

QCOSS Position Statement on Renting

Our position

Queensland Council of Social Service (QCOSS) believes that everyone has a fundamental right to housing. Yet not all Queensland renters have access to stable, affordable and accessible rental housing.

- Housing is more than physical shelter, it allows for safety, security, privacy, identity and social inclusion. Access to affordable housing, including rental accommodation, is a foundation on which Queenslanders can build stable, socially engaged and productive lives.
- The power imbalance in the rental market, that favours landlords, can prevent tenants from asking for what they need because of fear of excessive rent increases or being evicted without grounds.
- Housing must be prioritised as a home, over being a speculative investment. A rental property needs to be considered as an occupant's home first, before it is an investment asset.
- Stable rental housing benefits all participants including landlords, property managers and tenants. Stable tenancies positively influence the welfare of households, including health and wellbeing, education, employment, economic and social participation outcomes.

Recommended actions

- **Make rental properties a home** by improving privacy (longer notice times), more secure tenure, (preventing evictions without reasonable grounds), minimum property standards (including energy efficiency and accessibility) and permitting pets and minor tenant modifications.
- **Make renting fair** by improving legal protections, including fairer tenancy agreements and fairer processes (for example, improving urgency and response times by the Tribunal).
- **Make renting affordable** by capping rental increases, promptly returning bonds (unless there is a substantiated claim) and enforcing timely and consistent passing on of water bills.
- **Ensure tenant access, engagement and advocacy.** Ensure use of interpreter services. Implement tenant participation initiatives including policy co-design, using community development and public participation principles to engage and empower tenants. Ensure ongoing funding of QSTARS.

QCOSS housing framework

These changes sit within the QCOSS housing framework which is a holistic, integrated and comprehensive response to declining housing stability and affordability (see '*QCOSS Position Statement on Housing*'). Some of these domains have a direct impact on rental; affordability and accessibility, such as reform tax incentives, increasing incomes, reforming social housing and implementing inclusive design.

1. **Establish housing leadership** – All levels of government take joint ministerial-level responsibility for a national strategy, funding agreement, independent research and supply body to deliver integrated, evidence-based policy responses, implementing all domains in this framework.
2. **Reform tax incentives** – Progressively limit investment tax incentives, (including negative gearing and CGT discounts), and divert savings to the supply of social and affordable housing. Transition stamp duty to a land tax, end first home buyer schemes, and implement betterment taxes.
3. **Increase incomes** – Implement policies that increase employment and wages. Increase income support including increasing Newstart and CRA for low income households.
4. **Reform and invest in social / affordable housing** – adequately fund social and affordable housing. Relaunch an improved affordable housing investment subsidy to focus on new dwellings. Support community housing financial and social sustainability, investigate stock transfers, simplified administration, subsidies and diverse tenant allocations. Implement targeted shared equity schemes.
5. **Improve land planning** – place-based planning for adequate infrastructure, transport, access to economic and social opportunities and climate change adaptation. Implement inclusionary zoning.
6. **Empower renters** - Address the power imbalance between landlords and tenants by improving legal protections for tenants including the prompt return of bonds, more secure tenure, removing eviction without reasonable grounds, implementing minimum standards and capping rent increases. Fund advocacy services and tenant participation initiatives.
7. **Reform homelessness programs** - Properly fund homelessness services, transition to 'Housing First' rapid re-housing in long term housing with wrap around support services to sustain tenancies.
8. **Implement inclusive design and supply** - Implement secure, indexed funding for disability housing, remote housing, DFV shelters, mental health and other supported and emergency

accommodation. Improve indigenous housing outcomes by addressing discrimination, overcrowding, and culturally inappropriate design. Support accessible housing through universal design, independence and fit out. Implement inclusive housing solutions for seniors, youth, migrants and refugees. Reform regulation to facilitate diverse, alternative, community-based housing solutions.

Rationale

One third of Queensland households currently rent and this is increasing, with the private rental market being an ongoing, if not permanent, option for many people on low incomes. (Parkinson, et al, 2018). The Residential Tenancies and Rooming Accommodation (RTRA) Act 2008 does not adequately protect tenants in the Queensland private rental market. It is based on a power imbalance that favours landlords. This leads to insecure tenure, unstable and unfair tenancies, and inconsistent and inadequate maintenance and property standards. This is in the context of the wider pressures on housing stability and affordability.

Access to stable, affordable and accessible rental housing is under significant, sustained pressure

- **Changing housing demand and supply** – Population growth is not the only contributor to overall housing demand. Relationship breakdown, domestic and family violence, and an ageing population all contribute to a significant increase in single person households, and demand for differently configured rental stock. Short-term letting platforms like Airbnb benefit current home-owners and disadvantage prospective owner-occupiers and tenants (Crommelin, 2018).
- **Widespread housing stress** – Defined as those on low incomes (bottom 40%) spending more than 30 per cent of their income on housing. Across Australia there are only three properties that are affordable for a single person on Newstart. Only households with at least two minimum wages can afford to rent from the Brisbane private rental market without being in housing stress. Housing stress along with other cost of living pressures leads to sacrificing other basic living needs to pay the rent – things like eating enough, using public transport, heating or cooling their home. (Anglicare, 2018).
- **Long social housing waitlists of mostly high needs applicants** – The Queensland social housing register indicates there were 29,636 people on the waitlist as at June 2017 (DHPW, 2017a). The current average waiting time is 7 months for Queensland government-owned and managed social rental housing for clients in very high or high need (DHPW, 2018). Those waiting or unable to get social housing add to the demand for private rentals. Social housing tenants are often given a limited number of offers and if declined, risk losing their place on the waitlist.
- **Insecure rental tenure** – Queensland does not have best practice tenancy laws. The best approach to assuring tenants' security is to allow landlords to terminate on prescribed grounds only. Australia is one of the few countries with regulated tenancies that allow eviction without grounds. Enabling security of tenure also involves regulating rents, which cannot be done effectively if tenancies can be readily terminated. (Martin, Hulse, et al, 2018).

These points are connected and have a flow-on affect throughout the housing system. Generous investment tax breaks contribute to escalating house prices that pushes people out of the housing purchase market, and so increases pressure on private rentals. The lack of affordable private rentals contributes to longer social housing waitlists, which are also impacted by insufficient funding and supply of social housing. Longer social housing waitlists contributes both to increased homelessness, and to a concentration of high needs tenancy allocations in social housing, which can negatively impact on individual and social wellbeing, increasing demand for needed support services.

Affordable rental housing delivers benefits across all the domains of wellbeing. (Frontier Economics, 2014).

- **Affordable living** - affordable housing improves employability for new tenants.
- **Family and connectedness** - affordable housing improves social participation and child development following home improvements, as well as increased feelings of safety.
- **Lifelong learning** - overcrowding negatively impacts on educational outcomes for children, for example from the negative impacts on health or by reducing the support available from parents.
- **Health** - improved housing reduces problems with self-care, anxiety and depression. Raising the quality of the home (eg. improved heating; reduced damp and mould), results in fewer doctor's visits.
- **Safety** - decent housing can help crime prevention, especially for young homeless people.

Detailed recommendations to empower renters

QCOSS recommends that the Queensland government implement the following reforms and negotiate with other State and Territory governments towards nationally consistent tenancy standards.

Make rental properties a home

Improve privacy – give fair warning of entry

Currently: Many types of Entry Notice only provide 24 hours' notice. With such short notice, often tenants are unaware an entry is happening until it occurred. *Change:* When landlord-initiated entry is done by serving a notice, tenants' privacy should be better respected by increasing all 24-hour notice times to 48 hours.

More secure tenure – remove evictions without reasonable grounds

Currently: Renters can be asked to leave without being given any reason. *Change:* Renters should have the right to stay in their home if they have complied with their lease. The ability to evict without reasonable grounds must be removed from the tenancy law. Reasonable grounds would include when the landlord or their immediate family wish to move into the property or if the premises was uninhabitable (eg. due to significant repair, renovation or for a change of use). Penalties should apply for the eviction without reasonable grounds. Requiring reasonable grounds for eviction is more flexible than longer leases and must be implemented with rent controls to be effective.

Ensure minimum property standards – include accessibility, energy and water efficiency

Currently: The RTRA Act provides that the premises are 'fit for the tenant to live in', but this is not defined. *Change:* Minimum standards must be defined and enforced with third party inspections. These include privacy, security, accessibility (ANUHD, 2018; QDN, 2017), sanitation, drainage, ventilation, water and energy supply, facilities and storage. There must be minimum standards for key energy efficiency features such as insulation, window coverings, efficient cooking, heating and cooling appliances (QCOSS, 2018b).

Permit pets – allow tenants to have pets in rental properties

Currently: Many people who rent their home are not allowed to keep them. The Animal Welfare League says about 25% of animals surrendered to them last year was because of inability to find pet friendly homes. The Residential Tenancies Authority say only 10% of rental properties in Queensland allow pets. Like home owners, tenants must comply with local government regulations about the keeping of pets, and they are required to repair any damage at the end of their tenancy. *Change:* Having pets increases people's health, happiness and resilience. Tenants should have the right to keep their pets, unless the landlord demonstrates a good reason why they should not be permitted.

Permit minor modifications – allow small property changes

Currently: Many renting households have unreasonable restrictions placed on them regarding putting up pictures and making minor modifications. *Change:* Tenants should be permitted to make minor modifications, which they either return to condition at the end of the lease or leave (in negotiation with the landlord) because it is an improvement. Tenants would inform landlords of intended minor modifications and the onus would be on the landlord to dispute them if they have reasonable grounds to do so.

Make renting fair

Improve tenancy processes and transparency – fairer dispute resolution and full disclosure

Currently: Australian Consumer Law prohibits misleading or deceptive behaviour but avenues for resolving tenancy disputes are not readily accessible to tenants. Tenants cannot always rely on full disclosure of clear, honest and understandable information that might affect a tenancy. *Change:* Tenants should have access to an improved tenancy dispute process which ensures that landlords act in a fair and reasonable way. Place a duty on the landlord to disclose information that might affect a tenancy before entering into agreement, to minimise the need to access dispute resolution. This would include additional provisions which allow tenants to terminate or renegotiate rent in cases of material misrepresentation. The Tribunal must have faster response times.

Better regulated databases – move tenancy databases under RTA

Currently: Tenancy 'blacklist' databases infringe on tenants' right to privacy and can discriminate against tenants applying for private rental properties. In some cases, tenants have no knowledge of how they ended up on a database. These are not balanced by any equivalent landlord database. Despite reforms to regulate

databases, such as a three-year limit, these databases are still operated by the private real estate sector. This is a conflict of interest. *Change:* Private tenancy databases should be banned and rental databases (for tenants or landlords) should only administered by a government agency, if at all.

Make renting affordable

Enforce rent controls – limit rental increase amounts and frequency

Currently: Unreasonable rent increases can force tenants to vacate without grounds. Rents can currently be increased every six months. If a tenant believes that the increase is unreasonable, they must research market data to dispute the increase, information that is not as readily accessible to tenants as it is to landlords and property managers. *Change:* Protection from unreasonable rent increases is needed to ensure they are not used as a mechanism to unreasonably end tenancies (in the environment where eviction without grounds is unlawful), and to avoid exploitative price gouging. Rent increases should be limited to once annually; and any increases of more than 20% above CPI must be justified by the landlord in the Tribunal.

Prompt return of bonds – return bonds to tenants unless there is a substantiated claim

Currently: A tenancy bond is the tenant's money held in trust in case there is damage or loss of rent at the end of a tenancy. Tenants can be left arguing their innocence rather than the landlord giving evidence of their claims. *Change:* Ensure a presumption of 'no fault', where tenants' bond money is automatically returned to them (or their next property), unless there is a substantiated claim. If a bond claim ends up in the Tribunal, the onus should be on the agent or landlord to provide evidence to make a claim against it.

Prompt water bills – enforce timely and consistent passing on of water bills

Currently: Landlords may pass on the cost of water usage (excluding fixed water charges) by tenants if certain conditions are met, (i.e. if there is an individual water meter, and the lease agreement confirms the requirement). In addition, if the premise is water efficient then the landlord can pass on all the water usage charges. If the premise is not water efficient, then the landlord can only pass on charges which relate to an amount above what is considered a "reasonable" amount of usage. Unlike energy, water bills are sent to landlords (rather than tenants), and there is no current standard for complete or timely water bills being sent to tenants. *Change:* When tenants are charged for water, a complete copy of the original bill should be forwarded without delay (no longer than one month after issue), so it does not build up over time, and so concealed leaks can be picked up early to prevent bill shock. A defined formula for calculating what is 'reasonable' water usage must also be specified and applied.

Ensure tenant access, engagement and advocacy

Ensure agents use appropriate interpreter services – for access and to reduce discrimination

Currently: Consumer protection law requires real estate agents to ensure tenants understand the details of any transactions. The Residential Tenancies Authority (RTA) publishes a 'Pocket guide for tenants - houses and units' in eight languages including English, which is required to be given to tenants prior to renting a property. The federal government funds a free Translating and Interpreting Service (TIS) for Real Estate Agencies, however these are not widely used. *Change:* Ensure that real estate agents use appropriate translating and interpreting services to facilitate access and minimise discrimination.

Implement effective tenant participation – help sustain tenancies and support communities

Currently: Harsh, punitive approaches to so-called 'anti-social behaviour' such as 'three strikes' policies do nothing to sustain tenancies or support communities (Jones, et al, 2015). The Queensland government committed to tenant engagement programs for public housing in the Queensland Housing Strategy. *Change:* Implement place-based tenant participation initiatives based on community development and public participation principles, to engage and empower tenants in social housing (public and community), as well as tenancies in mixed tenure developments. These may vary with local community context, but can include: newsletters, websites, information sheets, education campaigns, surveys, focus groups, social clubs and outings, tenant committees, tenant-led initiatives, social enterprises, housing co-ops and policy co-design.

Adequately fund tenant advocacy – ensure tenants are informed, supported and represented

Currently: The Queensland government has re-funded the Tenant Advice and Referral Service (QSTARS). *Change:* Effective tenant advocacy helps sustain tenancies and contributes to inclusive communities. Continue to maintain funding to QSTARS beyond the current five-year period ending in 2023.

The combined outcome of these reforms should be safe, secure, accessible rental properties, with fairer and sustained tenancies and empowered tenants.

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