



09 April 2024

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

Email: hbbmc@parliament.qld.gov.au

Subject: RESIDENTIAL TENANCIES AND ROOMING ACCOMMODATION AND OTHER LEGISLATION
AMENDMENT BILL 2024

Dear Committee Secretary, and Ministers of the Housing, Big Build and Manufacturing Committee

The Property Investors Council of Australia (PICA) is the peak body representing property investors throughout Australia. We appreciate the opportunity to provide this submission as a direct voice for the majority of these property owners, investing in Queensland to provide existing and much needed private rental accommodation.

As the Queensland State Advisor Council, and on behalf of the national board, we submit our considered position, supported by clear facts, relating to your feedback on this Bill to amend the Residential Tenancies and Rooming Accommodation Act 2008 (the Act) to strengthen renters' rights, support current and future private investment, provide better pathways to resolve issues in tenancies and stabilise rents in the private rental market.

We invite your consideration and understanding of the view and positions held by the majority of property investors, who choose to invest and provide their properties for rent, in return for an agreed and contracted rental fee.

Overview:

Private rental accommodation providers, who constitute 90% to 95% of the available rental stock, are predominantly Australian households who invest in small rental accommodation businesses. These providers primarily offer long-term rentals but may also engage in short-term rental operations.

All reasonable rental property owners have the same belief that tenants have the right to safe and quiet enjoyment of their contracted accommodation, and their place to call home for the agreed period. We believe that without a structured and balanced arrangement, it leads to disruption, lack of investment, rental shortages, higher rents, which makes it less possible for renters to enjoy their rental experience and for them to embrace their local communities.

Property owners acknowledge that investment in property is not immune to risks and investors are never guaranteed a positive return on their investment. Property, like all investment classes, comes with inherent risks.

PICA holds grave concerns that recent reforms in Stage 1 and proposed reforms are continuing to discourage property owners from offering their properties to provide rental accommodation services going forward at the numbers required to satisfy existing and expected future demand.

The Queensland Story:

The majority of Queensland property investors own just one property. The Stage 1 changes have disadvantaged hard working, mum-and-dad investors, who supply critically needed rental accommodation for economic expansion of the Queensland economy, whilst providing these aspiring Australians with future financial security, which in turn alleviates the future Government welfare burden. Allowing future governments to focus these financial savings on the most vulnerable within the Queensland community.

Policy Intent

PICA acknowledge that the objectives of the Bill are to:

1. improve the rental bond process by ensuring bond refunds are fair and transparent and claims against the rental bond are genuine and substantiated
2. balance renters' right to privacy with property owners' right to information by extending entry notice periods and appropriate handling and disposal of renters' information
3. make the rental application process fairer and easier by giving renters a choice about how to submit their rental application and prescribing a rental application form that limits the information that can be collected from a prospective renter
4. ease cost of living pressures for renters by protecting renters from unreasonable fees and charges, including reletting costs and rent payment methods that attract costs other than bank and other account fees usually payable for transactions
5. support renters and property owners to agree to changes that can be made to the rental property to meet occupants changing needs
6. help to stabilise the private rental market by applying the annual limit for rent increases to the rental property not the tenancy, and banning all forms of rent bidding
7. progress reforms under National Cabinet's A Better Deal for Renters (ABDR)
8. appropriately balance the rights of parties in the rental relationship to improve the rental experience for Queensland renters and property owners and clarify the expectations of all parties in the rental sector
9. support enhanced compliance and enforcement functions

10. establish a legislative scheme for mandatory continuing professional development (CPD) for property agents.
11. address technical and procedural issues associated with the ending of a residential tenancy agreement or rooming accommodation agreement as part of an economic reasons termination process which is to be introduced into the Body Corporate and Community Management Act 1997 (BCCM Act) by the Body Corporate and Community Management and Other Legislation Amendment Act 2023

Frequency of Reforms

PICA acknowledges that the proposed changes are some of the largest changes to the Act in recent history and changes this dramatic require engagement with all impacted stakeholders.

The Bill marks the fourth reform to rental laws in Queensland within 5 years. There is no sector that is subjected to this level of legislative reform over this short period of time.

Given this frequent phased approach provides difficulty to retrospective review to identify what changes have impacted. In addition, this unprecedented amount of change to legislation has not allowed sufficient time has not elapsed to allow the changes to be assessed.

Stakeholder Imbalance

There are numerous tenancy advocacy groups that are resourced and heavily funded through state government initiatives. Whilst PICA has recently been engaged on these changes at the 11th hour, in this short time period we observed that Stage 2 reforms have a much broadened reach and potential impact on rental property owners and property managers and it is our view that more consultation is needed and can be done, otherwise you run the risk of running these investors out of Queensland.

Types of Renters

It is important to note that there are multiple types of types of people who rent property:

1. Not by Choice: Those who currently have no financial means to buy a property.
2. By Choice: This cohort are opting to rent as their preferred or best accommodation choice. As a result of personal and/or market conditions in their location, they are opting to reside at this moment in time in their lives. Examples include: New Immigrants, relocation for life balance, schools catchments, proximity to friends, family, work or education.
3. Transient: Trying or currently moving through a particular geographical location for a shorter-term period. Examples include: Seasonal workers, backpackers, interstate migrants.

There are a number of reasons why people rent property. Whilst PICA acknowledges the importance of protecting the vulnerable in the community, the significant majority of property owners have a harmonious relationship with tenants and we are of the view that further reforms will have little impact.

Trends in Disputes

PICA analysis shows that the majority of owner/tenant lease agreements are already resulting in positive outcomes.

The Tenants Queensland 2022 Annual Report reported that it had been engaged in 28,637 disputes in the financial year of 2022. This represents less than 5% of the rental market when compared to the 618,442 rental properties in QLD reported in the 2021 ABS Census data.

[Tenants Queensland 2022 Annual Report](#)
[Queens and counts, Census 2021 Snapshot](#)

Further, The Queensland Civil Administrative Tribunal (QCAT) Annual Report 2021-2022 shows that the number of lodgements relating to tenancy disputes are trending down in previous years. It should be noted that this trend occurred prior to the broader implementation of Stage 1 reforms.

Year	2019-2020	2020-2021	2021-2022	2022-2023
Minor Civil Disputes				
Tenancy - Urgent	8,287	6,707	6,801	5,997
Tenancy - Non Urgent	5,038	4,930	4,187	4,401
sub-total	13,325	11,637	10,988	10,398

[QCAT 2020-21 Annual Report](#)
[QCAT 2021-22 Annual Report](#)
[QCAT 2022-23 Annual Report](#)

10,398 tenancy related lodgements were made to QCAT in 2022-2023, this represents 1.6% of the 618,442 rental properties available in Queensland. Based on the data provided, it is evident that existing tenancy agreements have relevant protections, yielding satisfactory results, indicating minimal conflicts or disputed tenancies.

Rental Law Reforms

Considering that the vast majority of tenancies operate in harmony, PICA's view on the proposed changes has been outlined below.

Improving the process to agree to changes to the rental property

The Bill aims to improve the process for renters and property owners to agree to changes to the rental property by:

- *Establishing a head of power for a framework for parties to negotiate modifications to the rental property, necessary for a renter's safety, security or accessibility*
- *Clarifying the process for renters and property owners to agree to personalisation changes to the rental property, including an approved application form for the renter to make a request and timeframe for the property owner to make a decision*

[Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024](#)

Installing Modifications

PICA supports that there is no need for additional reform regarding installing modifications.

Under the existing arrangement, modifications are able to be made to a property in consultation with the property owner. Many of these changes usually require a skilled person to perform correctly and, if done poorly, may result in damage to my property or added costs that a rental bond may not cover.

More broadly, property owners are more willing to compromise where there is a genuine need to make modifications to a property such as supporting a tenant with a disability. By working collaboratively and openly, tenants and property owners can achieve more positive outcomes and address safety and security concerns.

Based on the number of lodgements made to QCAT, there is little evidence to suggest that tenants are facing significant barriers in making reasonable modifications that cater to their needs and are acceptable to property owners. This suggests that the existing legislation is fulfilling its intended purpose.

Stage 1 reforms introduced minimum housing standards for the purpose of providing safety and security to tenants. In our view, it would be premature to introduce additional reforms without evaluating the impact of Stage 1 changes.

Personalisation Changes

PICA accepts that liveability is an important aspect of renting and there is a strong push from consumers to make a house feel like a home.

Under the existing arrangement, personalisation changes are able to be made to a property in consultation with the property owner. Many of these changes usually require a skilled person to perform correctly and, if done poorly, may result in damage to my property or added costs that a rental bond may not cover.

Current tenancy laws are silent on any application process or timeframe to assist in determining the suitability and approval of renters' requests to make changes to or modify the property, and only require that property owners do not unreasonably withhold their permission.

At present, tenants require the rental property owner's permission to change the rental property and this consent cannot be unreasonably withheld.

PICA supports that there is no requirement for additional reform to make minor personalisation changes.

Developing resources and education materials may help renters and rental property owners to negotiate and agree what changes a renter may make to the rental property.

Through less restrictive reforms, the Queensland government has a unique opportunity to obtain a significant competitive advantage over other eastern states to attract more property investors to Queensland. This would result in more rental stock and lower rents for Queensland tenants.

PICA supports the current Act that ensures tenants obtain property owners consent before such modifications are undertaken. PICA would encourage that tenants, property managers and property owners are educated on the legislation and have a balanced and respectful dialogue.

Better balancing renters' right to privacy with property owners' need for access and information

The Bill aims to improve balancing renters' right to privacy and property owners' need for access and information to inform decision making about their investment by:

- *Extending the notice period from 24 to 48 hours for entry other than for general inspections, safety checks, in an emergency, or with agreement*
- *Limiting entry at the end of a tenancy to no more than two entries per 7-day period except for safety checks or in an emergency - prescribing a rental application form and categories of supporting documentation to limit the information that can be requested of prospective renters*

- *Allowing rental applicants a choice of how to submit their rental application, including not being required to use a third party platform*
- *Allowing prospective renters to provide identity documents for sighting rather than copies being retained*
- *Requiring that renters' personal information is only collected and used by the relevant person to assess suitability during the rental application process or to manage the property*
- *Requiring that renters' personal information is securely stored and disposed of within three months of an unsuccessful rental application or three years after a tenancy ends*

[Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024](#)

Tenants have the right to safe and quiet enjoyment of the property that they lease. Similarly, property owners deserve to have their property being treated respectfully and maintained. Property owners, or their proxy, deserve the right to access to properties to ensure that the property is in a safe and maintained working order, meeting

In our view, the volume of disputes and grievances referenced in available data is disproportionate to justify the significant reform observed in Stage 1 and again in this reform.

PICA believes that there is no requirement for additional reform to balance privacy issues and access, noting that in the vast majority of property owner and tenant relationships work harmoniously together.

Decreasing the frequency of inspections can hinder property owners' access to information regarding the deteriorating condition of their properties, potentially leading to negative consequences for insurance coverage and breaching of minimum housing standards implemented in Stage 1.

Lack of regular inspections on rental properties can hinder the timely detection of issues, leading to delays in addressing them. This situation puts tenants at a disadvantage, potentially exposing them to unsafe living conditions. When property managers or owners remain unaware of the property's deteriorating state, it can result in additional expenses for remediation. Identifying the root cause earlier would have prevented the need for subsequent repairs and their associated costs.

Improving the rental bond process

The Bill aims to improve the rental bond process by:

- *Requiring any bond claims by a property owner to be substantiated by giving the renter evidence supporting the claim*

- *Allowing the RTA to refund bonds directly to renters who use commercial bond products*
- *Providing that the maximum bond is no more than four weeks rent for all residential tenancy and rooming accommodation agreements*
- *Allowing the RTA to pay a rental bond if QCAT has dismissed an application about a bond dispute*
- *Requiring a bond taken for rooming accommodation to be lodged with the RTA - enabling the RTA and the department to share personal information related to bond loans*
- *Establishing a head of power for a portable bond scheme to be prescribed in regulation*

[Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024](#)

PICA believes that there is no requirement for additional reform to improve the rental bond process.

The proposed options do not offer an adequate solution. The current rental bond process, which involves tenants paying a security deposit before moving into a property, already provides a reasonable level of protection for property owners and tenants. Current disagreements are settled through QCAT for which there is a marginal volume of complaints.

Any changes to the rental bond process needs to consider the administrative burden on tenants, property managers, property owners and tribunals. Introducing more regulations, paperwork, or compliance requirements could increase the time and effort required to manage rental properties effectively and subsequently hinder tenants from receiving their bond in a timely manner.

Currently, bond amounts are typically calculated based on a certain number of weeks of rent. However, there is currently a gap in the process during which bonds for vacated properties may not be reconciled due to ongoing remediation work. The proposed changes do not clearly address how bond portability can be achieved for tenants moving to a new property where the bond from the vacating property is unfinalised.

PICA continues to advocate for a collaborative approach involving ongoing dialogue between tenants, property owners, and the government to address any concerns or issues related to the rental bond process. PICA believes that continuous engagement and open communication can lead to practical solutions that benefit all stakeholders involved, without the need for legislative reforms.

Strengthening the rules and making the expectations of all parties in the rental sector more clear

The Bill aims to strengthen the rules and make the expectations of all parties in the rental sector clearer by:

- *Establishing a head of power to allow a new Rental Sector Code of Conduct*

[Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024](#)

PICA's support/objection

Easing cost of living pressures by helping to stabilise rents in the private rental market and making fees and charges fairer.

The Bill aims to cost of living pressures experienced by many renters through making fees and charges fairer by:

- *Requiring that renters be offered a fee-free method to pay rent and be advised of any financial benefits the property owner or property manager receives from a renter paying rent in a particular way*
- *Specifying a timeframe property owners and property managers have to pass on utility bills to renters*
- *Capping reletting costs to a prescribed amount according to how much of the lease has expired*

[Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024](#)

PICA is supportive of helping tenants to support concessions that aid tenants, such as facilitating free payment methods.

PICA agrees that there should be a consistent approach to fees and charges levied against tenants.

As the peak body representing property owners and investors, we support helping tenants with fee free ways to pay. In most cases, this is not in the control of the property owner, instead additional fees outside of the lease agreement are levied by the property manager. It is PICA's understanding that this is common practice through property managers.

An item of concern for PICA and its members is the proposal to change reletting costs in the event of ending a fixed term lease early. It is our view that the proposed options do not offer an adequate and balanced solution.

PICA is not supportive of the proposed bill to cap reletting costs.

Reletting costs should remain the responsibility of the tenant if the tenants choose to end a fixed term lease early. It is unreasonable for a property owner to accept the liability of a tenant's change of circumstances resulting in the end of fixed term lease.

PICA understands that reletting costs can be a barrier to switching to more suitable housing accommodation. The most vulnerable in the community and domestic violence are sensitive, and very important areas where support is needed.

To address issues where tenants are vulnerable or impacted by domestic violence and are required to end a lease early, a solution lies with the government through the establishment of a safety net scheme, similar to building schemes.

This scheme would allow property owners to make insurance claims for financial losses incurred due to tenancies being terminated by tenants affected by domestic violence. Funding for this scheme could be acquired through a small annual financial contribution, ensuring a shared responsibility between tenants, property owners, and the government. This fund can be established with a small annual financial contribution. This means the tenant who suffers from a domestic violence event is supported, as is the owner of the property, because the risk has been shared via an insurance style model.

It is important to remember that tenants are not the only ones who are faced with increased cost of living pressures. Property owners are not immune to cost of living pressures and it seems unfair to expect property owners to be responsible for any financial shortfall.

Help to stabilise the private rental market by applying the annual limit of rent rent increases to the rental property not the tenancy.

The Bill aims to helping to stabilise the private rental market by:

- *Banning all forms of rent bidding*
- *Applying the 12-month limit on rent increase frequency to the rental property rather than the tenancy*
- *Requiring that a tenancy agreement must state the date of the last rent increase and allowing a renter to request evidence of the last rent increase*
- *Allowing a property owner to apply to QCAT for an order to increase the rent more frequently than the 12-month limit if complying would cause undue hardship*

- *Exempting property owners that apply a subsidised household income-based rent policy, for example community housing providers and specialist homelessness providers, from the annual rent increase frequency limit*
- *Introducing new penalty infringement notices for offences related to rent bidding, Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024 Page 10 increasing the rent on a property within 12 months of a previous increase, and failing to provide evidence of the date of last rent increase when requested*
- *Increasing the penalty for existing penalty infringement notices for not advertising a property at a fixed amount of rent and accepting a bond when a property was not advertised at a fixed amount.*

[Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024](#)

PICA understands that rent bidding is a practice that has already been largely removed from the marketplace and its removal is being used as a method to stabilise the private rental market.

PICA, on behalf of its members and the majority of property investors in Australia, believe that ensuring the annual rent increase frequency limit will have a further negative impact on the current rental crisis faced by Queenslanders, and future longer-term investment in rental property supply, if certain changes recommended are implemented.

This follows the initial negative impact experienced from Stage 1 reforms, whereby similar reforms in other states such as Victoria, have seen a reduction in property supply.

While the purpose of this reform is to ensure the annual rent increase frequency limit achieves the policy intent of effectively stabilising rents in the private rental market, there is valid concern that this will have the unintended consequences such as:

1. Reduction in the supply of rental accommodation
2. Increased costs to property owners
3. Unjustified annual increases
4. Comparison to other jurisdictions.
5. One size fits all approach.

Reduction in Rental Accommodation:

The Property Investment Professionals of Australia (PIPA) conducted their Annual Property Investor Sentiment Survey in 2023, which revealed that 43% of respondents cited changing tenancy legislation as a reason for selling their investment property in the last 12-24 months, stating that it had become too costly or difficult to manage. Many others mentioned the loss of control over their property and increased compliance costs. These changes are being felt across the Queensland market, as investors explore other markets or asset classes, due to the growing administrative and financial burdens.

In the same survey, 23% of respondents who had sold property in the last 12 months reported doing so in Queensland. This further confirms that property owners are choosing to leave the Queensland market, adding to the pressure on rental supply.

[2023 Property Investors Professionals Association - Investor Sentiment Survey Data](#)

A Queensland Government funded study by Deloitte Access Economics has identified in the economic analysis of Stage 1 reform that "...the reforms lead to property owners maintaining less autonomy over their leased houses." PICA has found that a substantial number of property owners are reconsidering their investments in the Queensland housing market.

[Updated economic analysis of Queensland residential renting reforms Department of Communities, Housing and Digital Economy](#)

In extreme cases, property owners may opt to keep their property off the rental market and may seek alternatives such as short stay accommodation or retaining the property for personal use. Whilst PICA discourages this practice as it ultimately leads to a reduction in the supply of housing accommodation, it is concerned about additional constraints applied to property owners through rental reforms.

PICA is concerned that limiting the annual rent frequency will add additional constraints on property owners and will reduce the supply of rental accommodation.

Increased overall costs:

Property owners are now faced with increased compliance costs and risks in providing rental accommodation supply in Queensland. This has left the majority of property owners with little choice but to take action in passing on some of these increased costs to tenants, resulting in higher weekly rents, in addition to their own increased costs.

The proposal to limit annual rent increases to once every 12 months is a commendable step toward providing stability for tenants. However, it's important to consider the potential impact on property owners.

Property ownership in Queensland comes with significant increased cost pressures, primarily with:

- Increased interest rates
- Stage 1 reforms that have increased compliance costs required to own and maintain rental accommodation.
- Unprecedented supply chain issues impacting construction cost

PICA acknowledges that rents are rising, as costs of holding and providing safe and quiet enjoyment of property have increased significantly on the back of rising interest rates and the increased compliance costs introduced in Stage 1 Reforms.

It is important to note that while changes to rental markets may have increased during periods of low interest rates, many property owners did not pass this increase onto tenants. The reasoning was to retain a quality tenant by asking rent that is under market value for their properties. As property holding costs have increased, property owners have had no other choice than to realign their rental returns with market expectations.

The current proposal does not consider situations where property owners may incur unexpected costs, such as major repairs or increases in insurance and taxes. Where the market dictates, flexibility should be built into the framework to address these circumstances.

Finally, to add to the increased interest rates and compliance costs required to maintain rental accommodation, property owners are also faced with a third blow, as building materials required for renovation, maintenance and compliance costs have significantly increased.

Unjustified Annual Increases:

Another unintended consequence of imposing a limit on annual rent increases is that property owners may feel compelled to implement unfounded increases to offset the uncertainty of future circumstances. PICA is concerned of a developing trend that, as property owners are not given the flexibility to regularly adjust rents in accordance with market trends, instead, they could resort to periodic rent raises with limited reasoning and fact. This practice may be employed as a means of predicting and safeguarding their properties against potential future cost escalations.

PICA believes that increases should be justified and aligned with market expectations, however, there is concern that property owners will have no other alternative, as they seek to manage their financial exposure against rising costs.

Jurisdictional Comparison:

In New South Wales (NSW), Victoria, South Australia, Tasmania, and the Australian Capital Territory (ACT), rent increase frequency is restricted to once per year. Western Australia has also indicated its intention to introduce similar limitations in the near future. These limits function in a manner akin to the one in Queensland, wherein they are applicable on a tenancy-wide basis, rather than being specific to individual rental properties.

Both Victoria and NSW adopted annual rent increase frequency limits in 2019, implementing them after lead-in periods of 12 and nine months, respectively, from announcement to the commencement of the limitations.

Whilst this approach has been applied to other states, there is no evidence on the positive impact that limiting rent increases has had on stabilising the rental market.

Queensland has the opportunity to gain a competitive advantage in the property investment market, attracting more investors away from Victoria, New South Wales, and the Australian Capital Territory. The result would see an increase in rental stock availability and contribute to lower rent prices.

One size fits all approach:

There is concern with keeping the increase tied to the property and not to the tenancy. Unfortunately this one size fits all approach does not apply fairly and equitably for all parties, primarily the property owners. The reality is that this one size fits all policy does not consider all circumstances, particularly when there is disposal of property or capital improvements made in between tenancies.

By way of an example:

A property owner may have provided an increase to tenants in January. The increase rate is \$450 per week. In February, the tenants' circumstances have changed and they end the tenancy early as they are entitled to do. The property is vacant from March and the owner uses this as an opportunity to make capital improvements. The property owner adds another bathroom and also adds a balcony for future tenants conveniences. This improves property beyond its original state and has cost the property owner \$75,000. As a direct result of the capital improvements, the property now has a market appraisal of \$550 per week, a \$100 increase as it is now a two bathroom dwelling with a balcony. As the improvements have been completed, it is available to be tenanted from June. Under the proposed bill, the property owner is unable to provide an increase to reflect the capital improvements made to the property. This highlights a scenario where property owners are unfairly disadvantaged by the proposed reforms. The property owner has spent considerable cost on improving the property for the benefit of tenants and is unable to ask for a fair and reasonable rent for the accommodation service that they are providing.

Another very common scenario is where property owners and tenants have a personal relationship and may offer rent that is considerable under market expectations.

By way of an example:

Another example is where a property owner and tenant have a fixed term tenancy. The property owner is a family member and while providing an increase on their annual fixed term agreement, the agreed rate is well below market expectation as the owner is helping a family member by providing accommodation. The tenancy has been renewed with the new rate in January for a fixed term of 6 months. During this time, the property owner has had a change of financial circumstances and has to dispose of the property. The property is sold in April of the same year. Under the proposed bill, the property owner is unable to provide an increase when the fixed term agreement expires in June as the most recent increase was 6 months ago.

Under both of the examples above, the property owner would be required to make a hardship claim through QCAT which may take considerable time for an outcome and lead to a loss of rental income for property owners. This approach tends to overlook the unique circumstances, preferences, and challenges largely to the detriment of property owners.

Progress reforms under National Cabinet's A Better Deal for Renters (ABDR)

The Bill aims to advance Queensland's commitments under National Cabinet's ABDR by:

- *Limiting break lease fees for fixed term agreements to a maximum prescribed amount (ABDR 6), based on the amount of the lease that has expired*

- *Protecting renters' information used in the application process and throughout the tenancy (ABDR 7), by prescribing a rental application form and requiring that personal information is collected, stored, used and disposed of appropriately.*

[Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024](#)

ABDR 6

Fixed-term agreements are established with a clear understanding of the terms and responsibilities for both parties involved. However, by restricting break lease fees to a predetermined maximum amount based on the portion of the lease that has expired, this proposal undermines the integrity of these agreements and introduces significant risks to property owners' ability to manage their properties effectively.

PICA does not support the proposed change to limit break lease fees for fixed-term agreements to a maximum prescribed amount (ABDR 6), which is determined by the duration of the lease that has expired.

While it is crucial to offer tenants flexibility in ending leases, it is equally important to uphold the obligations of all parties involved in a legally binding accommodation agreement. The existing arrangement can help discourage tenants from ending their leases prematurely and without reason.

ABDR 7

It's understandable to prioritize the protection of renters' information used in the application process and throughout the tenancy

While safeguarding personal data is important, prescribing a standardized rental application form and imposing strict requirements for handling information could limit property owners' ability to make informed decisions. These reforms may increase administrative operations and costs, as well as potentially slowing down the rental application process. Property owners need flexibility to tailor application procedures to their needs and preferences, ensuring efficient tenant selection.

PICA is supportive of the safeguarding personal data however requires that the type of data should vary to adequately evaluate potential tenants.

Overall, while protecting renters' information is crucial, property owners deserve the right to access accurate data to manage their properties effectively, without unnecessary constraints.

Other Improvements

The Bill aims to make other improvements by:

- *Clarifying that a renter experiencing domestic and family violence can apply to QCAT for an order to be recognised as the sole renter if a co-renter has perpetrated domestic and family violence*
- *Prohibiting property owners and property managers from disclosing any personal information about vacating renters experiencing domestic and family violence*
- *Introducing a process to end a short tenancy for moveable dwellings - introducing a new ground for entry to rooming accommodation to install, repair or replace a smoke alarm*
- *Increasing the penalty units for failing to make an agreement for rooming accommodation in writing*
- *Allowing the RTA to share confidential information about renters, property owners and property managers with particular government entities to administer bond loans, undertake compliance and enforcement, or to prevent a serious risk to public safety*
- *Updating the definition of 'confidential information'*
- *Modernising what constitutes reasonable efforts to contact the owner of abandoned goods.*

[Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2024](#)

From a property owner's perspective, the proposed changes regarding renters experiencing domestic and family violence represent a balancing act between supporting vulnerable individuals and safeguarding the integrity of rental agreements. While sympathetic to the plight of victims of domestic violence, property owners have concerns about potential loopholes that could be exploited by tenants in non-genuine circumstances.

The first change, clarifying that a renter experiencing domestic and family violence can apply to QCAT (Queensland Civil and Administrative Tribunal) to be recognized as the sole renter if a co-renter has perpetrated domestic and family violence, is viewed as a positive step in providing protection and support to victims. However, property owners are wary of the potential implications for joint tenancies and the potential for abuse of this provision by tenants seeking to manipulate the system.

The second change, prohibiting property owners and property managers from disclosing any personal information about vacating renters experiencing domestic and family violence, is seen as essential in protecting the privacy and safety of victims. Property owners recognize the importance of maintaining confidentiality and respect for the dignity of individuals in such situations. However, there is concern about the potential impact on property management processes and the ability to vet incoming tenants effectively.

Overall, while property owners are supportive of efforts to address domestic and family violence and provide assistance to victims, there is a need for careful consideration of the potential unintended consequences of these changes. Balancing the rights and protections of both tenants and property owners is essential to ensure the fair and effective operation of the rental market.

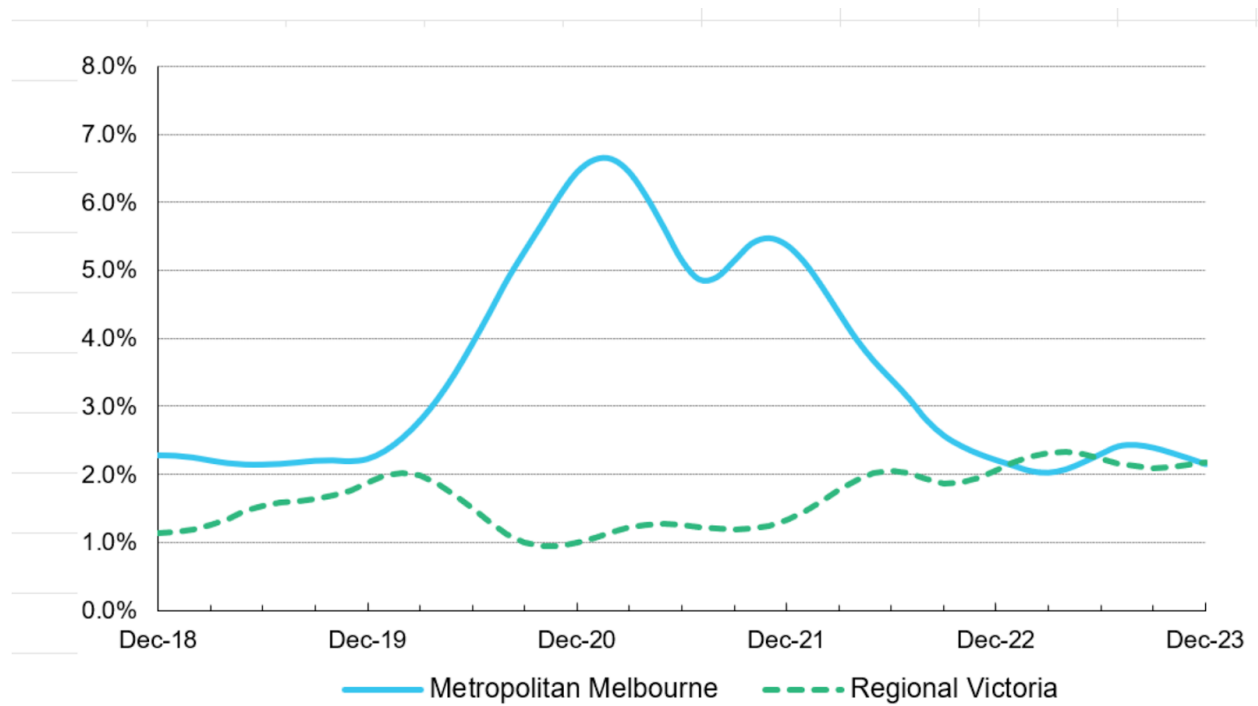
Conclusion

It is important to remember that the property owners provide a significant service to Queenslanders by providing long term accommodation. Reform that will impact property owners needs to be taken cautiously to prevent more property investors leaving markets.

Queensland has recently undergone significant reforms affecting all stakeholders in the rental market. However, there has been little time for these impacts to fully permeate through the market. There is a concern that this rapid pace of reform could lead Queensland down a similar path as Victoria, where extensive reforms were implemented hastily.

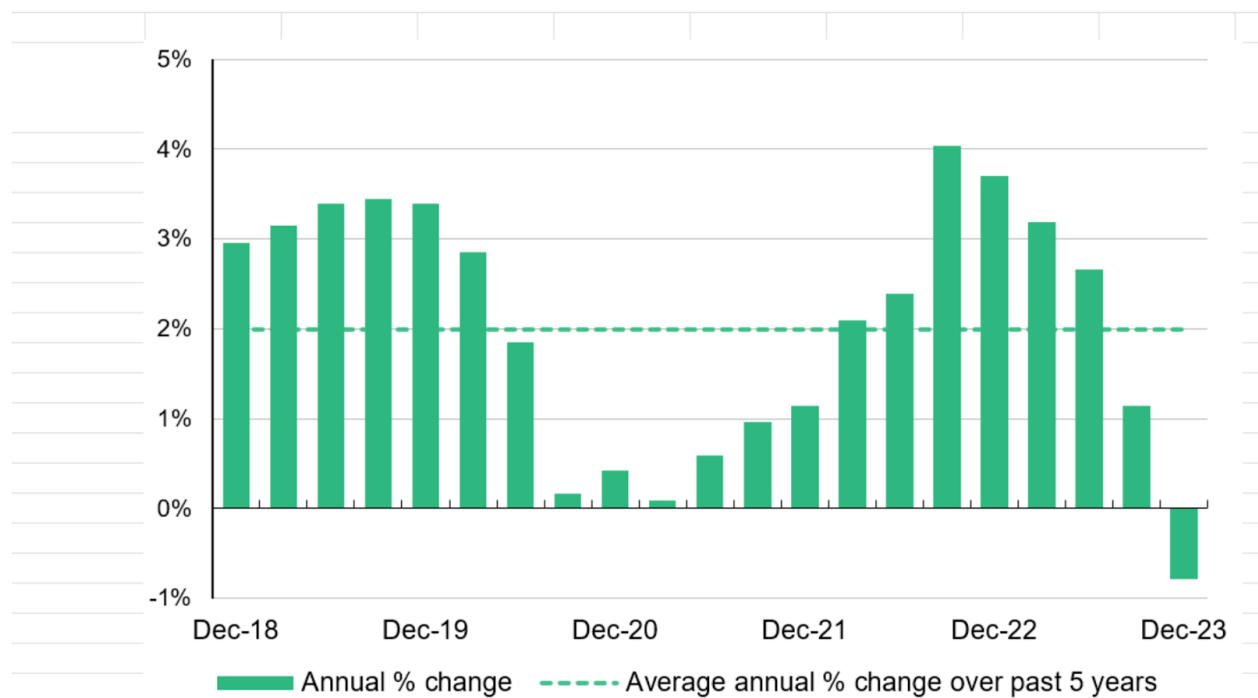
Victoria experienced a notable rental shortage after the introduction of 133 reforms to their tenancy act in March 2021. This rush of changes has contributed to the largest rental shortage in modern times, particularly evident in metropolitan Melbourne. The chart below illustrates how striking the right balance between rental property owner and tenant rights is crucial for maintaining a stable rental market.

Rental Vacancy Rate - Trend



As a consequence of these reforms, Victoria has recently seen its first-ever decline in available rental accommodation.

Total Active Residential Bonds, Victoria - annual percentage change



While property owners sympathize with tenants and other stakeholders who are facing housing and accommodation challenges, we implore the Queensland Government to reconsider its decision to implement further legislative changes at this time and focus its attention on initiatives to drive supply and enhance investor confidence.

While the reforms aim to create a fairer balance between tenants and landlords, PICA supports and encourages additional reforms in the near term that specifically address the core issue of the current and ongoing rental crisis: **the insufficient supply of homes for Queensland**. This problem is expected to worsen given the projected high migration rates and the struggling construction industry, and it requires urgent attention.

However, it is important to consider that implementing further rental reforms, as they currently stand, could lead to a further reduction in the number of rental properties in Queensland. This, in turn, would worsen the homelessness rate and result in higher rents. The current form of rental reform is in conflict with the Queensland Government's agenda to effectively tackle the key problem of the rental crisis.

In May 2023, the Victoria Government introduced changes to its residential Land Tax laws, as well as a Special Levy on property investors. This will do nothing for residential investors' confidence in Victoria. However, it gives other states, such as Queensland, an opportunity to attract investment and increase rental supply. There is a broad range of measures that can be implemented to achieve this and we feel that this should be the next item on the State's reform agenda.

Queensland can gain a competitive advantage in the property investment market, attracting more investors away from Victoria, New South Wales, and the Australian Capital Territory. The result would see an increase in rental stock availability and contribute to lower rent prices.

Having clear and balanced rental laws creates a stable investment environment that protects the rights and interests of both renters and rental property owners. Property owners have made substantial financial investments in their properties, and at the very least, they expect to maintain the value and attractiveness of their assets while also benefiting from consistent investment returns.

Generally, the current lease agreements are largely successful, and any changes should be approached with caution to prevent unintended negative consequences. It is imperative that we prioritize maintaining a healthy rental market, which benefits both tenants and property owners alike. Providing greater support to property owners can lead to more positive outcomes for Queensland through continued investment in providing affordable housing.

Please note this Submission is not confidential and may be published or publicly disclosed.

We would be pleased to discuss any of the matters raised further and invite you to contact Peter Barkham on [REDACTED]

Kind regards,

Queensland State Advisory Council on behalf of the National Board
Property Investors Council of Australia