



## Housing Roundtable paper

Tenants Queensland (TQ) thanks the Queensland Premier for an invitation to participate in the state government's housing roundtable.

On a daily basis TQ speaks to hundreds of renting households across the state, many of which are feeling the dire impacts of Queensland's housing crisis. Households are struggling with large rent increases which are delivered to them in an offer of a new tenancy agreement alongside a Notice to Leave with no grounds, leaving the tenant to take or leave the offer. Others seeking our service make contact because they may or have been forced out of their rented home and are unable to find another appropriate property in the required timeline.

Households are incredibly stressed as they deal with record low vacancy rates occurring throughout the state. Our clients are reporting having to make multiple applications for properties and compete with scores of others at inspections (if the property has not been rented before they get there). Prospective tenants are providing a great deal and range of sensitive personal information to a plethora of landlords, agents, and third-party platforms without being a successful applicant and sometimes not even getting to view the premises.

It is clear there is no one solutions to the range of issues arising in our housing system. The ownership of residential property is increasingly the source of a wealth divide in our community where some people own multiple properties and others cannot access a rented home. COVID-19 taught us that our housing problems are solvable. Solutions need to come from all levels of government, across government and from every stakeholder and interest group.

TQ offers the following items for consideration at the housing summit.

### Tenancy law reforms – Stage Two

The Queensland government has promised a second stage of tenancy law reforms, and these should be commenced immediately.

Strong tenancy laws are an important part of a healthy housing system and can protect renting households from arbitrary evictions, mitigate unaffordable rents and support renters in exercising their rights which are otherwise undermined by weak laws. Compared to other countries, Queensland (as well as other Australian jurisdictions) have relatively weak tenancy laws<sup>1</sup>. The following is a non-exclusive list of proposed inclusions to Stage Two:

- Limiting rent increases, using the CPI as a benchmark
- Removing the ability to end tenancies without a reason, including for the end of a fixed term agreement

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<sup>1</sup> Martin, C., Hulse, K., and Pawson, H. (2018) *The changing institutions of private rental housing: an international review*, AHURI Final Report No. 292, Australian Housing and Urban Research Institute Limited, Melbourne.

- Making the bond return process fairer
- Bringing greater stability to people who rent their homes Without better protections against no fault evictions such end of lease eviction, tenants cannot enforce their other rights without fear of reprisal.
- Greater privacy protections
- Allowing renters to undertake minor modifications to make their homes safe, accessible and amenable.

## **A Bond Exit Survey**

The evidence available about why tenancies are ended is extremely limited. The implementation of a simple Bond Exit Survey, administered by the Residential Tenancies Authority when a bond is paid out, will help to better understand the experience of renters, lessors and agents. This in turn will provide evidence for future policy making aimed at increasing stability in the market. A similar survey is undertaken in NSW.

## **Better understand and better use of current stock**

Much public narrative (quite reasonably) centres on the need for more housing stock. Whilst clearly there is a need, in particular for additional affordable stock such as public housing, TQ also argues the need to better understand how stock is currently being used. There is already enough housing in Australia for everyone to be housed. *“If we wanted to, we could house every single person who required housing tomorrow. That’s not billeting a room to someone you don’t want living in your house, that’s just taking the places where nobody lives at the moment and place people in there. And that would mean no more housing crisis”.*<sup>2</sup>

Deepening our understanding of the use and ownership of residential property in Queensland will support effective policy decisions focussed on housing Queensland households.

The Queensland Government should consolidate information about who owns the stock, where they live and how many properties they own. It should also research the impact of ‘platform enabled’ short term lettings (e.g., Airbnb) on the long-term rental market.

Following COVID-19, Australia has experienced a domestic tourism boom. With opportunities for greater returns, it is likely some stock has transferred from the long-term market (LTM) to the short-term market (STM). In some areas the impact may be seasonal and others on-going, and may impact owner-occupation, tourism and second homes.

Understanding if and what the impacts are, will provide options for government to encourage desired behaviours. Noosa Shire Council has recently drafted a housing plan. In doing so, it investigated the impact of Airbnb in the council area and found that the majority of owners of properties let out through platform enabled short term lettings in the area were not owned by people who lived within the council area. These types of insights are important for governments in making policy decisions.

Once it understands the impact of short-term lettings, the state government could *disincentivise the use of stock for short term lettings*. One option is to follow the lead of NSW and Tasmania which

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<sup>2</sup> Quoted by Joe Collins, Lecturer in the Faculty of Arts and Social Sciences, University of Sydney, Radio National The Philosopher’s Zone Housing part 2,

have used planning legislation, providing a statewide mechanism which can be modified in different regions, to regulate the short-term lettings.

In a similar way, the government could consider *a vacancy tax* for properties which are left empty.

TQ proposes the state government implement of *a register of landlords* for both short- and long-term rentals. [A register, similar to Scotland](#), would provide on-going transparency about how rental stock in Queensland is being used and provide important insights into Queensland investors and their behaviour, for example, what is the transition of properties between tourism, short or long-term rental and out of the market. A register could be self-funded (through a modest registration fee) and deliver a mechanism to ensure minimum legal and risk management requirements are undertaken.

In understanding transition in and out of the long-term rental market, much more could be done with Queensland rental bond data by analysing bond entries and exits over time.

*Local councils* are important stakeholders in understanding the use of stock across the state.

### **Work with other states and Territories**

TQ considers it time to re-consider national standards for aspects of tenancy law to bring back general consistency across jurisdictions. We advocate that the Queensland Government work with other states and territories to establish a national tenancy law reform agenda, centred on housing rights and stabilising homes for renting Queenslanders (and others across Australia). Such standards could include many aspects advocated at the state level, such as protections against arbitrary evictions, rent costs and increases, privacy, energy efficiency and housing standards.

### **Increasing housing supply**

TQ supports the position put by QCOSS to *expand the Housing Investment Fund* by facilitating the commencement of an additional 3,600 social housing dwellings per \$1 billion invested. In addition, we support their proposal for the repair and use of empty houses owned by Aboriginal and Torres Strait Islander community housing providers to increase the number of dwellings available for Aboriginal and Torres Strait Islander tenants.

### **Across government solution**

The Premier should set up a taskforce across government to bring across government solutions to the housing crisis, ensuring all portfolios focus on the issue of increasing availability of existing stock and use of assets to develop new.

### **Commonwealth government**

The commonwealth government has an important role to play in delivering social housing. The Queensland government should advocate for:

- Additional dollar for dollar investments provided through multilateral agreements with states and territories to enable the delivery of 25,000 social and affordable housing

properties per year. The Commonwealth and Queensland governments should take immediate and urgent steps in this regard;

- An increase to Commonwealth Rent Assistance by at least 50 per cent
- Reducing speculation in the housing market. First home buyers are being priced out of the market by property investors meaning that renters must rent for longer and compete in a highly competitive market. According to the Australia Institute, capital gains tax and negative gearing are “distorting the Australian residential property market, encouraging speculative behaviour and being used by predominantly high-income households as a tax shelter.”