

**Paper  
to  
The  
Second  
Queensland Housing Roundtable**



**March 2023**

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## 1. Introduction

Tenants Queensland (TQ) congratulates the Queensland Premier for the focus she is bringing to the housing issues being experienced by ordinary Queenslanders right across the state.

We note the Premier raised the issue of rent capping in the last week, noting it will form part of the conversation at the Roundtable. For that reason, TQ has developed a brief paper for the Roundtable on that issue.

## 2. About Tenants Queensland

Tenants Queensland (TQ) is a statewide community and legal service providing free tenant advisory services for residential tenants. TQ aims to protect and improve the rights of all people who rent their home in Queensland. This includes renters in private rental and social housing as well as those in more marginal tenures such as caravan parks and boarding houses.

TQ is the manager and lead provider of the Queensland Statewide Tenant's Advice and Referral Service (QSTARS) program. QSTARS provides quality, free, independent advisory services to tenants across Queensland. Through QSTARS and our Community Legal Centre's Program work, TQ assists renters to understand and exercise their legislative rights and responsibilities, and ultimately to manage and sustain their tenancies.

TQ operates a range of other projects. Our Domestic and Family Violence Sector Capacity Building Project supports DFV workers when working with clients with renting issues. Our Financial Counselling Project recently commenced to provide additional support for renters, particularly those whose financial situation was impacted by COVID -19.

## 3. Key recommendations

TQ support better regulation of rent increases Tenants Queensland recommends the following.

1. Immediately limit rent increases by:
  - a. Using as the Consumer Price Index as the benchmark for acceptable rent increase. Increases above this must be justified by the landlord and show improvements to amenity;
  - b. Allow only one rent increase per year.
2. Remove the end of a fixed term as a reason to end a tenancy.
3. Immediately commence the stage of tenancy law reforms.

## 4. Current experiences of renters with rent increases

On a daily basis TQ speaks to hundreds of renting households across the state, many of which are currently feeling the dire impacts of Queensland's housing crisis and experiencing large rent increases.

Currently, rent increases are only regulated in regard to their frequency (allowable every six months) and the procedural requirements. The amount rent can be increased is unregulated, and while the tenant (the consumer) may in some circumstances seek a ruling in the tenancy tribunal in regard to whether an increase is 'excessive', the test is to compare the increase to market conditions. It also relies on the tenant having all the market data available to them, and a willingness to risk their tenancy being ended with no grounds at the next available opportunity. In our experience, these challenges are rarely used.

There is a range of data showing the extent to which increases to rent are impacting households across the state. This includes the Residential Tenancies Authority median rents data (available online), the QCOSS report, [A Blueprint to Tackle Queensland's Housing Crisis](#) as well as TQ's own data.

TQ analysed records for people seeking our advice regarding rent increases from our service entry point between from January 3 to March 23, 2023. In that time, 195 individuals sought rent increase advice.

Only 15 of those had rent increases below the rate of the Consumer Price Index (CPI), using a figure of 7.5%. On average the rent increase was \$100 per week or approximately 23.5% of the rent they were paying. Some of these renters had increases six months prior.

The largest in dollars was \$705 per week and the highest in percent was 91.5%, an increase from \$260 to \$500.

Queensland renters, particularly those on fixed incomes, cannot absorb these rent increase shocks. They are having to make difficult decisions to either take a new agreement at an unaffordable rent or have their agreement ended by the agent when their current fixed term agreement ends.

TQ is calling for greater regulation of both the frequency and the amount of rent increases.

#### *Our Proposal*

TQ is calling for limits to the frequency of rent increases, limiting them to only one per year. We are also calling for regulation of the amount rent may be increased, using cost of living increases - the CPI - as the benchmark. To provide some flexibility, we propose that rent may be increased annually up to 110% of the CPI. This is the figure used in tenancy system of the ACT.

In limited circumstances rent could be increased above this regulated amount if the premises are subject to significant improvements to the home such as upgrades to the kitchen or bathroom that add to the quality of the property and the experiences of the tenant. Repairs and maintenance, already required of the landlord, would not fall into this category. If a dispute arises about significant improvements, the landlord could make an application to the tenancy tribunal for decision.

This proposal does not seek to prevent rent increases. This proposal does seek to smooth rent increases out over time, making them predictable and manageable for renters, whilst maintaining returns for landlords.

This 'smoothing out' process is similarly applied to land tax, where landlords are protected from 'bill shock' by averaging out the increases to the value of unimproved land over three years.

#### *Preventing risks to tenure an important part of regulating rents*

Greater regulation of unreasonable and opportunistic rent increases won't in and of itself protect renters from spiralling rents. Providing more secure tenure must go hand in hand with the regulation of rent increase. TQ is also calling on the government to remove the ability to end tenancies for the *End of a Fixed Term*.

Unless renters are protected from the ending of tenancies without grounds, including because the fixed term is ending (*Notice to Leave End of a Fixed Term*), they will continue to face tenancy terminations as a proxy for putting the rent up.

Renters contacting us about rent increases often have one of two varied but equally concerning, experiences.

The first is where the sitting tenant receives an offer of a new agreement with a large rent increase, along with a *Notice to Leave End of a Fixed Term* agreement. Whilst our organisation will advise the renter to try negotiating the new rental amount, many clients are being told by their agent that the new offer is not negotiable and refuse discussion. It is a take it or leave it offer. If the tenant cannot pay it, and will not sign the new agreement, the Notice to Leave takes effect.

The second experience is where a renter is issued with their new tenancy agreement and given a *Notice to Leave End of a Fixed Term* for that agreement at the same time. This is a [best practice recommendation](#) of the REIQ. The agent may also state that they will contact the owner when the renewal is up again and see if they will renew the contract. Despite this, from the very beginning of the agreement, it leaves tenants living under the expectation that they will have to move at the end of it. A copy of once such communication is attached at Attachment Two.

Renters are already feeling stressed in the market, afraid to raise legitimate issues of repairs, negotiate rent increases or raise other issues within their rights. These management practices exacerbate their feelings of insecurity and lack of power.

The continued ability to end tenancies for no reason, using *Notice to Leave End of a Fixed Term*, will undermine any additional regulation of rents. If an agent or landlord wants to increase the rent beyond the regulated amount, they will issue a *Notice to Leave End of a Fixed Term*, as a proxy to increase the rent.

There is precedent in Australia to removing without ground notices to leave, including end of a fixed term. Victoria only allows for a tenancy to be ended using the reason of *End of a Fixed Term* after the first term of the tenancy. There after a reason set out in the laws is required.

Last week the ACT passed laws requiring a reason set out in law to apply whenever a tenancy is ended and preventing no ground terminations (including those due to the end of a fixed term agreement).

The newly elected NSW Labor government have committed to removing no ground tenancy terminations for periodic and fixed term agreements.

## 5. Other recommendations:

The following additional recommendations are from our submission to the Housing Summit submission. A full description of these tenancy law reforms supported by TQ can be found at Attachment Three under the call from the Make Renting Fair in Queensland campaign.

- Better bond return processes to support struggling renters.
- Fairer contract terms
- Allow tenants to make their homes more accessible, safer and healthier.
- Allow tenants to personalise their space.
- Improve the protections to renters' privacy.
- Provide a framework to ensure renters are treated with respect.
- Introduce a Bond Exit Survey for both parties to provide greater insight into why tenancies.

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- **Attachment One – Rent regulation proposal**

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The following is TQ's proposal for rent regulation.

Rent increases may only occur once per annum.

The amount of rent increase is limited to 110% of the Consumer Price Index.

Amounts over that figure are only allowed in the following limited circumstances:

- There have been significant improvements to the home such as upgrades to the kitchen or bathroom that add to the quality of the property and the experiences of the tenant.
- These 'improvements' are not repair or maintenance issues which are already the responsibilities of the landlord.

A dispute about a rent increase over 110% of CPI can be taken by the landlord to the Civil and Administrative Tribunal to determine if it meets required criteria.

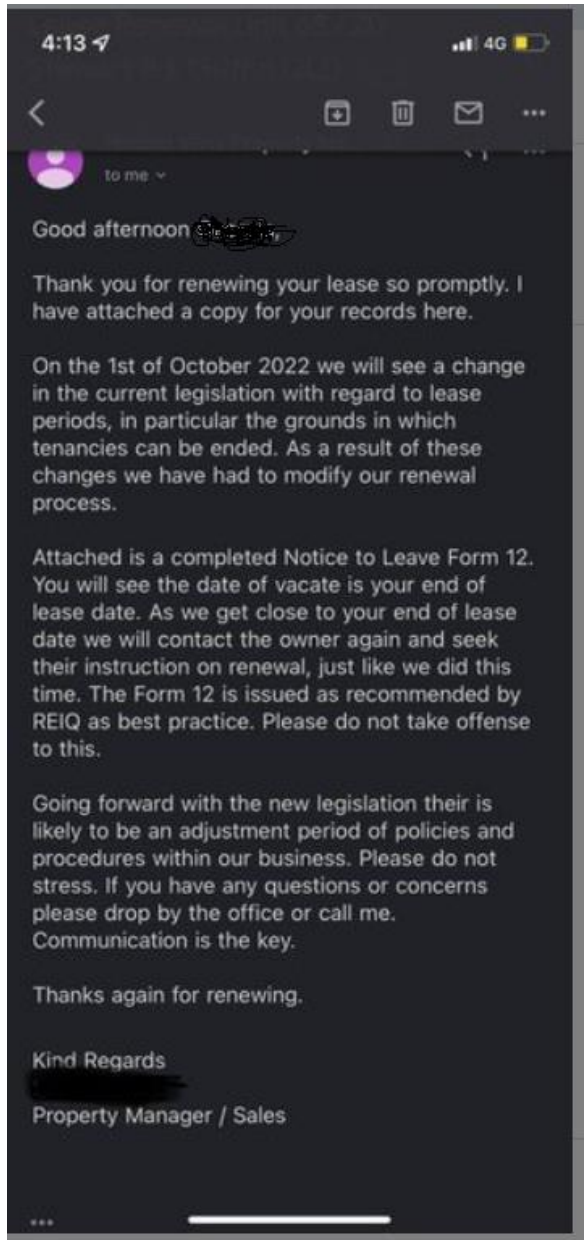
An end to the grounds for termination based on the *End of a Fixed Term Agreement*. If rents are regulated by the use of this ground for termination removed, it will continue to act as a proxy for rent increase notices which do not comply with the above.

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- **Attachment Two – terminating tenancies when they start - REA messaging**

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This is an example of the communication sent to tenants when they received a *Notice to Leave End of a Fixed Term* at the same time they signed a renewed tenancy agreement. This practice leaves tenants living under the threat of evictions from the beginning of the agreement.



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- **Attachment Three – Make Renting Fair in Queensland platform for reform**

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The following is the list of tenancy law reforms being called for by the Make Renting Fair in Queensland and supported by TQ.

## **LIMIT RENT INCREASES**

**Your landlord must have a good reason to increase your rent above the overall cost-of-living.**

**Your rent can only be increased once a year**

We are seeing unreasonable rent increases occurring across Queensland. Rental prices are increasing at more than three times the overall cost-of-living – an average of \$104 per week. This is unsustainable.

If your landlord wants to increase your rent by more than 10% above cost-of-living increases, there should be a good reason for it.

Good reasons include improvements to your home, such as upgrades to the kitchen or bathroom that add to the quality of the property and your experience as a tenant.

However, increases that are unreasonable, opportunistic, or akin to price gouging should be unacceptable.

We're calling for rent rises to be restricted to once per annum and for the consumer price index (CPI) to be used as a guide for reasonable rent increase.

In addition, our laws should prohibit any practice where a landlord or agent solicits or invites any offer of an amount of rent that is higher than the advertised amount for rent.

## **MAKE BOND RETURNS FAIR**

**Your bond should be automatically returned unless the landlord or agent provides evidence of the expenses they claim are owed**

Right now, it is a race between tenants and landlords to make the first claim on the bond at the end of a tenancy. This isn't fair.

Your bond is *your* money, held by the government until your tenancy ends.

If your landlord thinks some of your bond should be awarded to them, they should have to make a claim, with evidence, otherwise, it should be automatically returned to you.

## **FAIRER CONTRACT TERMS**

**Prohibit terms in rental agreements that are one-sided and cause detriment to renters**

**Empower you to take action when a contract is not fair**

Your rental agreement should not reduce your rights, or place unreasonable responsibilities on you. Unfortunately, some landlords and agents include unacceptable requirements in rental agreements, leaving renters with no choice but to agree.

Renters can be forced to take out specific insurances or be forced to indemnify the landlord – both of which are outside their responsibility as a tenant.



As a renter, you should be protected from these unfair contracts. That's why we want to see unfair contract terms prohibited, and, when they appear in agreements, there needs to be a fair, practical way to have them removed by using the usual dispute channels.

## **YOUR HOME ACCESSIBLE, SAFER AND HEALTHIER**

**Allow you to make minor modifications to improve safety and disability accessibility.  
Require pre-disclosure of information about safety risks in your home, such as asbestos or flood risk, and crimes that have occurred at the premises.**

Your home needs to meet your needs so you can live safely and independently.

One in twenty renters in Queensland live with a disability. It is only fair that Queenslanders with a disability can make minor modifications like lowering locks on windows, installing railing in the bathroom, or emplacing temporary ramps so ensure all parts of the property are accessible.

Similarly, many Queenslanders are cautious about their personal safety, especially survivors of domestic and family violence. Adjustments such as installing security cameras or screens on doors and windows are reasonable, and essential.

Other examples of reasonable safety adjustments include securing furniture against a wall.

Additionally, you deserve to know (before being bound to a tenancy contract) about safety risks at the property, such as asbestos or flood risk, and crimes that have occurred at the premises.

## **MAKE YOUR HOME YOUR OWN**

**Allow you to make the place your home, with minor modifications like hanging pictures on the wall or creating a garden, by providing notice to the landlord or agent.**

For a growing number of Queenslanders, renting is no longer a temporary option; it is a long-term necessity. Almost half the rental homes in Queensland are homes for children, and a growing number of older Queenslanders are renting.

People are not just renting a house – they are renting a home.

We need to be able to create homes for ourselves – hang pictures on the wall, decorate a room or make a garden – without unreasonable interference. Renters should be able to make these minor changes, following a notice to the agent or landlord.

Reasonably, renters would remain responsible to return the property in the same condition at the end of the tenancy.

## **PROTECT YOUR PRIVACY**

**Increase all 24-hour entry notice periods to 48 hours  
Limit questions on rental applications to those that are relevant to your household's ability to maintain a property and pay rent  
Ensure your personal information is protected when landlords and agents use third-party platforms**

Whether it is for non-urgent repairs, a property valuation, or an inspection, it is only right that you receive adequate notice that someone will be entering your home.

To provide a reasonable notice time before an entry is made, we're calling for an increase in the required notice period from 24 hours to 48 hours.

The information required on your rental application should reflect what is reasonably required to assess your proof of income and rental history. Unfortunately, some agents request unreasonable amounts of information, such as a full bank statements with day-to-day transactions, bond claims history, and details of previous tenancy disputes (even when the tenant was in the right).

This information is unnecessary when assessing a tenancy application and should be prohibited from the application process.

Technology plays an important role in all businesses. However, it should never be used at the cost of your privacy. Real estate agents are increasingly forcing renters to apply for a property, or during a tenancy using third-party platforms, collecting a great deal of personal data. Renters have no real ability to challenge privacy terms without fear of rejection or eviction. As a result, many renters release sensitive personal information, which often ends up on multiple databases, sometimes without even securing a tenancy or a viewing.

We're calling on the government to improve privacy protections for renters and prospective renters by reviewing the use, disclosure and storage of personal information in the industry and improve privacy protections for renters.

## **ENSURE YOU ARE TREATED WITH RESPECT**

### **Introduce a code of conduct and industry standards for landlords and agents Increased training for residential property managers**

We need shared standards and expectations around industry behaviour.

To increase accountability amongst landlords and agents we are calling for improved training in property management, as well as a code of conduct for the industry. This would set standards and expectations and provide renters with an avenue to challenge poor practice.

We are also calling for a register of landlords, for both short and long-term rentals to improve transparency and accountability. Such a register would be consistent with current requirements for rooming accommodation providers. A register would also provide surety that landlords and agents have undertaken training and are positioned to manage properties compliantly.