

29 May 2023

Renting in Queensland  
Housing and Homelessness Services  
Department of Communities, Housing and Digital Economy  
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Dear Colleagues

### **Stage 2 Rental Law Reform Options Paper ('the Options Paper')**

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

#### **About QCOSS**

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

QCOSS is a member of the [Make Renting Fair in Queensland](#) alliance.

#### **QCOSS' position**

QCOSS welcomes the commencement of the Stage 2 Rental Law Reform process. Queensland's current housing crisis has laid bare the vulnerabilities that exist in the rental market.

We welcome many of the proposals aimed towards enhancing tenants' rights included in the Stage 2 Rental Law Reform Options Paper (the "Options Paper"). This includes proposals in relation to installing modifications, making minor personalisation changes, balancing privacy and access, improving the rental bond process, and fairer fees and charges ("Options Paper Themes").

However, our view is the reforms should go further and include:

- restricting rent increases to fair and predictable limits
- removing Notices to Leave due to the end of a fixed term tenancy
- implementing minimum standards in relation to energy efficiency.

In the development of this submission, we have consulted closely with key QCOSS members and partners. The guidance, support and feedback we have received from Tenants Queensland, in particular, has been substantial. In the lead up to the consultation submission deadline, we have worked with Tenants Queensland to host a webinar on these important reforms. This webinar supported us to gain further feedback from the community services sector, and to support community sector organisations in their own engagement with this important consultation process.

Tenants Queensland's submission to this consultation should be given particular attention.



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## Queensland is in the grip of a housing crisis

The Options Paper overview explores some of the broader policy drivers of the Stage 2 Rental Law Reforms.<sup>1</sup> Along with specific feedback and consultation processes that informed the development of the five Options Paper Themes, the overview outlines that “Queensland’s housing market, like those in other states and territories, is under significant pressure with many households facing high housing costs. Vacancy rates state-wide are historically low and there has been a marked deterioration in rental affordability.”<sup>2</sup> The paper further explains that “strong rental law reform can help to stabilise and alleviate pressure in Queensland’s rental market as an important component of the suite of actions being delivered under the Queensland Housing and Homelessness Action Plan 2021-2025.”<sup>3</sup>

We strongly agree with this assessment.

The full extent and human impact of the housing crisis must remain front of mind as the Stage 2 Rental Law Reform process moves forward. The housing and cost of living crises continue to worsen in Queensland, and thousands of people across our state face escalating levels of housing and financial stress. Key research findings highlighted in [A blueprint to tackle Queensland’s housing crisis](#)<sup>4</sup> (‘the Pawson Report’) include<sup>5</sup>:

- “A recent burst of rental inflation has seen Queensland private rents growing at rates faster than in any other Australian jurisdiction.”
- “The sharpest private rent increases have been seen in regional markets where, over the past five years, median rents rose by 80% in Gladstone, by 51% in Noosa, and by 33% in the Gold Coast.”
- “Compounding problems for low-income Queenslanders, rent inflation at the lower end of the housing market has been greater than in the middle of the market.”
- “As measured according to the average monthly caseload of specialist homelessness services (SHS) agencies, homelessness in Queensland rose by 22% in the four years to 2021-22, compared with only 8% across Australia.”
- “Recently rising homelessness in Queensland has been particularly evident in regional areas, where the average monthly number of SHS service users increased by 29% in the period 2017-18 to 2021-22.”
- “Overall, there are approximately 150,000 households across Queensland whose needs for affordable housing are currently unmet (that is, they are either homeless (ABS Census definitions) or otherwise low-income recipients living in private rental housing and paying more than 30% of household income in rent). As at the 2021 census, this “backlog need” included 102,000 households who would typically be eligible for social housing.”

In our recent report [State of the Sector 2022](#), we received alarming feedback about the housing crisis from the perspective of Queenslanders working in the community service sector:

- “The impact of inadequate and inappropriate housing has significant flow on impact on our demand for services in the DFV space and inability to support people effectively” (community sector worker in DFV and family services).

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<sup>1</sup> State of Queensland, [Stage 2 Rental Law Reform Options Paper](#), (April 2023), Department of Communities, Housing and Digital Economy, 4-5.

<sup>2</sup> Ibid 4.

<sup>3</sup> Ibid 5.

<sup>4</sup> H Pawson, A Clarke, J Moore, R van den Nouwelant, and M Ng, [A blueprint to tackle Queensland’s housing crisis](#), (2023), Queensland Council of Social Service.

<sup>5</sup> Ibid 4-5.

- “I've been doing this sort of work for about 18 years now, and this is the hardest I've 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” (frontline community sector worker from regional Queensland).
- “The rental and accommodation crisis is hitting hard, with people now amongst the "lucky" if they are able to secure a tent or caravan” (community sector team leader/co-ordinator).
- “[There's a] significant increase in young people sleeping rough with no hope for accommodation in 2022 or the foreseeable future” (community sector executive).
- “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” (frontline community sector worker).
- “Service providers in the disability field are finding it increasingly difficult to find suitable housing for people with disability” (community sector team leader/co-ordinator).
- “Sometimes the decision is whether to buy chilled food or not as [people] can't afford to keep the fridge on. We decided to extend the scope of financial assistance to include gas bottle refills so clients could cook on their BBQ” (frontline community sector worker in a rural or remote area).
- “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...” (community sector senior manager in a rural or remote area).
- “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” (frontline community sector worker).
- “The housing crisis is extreme, and older women are experiencing this in greater numbers than ever before” (frontline community sector team leader/co-ordinator).
- “Issues with suicide ideation and powerlessness have increased in relation to housing” (frontline community sector worker).

The current housing crisis has demonstrated the vulnerability of renters in an insufficiently regulated market. Because demand outstrips supply, the cost of renting will continue to increase without government intervention.

The Pawson Report explains that there are policy choices the Queensland Government can make to tackle the housing crisis. Strengthening rental market regulation is one of these policy options.

The Stage 2 Rental Law Reform process presents an opportunity to ensure our tenancy regulatory framework is fit for purpose, provides balanced and fair protection for tenants and property owners, fosters a stable rental environment, and facilitates the safety and wellbeing of the 33 per cent of Queensland households who rent.

**Recommendation 1:** Stronger tenancy laws should be an element of a comprehensive plan to end the housing crisis and housing need in Queensland.

### Response to Options Paper themes

QCOSS welcomes many of the stronger proposals aimed at enhancing the rights and wellbeing of tenants in Queensland.

Education activities and options to maintain the status quo were described as “Option 1” in relation to each Option Paper theme. QCOSS does not support maintenance of the status quo in relation to

any of the five themes. Education activities will be essential in achieving meaningful outcomes following the introduction of Stage 2 Rental Law Reforms, but they will not be sufficient alone.

The themes explored in the Options Paper are installing modifications; making minor personalisation changes; balancing privacy and access; improving the rental bond process; and fairer fees and charges. QCOSS understands that Tenants Queensland have engaged in a detailed analysis of the proposals reflected in “Option 2” and “Option 3” in relation to each Options Paper Theme. We have had the benefit of reading their initial response to the Options Paper,<sup>6</sup> reading a draft version of their submission, and further discussing their perspectives at a webinar we ran for our sector in partnership with Tenants Queensland.

Tenants Queensland have outlined several proposals they support, along with proposals that could be amended or strengthened, and proposals that they do not support. We defer to Tenants Queensland’s expertise and experience in this area and support their substantial and thoughtful analysis.

At a high level, however, we note that:

- Tenants should have enhanced rights in relation to installing modifications and making minor personalisation changes. These rights should not be undermined by impractical dispute resolution timeframes, or unduly burdensome requirements to engage a qualified tradesperson when this would be unnecessary in the circumstances. The need for these changes as explored in the Options Paper is underpinned by sound reasoning relating to tenant wellbeing along with tenant safety and security.
- Bond processes must be improved to operate more fairly for tenants.
- Privacy of tenants data and personal spaces should be further protected.
- Fees and charges should be fair, proportionate, timely, and transparent in all circumstances. In particular, we note that claims for compensation due to the costs of reletting should be limited and should include a variety of calculation mechanisms appropriate to the circumstances. These mechanisms should be finite and predictable, as demonstrated by the proposed sliding scale in the Options Paper. These mechanisms should also account for other circumstances where compensation should be limited, such as those raised by the Tenants Queensland initial response;<sup>7</sup> and they should also account for circumstances where no compensation should be owed, such as the scenarios outlined in “Option 3”.<sup>8</sup>

**Recommendation 2:** The strongest possible protections for tenants should be implemented through the Stage 2 Rental Reform process. Any potential legislative proposals should not include reforms that would reduce current tenant rights or reduce the wellbeing of tenants.

### **Fair and predictable limits to rent increases must be further pursued**

Government intervention is required to address the rent inflation currently experienced by tenants across Queensland and to protect renters during market volatility in the future.

The Options Paper outlined “the Queensland Government has taken immediate action to help stabilise rents in the private rental market. On 28 March 2023 the Premier announced the Queensland Government would reduce the frequency of rent increases to once a year from 1 July 2023, as an immediate action in response to community concerns about the impact of current market conditions and cost of living pressures on renting households in Queensland. This will bring Queensland in line with most other Australian jurisdictions and is considered an appropriate balance between the rights and interests of renters and property owners.”

<sup>6</sup> Tenants Queensland, [Initial Response to the Queensland Government’s Stage Two Rental Reform Consultation Paper](#) (April 2023), (Accessed 26 May 2023).

<sup>7</sup> Tenants Queensland, [Initial Response to the Queensland Government’s Stage Two Rental Reform Consultation Paper](#) (April 2023), (Accessed 26 May 2023).

<sup>8</sup> State of Queensland, [Stage 2 Rental Law Reform Options Paper](#), (April 2023), Department of Communities, Housing and Digital Economy, 35.

The welcome step of limiting the frequency of rent increases is not sufficient to stabilise rents in the private rental market.

We note that the consultation on manufactured homes is currently exploring options to limit site rent increases in residential parks.<sup>9</sup> We strongly recommend expansion of this important reform to the broader rental regulation landscape.

The Queensland Government should implement a model to limit rent increases by an amount calculated in reference to the Consumer Price Index. We draw particular attention to the approach adopted in the Australian Capital Territory in relation to rent increases.<sup>10</sup>

**Recommendation 3:** Reforms to limit rent increases should form part of the Stage 2 Rental Reform process. Rent increases should be limited to an amount calculated in reference to the Consumer Price Index.

### Removal of Notices to Leave due to the end of a fixed term tenancy

The Stage 1 Rental Law Reform process included intentions to end “without grounds evictions.”<sup>11</sup> QCOSS welcomed this important reform. During the Stage 1 legislative reform process, however, “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.

The Pawson Report recommends ending without grounds evictions, stating:

“The possibility of being evicted without good cause is inherently a restriction on a tenant’s ability to advocate for their rights on property condition and a reasonable rent – in other words, their capacity to exercise legitimate consumer power.”<sup>13</sup>

**Recommendation 4:** Remove Notices to Leave due to the end of a fixed term tenancy.

### Energy efficiency minimum standards must be implemented

Energy efficiency minimum standards must be developed and implemented. The Options Paper refers to situations where tenants may wish to make modifications and minor personalisation changes,<sup>14</sup> but energy efficiency measures require specific attention.

We draw particular attention to the *Community Sector Blueprint: a National Framework for Minimum Energy Efficiency Rental Requirements*.<sup>15</sup> That blueprint outlines key characteristics that should be present in the forthcoming National Framework for Minimum Energy Efficiency Rental Requirements. This presents a great opportunity to develop a nationally coordinated and consistent approach to the energy efficiency needs of Australia’s rental housing stock.

Energy efficiency measures will assist tenants in managing their energy bills, and will help to make homes safer and healthier to live in. Energy efficiency incentives along with regulatory requirements

<sup>9</sup> State of Queensland, [Residential Parks – addressing concerns about site rent increases and sale of homes, Consultation Regulatory Impact Statement](#), (Accessed 26 May 2023).

<sup>10</sup> *Residential Tenancies Act 1997* (ACT) ss 64A – 70; *Residential Tenancies Regulation 1998* (ACT) s 5A.

<sup>11</sup> State of Queensland, [A better renting future – Safety, security and certainty, Consultation Regulatory Impact Statement, Review of the Residential Tenancies and Rooming Accommodation Act 2008, Stage 1 Reforms](#), (November 2019), 7-10.

<sup>12</sup> *Residential Tenancies and Rooming Accommodation Act 2008* (Qld) s 291, (the ‘RTRAA’).

<sup>13</sup> H Pawson, A Clarke, J Moore, R van den Nouwelant, and M Ng, [A blueprint to tackle Queensland’s housing crisis](#), (2023), Queensland Council of Social Service, 94.

<sup>14</sup> State of Queensland, [Stage 2 Rental Law Reform Options Paper](#), (April 2023), Department of Communities, Housing and Digital Economy, 8, 14.

<sup>15</sup> Healthy Homes for Renters, [Community Sector Blueprint: a National Framework for Minimum Energy Efficiency Rental Requirements](#), (November, 2022).

will help to ensure that the transition to a cleaner energy future is a just transition, which does not leave anyone behind.

**Recommendation 5:** Incorporate minimum energy efficiency standards into the Stage 2 Rental Law Reform process.

## Conclusion

The Stage 2 Rental Law Reform process presents a substantial opportunity to help address the housing crisis in Queensland.

QCROSS values the Queensland Government's commitment to rental law reform reflected throughout the Options Paper, but more must be done.

We have made five recommendations in response to the Options Paper throughout this submission:

- **Recommendation 1:** Stronger tenancy laws should be an element of a comprehensive plan to end the housing crisis and housing need in Queensland.
- **Recommendation 2:** The strongest possible protections for tenants should be implemented through the Stage 2 Rental Reform process. Any potential legislative proposals should not include reforms that would reduce current tenant rights or reduce the wellbeing of tenants.
- **Recommendation 3:** Reforms to limit rent increases should form part of the Stage 2 Rental Reform process. Rent increases should be limited to an amount calculated in reference to the Consumer Price Index.
- **Recommendation 4:** Remove Notices to Leave due to the end of a fixed term tenancy.
- **Recommendation 5:** Incorporate minimum energy efficiency standards into the Stage 2 Rental Law Reform process.

Thank you again for the opportunity to provide our submission.

Yours sincerely



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