

9 April 2024

Committee Secretary Housing, Big Build, and Manufacturing Committee Parliament House George Street Brisbane QLD 4000

By email: hbbmc@parliament.qld.gov.au

**Dear Committee Members** 

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

Thank you for the opportunity to provide feedback in relation to the above.

## About QCOSS

Queensland Council of Social Service (QCOSS) is the peak body for the social service sector in Queensland. Our vision is to achieve equality, opportunity, and wellbeing for all Queenslanders.

In March 2023, QCOSS, Tenants Queensland and The Services Union, along with the <u>Town of</u> <u>Nowhere</u> campaign partners commissioned the report '<u>A blueprint to tackle Queensland's housing</u> <u>crisis</u>' (The Pawson Report), which clearly outlines the unprecedented housing crisis in Queensland.<sup>1</sup>

## QCOSS' position

QCOSS welcomes the opportunity to provide feedback on the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024 (the Bill).<sup>2</sup>

Queensland's current housing crisis has laid bare the vulnerabilities that exist in the rental system. Rental law reform is an important part of the solution to provide housing in Queensland that is safe, secure, affordable, and appropriate for people's needs.<sup>3</sup>

QCOSS supports the rental reform and continuing professional development (CPD) measures in the Bill. QCOSS supports these measures as they will strengthen rental law to provide greater protections and a fairer rental system for Queensland renters. However, the reforms should go further to improve housing security and affordability. The following additional measures should be added to the Bill:

- limit the amount rent can be increased by
- end no grounds evictions at the end of fixed term leases



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<sup>&</sup>lt;sup>1</sup> Pawson H, Clarke A, Moore J, van den Nouwelant R, and Ng M. 2023. A blueprint to tackle Queensland's housing crisis. Queensland Council of Social Service. 4 April 2024. <u>https://www.qcoss.org.au/wpcontent/uploads/2023/03/Hal-Pawson-Report-2023-Final.pdf</u>

<sup>&</sup>lt;sup>2</sup> Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024. Queensland. 4 April 2024. <u>https://documents.parliament.qld.gov.au/tp/2024/5724T423-45F0.pdf</u>

<sup>&</sup>lt;sup>3</sup> Pawson H, Clarke A, Moore J, van den Nouwelant R, and Ng M. 2023. p. 94-95.

• implement minimum energy efficiency standards.

This submission does not address measures in the Bill that relate to the local government employee superannuation scheme, and *Body Corporate and Community Management Act 1997* technical and procedural changes.

Detailed information about the measures QCOSS supports and recommended additional measures are provided below.

#### Queensland's housing crisis

The full extent and human impact of the housing crisis must remain front of mind as rental law changes are implemented. More than 30 per cent of Queensland households are renters,<sup>4</sup> and The Pawson Report found over 150,000 households in Queensland are experiencing housing stress.<sup>5</sup>

Rapidly rising rents have significantly damaged housing affordability.<sup>6</sup> Current rental data confirms rent increased more than 45 per cent in Queensland in the four years to December 2023,<sup>7</sup> and as of December 2023 vacancy rates for rentals remain extremely low at just 0.9 per cent on average across Queensland.<sup>8</sup>

The 2023 <u>Living Affordability in Queensland</u> report (the Report) found that housing was people's top cost of living priority, and housing costs were the highest expenditure for households.<sup>9</sup> The impact of the housing crisis is most impactfully described by people and families experiencing the crisis:

- "It makes life hard, renters are worried about losing a place to live or not being able to afford it."
- "It's just unbelievable how things have gotten so out of control so quickly. The government isn't helping us and the cost of housing is even more unbelievable. There's so many people who are homeless or can't afford food because housing is so expensive."
- "It's not fair, when you work hard at your full-time job, pay taxes and you can hardly afford to live as a single person, so I am still reliant on my mum for a place to live at 30 years of age."
- "It is very sad. There will be more and more people homeless and the generation after us will suffer."
- "I think more and more people are becoming homeless because of the cost of living. People are unable to live week to week when it's becoming more expensive every day. Prices are continuing to go up. Wages are not. Pay gaps between men and women are not. People cannot save anymore. More and more friends becoming suicidal from pressures."<sup>10</sup>

The extent of the crisis is also reflected in feedback from QCOSS members. Our frontline services are witnessing distressing levels of housing need and the human impacts of the same.<sup>11</sup> Member organisations provide insight into the housing crisis from the perspective of workers in Queensland's community service sector:

• "I've been doing this sort of work for about 18 years now, and this is the hardest I've

<sup>&</sup>lt;sup>4</sup> Australian Bureau of Statistics. *Queensland – 2021 Census All persons QuickStats.* 4 April 2024. <u>https://www.abs.gov.au/census/find-census-data/quickstats/2021/3</u>

<sup>&</sup>lt;sup>5</sup> Pawson H, Clarke A, Moore J, van den Nouwelant R, and Ng M. 2023. p. 66-73.

<sup>&</sup>lt;sup>6</sup> Ibid. p. 33

<sup>&</sup>lt;sup>7</sup> Residential Tenancy Authority. 2 January 2024. *Median rents quarterly data*. Queensland Government. 4 April 2024. <u>https://www.rta.qld.gov.au/forms-resources/median-rents-quick-finder/median-rents-quarterly-data</u>

<sup>&</sup>lt;sup>8</sup> REIQ. 18 January 2024. Queensland's vacancy rates barely budge over 2023. 4 April 2024. https://www.reiq.com/resources/media-releases/queensland-vacancy-rates-barely-budge-over-2023

 <sup>&</sup>lt;sup>9</sup> Queensland Council of Social Service. 2024. *Living Affordability in Queensland 2023*. 4 April 2024. p. 26 <u>https://www.qcoss.org.au/wp-content/uploads/2024/01/Report\_Living-Affordability-in-Qld-2023\_web.pdf</u>
<sup>10</sup> High Parage

<sup>&</sup>lt;sup>10</sup> Ibid. p.27-28

<sup>&</sup>lt;sup>11</sup> Queensland Council of Social Service. 2023. *State of the Sector Report 2023.* 4 April 2024. <u>https://www.qcoss.org.au/publication/report-state-of-the-sector-2022/</u>

ever seen it... we used to get people walking out of here and we'd help them get a lease in place. That's really hard to do now."

• "The growing cost of living, limited rental properties and the increasing cost of rentals

has developed a whole new cohort of homelessness with families and employed people not being able to find housing as well as the unemployed. This in turn affects business as there are less employees available for work as they have nowhere to live..."

- "The pressure on people to access or maintain affordable housing is impacting on all other areas of people's lives. Housing instability has increased mental health presentations, [DFV], financial distress, [and the] inability to afford basic needs such as medications, food, [and] transport."
- "The cost of housing plays a major part in young people moving forward, especially those who are on Centrelink. They don't get a look in when applying for private rentals."
- "[the housing crisis] is impacting my staff. I've got staff that have struggled with homelessness. They've been in long term tenancies, had to leave, couldn't get accommodation, so they had to live with family or in temporary accommodation until they could find something. So that's continuing to impact on people who have secure jobs."
- "Service providers in the disability field are finding it increasingly difficult to find suitable housing for people with disability."
- "We have an increased number of people who are over the age of 50, married, with retirement funds, that are facing homelessness. People who have gone into rent arrears because their rent has increased... Our demographic has changed to include a lot of people who should be well into their silver years and happily retiring."
- "The housing crisis is extreme, and older women are experiencing this in greater numbers than ever before."<sup>12</sup>

The current housing crisis demonstrates the vulnerability of renters in an insufficiently regulated rental system. Secure, affordable, and appropriate housing is essential for the wellbeing and dignity of people and families.<sup>13</sup> Strengthening regulation of the private rental market is an important policy mechanism to address the housing crisis, and to establish adequate and balanced protections for the rights of renters and property owners.<sup>14</sup>

# Rental law and CPD reform measures in the Bill

The rental reform and CPD measures have been described by the Queensland Government as being designed to:

- strengthen renter rights
- provide better pathways to resolve issues in tenancies
- improve stabilisation of rents in the private rental market, and
- increase skills of property agents on an on-going basis.<sup>15</sup>

<sup>&</sup>lt;sup>12</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> United Nations. The human right to adequate housing. Special Rapporteur on the right to adequate housing. 4 April 2024. <u>https://www.ohchr.org/en/special-procedures/sr-housing/human-right-adequate-housing</u>

<sup>&</sup>lt;sup>14</sup> Pawson H, Clarke A, Moore J, van den Nouwelant R, and Ng M. 2023.p.87

<sup>&</sup>lt;sup>15</sup> Queensland, Housing, Tuesday, 2 April 2024. Transcript of Proceedings Big Build and Manufacturing Committee, Public Briefing – Inquiry into the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024. 4 April 2024. <u>https://documents.parliament.qld.gov.au/com/HBBMC-C4A9/RTRAOLAB20-6BC8/Proof%20-%20Public%20Briefing,%2002%20April%202024.pdf</u>

QCOSS supports all rental reform and CPD measures in the Bill. Implementing new rental law and CPD measures to strengthen renters' rights is a significant step toward a stable and fairer private rental market that can improve the housing system in Queensland.<sup>16</sup>

QCOSS supports all measures detailed in the Bill's 2024 Explanatory Notes as measures that:

- strengthen the rules and making the expectations of all parties in the rental sector clearer
- improve the process for renters and property owners to agree to changes to the rental property
- better balance renters' right to privacy and property owners' need for access
- improve the rental bond process
- ease cost of living pressures experienced by many renters through making fees and charges fairer
- help to stabilise the private rental market
- advance Queensland's commitments under National Cabinet's 'A Better Deal for Renters'
- make other improvements.<sup>17</sup>

In addition, QCOSS's view is that human rights impact for both renters and property owners were comprehensively considered in the Bill's Statement of Capability (the Statement).<sup>18</sup> The Statement documented clear and detailed analysis of human rights limitations to determine if all measures were reasonable and demonstrably justifiable under the *Human Rights Act 2019*,<sup>19</sup> including considerations relating to the right to a life with dignity; right to freedom to choose where to live; property rights; right to privacy, family and home; and the right to security of the person.

This re-balancing of rights and obligations between renters and property owners will contribute to enhancing housing system diversity and choice in Queensland.<sup>20</sup>

Recommendation 1: Implement the rental reform and CPD measures in the Bill.

#### Additional measures to add to the Bill

Additional measures must be added to the Bill to address factors that are contributing to housing insecurity, and rapidly rising unaffordable rental costs that are causing increased cost of living stress for Queenslanders.<sup>21</sup>

#### Limit rent increase amounts

The Queensland Government must limit rent increases by an amount calculated in reference to the Consumer Price Index and include mechanisms to effectively limit increases to improve rental security and affordability. For consideration in the application of a similar approach for rental laws, we draw particular attention to the approach adopted in the Australian Capital Territory in relation to rent increases.<sup>22</sup>

<sup>&</sup>lt;sup>16</sup> Pawson H, Clarke A, Moore J, van den Nouwelant R, and Ng M. 2023. p. 94-95

<sup>&</sup>lt;sup>17</sup> Department of Housing, Local Government, Planning and Public Works. 2024. Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024 Explanatory Notes. 4 April 2024. https://documents.parliament.gld.gov.au/tp/2024/5724T424-9531.pdf

<sup>&</sup>lt;sup>18</sup> Department of Housing, Local Government. Planning and Public Works. 2024. *Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024 Statement of Compatibility*. Queensland Government. 4 April 2024. <u>https://documents.parliament.qld.gov.au/tp/2024/5724T425-CB5D.pdf</u>

<sup>&</sup>lt;sup>19</sup> Human Rights Act 2019. (QLD). 4 April 2024. <u>https://www.legislation.qld.gov.au/view/pdf/inforce/current/act-2019-005</u>

<sup>&</sup>lt;sup>20</sup> Pawson H, Clarke A, Moore J, van den Nouwelant R, and Ng M. 2023. p. 87

<sup>&</sup>lt;sup>21</sup> Queensland Council of Social Service. 2024. Living Affordability in Queensland 2u023. 4 April 2024. p. 26 https://www.gcoss.org.au/wp-content/uploads/2024/01/Report\_Living-Affordability-in-Qld-2023\_web.pdf

Residential Tenancies Act 1997 (ACT) ss 64A – 70; Residential Tenancies Regulation 1998 (ACT) s 5A. https://www.legislation.act.gov.au/a/1997-84/

Introducing a mechanism to limit the rent increase amount would also be consistent with rent limits in the Manufactured Homes (Residential Parks) Amendment Bill 2024,<sup>23</sup> that 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."<sup>24</sup> Similar protections must be provided to renters to provide increased housing security and affordability.

**Recommendation 2:** A rental reform measure must be added to the Bill to limit rent increases to an amount calculated in reference to the Consumer Price Index and mechanisms to effectively limit increases must also be incorporated.

#### Ending no grounds evictions

The Queensland Stage 1 Rental Law Reform process included intentions to end "without grounds evictions."<sup>11</sup> QCOSS welcomed the end of "without grounds evictions" that were proposed by the Queensland Government. However, during the Stage 1 legislative reform process, "the end of a fixed term tenancy" was added to the Act as a valid circumstance under which a tenant could be sent a Notice to Leave by a lessor.<sup>12</sup> Effectively, this means tenants can still be evicted without grounds.

QCOSS recommends ending without grounds evictions at the end of fixed term agreements to increase housing security for renters and to balance renter and property owner rights more appropriately.

**Recommendation 3:** A rental reform measure must be added to the Bill to end without grounds evictions, including no grounds evictions at the end of a fixed term agreement.

#### Strengthen energy efficiency minimum standards

Energy efficiency minimum standards must be developed and implemented. We draw particular attention to the *Community Sector Blueprint: A National Framework for Minimum Energy Efficiency Rental Requirements.*<sup>25</sup> This blueprint outlines key characteristics that should be present in the forthcoming National Framework for Minimum Energy Efficiency Rental Requirements.

Energy efficiency measures will assist renters in managing their energy bills, and will 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, which does not leave anyone behind.

QCOSS recommends establishing a head of power, as has been proposed to develop a new Code of Conduct, to allow new energy efficiency minimum standards to be developed and implemented.

#### Recommendation 4: Implement minimum energy efficiency standards

The Bill should be amended to establish a head of power to facilitate new minimum energy efficiency standards to be developed and implemented.

<sup>&</sup>lt;sup>23</sup> Manufactured Homes (Residential Parks) Amendment Bill 2024. (QLD). 4 April 2024. https://documents.parliament.gld.gov.au/tp/2024/5724T427-9332.pdf

<sup>&</sup>lt;sup>24</sup> Department of Housing, Local Government, Planning and Public Works. 2024. Manufactured Homes (Residential Parks) Amendment Bill 2024 Explanatory Notes (QLD). 4 April 2024. p.1 https://documents.parliament.gld.gov.au/tp/2024/5724T427-9332.pdf

<sup>&</sup>lt;sup>25</sup> Healthy Homes for Renters. November 2022. <u>Community Sector Blueprint: a National Framework for Minimum Energy Efficiency Rental Requirements</u>. 4 April 2024. <u>https://www.healthyhomes.org.au/news/community-sector-blueprint</u>

#### **Co-design reforms**

Co-design is a design method that includes people who use systems and services directly in the design process to ensure that changes to systems and services meet people's needs.<sup>26</sup>

Including people who use systems and services in the process of designing them is a proven approach for developing person-centred systems and processes that more effectively meet people's needs.<sup>27</sup>

Regulatory reforms proposed in the Bill that require further design, such as a Code of Conduct and framework for modifications, must be co-designed with renters to ensure that the changes are designed with people who use them.

**Recommendation 5:** Regulatory reforms that require further design, including the Code of Conduct and a framework for modifications, must be co-designed with renters.

#### Conclusion

Over 150,000 Queensland households currently experience an unmet need for affordable housing.<sup>28</sup> Inadequate supply of housing has exposed the need to better regulate the rental system in Queensland. Without government intervention, the cost of renting will continue to increase, and many Queenslanders will not have access to affordable, secure, and appropriate housing.

QCOSS supports the rental reform and CPD measures in the Bill. However, further reform measures are required to make the rental system fair, including limiting rent increase amounts, preventing no grounds evictions at the end of fixed term leases, and introducing minimum energy efficiency standards.

Thank you again for the opportunity to consult on the Bill. If you have any questions, please contact Aimee McVeigh, Chief Executive Officer at <u>aimee@qcoss.org.au</u>.

Yours sincerely

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<sup>&</sup>lt;sup>26</sup> New South Wales Council of Social Service. 2017. Principles of Co-Design. 4 April 2024. https://www.ncoss.org.au/wp-content/uploads/2017/06/Codesign-principles.pdf

<sup>&</sup>lt;sup>27</sup> Clarke, M., & Healy, J. 2018. Complex Systems Change Starts with Those Who Use the Systems. Stanford Social Innovation Review.4 April 2024. <u>https://doi.org/10.48558/T6YN-1X24</u>

<sup>&</sup>lt;sup>28</sup> Pawson H, Clarke A, Moore J, van den Nouwelant R, and Ng M. 2023. p. 66-73.