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Q SHELTER SUBMISSION

**A submission in response to the
Consultation Regulatory Impact
Statement on renting in Queensland**

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Acronyms and abbreviations used in this report

ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
AWLQ	Animal Welfare League of Queensland
CHIA	Community Housing Industry Association
CHP	Community Housing Provider
DFV	Domestic and Family Violence
DHPW	Queensland Department of Housing and Public Works
ICHOs	Indigenous Community Housing Organisations
NFP	Not for Profit
NRSCH	National Regulatory System for Community Housing
QCAT	Queensland Civil and Administrative Tribunal
REIQ	Real Estate Industry Queensland
RIS	Regulatory Impact Statement
RSPCA	Royal Society for the Prevention of Cruelty to Animals
SHS	Specialist Homelessness Service

1 Introduction

Q Shelter is pleased to provide this submission to the Queensland Parliament's *Consultation Regulatory Impact Statement* on renting in Queensland. Q Shelter's vision is that *every Queenslanders has a home*, and our purpose is to *lead the sector in solutions that address the housing and homelessness needs of vulnerable Queenslanders*. Rental housing, particularly private rental, is a critical element of the Queensland housing landscape

Q Shelter supports a tenancy framework that delivers the Queensland Housing Strategy (2017-2027) objective of '*Every Queenslanders has access to a safe, secure and affordable home that meets their needs and enables participation in the social and economic life of our prosperous state*'.

1.1 Background

Rental housing is a significant and growing tenure in Queensland. In 2016, 32.2 per cent of occupied private dwellings in Queensland were rentedⁱ. This was the highest proportion of any tenure type in the State. Private rental comprised 28.2 per cent – higher than the national figure of 24.9 per cent¹. It is tenure that is growing having increased from 25.2 per cent in 2006ⁱⁱ.

Significantly the private rental market is no longer 'a residual tenure for many households, and *that private renting forms part of a normative housing experience for a larger number of Australian households*'ⁱⁱⁱ. Nationally, households who rent continually in the private rental sector for ten or more years have been increasing. Just over 33 per cent of all private rental households were long term renters who had been living in private rental accommodation continuously for ten years or more^{iv}.

Also, the private rental market now accommodates a broader range of households. A range of research reports note the increase of families with children, private renters at midlife, older people including households returning to private rental after home ownership and family breakdown^v. Private rental households accommodate a greater diversity across the income spectrum, particularly an increase of lower income households. Nationally, the long term rental cohort is over represented by low income households² with 45.5 per cent of all long term renters being low income^{vi}. The fastest growth in private renting has been among households that include at least one Indigenous person, a person aged over 65 years, or a person with a disability or long-term health condition^{vii}.

For low income renters, housing affordability is a significant issue. In Queensland, over 40 per cent of low income private rental tenants as at 30 June 2019 were paying 30 per cent or more of their gross income on private rent. This results in households not being able to make ends meet, and having little left over to meet other expenses.

What this means is that long term private renting is becoming a more normative experience for a larger number and more diverse range of households. This is

¹ In Queensland 27.4% of occupied private dwellings were full owned, and a further 31.4% with a mortgage.

² This is defined as households with incomes in the lowest 40 per cent of the income distribution (based on household equivalised income).

particularly the case of low income households. This can often translate into substantial proportion of long term private renters living in the private rental sector due to limited choice about their housing. The decline of social housing means that more disadvantaged people are increasingly renting in the private market. They are also more likely to be vulnerable. This differs from households on moderate to high incomes where private renting is likely to be a choice, offering flexibility and mobility, and pathway to home ownership.

The figures above point to the importance of rental accommodation in Queensland, particularly private rental, in housing an increasing number of Queenslanders, particularly vulnerable Queenslanders. It is critical residential tenancy legislation provides a fair and level playing field between lessors and tenants.

1.2 About Q Shelter

Queensland Shelter Incorporated (Q Shelter) is a state-wide industry and peak body for the Queensland housing and homelessness sector with a broad-based membership base that includes committed individual members, as well as not for profit (NFP) and for profit organisations. Q Shelter provides an independent and impartial voice on behalf of the housing and homelessness sector, as well as on behalf of those Queenslanders who do not have access to secure and affordable housing. Q Shelter also works to strengthen the capacity of community housing providers (CHPs) and specialist homelessness services to deliver better outcomes for those in need of housing and support.

For over thirty years, Q Shelter has worked with members and stakeholders to improve housing outcomes for vulnerable Queenslanders. Q Shelter provides products and services that build the strength and capacity of the housing and homelessness sector. Q Shelter also works with regional networks and members to improve policies and programs responsive to the needs of people vulnerable to homelessness. Our members come from across Queensland and include CHPs, local governments, specialist homelessness services, Indigenous Community Housing Organisations (ICHOs). Q Shelter also works with housing and homelessness networks in fifteen regions across Queensland.

Q Shelter is part of a network of Shelter organisations in each State and Territory, and is a member of the National Shelter Council, the Council to Homeless Persons (CHP) (Qld), and participates in the national Community Housing Industry Association (CHIA).

Throughout this submission we draw on our experience as a housing and homelessness peak and on the diverse views of our members and of the broader community housing industry.

Q Shelter is a member of the Making Rent Fair Alliance and supports the position taken by the Alliance.

2 Options

2.1 Ending tenancies fairly

Research by AHURI characterises the Australian private rental market as ‘insecure’ with high rates of voluntary and involuntary residential mobility by tenants^{viii}. Tenants move in the private rental market as a result of ‘constraints’ or ‘choice’. Constraints include a dwelling being sold or recovered for the owners use or a lease not being renewed for

other reasons. Other ‘constraint’ reasons for moving include a lack of safety in the home, rental arrears, breakdown in family relationships^{ix}.

Households in private rental move much more than households in other tenures (reference), [t]he percentage of PRS households who had moved three or more times in the past five years (a high and potentially destabilising rate of mobility) was 39.5 per cent compared to only 7.8 per cent for other tenures (Stone et al. 2013). It is difficult to establish a home that provides identity, security and a sense of belonging when housing is insecure.

As the Productivity Commission note *‘[c]ertainty over one’s living location also promotes community and economic involvement, such as participating in local social and sporting activities and holding a job, and helps in maintaining continuity with services such as healthcare and schooling’*^x

Housing transition is a critical life event, and the moving from a tenancy can be problematic if it is not voluntary or not clearly stated. It can have a long term impact on the wellbeing of a household, including impacts on physical and mental health, as well as household stability and sense of control. It can disrupt access to place based services and this has a considerable impact on vulnerable households, families, older people and people with disability.

Households that are considered vulnerable prefer stability in their housing arrangements, but are more likely to move involuntarily. However, these households are more likely to not have the money required to move house. Furthermore, insecure housing tenure, eviction and poor physical housing conditions have a correlation with poorer mental health. Singh et. al (2019) state that *‘insecure housing can be very destabilising for families and individuals’*^{xi}.

Ending a tenancy may also precipitate a crisis in the household, leading to failed tenancies and homelessness, and becoming costly to households, government and community. According to the AIHW (2018) accommodation issues (including housing crisis, inadequate or inappropriate dwelling conditions and that previous accommodation had ended) were nominated nationally as a reason for seeking help in over half of all clients; identified by 53% of clients (or around 153,400 clients), similar to previous years. More than one-third (37% of clients) were experiencing housing crisis^{xii}.

Removing tenancies without grounds would support fairness, certainty and security and security of tenure. It would assist with understanding why tenants are being asked to leave, potentially providing a greater opportunity to link tenants with support services.

Q Shelter strongly support the recommended option and the withdrawal of without ground notices to leave. We support the addition of the following reasonable grounds to end tenancies:

- when the lessor or their immediate family will move in;
- the premises will need to be vacant for at least six weeks to undertake significant repair or renovation; and,
- for renters experiencing domestic or family violence.

We do not support any other additional grounds for lessors to end tenancies.

We do not support any reduction of notice periods for termination by lessors

We strongly support all the additional grounds recommended for renters to end tenancies.

We believe there should be penalties applied for lessors' misuse of lawful grounds to end tenancies, and the potential for renters to claim compensation.

2.2 Rental housing quality and minimum housing standards

Housing plays a critical role in the health and wellbeing. Housing can secure positive outcomes for not just education, employment, and financial security, but also health. This includes both physical and mental health^{xiii}. Housing is a protective factor for physical and mental health, and if it is not appropriate, can be harmful. Additionally, poor housing and health outcomes are aligned to social and economic disadvantage.

Factors associated with poor housing quality and limited safety are not able to be mitigated by many households with poor housing resources. Vulnerable households may not be able to afford to move by choice. They may feel at risk by asserting their rights around repairs and maintenance. It may be that households do not have much choice in the quality of the dwelling that they can choose because of limited financial capacity, locational choice, or are blacklisted in the private rental market.

The Productivity Commission (2019) found that '[v]ulnerable renters are more likely to live in housing that is in need of repair, or that has major structural issues (such as rising damp)'^{xiv}. These are households that are less likely to have more constraints around their housing choice. Poor quality housing can have adverse consequences, such as respiratory conditions and asthma associated with cold, damp and mould. Children and the elderly are especially at risk, particularly the health and development of children^{xv}.

Q Shelter is concerned the potential increased rents and bonds, and the impact this could have on vulnerable renters. Q Shelter is also concerned about a potential reduction in the supply of affordable rental accommodation as a result of this reform as some owners may choose to exit the rental market, or rents increase.

Q Shelter strongly support the recommended option, the inclusion of minimum standards for rental properties and the strengthened repair and maintenance proposals outlined in the Regulatory Impact Statement. In particular, we support the new repair orders so they will:

- apply to a premises not a tenancy;
 - stop a rental property being rented out and/or rent capped until a repair order is complied with;
 - allow the Residential Tenancies Authority to enforce the order; and,
 - for advocates to be able to seek repair orders on behalf of renters.
-

2.3 Domestic and family violence protections

Domestic and family violence is the main reason women and children leave their homes in Australia. Specialist homelessness services (SHS) provide the principal crisis repose for these people, clients who have experience domestic and family violence (DFV) comprise 40 per cent of SHS clients (this equates to 116,400 SHS clients). Over 90 per cent of these clients are females aged 18 years and over^{xvi}.

In 2017, The Queensland Department of Child Safety, Youth and Women funded Q Shelter to develop a Domestic and Family Violence resource ('toolkit') to support property

managers, principals, and owners operating in the private rental market³. The toolkit aims to broaden understanding of DFV and increase the confidence of the private rental sector to identify and respond appropriately to households affected by DFV within the parameters of their roles.

Through the production and promotion of the toolkit, Q Shelter has built and maintained relationships within the private real estate sector, including the Real Estate Industry of Queensland (REIQ), numerous private real estate agencies and other stakeholders. The feedback received from property managers, both from their perspectives and on behalf of property owners, strongly suggests a commitment to supporting tenants impacted by DFV. This places Q Shelter in a prime position to offer informed feedback regarding the suggested rental reforms as they pertain to domestic and family violence.

The improved tenancy law protections for people experiencing DFV as detailed in Option 3 enhance tenants' ability to exit a tenancy quickly and safely, and with less financial hardship. For those who wish to maintain their tenancy, Option 3 allows for more efficient installation of security measures to help keep tenants safe. The recommended option would not result in increased costs being incurred by, or passed on to tenants. Rather, Option 3 reduces financial obligations for the tenant, both through a decreased notice period to end the tenancy, relief from the costs associated with Queensland Civil and Administrative Tribunal (QCAT), and streamlined access to Bond refunds. While a shorter notice period could potentially result in a loss of rental income for property owners, the streamlining of processes to end tenancies more efficiently will result in fewer cases of tenancy abandonment and property damage as it relates to DFV.

Q Shelter strongly support the recommended option which allows a tenant or co-tenant experiencing domestic and family violence to end their tenancy more easily when they have evidence from specialist worker. We also support processes to help them get their bond back more quickly and to install safety and security devices

Q Shelter also adds that there is a need to incorporate communication and education in the reform, particularly as it pertains to recognising and responding to domestic and family violence as a property manager in order to achieve the best outcome for tenants, property managers, and property owners.

2.4 Minor modifications

As mentioned earlier, households who rent continually in the private rental sector for ten or more years have been increasing, and the fastest growth in private renting is among households that include people with a disability or long term health condition. Additionally, there are more families with children in long term rental. It is crucial that households are able to undertake minor modification that not only make their rental dwelling feel like home and provide a sense of belonging, but also enhance the ongoing affordability of their property and achieve accessibility outcomes.

Low income households are more likely to live in dwellings that are older, less likely to have active or passive energy efficiency features built into them, and have less efficient

³ See http://www.qshelter.asn.au/elements/2018/12/DFV-Book_WEB_Dec18.pdf

appliances. This result is the increased price of utilities has a greater impact on low income households. It is recognised that renting in an 'intractable barrier' to the costs and access of more efficient homes^{xvii}.

The provisions proposed in the RIS will go some way to assisting households to reduce costs and enhance affordable and accessible living. However, it would be preferable that they are included in the minimum standards, so they can be of ongoing benefit to a broader range of households over the life of the property, rather than having to be removed at the end of a tenancy.

Q Shelter the recommended option with some variation. Renters should have the ability to undertake health and safety or amenity minor modifications by providing prior notification to, but not agreement from, the lessor. A definition of minor modifications should be included in the changes; and qualified tradesperson used (only) when appropriate. If the lessor opposes the tenant's minor modifications, it should be the responsibility of the lessor to use the dispute resolution process within a prescribed timeframe to challenge the issue.

A government fund should be established for low income renters who require health and safety modifications (e.g. grab rails) if they are required to restore the property on exit.

Q Shelter would also encourage the inclusion of energy efficiency standards and

2.5 Renting with pets (with safeguards)

More than 58 per cent of Queensland households own a pet⁴. Yet only approximately 10 per cent of rental properties in Queensland are considered 'pet friendly'⁵.

Both the RSPCA (Qld) and the Animal Welfare League of Queensland (AWLQ) have alarming figures on the proportion of animals that are surrendered each year as a result of a lack of pet friendly homes. The AWLQ states that around 25 percent of AWLQ's 2,500 surrender intake last financial year was due to an inability to find pet friendly homes or due to moving house⁶.

The RIS highlights the research that illustrates the benefits of pet ownership including physical and psychological benefits including a reduction in stress, improved mental health, improved physical health and activity levels, and increased social support^{xviii}.

A range of investment advisory services encourage pet ownership has the following benefits for property owners^{xix}:

- Increases the prospective tenant pool and can lead to faster re-letting of properties and lower vacancies
- Tenants with pets are much more likely to be longer term tenants which reduces the time and cost to owners of securing new tenants

⁴ <https://piaa.net.au/australian-pet-ownership-statistics/>

⁵ <https://www.rent.com.au/blog/halloween-pets>

⁶ <https://www.awlqld.com.au/pet-owner-help/pet-housing-facts>

- Pet owners are likely to pay more rent
- Pet owners are likely to be physically healthy people, be more socially connected and have better mental health
- Pet owners are more likely to be responsible
- Reduction in 'unauthorised pets'.

The reasons that property owners state for not allowing pets in private rental properties include property damage and neighbourhood disturbances. These are very reasonable concerns. However, a more structured framework for keeping pets would be helpful to particularly putting on the onus on the property owner to articulate reasonable grounds for the determination. Additionally, property owners are able to purchase an appropriate level of cover of specialise landlord insurance to mitigate risks against pet damage, or any other damage.

Q Shelter strongly support the recommended option that would require lessors to have a reasonable ground (prescribed by law) to deny a tenant's request for a pet when it complies with other laws and by-laws prohibiting the pet/pet type.

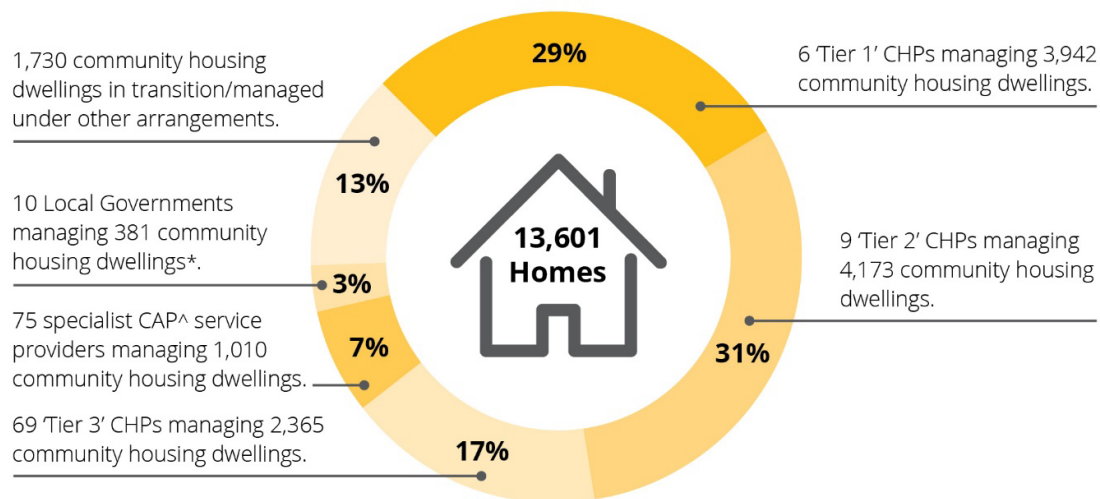
In stage two, these reforms should go further to better support renters with pets during the application process.

We do not support a pet bond, because tenants already pay bonds. Any requirement for tenants to undertake carpet cleaning or pest control should only be related to the pet type. For example, flea control should be applicable for dogs and cats, but not goldfish.

3 Community Housing Providers

The Queensland Community Housing Prospectus presents the following overview of the 13,601 homes provided through community housing in Queensland⁷.

⁷ Page 6, Queensland Shelter, *Queensland Community Housing Prospectus: A time for growth*, November 2018. The Prospectus was developed by Queensland Shelter and funded by the Queensland Department of Housing and Public Works. Figures presented are as at 30th June 2017.



* Does not include Aboriginal and Torres Strait Islander Councils
 ^ Crisis Accommodation Program (CAP)

Community housing providers registered under the Housing Act (2003) are required to comply with the Residential Tenancies and Rooming Acct (2008). CHPs are also regulated by the National Regulatory System Community Housing (NRSCH) and meet the requirements of good practice service delivery including a range of policies and procedures.

The preferred options in the RIS would not significantly impact on CHPs as landlords. Individual CHPs have their policies and procedures about the keeping of pets, and how this relates to property ownership, property type, and local government rules and regulations. They also have policies and procedures around modifications.

CHPs are required through regulation to have minimum standards relating to properties, and this includes asset management policies and procedures, asset management plans, as well as planned and responsive maintenance.

Additionally, CHPs undertake supportive tenancy management and work collaboratively with other support agencies to provide wrap-round services for the tenants. CHPs rarely use no ground terminations, and avenues of support for the tenant are explored prior to any termination. Finally, the preferred domestic and family violence option in the RIS would be considered standard practice for CHPs.

4 Conclusion

Overall, Q Shelter is supportive of the rental reforms and recommended options in the Regulatory Impact Statement (RIS) to creating improved rental security and better quality accommodation for tenants in the private market. We commend the State Government for the Open Doors to Renting Reform consultation process, including wide community engagement and the development of the RIS to articulate the range of options that have been considered. The RIS provides meaningful first stage to provide an enhanced structural framework for a contemporary rental market in Queensland. Q Shelter looks forward to Stage 2 of the reform pathway.

5 Contact Details

For further details about this submission, you can contact Q Shelter's Executive Director, Fiona Caniglia, on (07) 3831 5900 or at Fiona.Caniglia@gshelter.asn.au

ⁱ See <https://profile.id.com.au/australia/tenure?WebID=120&EndYear=2006&DataType=EN>

ⁱⁱ *Ibid.*

ⁱⁱⁱ Page 12, Stone, W., Sharam, A., Wiesel, I., Ralston, L., Markkanen, S. and James, A. (2015) *Accessing and sustaining private rental tenancies: critical life events, housing shocks and insurances*, AHURI Final Report No.259. Melbourne: Australian Housing and Urban Research Institute Limited. P. 12

^{iv} *Ibid.*

^v See Stone, W., Burke, T., Hulse, K. and Ralston, L. (2013) *Long term private rental in a changing Australian private rental sector*, AHURI Final Report No.209. Melbourne: Australian Housing and Urban Research Institute.

Sharam, A. (2015) *The voices of mid-life women facing housing insecurity*, Swinburne Institute for Social Research, Melbourne. Sharam, A., Ralston, L. and Parkinson, S. (2016) Security in housing: the impact of housing and key critical life events, SISR Working Paper, 1 October 2016, Swinburne University of Technology, Melbourne.

Hulse, K., Parkinson, S. and Martin, C. (2018) *Inquiry into the future of the Private Rental Sector*, AHURI Final Report 303, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/303>, doi: 10.18408/ahuri5112001.

Productivity Commission 2019, *Vulnerable Private Renters: Evidence and Options*, Commission Research Paper, Canberra.

^{vi} Page 13, op cit, Stone, W., et al. (2013)

^{vii} Page 4, Productivity Commission (2019), *Vulnerable Private Renters: Evidence and Options*, Commission Research Paper, Canberra.

^{viii} Hulse, K. and Saugeres, L. (2008) *Housing insecurity and precarious living: an Australian exploration*, AHURI Final Report No. 124, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/124>.

^{ix} Page 14, op cit, Hulse, K. and Saugeres, L. (2008).

^x Page 22, op cit, Productivity Commission (2019).

^{xi} Singh, A., Baker, Daniel, L. and Bentely, R. (2019) 'Poor housing leaves its mark on our mental health for years to come' *The Conversation*, 29/07/19, <https://theconversation.com/poor-housing-leaves-its-mark-on-our-mental-health-for-years-to-come-120595>.

^{xii} AIHW (2019) *Specialist Homelessness Services Annual Report 2018-19*, Australian Institute of Health and Welfare, <https://www.aihw.gov.au/reports/homelessness-services/shs-annual-report-18-19/contents/summary>.

^{xiii} See Foster, G, Gronda, H, Mallett, S & Bentley, R (2011), *Precarious housing and health: research synthesis*, Australian Housing and Urban Research Institute, Hanover Welfare Services, University of Melbourne, University of Adelaide & Melbourne Citymission, Australia.

Mallett, S, Bentley, R, Baker, E, Mason, K, Keys, D, Kolar, V & Krnjacki, L (2011), *Precarious housing and health inequalities: What are the links?*, Hanover Welfare Services, University of Melbourne, University of Adelaide, Melbourne Citymission, Australia. www.vichealth.vic.gov.au/publications/health-inequalities

^{xiv} Page 75 op cit, Productivity Commission (2019).

^{xv} See Dockery, A. M., Ong, R., Colquhoun, J. and Kendall, G. (2013) *Housing and children's development and wellbeing: evidence from Australian data*, AHURI Final Report No.201. Melbourne: Australian Housing and Urban Research Institute.

^{xvi} AIHW, op cit, (2019).

^{xvii} ACOSS (2017) *Empowering disadvantaged households to access affordable, clean energy*, Fact Sheet, https://www.acoss.org.au/wp-content/uploads/2017/12/Factsheet_empowering-disadvantaged-households-Final.pdf.

^{xviii} See Page 151, Queensland Government (2019) *A better renting future – safety, security and certainty*, Consultation Regulatory Impact Statement, Queensland Government, Brisbane.

^{xix} See <https://www.savings.com.au/home-loans/investing/should-you-allow-pets>

<https://www.terriscbeer.com.au/keeping-renters-out-of-the-dog-house/>

<https://www.yourinvestmentpropertymag.com.au/news/benefits-of-allowing-pets-in-your-rental-property-238085.aspx>