

# WINE VVS

## Renters will now be forced to prove they can't pay rent during coronavirus restrictions, Minister says

By Rachel Riga, George Roberts and staff

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PHOTO: Mr de Brenni said the new guidelines would support landlords and tenants. (AAP: Dan Peled - file photo)

**The Queensland Government has backed down on its coronavirus rental relief package after the real estate industry waged a public campaign alleging the measures favoured renters over landlords.**

Housing and Public Works Minister Mick de Brenni said renters suffering financial difficulty due to coronavirus would have to provide evidence of lost income if they wanted to be covered by a freeze on evictions.

"They are that you've lost more than 25 per cent of your income, or that you've lost so much of your income that you're paying more than 30 per cent of your income on rent and you can't afford the other necessities of life," he said.

"I can't put a dollar figure on that ... that's why there is real complexity to develop a framework."

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### Key points:

- The REIQ previously called for a rental deferment system so landlords could recover lost income
- Mick de Brenni says it will be up to renters and owner to sit down and work it out
- He says the plan includes full disclosure of a tenant's financial circumstances through a conciliation process

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The Real Estate Industry of Queensland (REIQ) had previously called for a rental deferment system so landlords could recover lost income.

Mr de Brenni said it would be up to renters and owner to sit down and work it out.

"That will be a matter for tenants and landlords to work out in the best interest of the long-term security of tenure for those tenants and the financial security of the property owner," he said.

"We will have a system in place to support the owner and it will include full disclosure of the financial circumstances of a tenant through a conciliation process."



**PHOTO:** The REIQ said the changes to eviction freeze arrangements and rent deferrals "share the pain". (ABC News)

The Government's rental assistance package includes a six-month freeze on rental evictions, the ability to extend a lease for six months and a rental assistance grant of up to \$500 per week for up to four weeks.

Mr de Brenni said the new guidelines would support landlords and tenants.

"We want to ensure the mum and dad investors out there, that this package takes into full account the concerns that they've raised over recent days," he said.

"We know that for many of those mum and dad investors, they're not rich, they're not wealthy, they simply invested in a property for their family's future."

Mr de Brenni said renters would have to meet a high threshold if they wanted to break their lease.

"There are limited circumstances in which we will allow a tenant to break their lease with a week's notice," Mr de Brenni said.

Inspections would be able to take place if a landlord wanted to sell their property and there was no health risk.

However, if a tenant was self-isolating or in quarantine, a virtual inspection would be able to take place.

Property agents and owners would still be able to access the property for emergency and essential repairs, for example smoke alarm repairs.

The State Government announced a \$20 million grant fund would be made available to support 7,000 households to assist with rental payments.

A special COVID-19 housing security committee would also be formed involving the REIQ, Tenants Queensland, the Queensland Council of Social Services, Q-Shelter and the Residential Tenancy Authority, to independently monitor landlords and tenants who needed to negotiated.

## Coronavirus questions answered



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- You can also get up-to-date information on the Federal Government's Coronavirus Australia app, available on the App Store, Google Play and the Government's WhatsApp channel.

## 'Share the pain'

The REIQ said the changes to eviction freeze arrangements and rent deferrals "share the pain".

REIQ chief executive officer Antonia Mercorella said she was very happy with what she called a more balanced approach.

"I think what's been announced today is far fairer and more balanced and does take into account property owners as well as tenants," Ms Mercorella said.



**PHOTO:** REIQ CEO Antonia Mercorella says she is very happy with what she calls a more balanced approach. (Supplied)

But she said she did not expect all landlords to be happy with the measures.

"I'm sure there will still be some owners who will take the view that it's not their job to bear the loss and I'm sure on the other side there will be some tenants that will also be disappointed," she said.

"But I think we've known from the very outset that this pandemic is causing pain and grief for all of us."

## 'There's a power imbalance already'

Tenants Queensland (TQ) chief executive officer Penny Carr said Mr de Brenni's latest announcement was disappointing.

Ms Carr said she was concerned about the people who could not negotiate rent reductions without having to defer a payment for later on.

"There's a power imbalance already — you've got a process where you're encouraging negotiations between the parties, which is the best way for it to happen, but at the moment there's no way to determine those disputes via a third party," she said.

"The person with less power — in this case it's the tenant — is going to be at a disadvantage.

"We do need a process which makes both those parties come to the table and negotiate in good faith and offer up information in good faith."



**PHOTO:** The REIQ says it does not expect all landlords to be happy with the measures. (ABC News: Markus Mannheim)

Ms Carr said landlords should also have to put something forward to show why they could not afford rent reductions.

"This is not anyone's fault — we have got to try and find a solution that works for everybody," Ms Carr said.

"We are not saying that rent should be reduced forever.

"What we don't want is these debts occurring so that in six months' time we just end up with a whole heap of homeless and evicted people because they couldn't pay rent."

Ms Carr has called on Prime Minister Scott Morrison to drive the banks and lenders to contribute more.

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- The symptoms
- How to self-isolate
- When to wear a face mask
- The number of cases in Australia

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