if there is no cost to them.

**TQ is calling for the inclusion of energy efficiency standards in rental properties.**

## **2.3 Contents of the Bill**

### **2.3.1 Support for the Bill**

As noted above, TQ supports proposals in the Bill. These include but are not limited to the following.

### Establishing a Code of Conduct in the Rental Sector

- Establishing a head of power to prescribe a code of conduct in regulations that would apply to lessors and agents.

### Modifications to premises

- Establishing a head of power to prescribe the safety, security and accessibility changes which can be made by renters.

### Entry and privacy

- Increased notice period for most entries from 24 hours to 48 hours.
- Limiting entries to a maximum of two entries per seven-day period following a Notice to Leave or Notice of Intention to Leave being served.

### Rental applications and privacy of information

- Limiting the type and amount of information requested from prospective tenants and residents.
- Introducing a prescribed rental application form.
- Requirements to provide a choice of two ways to submit a rental application form – one excluding a third-party platform.
- Requiring that renters' personal information is securely stored and disposed of within three months of an unsuccessful application or three years after a tenancy ends.
- Allowing prospective renters to provide identity documents for sighting rather than providing copies to be retained.

### Rental bond process

- Requiring agents and lessors to provide documents substantiating a claim on the bond within 14 days of making the claim.
- Allowing the Residential Tenancies Authority (RTA) to refund bond directly to contributor when a commercial bond product has been used.
- Providing a maximum bond amount which applies to all properties regardless of rental cost.
- Allowing the RTA to pay a rental bond if an application was made to the Queensland Civil and Administrative Tribunal (QCAT) and dismissed at QCAT.
- Requiring a rental bond to be lodged with RTA where rooming accommodation and provider lives on premises with fewer than four rooms available for rent.

### Portable bond scheme

- Establishing a portable bond scheme to be prescribed in regulation so that a disputed rental bond for one tenancy can be used as a rental bond for a different tenancy.

### Rent

- Ensuring renters have fee free option to pay rent.
- Ensuring renters are advised of any financial benefits the property owner or property manager receives from renting being paid in a particular way.
- Banning all forms of rent bidding.
- Limiting rent increases to once per year, applicable to the property and not individual tenancies or residencies.
- Requiring tenancy/ rooming agreements include the date the rent was last increased for the premises.
- Requiring lessors/agent provide evidence of the date of the last rent increase within 14 days of a request by the renter.

#### Re-let costs

- Providing an option for renters when ending a lease early to cap re-let costs according to the amount of time remaining on a lease.

#### DFV

- Clarifying that a renter or occupant experiencing DFV may apply to QCAT for an order to be recognised as the sole tenant/resident if the co-tenant/resident is the person using violence.

#### Property Management

- Establishing a continuing professional development program for property managers.

### **2.3.2 Qualified Support for and Concerns with the Bill**

TQ has qualifications regarding support for, or concerns with, parts of the Bill. These are set out here.

#### Clause 12 – Exempt Lessors

Whilst TQ generally agrees with the definition and subsequent exclusions for ‘Exempt Lessors’, where a renter – tenant or resident – is paying a market rent, the exclusion should not apply.

#### Clause 15 & Clause 16 – Exempt Lessors

People renting in social housing who are on market rent should share the same protections as others in the private market, restricting their rent increases to once per annum.

Therefore, to the amendment of s93(5) & s93B(5), add to a) so it reads ‘to an exempt lessor or an agent of an exempt lessor “unless that tenant is paying market rent”’.

Proposed amendments to ss93B & 105E apply the term ‘undue hardship’ to allow lessor/provider to apply to Tribunal for an order allowing a greater frequency for increasing the rent due to ‘undue hardship’. The scope of the formulation ‘undue hardship’ is not clear on the face of the provisions but seems to be distinguishable from ‘excessive hardship’. The policy intent should be clarified (and kept narrow) by exemplifying it within the provision.

#### Clause 27 & Clause 33 – Safety security and accessibility fixtures

TQ strongly supports these proposals but call for the timely establishment of the regulations that effect this change. We call for these regulations to be operational before the end of the year.

#### Clause 35 & Clause 41 – termination of Community Titles Scheme

If fixed term tenancy and residency agreements are allowed to be terminate due to the termination of a community titles scheme, TQ considers that a longer timeframe is required. This should be six months.

#### Clause 45 - Code of Conduct

TQ strongly supports the proposal for a rental market code of conduct. However, there should be a timeframe for the establishment of the regulations prescribing and effecting the code. The Code should take effect before the end of the year.

Additionally, TQ also strongly opposes the application of the code to the behaviour of consumers i.e. tenants and residents, as per proposed s519A(3).

Codes of conduct are used to regulate industry conduct, as the government’s own business website states.



*“industry codes of conduct outline the industry standard behaviours that businesses in that industry should display”* <https://business.gov.au/legal/fair-trading/codes-of-conduct>

Such codes typically set out expectations, rules and sanctions to improve industry standards and support legislative requirements. If the code was to apply to renters, it would be the only example of professional regulation/consumer protection regulation that attaches penalties onto the consumer.

Conduct provisions should only apply to tenancy managers and lessors. The ultimate sanction for residents and tenants is eviction.

#### Clause 52 and Clause 53 – how rent is to be paid

The new sections 83(2), 84A(2), 98(2) & 99A(2) should include another subsection (iii) which says and does not require the tenant contract with a third party.

S84B – needs to remove (2)(a) – tenants should be made aware of the costs, there should not be a test of reasonableness for the requirement to apply.

S99B – needs to remove (2)(b) as above.

#### Clause 54 – Evidence of bond claims

TQ supports this change however, where disputes cannot be resolved prior, the law should require that an application to QCAT for a bond dispute must be made by the lessor, agent or provider (not the tenant/s or resident/s) within the prescribed time frame. If this does not occur, the bond should be returned to its owner (the tenant/s or resident/s).

The bond belongs to the tenant or resident. They should not be required to be the applicant in a matter to claim their own bond back, particularly because they may not know the details of the claim until the day of the hearing. Despite new rules which would require them to provide evidence of the claim, lessors, agents and providers may choose not to engage in dispute resolution, or the claims by lessors, agents and providers may change between dispute resolution and QCAT. In addition, QCAT applications are costly.

Clause 56 & Clause 57 (& 58 for moveable dwellings and 59 Rooming) – service charges and water invoices within timeframes.

TQ supports this however considers the option in the consultation paper that removes the requirement for tenants to pay water consumption charges (unless their use is unreasonable) is a better option.

#### Clause 64- approval to attach fixtures and structural changes & Clause 67 for residents

New sections 207 and 208 add very little, if anything, to the current requirements and impose long timeframes on what already exists. The 28-day timeframe is inappropriate for simple requests, for example to modify window coverings. The process allows parties to agree to a longer timeframe, so the default timeframe should be 14 days.

In particular, the timeframe for responding to requests under the new s207 is too long. The lessor should be required to decide within 14 days because the request then has to proceed to the Body Corporate, which has no timeframe within which it has to respond.

New s208 brings no real change for tenants wanting to personalise their property. There is no deemed approval mechanism, and lessor retains discretion to refuse the request. This section needs to be improved.

#### Clauses 72 and 73 (Reletting costs)

Currently, sections 357A and 396A (which deal with terms of residential tenancy and rooming accommodation agreements that allow the lessor/provider to recover reletting costs) permit a term to allow recovery of reasonable costs if a tenant/resident ends the agreement **other than in a way permitted by the Act**.

The amended provisions have changed the wording, removing '**other than in a way permitted by the Act**' - see s357A (1)(b) and s396A(1)(b).

There appears to be a drafting error and may permit terms about reletting costs that would apply even where a tenant/resident has vacated without breaking the lease.

TQ recommends amending s357A(1) (b) to read:

*“the tenant is made liable under the term only if the tenant proposes to terminate the agreement other than in a way permitted by the Act and hands over vacant possession and of the premises”.*

TQ recommends amending s396A(1)(b) to read:

*“the resident is made liable under the term only if the resident proposes to terminate the agreement other than in a way permitted by the Act and leaves the rental premises”*

## **2.4 Conclusion**

TQ thanks the Committee for the opportunity to respond to this important Bill.