A better renting future — Safety, security and certainty

Consultation Regulatory Impact Statement

Review of the *Residential Tenancies and Rooming Accommodation Act 2008*

Stage 1 Reforms

November 2019



Queensland Government

Collection Notice

The Department of Housing and Public Works is undertaking consultation on proposed renting reforms, including amendments to residential tenancy laws in Queensland and welcomes feedback from interested stakeholders. The department may choose to publish submissions on the Department of Housing and Public Works website (www.hpw.qld.gov.au) or Engagement HQ engagement platform (web address) unless the material is provided in confidence. Material provided in confidence should be clearly marked `in confidence'. While the department will endeavour to identify and not publish material marked as confidential, submitters should note that submissions will be subject to the Right to Information Act 2009 (Qld) and any request for such documents will be assessed in accordance with that Act. Your personal information will be handled in accordance with the Information Privacy Act 2009 (Qld).

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Overview

The Queensland Government is committed to modernising tenancy law to create a contemporary legislative framework and better protect tenants and property owners to improve housing stability in the rental market.

During 2018, the Queensland Government reached out to the community through the *Open Doors to Renting Reform* consultation program (Open Doors consultation) to hear about their rental experiences and ideas to improve renting in Queensland.

More than 135,000 responses were received during the Open Doors consultation, and these were analysed to identify priority issues for reform. The *Better Renting Future Reform Roadmap* outlines the Queensland Government's response to the issues identified through this consultation, and a staged tenancy reform pathway to improve renting in Queensland

This Consultation Regulatory Impact Statement (Consultation RIS) focuses on the first stage of changes to address concerns relating to safety and security, managing tenancies and renting with pets. The modules in this Consultation RIS outline options to achieve the government's policy objectives for:

- ***Safety and Security*** to ensure rental accommodation is safe, secure and functional.
- ***Managing tenancies*** to ensure existing tenancy rights are enforced without fear.
- ***Renting with pets*** to improve access to pet-friendly rental accommodation.

The Consultation RIS is provided to encourage feedback about:

- whether the proposed solutions will achieve the intended outcome
- what the potential impact on the sector may be
- any unintended consequences of taking action (or not taking action) and
- what else the government should consider.

The Queensland Government will consider the impact of the proposed reforms informed by feedback on the Consultation RIS before deciding on a recommended option or changing tenancy laws.

How to have your say

You can make a submission about some or all of the modules or options presented in the Consultation RIS or raise additional issues and suggest other options. Submissions may be:

Mailed to:

Renting in Queensland

Strategic Policy and Legislation

Housing, Homelessness and Sport

Department of Housing and Public Works

GPO Box 690

Brisbane 4001

Uploaded online at:

qld.gov.au/rentingqld

Executive Summary

The Queensland Government is committed to modernising tenancy laws to better protect tenants and property owners and improve housing stability in the rental market.

During 2018, the government reached out to the community through the *Open Doors to Renting Reform* consultation program (Open Doors consultation). More than 135,000 community responses were received during the consultation, and these were analysed to identify priority renting issues for reform. The *Better Renting Future Reform Roadmap* outlines the government's response to these issues, and a staged reform pathway to improve renting in Queensland.

This consultation Regulatory Impact Statement (Consultation RIS) focuses on the first stage of proposed reforms and addresses:

1. ***Safety and security*** to ensure rental accommodation is safe, secure and functional
2. ***Managing tenancies*** to ensure existing tenancy rights are enforced without fear
3. ***Renting with pets*** to improve access to pet-friendly rental accommodation

Feedback based on the Consultation RIS is sought about:

- whether the proposed solutions would achieve the intended outcome
- what the potential impact on the sector may be
- any unintended consequences of taking action (or not taking action)
- what else the Government should consider.

The Queensland Government will consider the impact of the proposed reforms based on feedback to this Consultation RIS before legislation is changed.

Overview of the proposed reforms

A stable home enables people to achieve positive life outcomes, such as good health, quality education and secure employment. The nature of housing in Australia is changing and renting is no longer primarily a pathway to home ownership, but an increasingly long-term housing solution for many Queensland families, youth and seniors. With more Queenslanders renting, and renting longer, it is important that our tenancy laws support access to safe, secure and sustainable rental accommodation.

The proposed reforms are designed to work together to improve protections for tenants while safeguarding property owner's interests, and improving housing stability in the rental market. The reform package will enhance certainty by better assigning and clarifying risks for all parties in the rental sector. This will maximise the positive social outcomes for tenants and the broader community without imposing unreasonable costs on owners and investors.

Reforms are proposed to:

- support tenants to enforce their tenancy rights
- ensure all rental accommodation in Queensland is safe, secure and functional and strengthen repair and maintenance obligations
- improve tenancy law protections for vulnerable tenants, including people experiencing domestic and family violence and people with a disability
- make it easier for tenants to make minor modifications to their rental property
- support parties to reach agreement on renting with pets by allowing property owners to only refuse pet requests on reasonable grounds and to request a pet bond or special lease condition for pest control and carpet cleaning when the tenancy ends.

This Consultation RIS explores the costs and benefits of reform options to achieve these policy objectives for key stakeholder groups affected by the proposals.

Managing tenancies

Ending tenancies fairly

Certainty about how and when a tenancy can end benefits both tenants and owners. It helps tenants to plan their future housing needs. It also provides owners with income security, allows them to find new tenants before the current tenancy ends, and helps them plan for works and repairs to be completed between tenancies.

Ending tenancies without grounds and the possibility of 'retaliatory' evictions were topics that sparked strong views in the Open Doors consultation. Some tenants indicated that they were hesitant to exercise their tenancy rights, including to request repairs, because they feared retaliatory rent increase or eviction. Fifty-seven per cent (57%) of respondents to a snap poll said that a property owner should need to give a reason to end a tenancy.

Owners and managers strongly supported retaining their ability to end a tenancy without having to give a reason. This was in part because a tenancy does not automatically end after the agreed fixed term of a tenancy agreement, and unless the tenant has breached the agreement there is no other way to end the tenancy. Owners also reported that notice periods for ending a tenancy without grounds for tenants and owners are imbalanced. Some tenants also raised concerns that existing notice periods were impractical and contributed to a perception of insecurity in their tenancy.

Research shows that vulnerable cohorts are the most likely to be living in homes that are in need of repair or have major structural problems. This research suggests vulnerable cohorts may be unwilling to request repairs and maintenance due to:

- uncertain tenure created by property owner's ability to end tenancies without grounds
- risk of rent increases that may push them further into housing stress.

This research concludes that vulnerable cohorts are the most impacted by the potential of retaliatory actions including evictions as they:

- have smaller financial buffers
- have greater difficulty finding suitable, affordable alternative accommodation
- are more susceptible to discrimination.

Existing protections in Queensland's *Residential Tenancies and Rooming Accommodation Act 2008* (the RTRA Act) prevent an owner from giving a notice to leave without grounds to a tenant if it is a retaliatory action. Tenants can apply to the Queensland Civil and Administrative Tribunal (QCAT) about a notice to leave without grounds if they reasonably believe it was retaliatory. These protections rely on tenants challenging the notice and it can be difficult for tenants to prove a notice to leave without grounds is retaliatory.

In considering reforms to address these issues the Government's objectives have been to:

- Ensure parties can end tenancies fairly
- Support tenants to enforce their existing rights without fear of retaliatory eviction
- Provide greater certainty by ensuring tenancies are only ended for identified reasons
- Ensure parties receive fair, reasonable and workable notice to end a tenancy agreement.

Recommended option: Require property owners to only end tenancy agreements for approved reasons, and introduce additional grounds

It is recommended that the RTRA Act is changed to remove the ability for property owners to end a tenancy without grounds and replaced with additional approved reasons to end a tenancy, including:

- the owner or their immediate family needs to move into the rental property
- significant renovations or repairs to the property are to be undertaken
- the rental property has been sold and vacant possession is required
- there has been a serious or significant breach of the tenancy agreement due to the actions of a tenant, occupant or guest
- a person is occupying the rental property without consent (such as a squatter).

Additional grounds for tenants to end a tenancy are also proposed to support reform implementation, including:

- the rental property is not in good repair, is unfit for human habitation, or does not comply with Minimum Housing Standards
- the property owner has not complied with a QCAT Repair Order to undertake repair or maintenance of the rental property within the specified time
- a person is escaping domestic and family violence
- a co-tenant is deceased.

Additional specific grounds for ending tenancies in Queensland Government owned rental accommodation are also proposed:

- the rental property is required for a public or statutory purpose
- the Department of Housing and Public Works requires the rental property to manage public housing as a scarce resource.

Removing notice to leave without grounds will limit owner's discretion of how and when they are able to end a tenancy. Currently owners can use without grounds notices to end a tenancy by providing two months' notice to the tenant, including to ensure the lease ends when the agreed fixed term expires. The proposed reforms would require the owner to have approved grounds to end the tenancy at the end of a fixed term.

The Department considers these proposed reforms strike an appropriate balance between the interests of tenants and owners. Tenants would benefit from having greater protection from arbitrary or retaliatory eviction, while owners would be safeguarded by having access to a wider range of approved grounds to end a tenancy fairly with appropriate and equitable notice periods. Improved certainty about ending tenancies also unlocks the benefits of other existing and proposed tenancy rights, because it gives tenants the confidence to act without fear of retaliatory eviction. For this reason, the Managing Tenancies proposals support and enhance the net benefits of all reform proposals recommended in this Consultation RIS.

Removing notice to leave without grounds for owners also resolves issues raised by some stakeholders during consultation about the practicality and perceived imbalance of without grounds notice periods to end a tenancy. Fair and workable notice periods are specified for proposed additional grounds to end tenancies.

Other options, including removing the ability for all parties to end a tenancy agreement without grounds or extending notice periods, are not recommended. It is considered that these options do not meet the Government's policy objectives and the negative impacts are likely to outweigh the benefits.

The full analysis of the reform options that were considered can be found in Part 2 – Ending Tenancies Fairly of this Consultation RIS. A summary of the costs and benefits of the recommended option is in the table below.

Ending tenancies fairly: summary of regulatory impacts of recommended option: OPTION 5 – Require property owners to only end tenancy agreements for approved reasons and introduce additional grounds

Amend the RTRA Act to: 1) remove the ability of a property owner to end a tenancy without grounds; 2) specify additional grounds for an owner or a tenant to end a tenancy; 3) specify additional grounds for the State Government to end a public housing tenancy.

Stakeholder	Benefits	Costs

TENANT	• Improved security of tenure through reduced likelihood of retaliatory evictions which may lead to:
	  ○ Reduced frequency of moving and associated costs
	  ○ Improved capacity to participate in and build relationships with local communities
	  ○ benefits for personal relationships
	  ○ improved employment outcomes among income support recipients
	• Improved standard of property condition as tenants more confident to report repair and maintenance issues
	• Without grounds notices cannot be used as a potentially discriminatory practice to evict tenants
		• Potential for more intensive screening of prospective tenants may create additional burden to demonstrate suitability for a tenancy
		• Potential for owners to pass on risk management costs to tenants in the form of higher rents (however, as the private rental sector is a competitive market, it is unlikely that property owners would be able to increase rents beyond the wider market rate)

PROPERY OWNER	• Potential to improved relationships with tenants • Improved standard of property condition as tenants more confident to report repair and maintenance issues which could positively impact property value	• Lose ability to end a tenancy and regain possession at the end of a fixed term, unless an approved reason applies (74% of all tenancy agreements are fixed term agreements) • Administrative costs associated with providing evidence to substantiate the newly proposed grounds to end a tenancy • Administrative burden and cost associated with obtaining QCAT orders where required to end a tenancy
PROPERTY MANAGER	• Improved communication and reduced disputes between tenants and property owners • Lower turnover of tenancies if tenants occupy properties for longer resulting in more stable and predictable work	• Lower turnover of tenancies if tenants occupy properties for longer potentially resulting in less income • Possible increased administrative workload to manage potential increase in tenant requests for repairs and maintenance

Stakeholder	Benefits	Costs
STATE GOVERNMENT	• Reduction in disputes between tenants and property owners about ending tenancies without grounds will shorten processing timeframes for formal dispute resolution • Dispute resolution about ending tenancies without grounds will cease (QCAT and RTA)	• Additional funding may be required by dispute resolution agencies to manage changed dispute resolution focus, professional development and system changes. • Change required to service systems, education and information resources (RTA and QCAT) • Sector awareness and education activities will be required to communicate change and support implementation (RTA) • Disputes about ending tenancies for approved grounds, including retaliatory action may increase (RTA and QCAT)
SOCIAL HOUSING	• Potential reduced demand for social housing due to longer and more secure tenure	
COMMUNITY	• More stable and secure homes in the rental market may support economic and social participation in communities which could lead to improved health, safety and wellbeing • Potential for reduced frictional vacancy rate due to longer term tenancies, by virtue of improved security of tenure	

Safety and security

Housing quality and Minimum Housing Standards

Safe, secure and sustainable housing is a foundation for connected and resilient communities. With around one in three Queensland households now living in rental accommodation, it is important to ensure the safety, security and functionality of these homes. Feedback and research suggest that despite existing obligations to ensure rental accommodation quality is maintained, some Queensland rental properties are in poor condition and in need of basic repairs and maintenance. This may result in tenants living in homes that potentially risk their health and safety.

Issues about repair and maintenance of rental accommodation were frequently raised during consultation. There was broad support for the introduction of Minimum Housing Standards to support health and safety from all stakeholder groups. Peak bodies representing tenants argued for clear and enforceable minimum housing standards to be prescribed in legislation. Property owners expressed concerns about increasing regulatory requirements. Peak bodies representing property owner and property manager groups stressed that minimum housing standards should not extend beyond basic health and safety matters and should include some flexibility to account for the wide variety of rental dwellings.

Over 60 per cent of respondents to a snap poll agreed that they had seen a rental property with serious safety problems. Overall, 12 per cent of all respondents reported their current property condition as “Poor - needs repair or maintenance for health and safety e.g. mould, broken locks, structural issues”. Tenants reported defects including mould, broken locks, poor ventilation, faulty or broken toilets, faulty kitchen appliances, pest infestation, leaks and flooding, and other issues. There were many reports that there was a lack of attention or responsiveness to repair and maintenance requests. Some tenants indicated they were hesitant to report they needed repairs or maintenance due to fear of retaliatory rent increases or eviction. Owners raised concerns about the reasonableness of some tenant’s repair and maintenance requests and expectations.

Various Queensland legislation and the tenancy agreement establishes obligations and requirements to ensure rental accommodation is safe, secure and functional. However, stakeholders have suggested that these existing obligations are unclear and their enforcement is often inaccessible as they are dispersed across several sources. While there could be many reasons that a property is not maintained, the consequence is some tenants may be living in homes that are hazardous to their health and safety.

In proposing reforms to address these issues the Government’s objectives are to:

- ensure that rental accommodation is safe, secure and functional
- support enforcement of existing tenancy obligations for repairs and maintenance.

The intention is that these objectives would be achieved without unnecessarily impacting the ability of the property owner to manager their investment.

Recommended option: Prescribed minimum housing standards for rental accommodation with enhanced repairs and maintenance provisions

It is recommended that minimum housing standards for rental properties are prescribed to clarify rights and obligations, encourage compliance with existing laws and ensure rental accommodation is safe, secure and functional. Enhancements to existing repair and maintenance provisions are also proposed to encourage compliance with proposed Minimum Housing Standards.

Minimum Housing Standards for rental accommodation are proposed to address:

- weatherproofing and structural soundness
- plumbing and drainage
- security
- the standard of repair of fixtures and fittings
- control of pests and vermin

- ventilation, lighting and privacy
- cooking and food preparation facilities.

The department considers the proposed standards clarify obligations in existing regulations except for those relating to lighting and privacy.

Several enhancements to existing repair and maintenance provisions are proposed to improve their operation and clarify rights and obligations, including to:

- increase the time allowed for tenants to return the entry condition report from three days to seven days to allow a thorough inspection to be conducted and identify issues earlier
- require property owners to provide contact details for themselves or a representative and nominated repairers to make it easier for tenants to organise emergency repairs
- increase the cost of emergency repairs that a tenant can authorise if they cannot contact the property owner or manager from the equivalent of two weeks' rent to four weeks' rent
- allow property managers to authorise emergency repairs to the equivalent to four weeks' rent if they are unable to contact the property owner.

QCAT repair orders will be enhanced to support enforcement of Minimum Housing Standards and repairs and maintenance obligations, including to:

1. require repair and maintenance to be undertaken in the rental property to a specified standard and within a prescribed time
2. prevent a rental property from being let or limit the amount of rent that can be charged until ordered repairs and maintenance are completed
3. apply orders to the property rather than the tenancy in place at the time orders are made to ensure the orders continue to apply if the tenancy changes
4. allow an interested party such as a tenant advocate to seek orders about repairs in addition to tenants
5. be enforceable by the Residential Tenancies Authority through prosecution.

While the recommended measures may increase costs for a small proportion of property owners to bring existing properties up to the required standard, these costs are expected to be outweighed by the benefits to tenants and the broader community of improved rental accommodation quality and safety.

Consideration was also given to enhanced self-regulatory measures to encourage voluntary compliance with housing quality guidelines, as well as separately implementing either Minimum Housing Standards or enhancements to the existing repairs and maintenance framework. However, these measures were assessed as unlikely to achieve the Government's objectives or capture the benefits achieved by the recommended option.

Full analysis of the reform options considered can be found in Part 3 – Housing Quality and Minimum Housing Standards of this Consultation RIS. The table below summarises the costs and benefits of the recommended option.

Housing quality and Minimum Housing Standards: summary of regulatory impacts of recommended option: Option 5 – Prescribed minimum housing standards for rental accommodation with enhanced repairs and maintenance provisions

Apply Minimum Housing Standards in regulation. Amend the RTRA Act to: 1) enhance tribunal repair orders; 3) increase the time for tenants to return a condition report; 4) require property owners to provide owner and nominated repairer contact details; 5) allow tenants and property managers to authorise emergency repairs to the value of four weeks' rent; 6) prescribe maximum timeframes for Minimum Housing Standards repairs.

Stakeholder	Benefits	Costs
TENANT	• Increased awareness of existing rights and obligations, combined with a streamlined process for ensuring minimum housing standards are complied with, will improve the ability of tenants to uphold their rights ensuring that all tenants can live in housing that is functional, safe and secure. • Reduces fear of retaliatory action from property owners for reporting property issues (further strengthened by Ending Tenancies Fairly options, see Module 2) • May contribute to improved relationships with property owners and managers due to improved understanding of obligations • Reduced risk of bond disputes over repairs and maintenance by allowing additional time to fill out entry condition report • Improved rental satisfaction and experience • Allowing advocates to apply to QCAT will benefit vulnerable tenants who may face barriers to initiating a dispute as well as further reducing fear of retaliatory action (e.g. culturally and linguistically diverse people) • May incur fewer costs to enforce their rights, e.g. less legal or time costs • May reduce disputes with property owners and managers about the quality of their rental property • Statutory time period of 21 days for property owners to rectify substandard properties has a potential to decrease time taken for **rectification** reducing the time tenants are exposed to potential health and safety hazards • Fewer instances of injury, illness and fatalities relating to residential properties that would meet acceptable health and safety standards (e.g. reductions in mould contributing to reductions in respiratory conditions, reduced injuries due to structural damage, less violent and non-violent home invasions due to improved security standards)	• Potential for property owners to pass on costs in the form of increased rents (which will increase bonds) if they have been failing to meet their current obligations. • Potential increased difficulty in finding low cost housing due to increased rental prices at the lower end of the market • Administrative costs to provide evidence of non-compliance during dispute process • Some property owners may leave the rental market due to perceived increase in regulatory burden (particularly those providing rental properties at the lower end of the market. However, research suggests this impact is likely to be minor as the price of rent is determined by market forces) • Some properties may be removed from market for long periods to undergo major repairs to comply with minimum housing standards which could temporarily reduce the supply of rental properties

Stakeholder	Benefits	Costs
PROPERTY OWNER	• Avoided cost of major structural damage and/or large-scale repair costs due to earlier identification of repair and maintenance requirements. • Reduced potential for liability of injury, illness or fatality to occupants of the residential properties that will now meet current legislative requirements • Reduction in disputes between tenants and property owners due to clarified understanding of obligations • Retention of longer-term tenants encouraged to remain in, and take care of, well maintained property	• Some owners may incur initial and ongoing costs to comply with minimum standards not currently captured under existing legislative requirements (e.g. lighting and privacy requirements): o Costs to meet new individual minimum housing standard for dwellings that do not currently have window coverings: $17-$50 per window or $96 - $320 for the average home. o The minimum cost of the proposed standard for lighting could be around $12 per room or $108 per dwelling for the average home. • Due to increased awareness of minimum housing standards, potential for increased instances of dispute resolution requests from tenants • Some owners whose properties do not meet current legislative requirements will incur costs due to increased compliance • Non-compliance to minimum housing standards may decrease financial security of owners as tenants may vacate property due to non-compliance or QCAT may order reduced rent
PROPERTY MANAGER	• Streamlined process for managing minimum housing standards of property portfolio (all minimum housing standards will be captured under the RTRA Act) • Reduction in disputes between tenants and property owners represents time savings • Improved clarity regarding expectations and requirements of minimum housing standards • Improved quality of rental portfolio	• Possible increased administrative workload to manage potential increase in tenant requests for repairs and maintenance
STATE GOVERNMENT	• Reduced impact on health systems due to improved personal health and wellbeing. • For State Government owned housing, such as rural health employee housing, there could be similar impacts as those listed Under Property Owner	• For State Government owned housing, such as rural health employee housing, there could be similar impacts as those listed Under Property Owner • In the immediate to short-term, may lead to increase in dispute resolution requests from the RTA and for QCAT (In the long run this may lead to a reduction in disputes resolution

Stakeholder	Benefits	Costs
		requests for QCAT and the RTA between tenants, property owners and managers regarding repairs and maintenance and minimum standards)
SOCIAL HOUSING	• Potential decrease to demand for social housing due to more properties now meeting safety, security and functionality needs. • Reduction in disparity between private and social housing standards • Comparative property standards and expectations will ease the transition for customers moving from social housing into the private rental market	• Cost to meet new standard for window coverings for all houses in the social housing portfolio. • Ongoing costs to comply with minimum standards as a property owner • Potential increase to demand for social housing if owner pass on cost of necessary changes and tenants are unable to afford or if owners no longer want to provide rental accommodation.
COMMUNITY	• Weatherproofing such as sealing the building against outdoor elements enhances energy efficiency by minimising the requirements for AC and climate control. This will result in a reduction of greenhouse gas emissions. • Improved community health, safety and wellbeing • Increased work/income for small businesses and tradespersons to be employed for work to make rental properties comply • Social enterprise opportunities for small business	

Domestic and family violence protections

Everyone has the right to feel safe and live their life free of violence, abuse or intimidation. The Queensland Government is committed to preventing domestic and family violence by progressing the recommendations of the *Not Now, Not Ever: Putting an End to Domestic and Family Violence in Queensland* report. The Government recognises the importance of safe and secure housing and acknowledges the role of rental tenancy laws in supporting people who are experiencing domestic and family violence.

A key theme of the Open Doors consultation was ‘Better Protections’, which addressed the topic of domestic and family violence. Tenants offered insights into personal experiences of vulnerability and expressed disappointment with a lack of acknowledgement of their circumstances in the rental market. Eighty-two per cent of respondents to a snap poll agreed that tenants who have evidence that they are experiencing domestic and family violence should be able to end their tenancy at short notice, without having to undergo the normal process of obtaining a tribunal order.

Property owners indicated that they were generally supportive of measures to protect people experiencing domestic and family violence, but supported appropriate safeguards to prevent owners from unreasonably bearing the costs of domestic and family violence occurring in their rental property.

People forced to leave their homes due to DFV often experience difficulty securing accommodation. DFV increases vulnerability to homelessness and has consistently been one of the main reasons

people have pursued assistance from specialist homelessness agencies. Research indicates that 60 per cent of women who had separated from their partners reported experiencing housing stress, and around 20 per cent will return to violent partners due to a lack of financial and housing support.

People experiencing DFV are often at their most vulnerable to injury and fatality when they are attempting to leave. Under current rental laws people experiencing DFV are not supported to leave quickly and safely as they are required to seek third party intervention either through QCAT or property managers and owners. They may incur ongoing financial hardship due to an inability to access bond funds and ongoing liabilities such as rent obligations which inhibits their ability to secure alternative accommodation.

Owners of rental properties are exposed to financial risks including lost rent and other costs if a tenant abandons the tenancy, or while awaiting a QCAT hearing.

Reforms are proposed to achieve Government's objectives to improve tenancy law protections for people experiencing domestic and family violence that:

- enable people experiencing domestic and family violence to leave quickly, safely and legally without incurring additional financial hardship
- support people experiencing domestic and family violence to stay by improving security of their rental property
- ensure there are appropriate safeguards to prevent property owners from unreasonably bearing the costs of domestic and family violence.

Recommended option: Improve tenancy law protections for people experiencing DFV

Changes to the RTRA Act are recommended to allow tenants with evidence that they are experiencing domestic and family violence to exit a tenancy with seven days' notice. These tenants could leave immediately after providing the notice and their liability for end of tenancy costs would be capped to the seven day notice period.

Evidence may include a protection order or a certified statement from an authorised professional (including a doctor, social worker, refuge or crisis worker, a domestic and family violence worker or case manager, or an Aboriginal and Torres Strait Islander medical service worker). The evidentiary requirement would safeguard property owners from misuse of this new measure. Remaining co-tenants will have seven (7) days to decide if they want to continue or terminate the tenancy and would be required to provide 21 days' notice if terminating.

It is also recommended that the RTRA Act be amended to simplify the process for tenants experiencing domestic and family violence to access their portion of the rental bond funds through an urgent request to QCAT. Property owners would be safeguarded by a mechanism for requiring remaining tenants to make supplementary bond payments.

Related reforms discussed in the 'Minor modifications' section of this Consultation RIS would also promote safety for tenants experiencing domestic and family violence by making it easier for them to change locks and install security features in their rental dwelling (see Part 5 – Minor Modifications for full details of this recommendation).

A non-regulatory option of a communication and education campaign was also considered but such a campaign would not on its own achieve the Government's objectives. Communications and education on domestic and family violence and residential tenancies are recommended as a useful adjunct to legislative reform.

The full analysis of the reform options that were considered can be found in Part 4 – Domestic and Family Violence Protections of this Consultation RIS. A summary of the costs and benefits of the recommended option is in the table below.

Domestic and family violence: summary of regulatory impacts of recommended option

Amend the RTRA Act to allow people experiencing domestic and family violence to: 1) end a tenancy at short notice; 2) more easily access rental bond funds.

Stakeholder	Benefits	Costs
TENANT	**Benefits relating to avoided financial costs for a person experiencing DFV**: • Reduces financial obligation to the tenancy from a minimum of three (3) weeks (QCAT wait time) or the length of the tenancy down to one (1) week Potential avoided cost equivalent to an average of $740.00 (2 weeks rent at the Qld median weekly rent of $370) • Avoid QCAT application fee $26.35 for order to terminate tenancy • Streamlines access to bond refund. **Health, Social and wellbeing benefits for a person experiencing DFV:** • Allows people experiencing DFV to end a tenancy quickly and legally with owner/manager directly • Immediately able to action safety and security measures or leave to reduce risk of further DFV • Reduces need for contact or risk of confrontation with perpetrator • Reduction of emotional stress and anxiety • Risk of tenancy database listings reduced • Reduced risk of homelessness and/or need for social housing.	• Installation costs for security upgrades and change locks. • Co-tenants may be required to top up bond • Tenants may incur time, financial and administrative costs to gather evidence to substantiate the DFV claim.
PROPERTY OWNER	• Streamlining the process to end tenancies quickly and efficiently will improve protections against tenancy abandonment costs and potential DFV related property damage • Owners can choose to have the tenants not remove the security additions, resulting in property improvements • Elimination of property management representation fees due to removal of QCAT process • More efficient processes, clearer rights and obligations and assignment of risks will improve investment certainty.	• If there are no co-tenants the property owner may only receive seven (7) days' notice before having a vacant property, relative to the status quo this could be a potential loss of two or more weeks rent plus early reletting costs (cost equivalent to an average of $740.00 - 2 weeks rent at the Qld median weekly rent of $370) • Potential reduction of financial security where part bond is paid out by a QCAT order and remaining co-tenants are not able to top up bond • Greater financial risk where the number of tenants decreases.

Stakeholder	Benefits	Costs
PROPERTY MANAGER	• Time saving resulting from removal of the approval process for security upgrades and lock changes • Time saving of abandonment determination process where tenants end tenancy on DFV grounds where they would previously abandon property.	• Reduced financial income from management representation fees due to removal of QCAT process • Will be responsible for sighting the DFV evidence report and comply with obligations to keep that information safe • Will have new responsibility to inform remaining co-tenants of person experiencing DFV's intent to leave • May increase risks for property managers in dealing with potentially violent co-tenants.
STATE GOVERNMENT	• Tenancy reforms will help meet initiatives designed to reduce DFV in Queensland • Reduction in QCAT hearings in relation to termination of tenancy due to DFV • Reduction in health care costs relating to DFV as a result of people having improved safety • Contributes to Government action plans and priorities • Potential reduction in police call outs if people are more empowered to leave DFV situations.	• Increase in dispute resolution requests due to partial bond payment requests from DFV grounds.
SOCIAL HOUSING	• Decrease in bond loan applications as bond will be made more accessible for people experiencing DFV • There may be less demand on social and community housing if people experiencing DFV are supported to remain in their own homes, or are able to access other private rental accommodation.	
COMMUNITY	• Potential improved social and economic participation for people experiencing DFV • Reduced levels of homelessness • Reduced incidence of violence	

Minor modifications

Liveability is an important aspect of renting. Research suggests that being able to personalise physical space contributes to psychological wellbeing. The ability of a tenant to make minor modifications to their rental property will support vulnerable cohorts such as the elderly, people with a disability and people experiencing DFV to ensure their home is accessible and provides for their safety, privacy and security. The number of Queenslanders who rent is growing and renting is increasingly a long-term housing solution. This is changing consumer expectations about what they can do to make their rental property feel like home.

'Making a house a home' was one of the themes of the Open Doors consultation. Stakeholders held diverse views about the extent to which tenants should be allowed to make minor modifications to rental properties without the permission of the property owner. Sixty-five per cent of respondents to a snap poll indicated that property owners should not be able to stop tenants from making minor modifications to a rental property, such as connecting pay TV or installing curtains or blinds. Tenants generally sought more freedom to make small changes to help make their rental property feel like their home. Property owners, in contrast, expressed concerns about protecting their financial investment in the property from unauthorised changes or damage.

Some tenants may have compelling life circumstances that require changes to be made to their rental property. These include:

- tenants who require accessibility modifications to their property, whether due to age, injury, illness or other circumstances
- people with disabilities
- families with young children who require safety locks
- people experiencing domestic and family violence.

The process of seeking permission from the property owner to make minor modifications may not be practicable or appropriate for such tenants. The property owner's right to refuse changes without ground also may not be appropriate if there are compelling reasons for the modification and if there is no irreversible impact on the rental property.

Reforms are proposed to achieve the Government's policy objective to improve tenants' ability to alter their rented homes to suit their needs while providing safeguards for property owners to protect their investment.

Recommended option: Establish mechanisms to manage minor modifications with appropriate safeguards

It is recommended to establish defined minor modification categories with streamlined approval mechanisms to improve tenant's liveability and access to homes that are functional, safe, accessible and secure while maintaining protection of property owner's investment.

Minor modifications would be defined as alterations that can be reversed, do not permanently alter the rental property and do not require building or other approvals.

Health, safety, security and accessibility minor modifications could be undertaken without the property owner's consent, including to ensure access to basic telecommunications such as installing telephone or data points.

The tenant would be required to inform the property owner of such changes before, or as soon as practicable after, the changes are made, even if permission is not sought. Modifications would need to be reasonably rectifiable by the tenant. The existing requirement for the tenant to return the property to its original condition at the end of the tenancy (fair wear and tear excepted) would be retained.

A second category of minor modifications would require the tenant to obtain the permission of the owner, but permission would be deemed granted if the owner does not respond within seven days. These minor modifications would include:

- modifications to personalise or improve the amenity of the property
- energy and water efficiency modifications
- non-essential communications services, such as satellite television dishes.

It is recommended that property owners be required to provide reasonable grounds to refuse permission for this second category of minor modifications. In addition, it is recommended that property owners be required to obtain an order from QCAT to refuse permission for changes required by the tenant for accessibility, safety or security of the rental property.

The Department considers that the benefits to tenants in being able to make modifications to their rental property would outweigh the potential costs to property owners. Costs for owners are also minimised by retaining the requirement for the parties to agree at the end of the tenancy whether the tenant must restore the property to its original condition or that the owner will keep the changes as an improvement.

An option of empowering the tenant to make minor modifications without owner permission and without any requirement to restore the property at the end of the tenancy was also considered. The conclusion in this Consultation RIS is that such an option would benefit tenants but would not adequately safeguard the interests of property owners in managing their investment.

The full analysis of the reform options that were considered can be found in Part 5 – Minor Modifications of this Consultation RIS. A summary of the costs and benefits of the recommended option is in the table below.

Minor modifications: summary of regulatory impacts of recommended option.

Amend the RTRA Act to: 1) allow tenants to make minor modifications for disability, security and health and safety reasons without the property owner's permission; 2) require property owners to respond to tenant requests for other minor modifications within seven (7) days.

Stakeholder	Benefits	Costs

TENANT	• Health and safety benefits (including protection of life) particularly of children aged under 5 years and elderly tenants due to reductions of injuries caused by toppling furniture and falls
	• Increased ability to install telecommunication infrastructure can:
	  ○ Improve educational outcomes
	  ○ Improve employment outcomes through remote work opportunities
	  ○ Improve access to emergency services
	• Improved rental satisfaction and security of tenure as tenants may be more inclined to remain in rental properties that meet their personal needs and preferences
	• Tenants will have more confidence to install energy and water efficient measures. This can improve financial and physical wellbeing through lower energy and water bills (particularly for low-income or vulnerable cohorts)
	• LED lightbulbs can deliver energy savings of $253/year for a household (based on household with on average 37 lightbulbs)
	• Water efficient showerheads and taps can save Queenslanders $45 per person/year
	• Improvements in financial and physical wellbeing due to lower utility bills
	• May contribute to reducing discrimination if owners are confident their properties will be returned to substantially same state post tenancy
		• Costs to install minor modifications, for example:
		  ○ Energy efficient lightbulbs ~$8 for 10.5w LED light bulb
		  ○ Furniture anchors cost on average $10 for anchors for one piece of furniture
		  ○ Child safety gates range between $39 - $200 according to brand and size.
		• May increase disputes about liability between tenant and owner
		• May contribute to breakdown in relationships between tenants, owners and managers
		• May be required to pay for a suitably qualified tradesperson to undertake installations (handyman costs on average $50/hour)
		• Costs to restore any modifications, if required

Stakeholder	Benefits	Costs
PROPERTY OWNER	• Some modifications may improve property's standard or value resulting in higher rents • Improves investment certainty through clearer assignment of risks • Increased financial security as tenants may stay longer in rental properties they have invested in by making minor modifications • Can require a suitably qualified tradesperson to undertake modifications to protect value of asset • Less administrative burden than the current system as tenants only have to notify of minor modifications and owner does not have to give written permission to approve • Tenants may be more likely to report intention to make minor modifications giving the owner reasonable right of refusal for amenity or personalisation modifications that may cause damage	• Loss of some control over rental property • Cumulative changes (particularly more substantial modifications) may generate more significant and longer-term repair issues • Minor modifications may create substantial damage to properties which may not be covered by bond
PROPERTY MANAGER		• More requests to install minor modifications and monitoring for modifications across rental portfolios may increase workloads
STATE GOVERNMENT	• Improved health and wellbeing of tenants may reduce impacts on health systems: ○ Potential avoided costs of falls (every 10,000 homes suitably modified could avoid 2580 falls. In 2007-08, the average cost for an elderly fall victim was $8139 per hospital visit).	• Potential increased number of dispute resolution requests to the RTA and increased workload for QCAT Registry staff and Adjudicators from unresolved disputes
SOCIAL HOUSING	• Potential reduced burden on social housing due to increase in accessible and secure housing	
COMMUNITY	• Improved wellbeing outcomes (e.g. benefits from feeling secure in their home). • Reductions in greenhouse gas emissions from energy efficiency savings • Reduced water consumption improves security of water supply • Allowing tenants to install telecommunications could increase business opportunities and productivity through improved connectedness	

Renting with pets

Pets are an important part of life for many Queenslanders, who often view their pets as part of the family. Nearly six in 10 of all Queensland households currently keep a pet. However, only a small proportion of rental properties in Queensland are pet-friendly.

Current tenancy laws are largely silent on the issue of renting with pets. While tenants and property owners are able to negotiate their own arrangements for pets in rental properties, a more structured framework for keeping pets may be justified.

The ability for a tenant to keep a pet in a rental property was the most discussed topic in the Open Doors to Renting Reform consultation, accounting for more than a quarter (27 per cent) of responses across all channels. Allowing pets in rental properties was the most popular suggestion from tenants on what changes to tenancy law overall would improve their renting experience however there were diverse views on the topic between tenants and owners.

Many tenants argued passionately to be allowed to keep pets so their rental properties would feel more like home and would better support their overall health and wellbeing. Many suggested that tenants should be able to have a pet without the property owner's permission, while others indicated that they would be willing to agree to certain conditions to be allowed to keep a pet. Seventy-five percent of respondents to a snap poll agreed that 'pet bonds' would make it easier to keep pets in rental properties.

In general, property owners had a strongly held view that they should retain control over the approval of pets and raised concerns about damage to property and potential pest infestation caused by pets. Property managers also flagged potential work health and safety risks when conducting inspections of rental properties where animals are present.

Reforms are proposed to achieve the Government's policy objective to support parties to reach agreement about renting with pets and improve access to pet-friendly rental properties while providing effective safeguards for property owners.

Recommended option: Information disclosure measures combined with reasonable grounds, tribunal order, special conditions relating to pets, and allow owners to charge a separate pet bond

The recommended option contains four elements:

1. encouragement of information disclosure about pets by tenants and property owners
2. a requirement in the RTRA Act for property owners to have reasonable grounds for refusing a tenant's request for a pet
3. an option in the RTRA Act for property owners to obtain a tribunal order to exclude pets (or a type of pet) from a rental property
4. options in the RTRA Act for property owners to approve a tenant's request for a pet with a requirement for the tenant to pay a pet bond OR to undertake professional pest control and carpet cleaning at the end of the tenancy.

Tools to support the first element, such as pet resumés and rental listing disclosure guidelines, would be developed to assist prospective tenants and property owners to communicate more meaningfully about keeping pets.

Reasonable grounds that a property owner could refuse a tenant's request to keep a pet would include unacceptable risks to the condition of the property or to health and safety, rental property is unsuitable for the type or pet, or keeping a pet would contravene a law or managed community by-law or rule.

A property owner could also apply for an ongoing order from the Queensland Civil and Administrative Tribunal (QCAT) to exclude pets or a particular class of pets from their rental property on reasonable grounds. This order would attach to the property rather than the tenancy, thereby lessening the burden for owners as well as QCAT.

Property owners would have the additional safeguard of a pet bond or a special lease term requiring the tenant to undertake pest control and carpet cleaning at the end of the tenancy. The existing requirement in the RTRA Act for the tenant to restore the property to its original condition, fair wear and tear excepted, would continue to apply.

These recommended legislative and non-legislative measures would balance the interests of tenants wishing to own a pet, and property owners managing potential risks associated with pets on their rental property.

There was also consideration given to implementing only one element, or some elements, of the recommended option. For example, the costs and benefits of voluntary disclosures only, or voluntary disclosures and pest control conditions in combination, were also assessed. The impact analysis found that these alternative options do not achieve the Government's policy objectives or a greater net benefit than the recommended option as a whole.

The full analysis of the reform options that were considered can be found in Part 6 – Renting with Pets of this Consultation RIS. A summary of the costs and benefits of the recommended option is in the table below.

Renting with pets: summary of regulatory impacts of recommended options: Option 4 Information disclosure measures combined with reasonable grounds, tribunal order, special conditions relating to pets and Option 6: Allow owners to charge a separate pet bond.

Encourage voluntary information disclosure by tenants and property owners relating to pets. Amend the RTRA Act to: 1) provide for pet bonds and special pest control conditions; 2) require property owners to provide reasonable grounds for refusing a pet; 3) allow property owners to obtain QCAT orders excluding pets from a property.

Stakeholder	Benefits	Costs
TENANT	• Tenants will have improved legislative protections for keeping a pet, and will be able to overcome unreasonable objections, allowing them to access the health and wellbeing benefits of pet ownership • Improved rental satisfaction and security of tenure as tenants may be more inclined to remain in rental properties which feels like home • To the extent that property owners adopt voluntary advertising disclosures, prospective tenants with pets may have a greater chance of identifying and securing a pet-friendly rental property. • Encourages responsible pet ownership	• Tenants may face costs associated with disputing a refusal of a request to keep a pet, including costs of a potential QCAT process • Tenants will be required to cover pest control and carpet cleaning costs, even if these services are not required to return the property to its original condition • Pest control prices will vary according to the treatment required. An anti-flea treatment for a house may cost between $125 and $250 • Carpet cleaning can cost between $29 and $55 per room. Prices vary in accordance with carpet condition • May reduce rental affordability due to additional financial cost of bond • May make it difficult to move between rental properties due to increased bond amount • May impact community housing tenants if they are required to pay additional bond
PROPERTY OWNER	• To the extent that prospective tenants with pets provide pet resumes, property owners may	• Property owner's discretion and control over their rental property investment will be limited

Stakeholder	Benefits	Costs
	have improved information for tenant selection. • A voluntary framework that allows prospective tenants and property owners to negotiate pet-friendly accommodation in a transparent manner may reduce tenant non-disclosure and its attendant costs. • Property owners will have greater assurance regarding carpet cleanliness and pest control for tenancies including a pet • Increases financial security for property owners around financing pest control.	• Property owners currently not allowing pets may have increased risk of pet-related damage or disruption • Property owners may face costs associated with defending a refusal to allow a tenant to keep a pet, including QCAT costs. However, property owners will be able to obtain tribunal orders to exclude classes of pets on a permanent basis or for extended periods where there are legitimate risks associated with tenants keeping pets • May not alleviate concerns held by some property owners that the current bond does not cover damages incurred, especially when these are significant
PROPERTY MANAGER	• Tenants with pets may stay in their existing property for longer, potentially reducing the workload in seeking and screening new tenants.	• Potential increase in workload for pet applications and ensuring carpet and pet control was professionally carried out • Potential increased work health and safety risks associated with animals in rental properties will need to be managed • Increased workload and complexity to manage bonds.
STATE GOVERNMENT	• There is the potential for reduced costs for support agencies (such as health services) if more tenants are able to access the health and wellbeing benefits of pet ownership	• Potential for increases in RTA and QCAT dispute resolution in the short-term which may increase operational costs. • Increased costs associated with the RTA and QCAT changes, required to service systems, education and information resources. • Resources for Office of the Commissioner for Body Corporate and Community Management to deal with an increase in requests for information and assistance.
SOCIAL HOUSING	• Potential reduction in demand for social housing due to higher availability of pet friendly rentals	
COMMUNITY	• Increased access to pet ownership in rental tenancies may reduce rates of animal abandonment and feral animals	• Increased ownership of pets may have environmental impacts, including impacts on native wildlife

Key impacts of the reform package

The reform proposals have been designed to work together to achieve optimal outcomes for all stakeholder groups. This Consultation RIS analyses the key stakeholder costs and benefits of different potential options for each of the priority renting issues. The analysis has identified potential for stakeholders to incur additional costs or administrative burden because of the proposed reforms. Further, the proposals have interactions that will likely increase the impact on stakeholders when delivered as a package. For example, the Ending Tenancies Fairly reform proposal will impact many of the other reform proposals as it will empower tenants to make requests without fear of retaliatory eviction. Overall, the costs are expected to be outweighed by efficiencies and social benefits delivered by the proposed reforms.

Tenants

Together the reforms will empower tenants to enforce their existing rights without fear, ensure all rental accommodation is safe, secure and functional, increases the liveability of rental properties, and improve outcomes for vulnerable groups such as people experiencing DFV, the elderly and people with a disability. However, tenants may need to spend more time and incur some financial costs to exercise and enforce their tenancy rights, including through dispute resolution services if they believe a property owner or manager has unreasonably withheld consent, or has not met their tenancy obligations.

Property owners

Property owners may be required to spend more time considering and responding to tenant requests. A small subset of owners may incur costs to improve their compliance with existing regulation as a result of the minimum housing standards and strengthened repair and maintenance obligations. Some owners may incur minor costs for the new standards regarding lighting and privacy. Some owners may also incur financial costs to access safeguards such as QCAT refusal orders to prevent pets being kept, or minor modifications being made to their rental property.

Property owners may be able to claim tax deductions for some costs incurred to comply with Minimum Housing Standards and repair and maintenance obligations. Owners will also benefit from improved safeguards in the reform proposals such as pet bonds and the ability to ensure professional pest management is carried out.

The reforms can be expected to clarify the nature and assignment of risks allowing for expenses to be planned for in advance. This may improve capital flows and reduce transaction costs. Some owners may also benefit from improved rental income security as tenants could stay longer in a rental property that is well maintained and meets their needs and preferences. It is considered likely that the benefits of the proposed reforms will balance potential costs for the majority of property owners.

Property managers

Property managers may incur additional administrative burden in their roles as intermediaries to manage, negotiate and communicate with parties to a tenancy agreement about requests, rights and obligations. They may also incur some time costs to adequately monitor rental properties in their portfolio, including for compliance with Minimum Housing Standards and to identify repair and maintenance issues. Some financial costs may be incurred to re-train staff and implement system changes to comply with the proposed reforms, including information privacy and confidentiality obligations. Analysis indicates that it is likely that property managers will be able to disperse these impacts across their rental property portfolios with only minor impacts on operating costs.

Impact on the rental market

Anecdotal feedback from the Open Doors consultation suggests that rental property owners would need to increase rents due to an increase in their costs to meet new requirements. However, research and analysis suggest that rent prices are determined by wider market forces, and can only be increased by what the market will tolerate. In a tight market (as indicated by low vacancy rates)

owners may be able to pass on more costs to tenants through a rent increase as they will have more market power. In a market with higher vacancy rates where a tenant has more market power owners will not be able to increase rents as much. Economic research has concluded that on a worst-case basis the maximum that rent could be increased by a property owner, as a result of the reforms, in the short-term is between $5 to $18 per week. This is based on analysis of historical rent data, which is affected by a range of variables that may or may not influence markets in the future.

Economic analysis suggests that in Australia the major drivers for investment in rental property are the prospect of capital gains and the cost of finance. The costs and benefits of renting out a property are usually not central to an investment decision[1]. Further, if owners of rental properties do sell due to impacts of the reforms, these houses will then be available for purchase by other property investors or current tenants. As such it is unlikely that there will be a substantial impact to the supply of rental properties.

The reforms can be expected to clarify the nature and assignment of risks in these investments. Making risks clear could improve capital flows and reduce transaction costs as relevant expenses can be factored into an investment in advance.

[1] Seelig, T., Thompson, A., Burke, T., McNelis, S., Pinnegar, S., Morris, A. What motivates households to invest in the private rental market?, AHURI Research and Policy Bulletin No. 115, Australian Housing and Urban Research Institute Limited, Melbourne, 2009, available at https://www.ahuri.edu.au/research/research-and-policy-bulletins/115.

Table of recommendations

Managing tenancies
1. Amend the RTRA Act to remove the ability of a property owner to end a tenancy without ground
2. Amend the RTRA Act to specify additional grounds for an owner or a tenant to end a tenancy
Safety and security
Housing quality and Minimum Housing Standards
3. Apply Minimum Housing Standards in regulation
4. Amend the RTRA Act to enhance tribunal repair orders
5. Amend the RTRA Act to increase the time for tenants to return a condition report
6. Amend the RTRA Act to require property owners to provide owner and nominated repairer contact details
7. Amend the RTRA Act to allow tenants and property managers to authorise emergency repairs to the value of four weeks' rent
8. Amend the RTRA Act to prescribe maximum timeframes for Minimum Housing Standards repairs
Domestic and family violence protections
9. Amend the RTRA Act to allow people experiencing domestic and family violence to end a tenancy at short notice
10. Amend the RTRA Act to allow people experiencing domestic and family violence to more easily access rental bond funds
Minor modifications
11. Amend the RTRA Act to allow tenants to make minor modifications for disability, security and health and safety reasons without the property owner's permission
12. Amend the RTRA Act to require property owners to respond to tenant request for other minor modifications within seven (7) days
Renting with pets
13. Encourage voluntary information disclosure by tenants and property owners relating to pets
14. Amend the RTRA Act to provide for pet bonds and special pest control conditions
15. Amend the RTRA Act to require property owners to provide reasonable grounds for refusing a pet
16. Amend the RTRA Act to allow property owners to obtain QCAT orders excluding pets from a property

Part 1 – Introduction

1.1 Queensland Government commitment to rental law reform

A stable home enables people to achieve positive life outcomes, such as good health, quality education and secure employment. With more Queenslanders renting, and renting longer, it is important that our tenancy laws support individuals and families to access safe and secure rental accommodation.

Many Queenslanders also invest in rental properties to increase their wealth or secure their financial futures. This investment is an important source of much needed housing supply and our tenancy laws need to provide certainty to encourage and sustain this private investment in the rental market.

The Queensland Government is committed to ensuring all Queenslanders have access to safe, secure and sustainable housing. The *Queensland Housing Strategy 2017-2027* and *Action Plan 2017-2020* includes actions to review and reform tenancy law to create a contemporary legislative framework and better protect tenants and property owners to improve housing stability in the rental market.

Tenancy law reform is a Queensland Government election commitment and contributes to Our Future State: Advancing Queensland's Priorities to keep Queenslanders healthy, keep communities safe, give our children a great start, create jobs in a strong economy and be a responsive government.

Queensland's rental market consists of private, public and community owned rental properties that are accessed by diverse consumers. Tenancy laws apply to all rental properties across a range of housing options.



Residential tenancies

in freestanding homes, townhouses, apartments and houseboats. This includes social housing provided by the Department of Housing and Public Works or community housing providers, and Queensland Government employee housing.



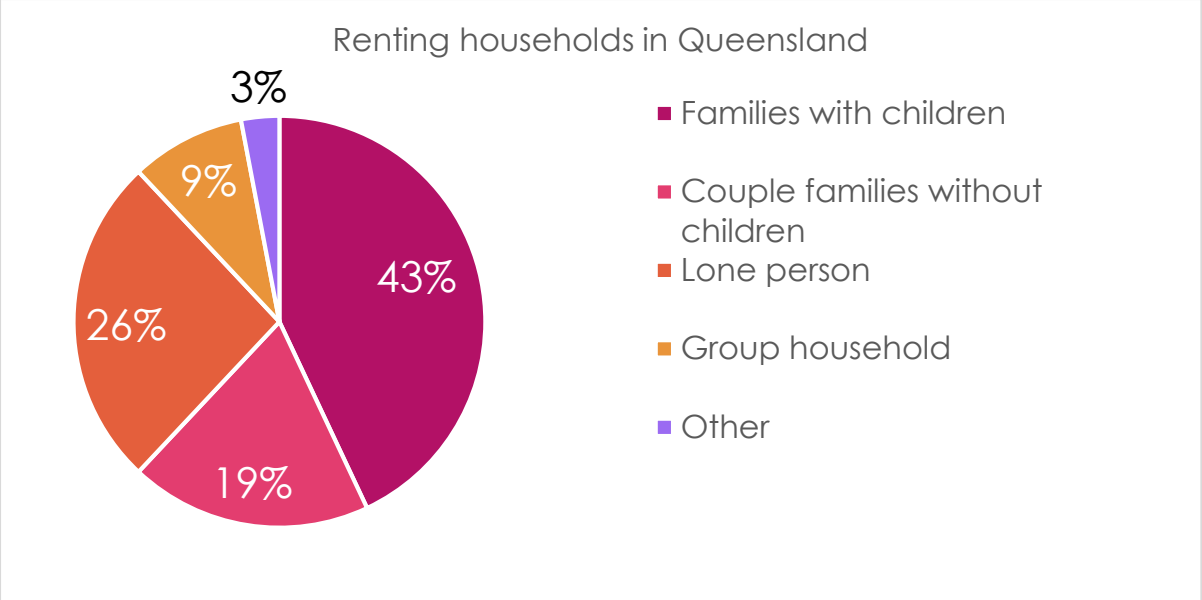
Rooming accommodation

in services such as student accommodation, boarding houses and residential services.



Moveable dwellings

in caravan parks where either the caravan and the site, or only the site, is rented.



Who is renting?

Over a third (34.2%) of the estimated 1.65 million households in Queensland are renting[2] compared to (33.2%) of 1.54 million households in 2011[3]. Families with children continue to be the largest renting household cohort, followed by lone persons and couples without children.[4] One-third of tenants in Australia have lived in the private rental market for more than 10 years.[5]

Around half of Queensland households that rented their home in 2016 had an income less than $1250 per week, and over a fifth less than $650 per week. Queensland's median weekly household income in 2016 was $1402.[6]

While less than 14% of Queensland tenants were aged 55 or over are in 2016, the number of people in this age group who were renting increased by 42% between 2006 and 2016.[7]

Queensland tenants move regularly and the median lengths of tenancies are less than 18 months across housing options (17.5 months for houses, 15.5 months for townhouses, 13.1 months for flats and units and 6.6 months for rooming accommodation).[8] Census 2016 results for Queensland show that some or all residents in 35% of renting households moved in the previous year and 73% in the previous five years.[9]

[2] The national average is 31%. Australian Bureau of Statistics, *2016 Census QuickStats*, available at https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/3?opendocument, 2016, accessed 21 June 2019.

[3] Australian Bureau of Statistics, *2011 Census Quickstats*, available at https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2011/quickstat/3?opendocument, 2011, accessed 21 June 2019.

[4] Australian Bureau of Statistics, '2016 Census', *Census of Population and Housing, 2016, Table Builder*, available at https://www.abs.gov.au/websitedbs/censushome.nsf/home/tablebuilder?opendocument&navpos=240, 2016, accessed 3 April 2019.

[5] W. Stone, T. Burke, K. Hulse, and L. Ralston, *Long-term private rental in a changing Australian private rental sector - AHURI Final Report No.209*, available at https://www.ahuri.edu.au/__data/assets/pdf_file/0013/2227/AHURI_Final_Report_No209_Long-term-private-rental-in-a-changing-Australian-private-rental-sector.pdf, 2013, pp.2.

[6] Households with nil or negative income were excluded. Australian Bureau of Statistics, '2016 Census', *Census of Population and Housing, 2016, Table Builder*, available at https://www.abs.gov.au/websitedbs/censushome.nsf/home/tablebuilder?opendocument&navpos=240, 2016, accessed 3 April 2019.

[7] Australian Bureau of Statistics, '2006 Census' & '2016 Census', *Census of Population and Housing, 2016, Table Builder*, available at https://www.abs.gov.au/websitedbs/censushome.nsf/home/tablebuilder?opendocument&navpos=240, 2016, accessed 3 April 2019.

[8] Residential Tenancies Authority, *Annual Report 2018-19*, 2019, available at https://www.rta.qld.gov.au/About-the-RTA/Corporate-information/Annual-report/Annual-report-2018-19 ,accessed 19 August 2019, pp. 9.

[9] Australian Bureau of Statistics, '2016 Census', *Census of Population and Housing, 2016, Table Builder*, available at https://www.abs.gov.au/websitedbs/censushome.nsf/home/tablebuilder?opendocument&navpos=240, 2016, accessed 3 April 2019.

Who owns rental properties?

In 2016-17, 14 per cent of Queensland taxpayers reported having a stake in a rental property, increasing by 35 per cent over 10 years between 2006-07 and 2016-17. The highest increase over this period was among individuals with interests in two or three rental properties (37 per cent). Around three-quarters (72 per cent) of Queensland investors own one rental property, with 18 per cent having an interest in two.[10]

Half of Australian property investors in 2013-14 were aged between 35 and 54 years and only 12 per cent were aged between 25 and 34 years. Most investors owned their own home (investors place of residence) outright (34.2 per cent) or with a mortgage (48.8 per cent) and over two thirds of investors were living in a couple household with or without children.

AHURI analysis of the *ABS Survey of Income and Housing 2013-14* found that of Australian households that own one rental property, 40.9 per cent have wealth in the highest quintile and this increases to 68.3 per cent for households that own two or more rental properties.[11] Younger, negatively geared investors (aged 25-34) have relatively low levels of income and are more likely to exit the sector during the rental property ownership.[12]

There was a 42 per cent increase in volume of lending to investors from 2006-2016 nationally[13]. About six in 10 investors are negatively geared. These investors have an average age of 47 and are more likely to be males working full time. Positively geared investors tend to be older, with similar proportions in full-time work or not in the labour force[14]. Negatively geared investors may be more likely to terminate rental leases in response to changes in market conditions. [15]

According to AHURI research, there are signs that more rental property owners are seeing themselves as investors, resulting in more deliberate strategies to purchase property for rental accommodation rather than incidental ownership through inheritance or renting out a property which was their former home.[16] This means there is a greater reliance on setting rents to maximise returns for property owners.[17]

The high level of debt and rent used to service loans, combined with negative gearing investment strategies, may lead to property owners not having sufficient funds to adequately maintain and repair the rental property, and could result in property owners leaving the market.

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[10] Australian Taxation Office, *Taxation Statistics 2016-17*, available at https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Taxation-statistics/Taxation-statistics-2016-17/, 2017, accessed 3 April 2019.

[11] K. Hulse, A. James, C. Martin, and W. Stone, *Private rental in transition: institutional change, technology and innovation in Australia – Inquiry into the future of the private rental sector - AHURI Final Report No. 296*, available at https://www.ahuri.edu.au/research/final-reports/296, 2018, pp.25

[12] A.S. Duncan, H. Hodgson, J. Minas, R. Ong, and R. Seymour, *The income tax treatment of housing assets: an assessment of proposed reform arrangements - AHURI Final Report No. 295*, available at www.ahuri.edu.au/research/final-reports/295, 2018, pp.35

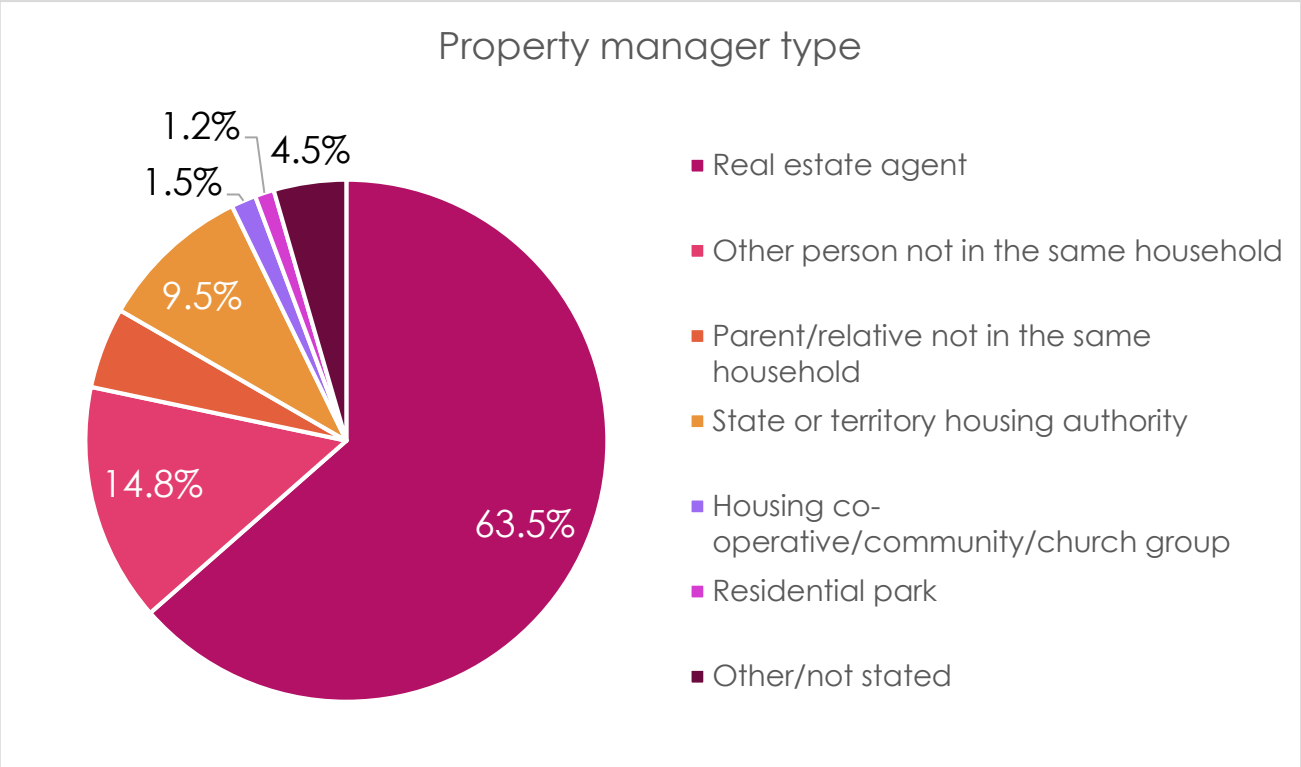
[13] W. Stone, T. Burke, K. Hulse and L. Ralston, *Long-term private rental in a changing Australian private rental sector - AHURI Final Report No.209*, available at https://www.ahuri.edu.au/research/final-reports/209, 2013, pp 3.

[14] A.S. Duncan, H. Hodgson, J. Minas, R. Ong, and R. Seymour, *The income tax treatment of housing assets: an assessment of proposed reform arrangement - AHURI Final Report No. 295*, available at www.ahuri.edu.au/research/final-reports/295, 2018, pp. 22.

[15] Ibid.

[16] K. Hulse, A. James, C. Martin, and W. Stone, *Private rental in transition: institutional change, technology and innovation in Australia – Inquiry into the future of the private rental sector - AHURI Final Report No. 296*, available at https://www.ahuri.edu.au/research/final-reports/296, 2018, pp.4

[17] W. Stone, T. Burke, K. Hulse and L. Ralston, *Long-term private rental in a changing Australian private rental sector - AHURI Final Report No.209,* available at https://www.ahuri.edu.au/research/final-reports/209, 2013, pp. 4.



Who manages rental properties?

Property managers are required to be certified or licenced in Queensland. Under the *Property Occupations Act 2014* a property manager must be at least 18 years old and hold either a real estate agent licence, real estate salesperson registration certificate or a resident letting agent licence. Training requirements to obtain a licence or certificate vary depending on the type of certification required.

The majority of property managers employed in Queensland are female (57%) aged between 20 to 50 years (65%), with the majority (22%) aged in their thirties and 66% of all property managers remain in the role for approximately three years.

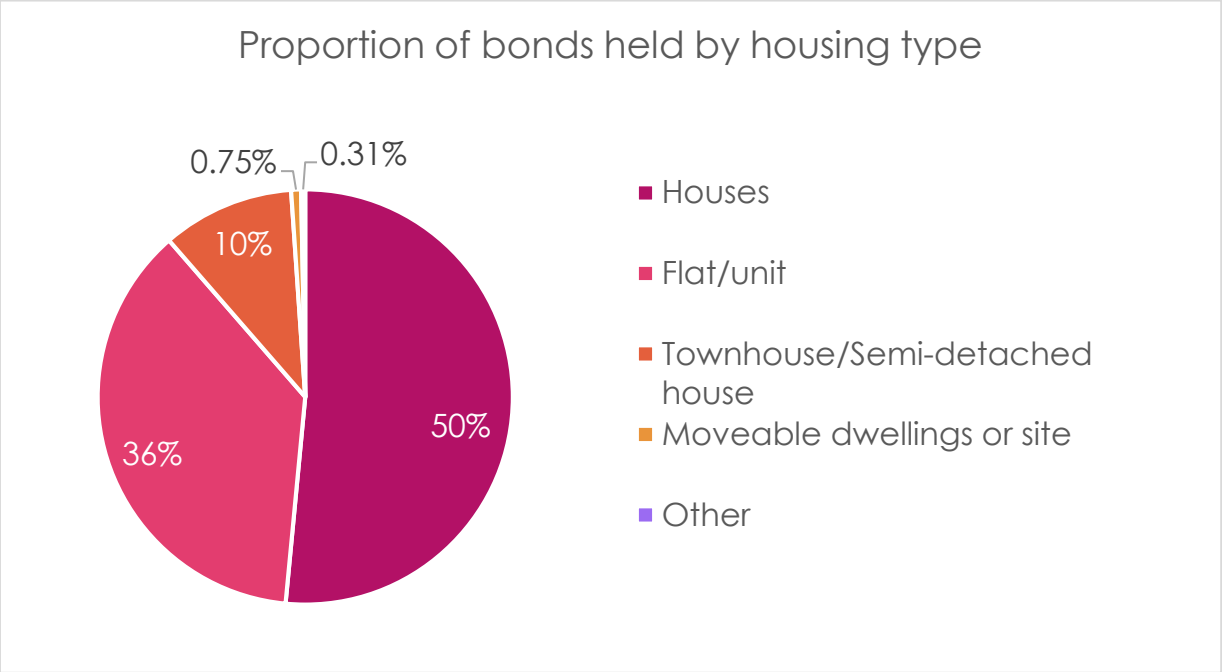
There has been an increase in rental properties being managed by real estate agents (2001-2016) due to deliberate investment strategies and properties not being located near an investor's own residence. [18] Property managers manage the relationship and competing expectations of both tenants (customers) and the property owner (client) but must take direction from the owner. Seventy-eight per cent of Queensland tenants rent from a real estate agent or private landlord, while 9.5% live in housing owned by the State housing authority and 5% live in a property owned by a family member not in the same household (see chart). [19]

[18] Ibid, pp. 69.

[19] Australian Bureau of Statistics, 'Landlord Type by Tenure Type by State', *Census of Population and Housing, 2016, TableBuilder*, available at https://www.abs.gov.au/websitedbs/censushome.nsf/home/tablebuilder?opendocument&navpos=240, 2016, accessed 29 March 2019

Where do people rent and what type of properties are rented?

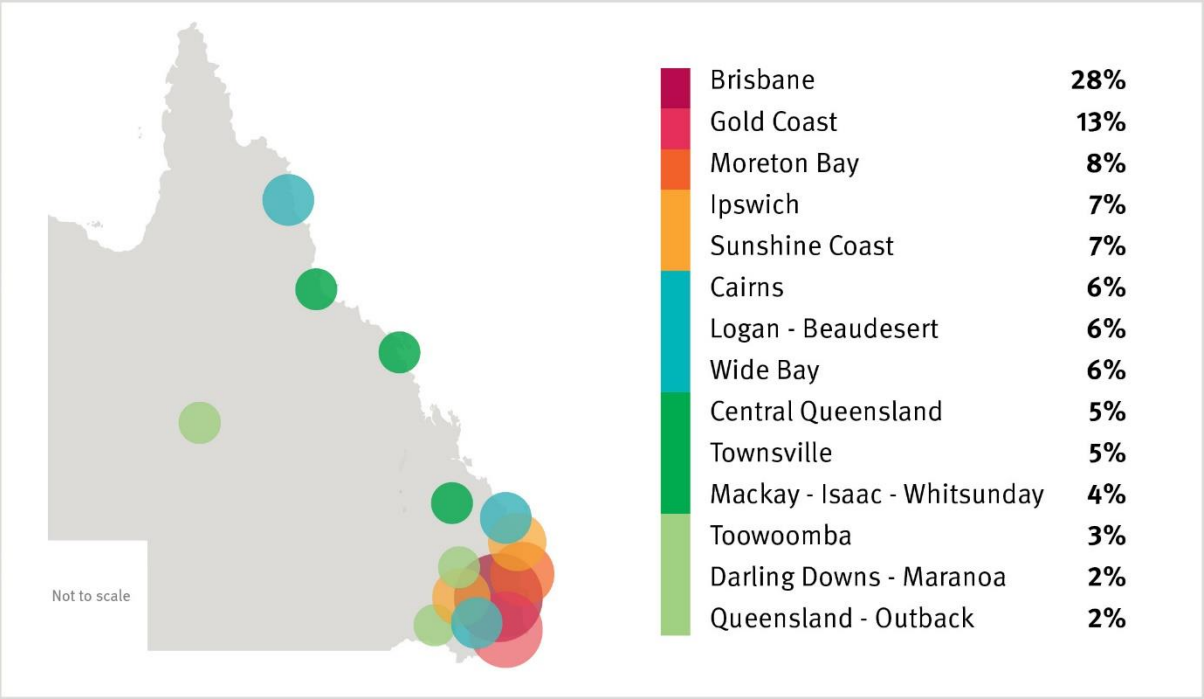
Houses, units and townhouses account for almost 97% of dwellings for which bonds are held by the RTA. Rooming accommodation, caravans and other types of housing make up the remaining three per cent. [20] Almost three-quarters (74.32%) of bonds are held for dwellings in South East Queensland.[21]



[20] Residential Tenancies Authority, 'Total bonds held by dwelling type', *RTA Annual Report 2017-18*, available at www.rta.qld.gov.au/About-the-RTA/Corporate-information/Annual-report/Annual-report-2017-18, 2018, pp.9.

[21] Residential Tenancies Authority, 'Our Clients', *RTA Annual Report 2017-18*, available at www.rta.qld.gov.au/About-the-RTA/Corporate-information/Annual-report/Annual-report-2017-18, 2018, pp.9.

Number of occupied rented private dwellings in Queensland 2016



1.2 Queensland's rental laws

The *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act) and the *Residential Tenancies and Rooming Accommodation Regulation 2009* (RTRA Regulation) set out the rights and obligations of tenants and owners or their agents in tenancy arrangements in Queensland.

The RTRA Act regulates the making, content and operation of tenancy agreements, provides for dispute resolution about tenancy arrangements, and provides for compliance monitoring and enforcement. It also establishes the RTA to administer the RTRA Act and receive, hold and pay rental bonds.

Property owners must also comply with any laws and regulations relating to the health and safety of premises. These include, but are not restricted to:

- *Building Act 1975*
- *Plumbing and Drainage Act 2018*
- *Electrical Safety Act 2002*
- *Fire and Emergency Services Act 1990*
- *Residential Services (Accreditation) Act 2002*
- *Body Corporate and Community Management Act 1997*
- Australian Standards.

Property managers must also comply with the *Property Occupations Act 2014*, which regulates the activities, licensing and conduct of property agents and resident letting agents and their employees and protects consumers against particular undesirable practices.

1.3 *Open Doors to Renting Reform:* Consultation outcomes and insights

In late 2018, more than 135,000 responses were received from tenants, property owners and managers, the community, and industry and peak groups through the *Open Doors to Renting Reform* consultation. Respondents shared their rental experiences and ideas about how renting in Queensland can be improved in Queensland.

The Open Doors consultation demonstrated that renting is an important issue for the community.

Consultation results summary

Engagement results

96,649
snap polls

14,000+ postcard
survey responses

2000+ social media
posts and comments

19,900+ online
survey responses

48,000+ written submissions
including discussion forum posts and comments

Responses came from:



From these age groups (years old):



Note: 'Other' refers to respondents who were not able to be identified or who specified that they were not a tenant, property owner or property manager. Source. Engagement HQ Online survey data, postcard survey data, written responses (excluding forum posts and comments).

Breakdown of respondents, by gender:



Source: Postcard survey data and Engagement HQ: Open Doors to Renting Reform online survey data.

Almost two-thirds of respondents felt Queensland's tenancy laws did not achieve an appropriate balance between tenants and property owners. While tenants and property owners tend to feel the balance is in the other party's favour, more tenants than owners were inclined to feel this way. This pattern in sentiment is reflected in higher dissatisfaction rates with renting in Queensland by tenants than property owners. Almost a third of tenant and a quarter of owner respondents are dissatisfied with their renting experience, and overall 42 per cent of respondents are satisfied.[22]

Generally, consultation feedback emphasised that tenancy arrangements need to strike the right balance between the tenant and owner interests in each unique tenancy. However, many respondents felt this balance was difficult to achieve.

Open Doors consultation themes

A house and a home

This theme sparked extensive interest during consultation and explored issues including minor modifications to the rental property, renting with pets and entry practices and privacy.

Consultation feedback indicates that action is needed to assist tenants and owners reach agreement on keeping pets in rental properties, but there were mixed views about suggested solutions. Most tenants wanted to keep a pet, but some recognised this created investment risks for owners. Owners recognised the benefits of pet ownership, but advocated strongly to keep their right to refuse pets.

Around three-quarters of respondents to a snap poll agreed that pet bonds would help owners and tenants reach agreement on pets. However, community feedback was more mixed about whether pet bonds would be an effective solution, particularly as they would increase costs for tenants and potentially not cover damage costs for owners.

Tenants want to make minor changes to the rental property that add personal touches and argued this should be allowed if they inform the owner and return the property to its original condition. Owners and managers advocated to retain owner discretion on this issue. They raised concerns about damage to walls, tenant exposure to health and safety risks, impact on owner's insurance and liability risks, and costs to return the property to its original condition if a tenant fails to. Only a third of respondents to a snap poll agreed that a property owner should be able to prevent tenants from making minor modifications such as installing pay TV or curtains/blinds.[23]

Inspection and entry practices was also an issue where stakeholders had competing interests. Owners and managers valued inspections and entry as an essential property management tool to monitor and identify tenancy issues early, including photography to document rental property condition. Tenants felt inspections were too frequent, especially if they had a good rental history, and felt some entry practices were unnecessarily invasive. In response to a snap poll asking what is fair

[22] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p. 14.

[23] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p. 66.

notice to give prior to entry into the home for non-urgent reasons, over half of respondents said seven (7) days and only 10 per cent of responses supported 24 hours' notice.[24]

Stakeholders also highlighted the interaction between community by-laws in body corporate or caravan parks and tenancy arrangements. They noted that by-laws may restrict owner's ability to agree to tenant requests about minor modifications, pets or entry requirements.

Property condition

Property condition was a hot topic due to the high frequency of repairs and maintenance. This was discussed by all groups and was a contentious issue. Over 60 per cent of respondents to a snap poll agreed that they had seen a rental property with serious safety problems, such as a broken lock or rotting stairs or deck.

Many tenants reported inattention or unresponsiveness to repair and maintenance requests. Owners raised concerns about the reasonableness of some tenant's requests and expectations. Tenants also report being hesitant to request repairs or maintenance due to fear of retaliatory rent increases or eviction.

Minimum standards to address health and safety issues are supported by all stakeholder groups. Owners and managers cautioned that minimum standards if too onerous could force them to increase rent or leave the rental market. In a snap poll asking what would help to ensure Queensland rental properties are well maintained and in good repair, mandatory times for repairs to be completed and minimum standards for repairs and maintenance were supported by 44 per cent and 32 per cent of respondents respectively.

Flexibility and security

Discussion of this theme highlighted tension between tenant's perception of housing insecurity in the rental market and owner's needs for effective mechanisms to manage risks to their investment.

All stakeholders were open to longer term leases. Tenants felt their housing security would be increased by longer leases and property owners saw benefits in more financial stability. Some property owners also indicated they would be more open to tenants making minor changes to the property under a longer lease.

Ending tenancies and retaliatory evictions were also topics that sparked strong views. Some tenants reported being hesitant to enforce their rights or make requests due to fear of retaliatory eviction. Tenants and tenant advocate groups suggested that abolishing notices to leave without grounds for owners and managers would empower tenants to enforce their rights without fear. A snap poll about ending tenancies indicated 57 per cent of respondents agreed that owners should be required to give a reason to end a tenancy.

Owners and managers advocated strongly to retain their ability to end tenancies without cause or reason through a notice to leave without grounds. This in part is because fixed term tenancy agreements do not automatically end at the expiry of the agreed term. If parties to the agreement take no action the tenancy moves to a periodic agreement with no fixed end date.

Owners also raised concerns that the current notice requirements for ending a tenancy are imbalanced and impractical. Tenants are required to give two weeks' notice whereas owners need to provide two months' notice. Some tenants also consider current notice periods to be impractical and contribute to their perception of insecure tenure.

[24] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p. 66.

Better protections

Better protections was also a topical theme. There was general support from respondents for more support to be provided to vulnerable Queenslanders in the private rental market, including people escaping domestic and family violence and people with a disability. However, property owners did not feel they should be financially disadvantaged to protect vulnerable persons.

While tenants were the most vocal, both tenants and property owners expressed that they were dissatisfied with the service they received from property managers. Tenants felt property managers did not effectively address issues with the rental property, communicated poorly and have too much power. Property owners felt that property managers were not doing enough to prevent or manage bad tenants.

Issues were also raised with dispute resolution processes. Both tenants and property owners were concerned with delays and complicated processes at the Queensland Civil and Administrative Tribunal (QCAT). Property owners were overwhelmingly dissatisfied, feeling QCAT is biased against them and that there is no reasonable recourse for property owners or managers due to delays in getting a hearing or enforcing orders. Tenants can also feel disadvantaged without representation as property managers are more knowledgeable about tenancy laws and experienced with dispute resolution and QCAT processes. Over 80% of respondents agreed that a tenant should be able to end their tenancy at short notice without going to QCAT if sufficient evidence is provided of domestic and family violence.[25]

Looking and leasing

Rent, rental affordability and rent increases were hot topics across all channels. Many tenants reported the adverse effects of repeated and unsustainable rent increases that they felt did not reflect the condition of the property or market conditions. Several property owners stated that they need to be able to increase rents to cover costs and keep up with the market. Some dissatisfaction was expressed with rent payment methods that incur additional charges for tenants and responsibility for utility connection and usage fees.

Both tenants and owners feel the current bond system disadvantages them. Tenants reported difficulty getting bonds refunded and that bond amounts were too high. Property owners reported bond amounts did not cover their costs at the end of a tenancy and often were used by tenants to cover their rent at the end of the tenancy.

Open Doors consultation insights

Queenslanders want to feel safe and secure with their rental property, either as a tenant enjoying the property as their own home, or as an owner protecting their property as an investment. Tenants and property owners agreed that tenancy laws need to strike the right balance for tenants and owners to feel safe and secure with their rental property and that property managers need to be held more accountable for their actions.

Diverse views were expressed on most renting issues. Property condition standards and renting with pets were topics that sparked wide discussion and strong views in the consultation. Tenants sought minimum housing standards and protection from retaliatory eviction and invasive entry practices. Owners want to retain control, including to refuse pets without a bond or minor modifications without a safety net, and to end tenancies without cause or reason.

Common renting issues of interest to the Queensland community emerged from the consultation and support a need for change to tenancy laws in Queensland. These issues included longer leases and without grounds evictions, renting with pets, minor modifications, entry and privacy, property condition, bonds and rent, accountability of property managers, and supporting vulnerable tenants.

[25] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p. 69.

1.4 Tenancy law reform pathway

The *Better Renting Future Reform Roadmap* is the Queensland Government's response to the Open Doors consultation and outlines a staged tenancy law reform pathway to enable an orderly transition and resolve significant policy and regulatory issues raised by the community.

Stage 1 proposes immediate action on:

- ***Safety and security*** to ensure rental accommodation is safe, secure and functional through prescribed minimum housing standards, improved domestic and family violence protections and a minor modifications framework.
- ***Managing tenancies*** to support enforcement of existing tenancy rights without fear by prohibiting retaliatory eviction.
- ***Renting with pets*** to improve access to pet-friendly rental accommodation by helping tenants and property owners reach agreement on this issue.

These immediate reform priorities are the focus of this Consultation RIS and feedback received will inform Queensland Government consideration of reform impacts before progressing amendments to the RTRA Act and Regulation in 2020.

Stage 2 Better Renting Future reforms will build on the foundation laid in stage 1 to design solutions to complex renting issues where a diversity of views were expressed. Deeper engagement with partners will be undertaken to understand the regulatory and other impacts of policy options and design workable solutions that balance stakeholder views and interests.

Unique issues for rooming accommodation and moveable dwelling tenancies will also be examined in detail during stage 2 alongside opportunities to modernise and simplify the RTRA Act to make tenancy laws more accessible and user friendly.

The reform pathway will be supported by innovations already underway in the RTA to support smart digital services that facilitate quick and convenient tenancy transactions. The RTA will continue to digitise its services to offer more effective channels for customers to do business.

These administrative and legislative reforms will ensure the needs and expectations of the Queensland rental sector are met now and into the future by a responsive government.

Ending tenancies fairly

Consultation Regulatory Impact Statement

Review of the *Residential Tenancies and Rooming Accommodation Act 2008*

Stage 1 Reforms



Part 2 – Ending tenancies fairly

2.1 Introduction

Certainty about how and when tenancy agreements will end benefits both tenants and owners. It helps tenants to plan for their future housing needs and supports renting families and older people to build and sustain community and service connections. It also provides owners with income security, allows them to find new tenants before the current tenancy ends, and plan for works and repairs to be completed between tenancies.

There are processes that must be followed to correctly end a tenancy agreement, including the following:

- ending the tenancy for a reason approved under the *Residential Tenancies and Rooming Accommodation Act 2008* (the RTRA Act) ('without grounds' is an approved reason)
- using the approved form
- allowing the right amount of time (notice) before it ends.

There are some variations in reasons and notice if it is a general tenancy (houses, flats and townhouses, houseboats), a moveable dwelling tenancy (caravan) or a rooming accommodation agreement, and if the tenancy agreement is for a fixed term (agreed end date) or periodic (no end date).

Fixed term agreements

are agreements under which the tenant will rent the property for a fixed time with a specified end date. A fixed term tenancy agreement cannot end before the agreed date unless both parties agree.

Periodic agreements

are agreements under which the tenant will rent the property for an indefinite period. A periodic agreement has no specified end date.

Fixed term tenancies do not automatically finish at the end of the agreed term. A fixed term agreement will roll over to become a periodic agreement if the parties do not follow the correct process to end the fixed term agreement or sign a new fixed term agreement.

Queensland has one of the highest percentages of fixed term tenancies with approximately 74 per cent of tenants on six-month or twelve-month fixed term tenancies and about 18 per cent on periodic agreements.[26] Fixed term agreements are generally back-to-back six-month agreements, rather than an initial six-month fixed term turning into a periodic agreement.

Appendix 1 summarises the approved reasons and required notice for each party to end a tenancy agreement under existing tenancy law.

Either party can issue a notice to leave 'without grounds' to end a tenancy without explaining why, or either party can issue a notice to leave 'with grounds,' such as being in breach of the agreement. The RTRA Act (section 291) prohibits a property owner or manager from issuing a notice to leave 'without grounds' to a tenant or resident if it constitutes a retaliatory eviction in response to them enforcing their tenancy rights. A tenant or resident can challenge a notice to leave 'without grounds' in the Queensland Civil and Administrative Tribunal (QCAT) if they believe it is a retaliatory action.

[26] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, p.13.

2.2 What we heard through consultation

Ending tenancies and retaliatory evictions were topics that sparked strong views in the Open Doors consultation.

Some tenants said they were hesitant to report that the property needed repairs or maintenance due to fear of retaliatory rent increases or eviction.[27] Tenants and tenant advocate groups, including Tenants Queensland (TQ) and the Queensland Council of Social Service, suggested that abolishing notices to leave without grounds for owners and managers would empower tenants to enforce their rights without fear.[28]

While the RTRA Act prohibits an owner or manager from giving a retaliatory notice to end a tenancy without grounds, tenants have continued to raise concerns about these notices being misused and the difficulty in proving retaliatory actions.

More than 7,000 people responded to a snap poll asking "Should a property owner need to give a reason if they want to end a tenancy?". Fifty-seven per cent (57%) all of all respondents answered yes. Furthermore, around 4,400 people responded to a snap poll asking "What is a fair reason for a property owner to end a tenancy?" with 26 per cent saying 'the end of a fixed term'.[29] In this same snap poll, 51 per cent of respondents agreed that all of the reasons listed were acceptable.[30]

Owners and managers, including the Real Estate Institute Queensland (REIQ) and the Property Owners' Association of Queensland, advocated strongly to retain their ability to end tenancies without having to give reasons. This is in part because tenancy agreements do not automatically end at the expiry of the agreed term and there is no other way to end a fixed term agreement unless the tenant breaches the agreement.[31]

Owners also consider the current notice requirements for ending a tenancy without grounds to be imbalanced. Owners are required to provide two months' notice whereas tenants need to give two weeks' notice. This is intended to achieve a more equitable outcome for tenants who are more impacted by the end of a tenancy in needing to locate, finance and move to new housing.[32]

TQ has previously supported increasing notice periods for owners to end a tenancy in order to assist tenants to find and finance new accommodation.[33] However, some tenants consider current notice periods to be impractical, put them at risk of breaking the tenancy or paying double rent if they find another property too early, and contribute to their perception of insecure tenure. Most stakeholders agreed that a notice period of one month for both parties was appropriate to end a fixed term agreement, if reaching the end of a fixed term was an approved reason for ending an agreement.[34]

[27] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, pp.57, 68, 75, 79, 101.
[28] Ibid, pp. 107-108.

[29] Ibid pp.22, 68

[30] Ibid

[31] Ibid, pp. 107-108.
[32] Ibid, p. 109.

[33] Tenants Queensland Inc, *Response to the Housing Strategy Discussion Paper, July 5 2016*, available at: https://tenantsqld.org.au/wp-content/uploads/2018/10/TQ-Response-to-the-Housing-Strategy-Discussion-Paper-2016-TQU00068232.pdf, 2016, p. 6.

[34] Ibid, p. 11.

2.3 Problem identification

There are several indicators of tenancies not being ended fairly in the rental market.

In 2017-18, the RTA received 27,998 requests for dispute resolution, and 1109 (around 4 per cent) of those dispute resolution requests listed ending tenancies as one of the reasons for their dispute. As at 30 June 2018, the RTA was holding 607,053 rental bonds.[35]

The Tenants Queensland Inc 2017-2018 annual report showed that 29 per cent of the main presenting issues (as a percentage of sessions) was regarding terminations. Of these, 18 per cent related to terminating without grounds.[36]

The Queensland Civil and Administrative Tribunal (QCAT) received 87 applications to hear matters about a notice to leave without grounds being a retaliatory action in 2017-18.[37]

The 2018 report *Disrupted* commissioned by Choice, National Shelter and the National Association of Tenant Organisations identified that of Australians who rent:

- 44 per cent are concerned that requesting repairs could get them evicted
- 10 per cent have received one or more formal notices to leave without grounds
- 8 per cent have been evicted one or more times without being given a reason or explanation
- 16 per cent of Australian tenants with a disability have received a notice to leave without grounds[38]
- Insecure tenure is costly to tenants and forced moves mean tenants need to finance a new bond prior to the return of their current bond, pay rent in advance while paying rent for the current property until vacated, paying removal and cleaning costs and paying for utility connections[39]
- Insecure tenure is also costly to society as frequent or unplanned moves can reduce their capacity to participate in and build relationships with local communities, create psychological stress and health issues, place strain on relationships and can lead to homelessness. The Productivity Commission has found there is a relationship between housing stability and employment among income support recipients, with more moves over a 12-month period correlating to a lower likelihood of being employed at the end of the period.[40]

The Queensland Government's 2018 Open Doors consultation identified that some tenants fear retaliatory eviction and some shared experiences of receiving a notice to leave without grounds after seeking to enforce their tenancy rights. The fear of retaliatory action contributes to stress and deters many tenants from asking for repairs or requesting improvements to their home.[41]

Existing protections in Queensland's *Residential Tenancies and Rooming Accommodation Act 2008* (the RTRA Act) prohibit an owner or provider giving a notice to leave without grounds to a tenant or resident if it is a retaliatory action. Tenants or residents can apply to QCAT about a notice to leave without grounds if they reasonably believe it was retaliatory. These protections rely on tenants

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[35] Residential Tenancies Authority, *Annual Report 2017-18*, available at www.rta.qld.gov.au/About-the-RTA/Corporate-information/Annual-report/Annual-report-2017-18, 2018, pp.6-7. *The number of rental bonds is used as a proxy for number of tenancies.

[36] Tenants Queensland Inc, *Tenants Queensland Inc Annual Report 2017-2018,* available at https://tenantsqld.org.au/wp-content/uploads/2019/01/TQ_Annual_Report_2017-18.pdf, 2018, pp.9.

[37] Residential Tenancies Authority, *Data provided to Department of Housing and Public Works 22 January 2019*, 2019.

[38] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, pp.19.

[39] M. Tennant & P. Carr, *Avoidable Evictions – our next move*, Tenants' Union of Queensland (now Tenants Queensland), available at https://tenantsqld.org.au/wp-content/uploads/2018/10/Avoidable-Evictions-our-next-move.pdf, 2012, pp.43

[40] Australian Federal Government Productivity Commission, *Housing Assistance and Employment in Australia*, Commission Research Paper, Volume 1: Chapters, Canberra, 2015 available at https://www.pc.gov.au/research/completed/housing-employment/housing-employment-volume1.pdf.

[41] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, pp.5.

challenging the notice and it can be difficult for tenants to prove a notice to leave without grounds is retaliatory.

Other disincentives may also prevent tenants from enforcing existing retaliatory eviction protections including the cost, time and stress of taking the matter through QCAT and risks of receiving a bad rental reference that may limit their future housing options. The fear of being listed on a tenancy database and other adverse consequences has prevented one in seven Australian tenants from making a complaint or asking for repairs.[42]

In Queensland, owners and managers use notices to leave without grounds to confirm a tenancy is to finish at the end of a fixed term because the end of a fixed term is not an approved reason to end a tenancy under the RTRA Act.

The practice of issuing a notice to leave without grounds at the end of a fixed term tenancy agreement can be a source of confusion and stress for tenants. The RTA reports that tenants may feel obliged to leave or are being evicted unfairly, and continues to educate tenants, property owners and managers about their rights and responsibilities.

This may be exacerbated by the requirement for owners to provide two months' notice to end a tenancy. Anecdotal evidence gathered by the RTA suggests that it has become industry practice for property managers to issue a notice to leave 'without grounds' more than two months before the end date of fixed term leases, along with an offer of a new lease. Tenants have reported feeling coerced to sign a new lease because of this practice.[43]

The extension of the property owners' notice period from two weeks to two months in 2009 was in recognition that ending a tenancy and finding alternative accommodation had a greater impact on tenants than on property owners having to find replacement tenants.

The RTA reports that some tenants have found the two months' notice requirement impractical as they may find alternative housing too soon and incur break lease costs to end the tenancy agreement early or must pay rent on their current and new tenancy until the fixed term expires. A property owner may also not be covered for potential damage and/or rental arrears that exceed the maximum bond amount (four weeks' rent) if the tenant finds another property and must break the existing lease before the end of the fixed term.

This two month notice period is necessary under the current system when using the 'without grounds' notice to end a tenancy by property owners. Required notice periods to end a tenancy differ depending on the grounds used, the type of tenancy (such as general tenancy, moveable dwelling or rooming accommodation) and who is issuing the notice (tenant, property owner or manager). The issues raised through consultation about notice periods were considered when establishing the notice periods for new reasons to end tenancies.

[42] Ibid, p.15.
[43] M. Tennant & P. Carr, *Avoidable Evictions – our next move*, Tenants' Union of Queensland (now Tenants Queensland), available at https://tenantsqld.org.au/wp-content/uploads/2018/10/Avoidable-Evictions-our-next-move.pdf, 2012, p.51

A **2016[44] survey** indicated that:

68% of participants

believed that notice periods should be the same for both parties

43% of tenants and 87% of property owners,

managers and housing providers believed that the current notice periods to end a fixed term tenancy should be changed, of whom;

44% suggested notice periods should be the same for both parties

30% preferred one month's notice for tenants and property owners.

Examples of notice periods for property owners in other Australian jurisdictions are:

- **ACT** law requires 26 weeks' 'without grounds' (periodic) notice and four to 12 weeks' notice for approved reasons.
- In **Tasmania**, a property owner must give at least 42 days' notice and may not give notice before the end of the fixed term. Notice cannot be given more than 60 days prior to the end of the agreement.
- **NSW** recently retained the ability for a property owner to terminate 'without grounds' at the end of a fixed term by giving 30 days' notice to the tenant.
- As of 2020, **Victorian** property owners will no longer be able to end tenancies 'without grounds', except for ending a tenancy using an 'end of fixed-term' notice to vacate at the end of the tenant's first fixed term agreement.[45]

[44] Queensland Department of Housing and Public Works, 'Renting that works for everyone survey', *Get Involved*, 2016.

[45] Victorian Government, Rent Fair – rental reforms for Victorians, available at: https://www.vic.gov.au/rentfair-rental-reforms-victorians, accessed on 19 July 2019.

2.4 Government objectives

- Ensure parties can end tenancies fairly.
- Support tenants to enforce their existing rights without fear of retaliatory eviction.
- Provide greater certainty by ensuring tenancies are only ended for identified reasons.
- Ensure parties receive fair, reasonable and workable notice to end a tenancy agreement.

2.5 Options for ending tenancies

Option 1.	Status quo
Option 2.	Undertake an enhanced education and awareness program to improve transparency regarding ending a tenancy
Option 3.	Remove ability for ALL parties to end tenancy agreements without grounds
Option 4.	Remove ability for ONLY property owners and managers to end tenancy agreements without grounds
Option 5.	Require property owners and managers to only end tenancy agreements for approved reasons
Option 6.	Retain ability for all parties to end tenancies ‘without grounds’ but extend the notice period for owners as a deterrent from misuse

Option 1. Status quo

Maintain current provisions for ending tenancies in the RTRA Act, including notices to leave without grounds and notice periods of two months for owners and two weeks for tenants.

Option 2. Undertake an education and awareness program to improve transparency

Undertake an education and awareness campaign to better inform tenants and owners about their rights and obligations regarding the end of a tenancy.

Option 3. Remove ability for ALL parties to end tenancy agreements without grounds

Remove the ability for all parties (tenants, property owners and managers) to end tenancy agreements without grounds. Tenancy agreements would only end if both parties agree, for prescribed reasons in the RTRA Act (refer to **Appendix 1**), or if one party has breached the tenancy agreement.

Option 4. Remove ability for ONLY property owners and managers to end tenancy agreements without grounds

Remove the ability for property owners and managers to end tenancy agreements without grounds. Tenancy agreements would only end if the tenant agrees or requests the termination, the tenant breaches the tenancy agreement, or another approved ground applies which includes current grounds (refer to **Appendix 1**).

Tenants would retain the ability to end tenancy agreements without grounds.

Option 5. Require property owners and managers to only end tenancy agreements for approved reasons

Remove the ability for owners to end tenancy agreements without grounds but introduce the following additional grounds (in addition to current grounds outlined in **Appendix 1**) to end tenancies under the RTRA Act:

5.1 Owner or their immediate family need to move into the rental property

An owner could issue a notice to leave with grounds providing one months' notice to the tenant if they or an immediate family member (for example their children, sibling or parents) needed to occupy the rental property. Owners would be required to provide a statutory declaration or another form of documentation to support their need to regain possession of the rental property.

Note: A fixed term tenancy could not end prior to the end of the fixed term, unless the tenant agreed, or QCAT makes an order to terminate the agreement early.

5.2 Significant renovations or repairs to the property are to be undertaken

Where significant repairs or renovations are to be completed that requires the rental property to be vacant an owner may issue a notice to leave with grounds providing one months' notice. Approved plans for the renovation or evidence of acceptance of a quote to complete the works would be required to be provided with the notice.

A fixed term tenancy could not end prior to the end of the fixed term unless the tenant agreed, or the owner sought a QCAT order to terminate the agreement early.

5.3 End of a fixed term

The end of a fixed term tenancy agreement is not currently an approved reason to end a tenancy under the RTRA Act. This new ground could be introduced either as a stand-alone option, or with further restrictions (such as those in Victoria that only allow end of a fixed term grounds to be used at the end of the first fixed term tenancy but not subsequent terms).

The owner would also need to disclose the intention to end the tenancy at the end of the fixed term when advertising the rental property and provide one months' notice to the tenant prior to the end of the fixed term. The owner would need to provide evidence to substantiate the necessity for the use of the end of a fixed term notice to vacate.

5.4 Sale of rental property requiring vacant possession (for fixed term agreements)

New grounds could be introduced to end fixed term agreements on the grounds of sale of rental property requiring vacant possession. However, the term of the fixed term agreement must be honoured by the new owners, and tenants cannot be required to leave before the end of the fixed term, unless the tenants agree.

5.5 Serious or significant breach due to actions of a tenant, occupant or guest

New grounds to allow owners to terminate a tenancy in cases where a tenant has committed a serious breach against their tenancy agreement, comparable to the protections to those provided for social housing under s290A of the RTRA Act. The definition of lessor under s290A of the RTRA Act could be amended to allow property owners of general tenancies to end tenancies for the same reasons.

That section enables a social housing provider to issue a Notice to leave without a QCAT order if a social housing tenant has committed a serious breach against their tenancy agreement. Seven days' notice is required and the Notice to leave can be issued:

- If a tenant, occupant or a guest of the tenant or a person allowed on the property by the tenant:
    - Used the property or any property adjoining or adjacent to the property for illegal purposes;
    - Intentionally or recklessly:
        - Destroyed or seriously damaged a part of the property
        - Endangered another person in the property or a person occupying or allowed on the property nearby
        - interfered significantly with the reasonable peace comfort or privacy of another tenant or another tenant's appropriate use of the other tenant's property.

Owners or managers would be required to submit an urgent application to QCAT with suitable evidence, such as police reports or evidence of damage to protect private market tenants.

5.6 Person is occupying the rental property without consent

An additional ground to end a tenancy where a person is occupying the rental property without consent is proposed to improve tenancy management processes and options for owners by extending QCAT's powers to make an order. Owners will be able to apply to QCAT for an order to remove the squatter or unapproved occupant from the residence. This will be in addition to the owners existing rights for termination, including but not limited to the breach process.

5.7 Rental property is not in good repair, is unfit for human habitation or does not comply with minimum housing standards

This additional ground is proposed to only be able to be used within seven days of the tenant moving in. Allowing tenants to end their tenancy immediately (or as otherwise agreed) in specified circumstances where one or more of the following conditions apply to the rental property:

- not in good repair
- unfit for human habitation
- destroyed or otherwise rendered unsafe
- not vacant
- not legally available for use as a residence
- unavailable for occupation, or
- does not comply with minimum housing standards of health or safety.

Tenants would need to substantiate their claims where a rental property does not meet minimum quality requirements to provide sufficient time for the owner to contest or rectify the issue. Owners will be able to contest notices issued under these circumstances if they do not agree that the tenant has established a breach of the above grounds.

5.8 Owner has not complied with a QCAT Repair Order to undertake repair or maintenance of the rental property within the specified time

This provides additional grounds for allowing tenants to give seven days' notice of their intention to leave if the owner fails to comply with a QCAT order. Owners will have an opportunity to contest the termination by providing evidence that they have acted to comply with the order and delay is outside of their control. The RTA can support parties to manage enforcement through its dispute resolution service.

This option is complimentary to Part 3 – Minimum Housing Standards recommended option 5 which will enable QCAT to issue Repair Orders attached to the rental property rather than the tenancy.

5.9 Owner provided false or misleading information about the tenancy agreement or rental property

Grounds to allow tenants to end tenancies if they have received false or misleading information about the tenancy agreement or rental property which significantly affects their ability to live in the property This could include the condition of the property or inclusions, the supply of services, rent payable, or whether pets are allowed.

Tenants can apply to QCAT for an order terminating their tenancy on the basis that their property owner or manager has engaged in false, misleading or deceptive conduct. The date of termination will be determined by QCAT and will take into consideration the relevant circumstances and any evidence that substantiates the tenants' claims.

5.10 Death of a co-tenant

It is proposed that the process for ending a tenancy when a sole tenant dies be adapted in an additional ground to end a tenancy if a co-tenant dies.

5.11 Person is escaping domestic and family violence (DFV)

Please refer to Part 4 – Domestic and Family Violence Protections for details of this option.

5.12 Queensland Government owned rental accommodation is required for a public or statutory purpose

It is proposed that a discrete ground for the Queensland Government to end tenancies for public or statutory purposes be established that requires two months' notice be provided to tenants.

When using the additional grounds to end a tenancy, owners would be required to provide documented evidence with notices to leave to protect parties from abuse or misuse of additional approved reasons to end tenancies.

5.13 The Department of Housing and Public Works requires the rental accommodation to manage public housing as a scarce resource

The Department of Housing and Public Works may need to reclaim their housing asset to effectively manage public housing as a scarce resource. Impacts on social housing tenants required to vacate would be managed by the department supporting them to transfer to other available property. The department would be required to provide two months' notice to any impacted tenants.

5.14 Strengthened protections against retaliatory action

Protections for tenants against retaliatory action would be retained by clarifying that a property owner would be considered to have taken retaliatory action if they issue a notice to leave for the tenant acting to enforce their tenancy rights, such as to request repairs and maintenance, or if the notice to leave is given on unsubstantiated grounds.

Option 6. Retain ability for all parties to end tenancies 'without grounds' but extend the notice period for owners as a deterrent from misuse

Retain all the current grounds (as outlined in **Appendix 1**) as well as 'without grounds' to end a tenancy agreement but extend the two month notice period owners must give to tenants to:

- 90 days (3 months) OR
- 26 weeks (6 months)

2.6 Impact analysis

Option 1 – Status quo

The current system allows owners to control tenancy arrangements while providing access to a tool they can use to manage tenancy issues.

Currently tenants have limited protection against retaliatory action. Tenants have reported not enforcing their rights due to fears of retaliatory action. Tenant's housing security is uncertain as owners can end tenancies without grounds. Owners are not accountable for their decisions to end a tenancy and there is a risk of misuse of 'without grounds' notices to leave.

Option 1 – Status quo

Stakeholder	Issues
TENANT	• Under the current process there is a prevalence of retaliatory evictions • Tenants have minimal confidence to enforce rights[46] • Tenants feel insecure in their tenure resulting in recurrent moving and associated expenses[47]
PROPERTY OWNER	• Owners have expressed concerns regarding the disparity in notice periods • There is a concern that tenants do not report issues with housing due to fear of retaliatory evictions, which could negatively impact the value of the property
PROPERTY MANAGER	• Property managers have expressed concerns regarding the disparity in notice periods
STATE GOVERNMENT	
SOCIAL HOUSING	• Current tenancy law requirements and subsequent implications place a continued strain on DHPW and community housing through requests for and ongoing occupation of social housing
COMMUNITY	• Insecure tenure can reduce tenant's capacity to participate in and build relationships with local communities

Recommendation: This option is not recommended

[46] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, pp.75

[47] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, pp.14; Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, pp.109

Option 2 – Undertake an enhanced education and awareness program to improve transparency regarding ending a tenancy

While the RTA already publishes information about tenants' and owners' rights and obligations regarding the end of a tenancy, it could lead an enhanced awareness-raising program to assist them to better understand the existing legal framework. The purpose of the education and awareness program would be to reduce confusion arising from a lack of understanding of the legal framework for notice periods; the grounds for ending a tenancy; and dispute resolution options. An improved understanding would allow the parties in a tenancy to deal with each other on a more transparent basis. However, this option would not reduce confusion resulting from arbitrary and unexpected actions within this legal framework. The ending of a tenancy without ground, for example, may still cause unnecessary inconvenience and dislocation.

Option 2 – Undertake an enhanced education and awareness program to improve transparency regarding ending a tenancy

Stakeholder	Benefits	Costs
TENANT	• Tenants would benefit from improved understanding of their rights and obligations at the end of a tenancy and may be better positioned to plan and coordinate a change of tenancy.	
PROPERTY OWNER	• Property owners would benefit from improved understanding of their rights and obligations at the end of a tenancy and may be better positioned to plan and coordinate a change of tenancy.	
PROPERTY MANAGER		
STATE GOVERNMENT	• Improved understanding of rights and obligations may lead to more efficient use of dispute resolution resources by tenants, property owners and property managers.	• None. Awareness raising activities would be undertaken from existing resources within the RTA and other agencies.
SOCIAL HOUSING	• Benefits for tenants and owners in the social housing sector would be similar for those in other sectors.	
COMMUNITY		

Recommendation: This option is not recommended

Option 3 – Remove ability for ALL parties to end tenancy agreements without grounds

Relative to the status quo, this option would protect tenants against retaliatory eviction and improve their willingness to raise issues during their tenancies. However, it may reduce flexibility for both tenants and property owners as they would be unable to end a tenancy agreement unless the other party agreed; there was a breach of the tenancy agreement; or another prescribed ground applied.

Removing without grounds reasons to end tenancies would make it more difficult for parties to end tenancies that no longer meet their needs. While the RTRA Act offers a range of approved reasons for parties to end tenancies without grounds, these generally do not cover all changes in circumstances for either party. For example:

- Tenants may need to leave the rental property
    - to find a larger property to house a growing family
    - due to changes to the renting household.
- Owners may need to regain possession of their rental property for a variety of reasons, including
    - to live in or house a family member
    - to undertake significant repair or renovation that can't be completed while the property is occupied
    - because they want to withdraw the property from the rental market due to personal or financial reasons.

Owners may also offer their property for rent while they are unable to occupy it for a defined period. For example, if they need to relocate temporarily for work or study. As the end of a fixed term is not an approved reason to end a tenancy agreement, these owners would not be able to regain possession of their property unless the tenant agreed or was in breach.

Increased difficulty in regaining possession of the rental property because of removing without grounds notices may also prompt owners to shift their investment strategy from the long-term rental market to short-term holiday rental accommodation or exit the rental market completely. This would have impacts on rental supply and affordability that are difficult to quantify.

Case study 1 – Owners' perspective

A young couple working in nursing and teaching have been offered job opportunities in a remote Queensland community for a year. They own their home and want to put it on the rental market while they are away. When they talk to a property manager about their situation they are advised that under (hypothetical) new laws they can't regain possession of their home when they return unless the tenant agrees or breaches the tenancy agreement.

The couple considers their options and decide that while they have concerns about the management burden and risks in the short-term holiday rental accommodation market, they need to be able to move back into their home when they return. The couple decides to list their property on Airbnb rather than offer it in the private rental market.

Tenants would also be adversely impacted by this change as they would not be able to end tenancies as their circumstances change. Approved reasons for tenants to end tenancies with grounds under the RTRA Act are quite limited and none relate to changes in their life circumstances, such as relocating for a new job or moving into their own home or accepting an offer of social housing.

Case study 2 – Tenants' perspective

Jyoti and her housemate have a 12-month agreement which is nearing the end. Jyoti's housemate has been informed he is being transferred to Adelaide for work. Jyoti cannot afford the rent by herself and would prefer to move to a different suburb as their current location has limited transport options.

Even though it was for a 12-month fixed term, under the (hypothetical) new tenancy laws Jyoti would not be able to end a tenancy without grounds as she had previously done for other tenancies. Jyoti and her housemate now can only end a tenancy for one of the approved reasons under the RTRA Act, or if the property owner agrees to end the tenancy.

There are a lot of vacant rental properties in the area, the owner lives off-shore and is difficult to contact and is unlikely to let them end their lease. This compromises Jyoti's housemate's move to Adelaide and means Jyoti may not be able to leave the current rental property, locking her into an unaffordable rental situation.

Tenants would need to secure the owner's agreement to end the tenancy in these arrangements. While it is likely that most owners would agree, there are disincentives for them to do so such as loss of income, reletting costs and fluctuating markets, and tenants may be in a more vulnerable position.

Property owners could exert more scrutiny over prospective tenants due to fear of longer-term occupancies. This could increase administrative burden for both tenants and property managers. Increased scrutiny for low income tenants could result in extra pressure on social housing if low income households are less likely to be approved for a lease.

This option is likely to result in more requests to the RTA and QCAT to resolve disputes about ending tenancies.

Option 3 – Remove ability for ALL parties to end tenancy agreements without grounds

Stakeholder	Benefits	Costs
TENANT	• Improved protection from retaliatory or arbitrary eviction resulting in improved security of tenure • Fewer relocations will reduce the frequency of incurring moving costs[48] • Improved standard of property condition as tenants are more confident to report repair and maintenance issues. More secure tenure could create wellbeing benefits related to community connectedness[49] • Without grounds notices cannot be used as a potentially discriminatory practice to evict tenants	• Losing the ability to end tenancies without grounds could result in: ○ tenants residing in rental properties no longer suitable for their needs, unless the property owner agrees to end lease ○ potential increases in break lease situations and resulting increased outlays • Disincentives exist for owners to agree to tenant requests for property improvements as tenants would be unable to leave tenancy • More intensive screening of potential tenants may create additional burden of proof on tenant to demonstrate suitability for a tenancy

[48] Tenants' Union of New South Wales & Marrickville Legal Centre, *Lives turned Upside Down – NSW renters' experience of 'no grounds' evictions*, available at https://files.tenants.org.au/policy/2019-Lives-turned-upside-down.pdf, 2019, pp.13.

[49] Australian Federal Government Productivity Commission, *Housing Assistance and Employment in Australia*, Commission Research Paper, Volume 1: Chapters, Canberra, available at https://www.pc.gov.au/research/completed/housing-employment/housing-employment-volume1.pdf, 2015.

Stakeholder	Benefits	Costs

PROPERTY OWNER	• Improved financial security due to stable income from longer tenancies
	• Improved standard of property condition as tenants more confident to report repair and maintenance issues which could positively impact property value[50]
		• Losing the ability to end tenancies without grounds could result in:
		  • Limited ability to regain possession of property from tenants where no breach has occurred
		  • Limited ability to regain possession of property from tenants where owner's circumstances change (for example, moving family members into the property)
		• QCAT application fees to end tenancies $26.95 (matters up to $500)

PROPERTY MANAGER		• Reduced income from lower turnover of tenants due to longer term occupancies • Reduced portfolio number due to some property owners preferring short-term holiday letting over general tenancies • Possible increased administrative burden to manage potential increase in tenant requests for repairs and maintenance • QCAT application fees $26.95 (matters up to $500)
STATE GOVERNMENT		• Potential for increases in RTA and QCAT dispute resolution regarding grounds other than end tenancies without grounds, which may increase operational costs (QCAT's 17/18 *average cost per matter $717.00)[51] • Increased costs associated with the RTA and QCAT changes, required to service systems, education and information resources
SOCIAL HOUSING	• There is a potential decreased demand for social housing if retaliatory eviction can't be used as a tenancy management tool, however some increased demand for social housing may exist if additional scrutiny is placed on vulnerable renting cohorts	

[50] Tenants' Union of New South Wales & Marrickville Legal Centre, *Lives turned Upside Down – NSW renters' experience of 'no grounds' evictions*, available at https://files.tenants.org.au/policy/2019-Lives-turned-upside-down.pdf, 2019, pp.17.

[51] *Average cost = QCAT actual spend divided by cases finalised. Source: QCAT, *Preliminary Response to Department of Housing and Public Works Re Proposed Rental Reforms*, 2019.

Stakeholder	Benefits	Costs
COMMUNITY	• More stable and secure homes in the rental market may support economic and social participation in communities which could lead to improved health, safety and wellbeing.[52]	• Increase in disputes requiring formal resolution[53] • May increase perception of regulatory burden • Decreased labour market mobility due to eliminating defined period tenancies (as per Case Study 1).

Recommendation: This option is not recommended

Option 4 – Remove the ability for ONLY property owners and managers to end a fixed term or periodic agreement 'without grounds'

Tenants retain the ability to end a tenancy 'without grounds'. This option would provide the protections for tenants outlined in option 3 without reducing their flexibility to end tenancies as their needs and circumstances change. However, owners' ability to manage tenancy arrangements would be restricted as the approved with grounds reasons they can use to end tenancies under the RTRA Act do not extend to changes in their circumstances. Issues with fixed term agreements would also not be resolved for owners whose property may only be available for a defined period.

Market supply may be impacted as this option removes control from the property owner to end and manage tenancies to meet their needs. This may create disincentives for investing in the private market with investment moving into other markets, such as the short-term holiday rental accommodation, stocks or long-term deposits.

Property owners may feel unfairly treated due to inequality between tenants' and owners' ability to end tenancies.[54]

Potential misuse of notice to leave with grounds by owners may be difficult to monitor and enforce. Tenants would still bear the onus of challenging a notice they felt was based on false reasons and it is likely to be difficult for tenants to prove the owners' reasons are false.

Currently there is potential for property owners to use without grounds evictions to hide discriminatory behaviour against unwanted tenants by not having to justify reasons to end a tenancy. This option would eliminate that risk.

This option could potentially increase investment risk represented to property owners as they will not be able to regain control of their property if their circumstances change. If risk of owning a rental property becomes too onerous, the property owner may choose not to offer the property as a rental, and choose instead to rent it as a short-term rental through Airbnb, keep it vacant or even potentially selling. While this would be rare, it could further reduce rental property supply and increase competition for tenants. [55]

[52] Australian Federal Government Productivity Commission, *Housing Assistance and Employment in Australia*, Commission Research Paper, Volume 1: Chapters, Canberra, available at https://www.pc.gov.au/research/completed/housing-employment/housing-employment-volume1.pdf, 2015.

[53] J. Minnery, B. Adkins, P. Grimbeek, J. Summerville, E. Mead & D. Guthrie, *Tenure security and its impact on private renters in Queensland – AHURI Final Report No. 27*, available at https://www.ahuri.edu.au/__data/assets/pdf_file/0014/2039/AHURI_Final_Report_No27_Tenure_security_and_its_impact_on_private_renters_in_Queensland.pdf, 2003, pp.16.

[54] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, pp.106.

[55] Ibid.

Case study 3

Rhonda and Robert own an investment property on the Sunshine Coast. Hayley, the daughter of one of their friends, has recently been accepted into the Sunshine Coast University. Rhonda and Robert would like to lease their property to Hayley and her friends to help Hayley get some rental experience as they have found it difficult to find accommodation without a rental history.

The current tenants of the investment property are on a 12-month fixed term agreement, have been good tenants, and are not in breach of their agreement.

Rhonda and Robert are not able to end the tenancy agreement with their current tenants at the end of the agreed fixed term as there are no grounds that apply to their circumstances

Option 4 – Remove the ability for ONLY property owners and managers to end a fixed term or periodic agreement 'without grounds'

Stakeholder	Benefits	Costs
TENANT	• Improved protection from retaliatory or arbitrary eviction resulting in improved security of tenure • Fewer relocations will reduce the frequency of incurring moving costs[56] • Improved standard of property condition as tenants more confident to report repair and maintenance issues • Without grounds notices cannot be used as a potentially discriminatory practice to evict tenants	• Potential for more intensive screening of prospective tenants may create additional burden to demonstrate suitability[57] • Potential more competition for rental properties if property owners leave the rental property market. [58]

PROPERTY OWNER	• Potential for improved financial security due to stable income from longer tenancies by virtue of increased feelings of security of tenure from tenants
	• Improved standard of property condition as tenants more confident to report repair and maintenance issues which could positively impact property value[59]
		• Losing the ability to end tenancies without grounds could result in:
		  ○ Limited ability to regain possession of property from tenants where no breach has occurred
		  ○ Limited ability to regain possession of property from tenants where owners' circumstances change (for example, moving family members into the property)

[56] Tenants' Union of New South Wales & Marrickville Legal Centre, *Lives turned Upside Down – NSW renters' experience of 'no grounds' evictions*, available at https://files.tenants.org.au/policy/2019-Lives-turned-upside-down.pdf, 2019, pp.13.

[57] *Open Doors to Renting Reform Consultation Final Report*, 2018, pp.116; P. Short, T. Seelig, C. Warren, C. Susilawati & A. Thompson, *Risk-assessment practices in the private rental sector: implications for low-income renters – AHURI Final Report No. 117,* available at https://www.ahuri.edu.au/__data/assets/pdf_file/0013/2236/AHURI_Final_Report_No117-Risk-assessment-practices-in-the-private-rental-sector-implications-for-low-income-renters.pdf, 2008, pp.9.

[58] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final* Report, 2018, pp. 106.

[59] Tenants' Union of New South Wales & Marrickville Legal Centre, *Lives turned Upside Down – NSW renters' experience of 'no grounds' evictions*, available at https://files.tenants.org.au/policy/2019-Lives-turned-upside-down.pdf, 2019, pp.17.

Stakeholder	Benefits	Costs
PROPERTY MANAGER		• Reduced income from lower turnover of tenants due to longer term occupancies • Reduced portfolio number due to some property owners preferring short-term holiday letting over general tenancies
STATE GOVERNMENT		• Potential for increases in RTA and QCAT dispute resolution regarding grounds other than end tenancies without grounds, which may increase operational costs. However, there may be some reduction in disputes between tenants and property owners about ending tenancies without grounds, (QCAT's 17/18 *average cost per matter $717.00)[60] • Increased costs associated with the RTA and QCAT changes, required to service systems, education and information resources
SOCIAL HOUSING	• May reduce the burden on social housing as tenants, particularly low-income and vulnerable tenants, may not experience retaliatory eviction	
COMMUNITY	• More stable and secure homes in the rental market may support economic and social participation in communities which could lead to improved health, safety and wellbeing[61]	

Recommendation: This option is not recommended

[60] *Average cost = QCAT actual spend divided by cases finalised. Source: QCAT, *Preliminary Response to Department of Housing and Public Works Re Proposed Rental Reforms*, 2019.
[61] Australian Federal Government Productivity Commission, *Housing Assistance and Employment in Australia*, Commission Research Paper, Volume 1: Chapters, Canberra, available at https://www.pc.gov.au/research/completed/housing-employment/housing-employment-volume1.pdf, 2015.

Option 5 – Require property owners to only end tenancy agreements for approved reasons, and introduce additional grounds

This option balances tenants needs for certainty and protection from retaliatory or arbitrary eviction with owner's genuine need to regain possession of their rental property if their circumstances change.

Abolishing without grounds notices to leave for owners will allay tenant fears of retaliatory eviction if they seek to enforce their tenancy rights. Requiring owners to only use approved reasons to end tenancies will improve tenant certainty and security in their tenancy arrangements. A range of additional grounds for tenants to end tenancy arrangements will also support them to enforce their rights.

Recognising additional grounds for owners to end tenancies due to changes in their circumstances will protect them from being unfairly locked into tenancy arrangements that no longer meet their needs until the tenant is ready to move on. This option would also address the issues raised regarding the two month notice period as these waiting periods are only required when using 'without grounds' notice to vacate and will not be applicable under the newly established grounds. The newly established grounds will have notice periods attached that are relevant to the specific ground.

If the additional approved reasons provide too much flexibility for owners to end tenancies to meet their needs there is a risk that the private rental market would not meet tenant expectations or need for secure housing. On the other hand, investment in the private rental market may be discouraged if the grounds do not sufficiently allow for owners to regain possession of their properties when they have a genuine need to. Owners may also pass on additional risk management costs to tenants through higher rents.

This option could potentially increase perceived investment risk as property owners may feel they have less control over their property. If risk of owning a rental property becomes too onerous the property owner may choose not to offer the property as a rental, choosing instead to rent it as a short-term rental through Airbnb, keeping it vacant or even potentially selling. While this would be rare it could further constrain the rental property market, reducing supply and increasing competition for tenants. [62] This option is intended to capture all of the reasonable grounds to end a tenancy and it is not anticipated to substantially impact supply of rental properties. 'Higher risk' tenants, such as those with a listing on a tenancy database, or those entering the private rental market for the first time may also be impacted by more rigorous tenant vetting practices to minimise owners' risks of problem tenancies.

The handover day where the parties have a fixed term tenancy in place would be the later of either the proposed notice period or the end of the agreed fixed term.

Proposed additional reasons to end a tenancy

5.1 Owner or their immediate family need to move into the rental property

This additional approved reason to end tenancies with grounds would recognise changes in an owners' circumstances that require them to regain possession of the rental property. Requiring the provision of an appropriate form of documentation with the notice will help protect tenants from misuse or abuse of the approved reason without needing to challenge the action through dispute resolution processes.

This option is recommended.

[62] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final* Report, 2018, pp. 106.

Case study 4

Greg has separated from his wife of 27 years. Greg and his wife own their home and an investment property that is currently being rented by good tenants. Greg's wife received the family home and Greg received the investment property in the financial settlement.

Recent (hypothetical) rental law changes require Greg to use an approved reason to end the tenancy in his investment property. Previously, Greg would have had to apply to QCAT on the grounds of 'excessive hardship' to have the agreement terminated, if the tenants didn't agree to move out. Greg can use his need to live in the property as an approved reason to end the tenancy. Greg will have to provide a statutory declaration or a letter from his lawyer to evidence his requirement to occupy the property, without having to go to QCAT.

5.2 Significant renovations or repairs to the property are to be undertaken

This additional approved reason to end tenancies with grounds would recognise changes in an owners' circumstances that require them to regain possession of the rental property. Requiring the provision of an appropriate form of documentation with the notice will help protect tenants from misuse or abuse of the approved reason without needing to challenge the action through dispute resolution processes.

This option is recommended.

5.3 End of a fixed term

Owners may have a genuine reason to offer their rental property for a fixed term only. For example, an owner may offer their principal residence for rent while they take up an employment opportunity that requires them to relocate for a defined term.

Introducing the end of a fixed term as an approved reason to end any tenancy would maintain the owner's sense of control over the rental property but would not improve long-term security of tenure for tenants or encourage transparency or accountability in tenancy arrangements.

Allowing the end of a fixed term to be an approved reason to end a tenancy, but only in limited, specified circumstances such as at the end of the first fixed term tenancy, may better balance owner and tenant needs than never allowing end of fixed term as an approved reason. An initial, short fixed term tenancy agreement (for example, six months) is often used by tenants and owners to test whether the property and arrangements meet their needs.

Victoria allows the end of a fixed term as an approved reason to end a tenancy at the expiry of the first fixed term agreement only. Allowing only an initial fixed term tenancy to be ended on the grounds of the end of a fixed term could have unintended consequences such as property owners and managers routinely ending initial tenancy agreements as a precaution.

It may create incentives for owners to only offer shorter fixed-term tenancy agreements so owners could end tenancy arrangements if their circumstances change unexpectedly. Tenant fears about retaliatory eviction if they enforce their tenancy rights would not be addressed as owners could rely on the expiry of a fixed term to end the tenancy without providing any other reason.

Further, it is intended that all genuine reasons for an owner to regain possession of their property at the end of a fixed term agreement would be included as an otherwise recommended, specified ground.

This option is not recommended.

5.4 Sale of rental property requiring vacant possession (for fixed term agreements)

Currently an owner can end a periodic tenancy agreement if they sell the rental property and the contract of sale requires vacant possession by giving four weeks' notice to the tenant. The sale of rental property is not a current reason to end a fixed term tenancy agreement. This does not prevent owners from selling the rental property where there is a fixed term agreement, however the new owner cannot end the fixed term agreement early, even if they have bought the property on the assumption of 'vacant possession', unless the tenants agree.

Existing Act requirements provide some protections for the tenant around sale of properties, including:

- requiring a tenant to be given a *Notice of intention to sell* which outlines the sales strategy and selling agent, requires agreement about open houses and advising tenants of entries for prospective purchase
- allowing the tenant to end the agreement without penalty if the property is put on the market within the first two months of the tenancy and the tenant hadn't been informed prior to entering into the tenancy agreement.

Allowing fixed term agreements to be ended on the grounds of sale of the property with vacant possession would support property owners to maximise their assets. Tenants would be protected by requiring the new owners to provide one-month notice of the end of the tenancy, however the tenancy could not end before the end of the fixed term unless the tenant agrees.

This option is recommended.

5.5 Serious or significant breach due to actions of a tenant, occupant or guest

Owners and managers have raised concerns about difficulties terminating tenancies where tenants have allegedly engaged in illegal activities at the property, such as the presence of illegal drug labs in the rental property, but this has not been proven in a court. They have advocated for comparable protections to those provided for social housing under s290A of the RTRA Act.

To protect tenants from incorrect use, abuse or misuse of this ground, owners or managers would be required to apply to QCAT with suitable evidence, such as police reports or evidence of damage to protect private market tenants. This would be an urgent application and would ensure this additional ground was only used for appropriate reasons and where the grounds could be substantiated.

This option will provide equal protections to owners in the private rental market as social housing and reduce their risk by improving processes to end tenancies where illegal activities or significant breach that may damage, endanger or interfere with the rental property or other residents.

This option is recommended.

5.6 Person is occupying the rental property without consent

Owners or managers can issue tenants a Notice to remedy breach if there is an unapproved occupant residing in the rental property. Tenants named in the agreement are provided seven days to rectify the breach. Owners or managers can give tenants 24 hours' notice of entry to inspect the property within 14 days of the remedy period expiring to determine if the tenant has remedied the breach. The owner can issue a notice to leave with 14 days' notice if the tenant has failed to remedy the breach.

This process relies on an existing tenancy agreement being in place with a named tenant that notices can be issued to. If there is no tenancy agreement in place and the person occupying the residence without consent is squatting, owners cannot apply to QCAT to have the person occupying the property removed as QCAT only has the power to make an order about people subject to a tenancy agreement.

An additional ground to end a tenancy where a person is occupying the rental property without consent is proposed to improve tenancy management processes and options for owners by extending QCAT's powers to make an order.
This option is recommended.

5.7 Rental property is not in good repair, is unfit for human habitation or does not comply with minimum housing standards

Owners have an existing obligation under the RTRA Act to ensure rental property is in good repair, fit for human habitation and there is no legal impediment to the property being used for rental accommodation. Failure to do this can be considered a breach of the agreement, but not necessarily grounds to end a tenancy.

Some tenants are choosing rental properties online and entering a tenancy agreement without viewing the property. Tenants may also find repair or maintenance issues soon after moving into the rental property that may not have been apparent when they viewed the property or completed the entry condition report.

A tenant can issue a *Notice to remedy breach* to the owner if the rental property needs repair or maintenance and a Notice of intention to leave if the owner fails to action the repairs or maintenance. Tenants may need to pay end of lease costs or compensation if they give notice in this way, even though the property did not meet required standards. The tenant can also apply for conciliation through the RTA or to QCAT for an order regarding the repairs, compensation or a rent reduction.

The implementation of minimum housing standards will provide enhanced clarification around the expectations of property owners in maintaining rental properties and provide tenants with additional choices when addressing their concerns. This proposed option will require that rental properties meet minimum housing standards and ensures that property owners are held more accountable for keeping properties in good repair.

Allowing tenants to end their tenancy immediately (or as otherwise agreed) in specified circumstances where the rental property does not meet a minimum quality requirement provides options for tenant if they would prefer to move out, as well as incentives for owners to maintain properties. This additional ground could only be used within seven days of the tenant moving in to prevent misuse or abuse of this ground by tenants.

The incentives for tenants are a more streamlined process to end tenancies that do not meet minimum quality requirements to limit potential ongoing concerns with the property, however they will also need to consider associated costs such as finding and moving to alternative accommodation. It will also encourage owners to ensure they meet their obligations for the property.

Safeguards for owners from misuse by tenants include the requirement for tenants to substantiate their claims and where a rental property does not meet minimum quality requirements to provide sufficient time for the owner to contest or rectify the issue. Owners will be able to contest notices issued under these circumstances if they do not agree that the tenant has established a breach of the above grounds.

This option is recommended.

5.8 Owner has not complied with a QCAT Repair Order to undertake repair or maintenance of the rental property within the specified time

Allowing tenants to give seven days' notice of their intention to leave if the owner fails to comply with a QCAT repair order will provide a self-enforcement mechanism and reduce existing termination barriers. Owners will have an opportunity to contest the termination by providing evidence that they have acted to comply with the order and that the delay is outside of their control. The RTA can support parties to manage enforcement through its dispute resolution service.

This option is recommended.

5.9 Owner provided false or misleading information about the tenancy agreement or rental property

There are limited tenant protections under the RTRA Act against a property owner or manager providing them false and misleading information. This may mean that some tenants are locked into tenancy agreements where they have been misled. It is an offence under the RTRA Act to provide

false or misleading documents to the RTA but this offence provision does not apply to information provided to tenants.

Allowing tenants to end tenancies if they have received false or misleading information about the tenancy agreement or rental property which significantly affects their ability to live in the property will increase their protections.

This option is likely to promote best practice and ensure property owners and managers do not engage in conduct that is likely to mislead tenants. This action would not prevent other action being taken against property managers, such as by the Office of Fair Trading.

This option is recommended.

5.10 Death of a co-tenant

A tenancy agreement will continue without change if a co-tenant dies, which can place unanticipated financial pressure on remaining co-tenants. Remaining co-tenants may also be at increased risk of rent arrears that can negatively impact their tenancy history. The rental property may also hold memories for the remaining co-tenant which makes it difficult for them to continue residing there.

The existing provisions to end a tenancy when a sole tenant dies will be adapted for co-tenants so the tenancy can end:

- two weeks after the remaining co-tenants give the property manager/owner written notice of the end of the agreement due to the tenant's death
- the day agreed by the property manager/owner and the remaining co-tenants, or
- the day determined by a QCAT order.

This will provide a more streamlined process to end the tenancy for any remaining co-tenants to alleviate unnecessary delays, better protect the interests of all parties and reduce risks.

This option is recommended.

5.11 Person is escaping domestic and family violence (DFV)

Please refer to Part 4 – Domestic and family violence protections.

This option is recommended.

5.12 Queensland Government owned rental accommodation is required for a public or statutory purpose

The Queensland Government may use without grounds to end tenancies in government-owned rental property by providing the tenant at least two months' notice to leave. This may occur if the Government needs to reclaim the rental property or the land it is on for a public or statutory purpose, such as providing parks, schools, hospitals, roads or other services.

This will allow these tenancies to end under approved grounds and where required for the greater benefit of the Queensland community.

This option is recommended.

5.13 The Department of Housing and Public Works requires the rental accommodation to manage public housing as a scarce resource

The Department of Housing and Public Works may need to reclaim their housing asset to effectively manage public housing as a scarce resource. For example, the department may seek to repurpose the land with an existing single dwelling housing asset to build multiple dwelling social housing units. This would not be possible if without grounds was removed as approved reason to end tenancies or by other proposed additional grounds.

Impacts on social housing tenants required to vacate would be managed by the department supporting them to transfer to other available property. This additional ground will support the department to create additional housing to meet growing social housing needs.

This option is recommended.

5.14 Strengthened protections against retaliatory action

Although the RTRA Act generally links retaliatory eviction to the issuing of a notice to leave without grounds, protections for tenants against retaliatory action would be retained by clarifying that a property owner would be considered to have taken retaliatory action if they issue a notice to leave for the tenant acting to enforce their tenancy rights, such as to request repairs and maintenance, or if the notice to leave is given on unsubstantiated grounds.

Consequential amendments to retaliatory action sections in the RTRA Act are not expected to have any additional impacts on owners as these are necessary to retain existing protections for tenants and residents.

Requiring evidence to be provided with notices to leave with grounds for additional approved reasons will provide a disincentive for misuse or abuse, encourage transparency and make owners accountable for their actions and reasons to end a tenancy. While requiring evidence is likely to cause a minor administrative burden for the sector, the evidence of proof will support the reasoning behind ending a tenancy and help to substantiate the grounds used.

There is a potential that this option could result in some property owners leaving the rental sector if they perceive that they are being treated unfairly by having to ‘prove’ and provide evidence to allow them to take control of their property.

Future reforms will also consider protections for tenants against retaliatory rent increases.

This option is recommended.

Option 5 – Require property owners to only end tenancy agreements for approved reasons, and introduce additional grounds

Stakeholder	Benefits	Costs

TENANT	• Improved security of tenure through reduced likelihood of retaliatory evictions which may lead to:
	  ○ Reduced frequency of moving and associated costs[63]
	  ○ Improved capacity to participate in and build relationships with local communities
	  ○ benefits for personal relationships
	  ○ improved employment outcomes among income support recipients[64]
	• Improved standard of property condition as tenants more confident to report repair and maintenance issues[65]
	• Without grounds notices cannot be used as a potentially discriminatory practice to evict tenants
		• Potential for more intensive screening of prospective tenants may create additional burden to demonstrate suitability for a tenancy
		• Potential for owners to pass on risk management costs to tenants in the form of higher rents (however research suggests that this impact would be minor as rent prices are determined by market forces)

PROPERTY OWNER	• Potential for improved relationships with tenants • Improved standard of property condition as tenants more confident to report repair and maintenance issues which could positively impact property value[66]	• Lose ability to end a tenancy and regain possession at the end of a fixed term, unless an approved reason applies (74 per cent of all tenancy agreements are fixed term agreements) • Administrative costs associated with providing evidence to substantiate the newly proposed grounds to end a tenancy • Administrative burden and cost associated with obtaining QCAT orders where required to end a tenancy
PROPERTY MANAGER	• Improved communication and reduced disputes between tenants and property owners[67]	• Lower turnover of tenancies if tenants occupy properties for longer resulting in less income

[63] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, pp.13, 19; C. Martin, K. Hulse, & H. Pawson, *The changing institutions of private rental housing: an international review – AHURI Final Report No. 292,* available at https://www.ahuri.edu.au/__data/assets/pdf_file/0028/15895/AHURI_Final_Report_No_292_The_changing_institutions_of_private_rental_housing_an_international_review.pdf, 2018, pp. 5.

[64] Australian Federal Government Productivity Commission, Housing Assistance and Employment in Australia, Commission Research Paper, Volume 1: Chapters, Canberra, available at https://www.pc.gov.au/research/completed/housing-employment/housing-employment-volume1.pdf, 2015.

[65] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, pp.14, 16 & 18; Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, pp.5.

[66] Tenants' Union of New South Wales & Marrickville Legal Centre, *Lives turned Upside Down – NSW renters' experience of 'no grounds' evictions*, available at https://files.tenants.org.au/policy/2019-Lives-turned-upside-down.pdf, 2019, pp.17.

[67] Tenants' Union of New South Wales & Marrickville Legal Centre, *Lives turned Upside Down – NSW renters' experience of 'no grounds' evictions*, available at https://files.tenants.org.au/policy/2019-Lives-turned-upside-down.pdf, 2019, pp.14.; J. Minnery, B. Adkins, P. Grimbeek, J. Summerville, E. Mead & D. Guthrie, *Tenure security and its impact on private renters in Queensland – AHURI Final Report No. 27*, available at https://www.ahuri.edu.au/__data/assets/pdf_file/0014/2039/AHURI_Final_Report_No27_Tenure_security_and_its_impact_on_private_renters_in_Queensland.pdf, 2003, pp.9.

Stakeholder	Benefits	Costs
	• Lower turnover of tenancies if tenants occupy properties for longer resulting in more stable and predictable work	• Possible increased administrative workload to manage potential increase in tenant requests for repairs and maintenance
STATE GOVERNMENT	• Reduction in disputes between tenants and property owners about ending tenancies without grounds shortening processing timeframes for formal dispute resolution[68] • Dispute resolution about ending tenancies without grounds will cease. (QCAT and RTA)	• Additional funding may be required by dispute resolution agencies to manage changed dispute resolution focus, professional development and system changes. • Change required to service systems, education and information resources (RTA and QCAT) • Sector awareness and education activities will be required to communicate change and support implementation (RTA) • Disputes about ending tenancies for approved grounds, including retaliatory action may increase (RTA and QCAT)
SOCIAL HOUSING	• Potential reduced demand for social housing due to longer and more secure tenure	
COMMUNITY	• More stable and secure homes in the rental market may support economic and social participation in communities which could lead to improved health, safety and wellbeing[69] • Potential for reduced frictional vacancy rate due to longer term tenancies, by virtue of improved security of tenure	

Recommendation: This option is recommended as it achieves the desired policy objectives and minimises impacts on stakeholders and potential for unintended consequences.

Option 6 – Retain without grounds for all parties to end tenancies but extend the notice period for owners as a deterrent from misuse

This option would allow owners to retain control over tenancy arrangements and continued access to a tool they can use to manage tenancy issues or poor tenants. Misuse of without grounds as an approved reason to end tenancies would be deterred by requiring owners to provide more notice. Notice periods for owners to end tenancies without grounds in other Australian jurisdictions include:

- at least 42 days in Tasmania. Notice cannot be given more than 60 days prior to the end of the agreement and a fixed term agreement cannot be ended before the expiry of the fixed term without the tenant's agreement.
- 26 weeks for periodic tenancies in the ACT.

[68] J. Minnery, B. Adkins, P. Grimbeek, J. Summerville, E. Mead & D. Guthrie, *Tenure security and its impact on private renters in Queensland – AHURI Final Report No. 27*, available at https://www.ahuri.edu.au/__data/assets/pdf_file/0014/2039/AHURI_Final_Report_No27_Tenure_security_and_its_impact_on_private_renters_in_Queensland.pdf, 2003, pp.9

[69] Australian Federal Government Productivity Commission, *Housing Assistance and Employment in Australia*, Commission Research Paper, Volume 1: Chapters, Canberra, available at https://www.pc.gov.au/research/completed/housing-employment/housing-employment-volume1.pdf, 2015.

NSW recently retained the ability for a property owner to terminate 'without grounds' at the end of the fixed term by giving 30 days' notice to the tenant. As of 2020, Victorian rental property owners will no longer be able to end tenancies 'without grounds'.

Owners must currently provide two months' notice to end tenancies without grounds. An extended notice period for owners to end tenancies without grounds could be set at 90 days or 26 weeks to provide a sufficient deterrent from misuse or abuse.

However, this will not improve tenant protection against retaliatory action or address their fears of retaliatory action if they enforce their rights. Tenants' housing security will continue to be uncertain as owners will retain their ability to end tenancies without grounds. Owners will also not be accountable for their decisions to end a tenancy and risks of misuse of without grounds notices to leave will continue. Existing retaliatory action protections for tenants will not be improved and disparity in notice periods will also not be resolved.

Many property owners and managers consider current notice periods are biased and impractical to implement. Some have also argued that owners are at greater financial risk as the rental bonds for most properties is the equivalent of four weeks rent, which does not cover the required notice period. These concerns would be exacerbated by a further increase to required notice periods. Tenant concerns about existing notice periods being impractical will also not be addressed and may be further exacerbated by this option.

This option would increase inequality between tenants and owners regarding their ability to end tenancies,[70] which may result in reduced supply because of property owners withdrawing properties from the market or choosing not to invest in the rental sector due to the perception of reduced control.[71]

This option will not reduce requests for information and dispute resolution requests for the RTA and Requests for Tribunal hearings for QCAT regarding tenancy rights and without grounds notices.

This option is not recommended.

Option 6 – Retain without grounds for all parties to end tenancies but extend the notice period for owners as a deterrent from misuse

Stakeholder	Benefits	Costs
TENANT	• Provides additional time for tenants to find alternative accommodation, reducing likelihood of incurring temporary accommodation expense (average hostel cost for one person: $59.67 per night). • May have a reduction on the amount of retaliatory evictions	• Current concerns about notice periods are exacerbated (relative to the status quo).
PROPERTY OWNER		• Current concerns about notice periods are exacerbated (relative to the status quo). • Places property owner at an increased financial risk associated with notice

[70] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, pp.106.

[71] Ibid

Stakeholder	Benefits	Costs
		periods now being longer than the relative bond amount held.
PROPERTY MANAGER		• Administrative costs associated with updating business processes [72]
STATE GOVERNMENT	• May reduce some dispute requests regarding retaliatory eviction due to a lowered incentive for eviction without grounds evictions	• Additional funding may be required by dispute resolution agencies to manage additional workloads, professional development and system changes. • Change required to service systems, education and information resources (RTA and QCAT) • Sector awareness and education activities will be required to communicate change and support implementation (RTA)
SOCIAL HOUSING	• May reduce demand for social housing due to reduction in retaliatory evictions or more time for tenants to find other suitable private rental accommodation	• Administrative costs associated with updating business processes. [73]
COMMUNITY		

Recommendation: This option is not recommended as it does not achieve the desired policy outcomes, has adverse impacts on the market and may result in unintended consequences for stakeholders.

[72] P. Short, T. Seelig, C. Warren, C. Susilawati & A. Thompson, *Risk-assessment practices in the private rental sector: implications for low-income renters – AHURI Final Report No. 117,* available at https://www.ahuri.edu.au/__data/assets/pdf_file/0013/2236/AHURI_Final_Report_No117-Risk-assessment-practices-in-the-private-rental-sector-implications-for-low-income-renters.pdf, 2008, pp.30.

[73] P. Short, T. Seelig, C. Warren, C. Susilawati & A. Thompson, *Risk-assessment practices in the private rental sector: implications for low-income renters – AHURI Final Report No. 117,* available at https://www.ahuri.edu.au/__data/assets/pdf_file/0013/2236/AHURI_Final_Report_No117-Risk-assessment-practices-in-the-private-rental-sector-implications-for-low-income-renters.pdf, 2008, pp.30.

2.7 Conclusion and recommended options

Under current arrangements in the RTRA Act, both property owners and tenants can issue a notice to leave without grounds. This notice requires a two month notice period if issued by the property owner and a two week notice period if issued by the tenant.

The status quo option (Option 1) is not recommended because it does not protect tenants from arbitrary or retaliatory action by the property owner, who can evict a tenant without specifying a reason, and does not address concerns for tenants or owners about notice periods to end tenancies without grounds being impractical and unfair.

Option 2 identifies that an enhanced education and awareness program regarding rights and obligations at the end of a tenancy would improve transparency for both tenants and owners. However, it would not prevent the arbitrary use of the existing legal framework to end a tenancy, including the ability of the owner to terminate without grounds.

Simply removing this provision for notice to leave without grounds from the legislation for both tenants and property owners and managers is also not recommended. Parties would be required to rely on the existing explicit grounds in the RTRA Act, which would not be sufficient to end tenancies that no longer meet their needs. Option 3 is therefore not recommended.

Option 4 is to remove the ability for property owners (and managers) only to end a tenancy without grounds, while retaining this right for tenants. While this would help to protect the tenant from arbitrary action by the property owner, it would not give the owner sufficient scope and flexibility to end a tenancy in cases where legitimate grounds exist. It may create disincentives to invest or maintain investment in the rental market if owners are restricted in their ability to manage problem tenancies effectively or to regain possession of the asset where they have a genuine need to.

Under Option 5, tenants would continue to be able to end a tenancy without grounds if the required notice period is observed. Property owners would no longer be able to end a tenancy without grounds but would have access to a wider range of specific grounds in the legislation to end the tenancy. This option balances the tenant's need for certainty and protection from arbitrary eviction with a property owner's genuine need to regain possession of their property in appropriate and defined circumstances.

It is not proposed to introduce 'end of a fixed term' as a reason for a property owner to end a tenancy. This represents a potential significant change as 74 per cent of all tenancies are currently fixed term agreements. Not allowing tenancy agreements to end on the agreed end date (i.e. end date of the fixed term), combined with the removal of 'without grounds', may discourage property owners and managers from offering tenants fixed term agreements. Not being able to end a fixed term agreement on the end date means all tenancy would operate essentially as a de facto periodic agreement (no end date). A move away from fixed term agreements to periodic agreements could also remove the minimum period of security of tenure offered by fixed term agreements. Property owner concerns about potential constraints on control of ending tenancies would be addressed by the range of other additional grounds.

Option 5 addresses the interests of both tenants and property owners and is therefore the recommended option.

The additional reasons to end a tenancy available to property owners will be:

- the owner or their immediate family needs to move into the rental property
- significant renovations or repairs to the property are to be undertaken
- the rental property has been sold and vacant possession is required
- there has been a serious or significant breach of the tenancy agreement due to the actions of a tenant, occupant or guest
- a person is occupying the rental property without consent.

Under Option 5, tenants would retain the ability to end an agreement without grounds and would also have access to a wider range of specific grounds to end the tenancy, subject to shorter or no notice periods depending on the ground. These options would be as follows:

- the rental property is not in good repair, is unfit for human habitation, or does not comply with minimum housing standards
- the property owner has not complied with a QCAT Repair Order to undertake a repair or maintenance of the rental property within the specified time
- a co tenant dies
- a person is escaping domestic and family violence.

Option 5 would also provide additional grounds to end a tenancy specific to Queensland Government owned rental accommodation, namely:

- the rental accommodation is required for a public or statutory purpose
- the Department of Housing and Public Works requires the rental accommodation to manage public housing as a scarce resource.

The proposed additional grounds for ending tenancies will each have attending evidentiary requirements. This will provide a disincentive to misuse or abuse, will encourage transparency and will, and increase accountability for all parties.

Protections for tenants against retaliatory eviction will be retained and strengthened. Owners and managers will be more accountable for their actions and transparent about their reasons for ending tenancies.

Concerns about impractical and unfair notice periods for ending tenancies without grounds will also be addressed as new notice periods will be established for additional approved reasons.

The recommended option (Option 5) will reduce property owners' control of their property, however this is mitigated by additional flexibility provided through the proposed additional grounds to end a tenancy. Property owners could also see benefits of better financial stability from longer tenancies and improved property standards.

For tenants there is some risk that owners could place additional scrutiny when screening prospective tenants, however this additional administrative burden is heavily outweighed by the benefits of improved security of tenure.

At an aggregate level, while the recommended option may have a constraining effect on rental supply if owners disinvest due to reduced control, this is outweighed by the benefits to tenants in terms of greater certainty and security of tenure, an enhanced ability to enforce tenancy rights, and enhancing consumer protection where there is a current power imbalance.

A final option, Option 6, would retain the ability of all parties to terminate a tenancy without grounds, but would extend the notice period for owners as a deterrent to misuse. This option is not recommended as it does not achieve the desired policy outcome, including to protect tenants from retaliatory eviction.

The recommended option will be supported with continuing education about obligations and rights by the RTA.

2.8 Consistency with fundamental legislative principles

The removal of the owner's right to issue a notice to leave 'without grounds' may potentially breach the fundamental legislative principle that legislation must have sufficient regard to individual's rights and liberties in accordance with section 4(3)(a) of the *Legislative Standards Act 1992*. An owner's right to use and enjoy their property will be impacted and potentially limited if the right to end a tenancy without grounds is removed.

To alleviate the potential impact on this fundamental legislative principle, it is proposed to introduce several additional grounds that a property owner can use to end a tenancy. This will provide an appropriate degree of flexibility and autonomy in the use and enjoyment of their property while it is offered as rental accommodation or subject to a tenancy agreement.

Transitional arrangements will take into account existing tenancies and will not be applied retrospectively. Amendments are proposed to commence six months from the passing of legislation for existing periodic tenancies and all new periodic or fixed term tenancies being entered into. Existing fixed term tenancies will have a 12 month transition period after which new provisions would apply, to allow for the normal attrition of most fixed term tenancies.

2.9 Implementation, compliance support and evaluation strategy

2.9.1 Implementation

The *Better Renting Future* reform measures for ending tenancies fairly will be implemented in stages to give the rental sector, particularly property owners and managers, time to prepare for and adjust to the new requirements.

Commencement dates will provide at least six months before applying to new tenancies, and 12 months after assent for existing tenancies must comply. According to RTA bond data, the median length of tenancies as at 30 June 2018 was 16.7 months for houses, 12.8 months for flats and 6.7 months for rooming accommodation[74].

The Department of Housing and Public Works will work with the Residential Tenancies Authority (RTA) to develop a communication and engagement plan to raise awareness of the *Better Renting Future* initiatives and to enable tenants, property owners and property managers to understand their new rights and responsibilities.

2.9.2 Compliance

Responsibility for compliance and enforcement of the RTRA Act rests with:

- the Residential Tenancies Authority (the RTA), which manages rental bonds and provides tenancy information services, dispute resolution services, investigation services, and education services
- the Queensland Civil and Administrative Tribunal (QCAT), which decides disputes between tenants and property owners or rooming accommodation providers related to, among other things, rents, bonds, standard of properties, entry onto properties, park rules, termination of tenancy agreements, and tenancy databases.

The RTA and QCAT will continue to undertake these responsibilities for the proposed reforms. The sector will be supported with information and education to understand their changed obligations and rights.

[74] Residential Tenancies Authority, *Annual Report 2017 - 18*, available at https://www.rta.qld.gov.au/About-the-RTA/Corporate-information/Annual-report/Previous-RTA-annual-reports, p. 11.

2.9.3 Evaluation

The *Better Renting Future* reform package will be reviewed as an integrated part of the RTRA Act at an appropriate time in the future to ensure that the reform measures are achieving the desired outcomes for the Queensland community.

This review will be supported through data collected by the Department of Housing and Public Works, the RTA and QCAT, as well as other relevant government agencies.

Further consultation will be undertaken to gauge the experiences of tenants, property owners, property managers, peak organisations, and other members of the Queensland community, as the *Better Renting Future* reforms are implemented.

This information will be subject to comparative analysis with baseline information collected in advance of implementation, including the views expressed in the 2018 *Open Doors to Renting Reform* consultation, the submissions and comments received in the response to this Consultation RIS, and evidence provided during Parliamentary Committee consideration of the amending legislation.

2.10 Questions

Questions about ending a tenancy fairly

- Do you agree with the recommended option to remove “without grounds” and require property owners and managers to only be able to end tenancy agreements for approved reasons, and introduce additional grounds (Option 5)?
- Do the proposed additional grounds sufficiently cover potential changes to property owners’ circumstances?
- If you do not agree with the recommended option, what alternative option do you prefer?
- Would the recommended option result in increased costs being incurred by, or passed onto tenants?
- Would the recommended option result in increased costs being incurred by, or passed onto property owners?
- How would the introduction of the recommended option affect an owner’s decision to invest in or continue to hold residential rental property?
- Are there any unforeseen costs or unforeseen significant impacts if the recommended option is adopted?
- Are there any other issues about ending tenancies fairly which have not been addressed?

Appendix 1 – Approved reasons and required notice to end a tenancy (current)

Owner/manager gives the tenant a notice to leave

Fixed term tenancy agreements only end on the end date of the agreement or the end date of the notice period, whichever is longer.

Tenant gives the owner/manager a notice of intention to leave

Fixed term tenancy agreements only end on the end date of the agreement or the end date of the notice period, whichever is longer.

General tenancies

With grounds	Minimum notice
Unremedied breach - rent arrears	7 days
Unremedied breach - general	14 days
Non-compliance with QCAT order	7 days
Non-liveability	The day it is given
Compulsory acquisition	2 months
Sale contract (periodic only)	4 weeks
Employment termination	4 weeks
Ending of accommodation assistance	4 weeks
Ending of housing assistance	1 month
Mortgagee in possession	2 months
Death of a sole tenant (parties can agree an earlier date)	2 weeks
Serious breach (social housing)	7 days

Without grounds	Minimum notice
No reason	2 months

Moveable dwellings

With grounds	Long term agreement notice period	Short-term agreement notice period
Unremedied breach – rent arrears	2 days	N/A
Unremedied breach - general	2 days	N/A
Non-compliance with QCAT order	7 days	2 days
Non-liveability	The day it is given	The day it is given

With grounds	Long term agreement notice period	Short-term agreement notice period
Compulsory acquisition	2 months	2 days
Sale contract (periodic only)	4 weeks	2 days
Employment termination	4 weeks	2 days
With grounds	Long term agreement notice period	Short-term agreement notice period
Ending of accommodation assistance	4 weeks	2 days
Ending of housing assistance	2 months	2 days
Mortgagee in possession	2 months	No exemption
Death of a sole tenant (parties can agree an earlier date)	2 weeks	No exemption
Non-compliance (moveable dwelling location)	2 days	2 days
Voluntary park closure	3 months	2 days
Compulsory park closure	The day it is given	The day it is given

Without grounds	Long term agreement notice period	Short-term agreement notice period
No reason	2 months	2 days

Rooming accommodation

With grounds	Minimum notice
Unremedied breach – rent arrears less than 28 days	Immediately
Unremedied breach – rent arrears 28 days or more	4 days
Unremedied breach – general	2 days
Compulsory acquisition	2 months
Employment termination or entitlement to occupy for employment ends	4 weeks
Mortgagee in possession	30 days
Death of a sole tenant (parties can agree an earlier date)	7 days
Serious breach	Immediately
Property destroyed	Immediately

Without grounds	Minimum notice
Periodic agreement	30 days
Fixed term agreement	14 days

Tenant gives the owner/manager a notice of intention to leave

Fixed term tenancy agreements only end on the end date of the agreement or the end date of the notice period, whichever is longer.

General tenancies

With grounds	Minimum notice
Unremedied breach	7 days
Non-compliance with QCAT order	7 days
Non-liveability	The day it is given
Compulsory acquisition	2 weeks
Intention to sell	2 weeks

Without grounds	Minimum notice
No reason	14 days

Moveable dwellings

With grounds	Long term agreement notice period	Short-term agreement notice period
Unremedied breach	2 days	N/A
Non-compliance with QCAT order	7 days	1 day
Non-liveability	The day it is given	The day it is given
Compulsory acquisition	2 weeks	1 day
Intention to sell	2 weeks	1 day

Without grounds	Long term agreement notice period	Short-term agreement notice period
No reason	14 days	1 day

Rooming accommodation

With grounds	Minimum notice
Unremedied breach	7 days
Property destroyed or made completely or partly unfit to live in	Immediately

Without grounds	Minimum notice
No reason	7 days

Minimum housing standards

Consultation Regulatory Impact Statement

Review of the *Residential Tenancies and Rooming Accommodation Act 2008*

Stage 1 Reforms



Part 3 – Rental housing quality and minimum housing standards

3.1 Introduction

Safe, secure and sustainable housing is a foundation for connected and resilient communities. This is highlighted in the *Queensland Housing Strategy 2017-2027* and the *Queensland Housing Strategy 2017-2020 Action Plan*.[75]

All parties involved in a tenancy are responsible for ensuring it is in good repair and is functional and safe to live in. Tenants need to keep the property clean and free from damage. Property owners and managers need to keep the property in good condition and fit for occupation. While these obligations are clear, there is room for disagreement about what "clean", "in good repair" and "fit to live in" means for rental properties.

Tenants and owners may also disagree about whether repair or maintenance is required when requested. Tenants are responsible for telling the owner or manager that their rental property requires repair or maintenance. Property owners and managers also have an interest in addressing repair and maintenance issues quickly to minimise risk of further damage or deterioration that may affect the value or liveability of their rental property.

Property managers and owners are responsible for getting any repair or maintenance required to the rental property done in a reasonable time. Regular general inspections help owners and managers to proactively identify any repair or maintenance work needed.

Owners are also required to comply with health and safety laws in Queensland that regulate quality and safety issues in residential dwellings, including rental properties. The *Fire and Emergency Services Act 1990* regulates smoke alarms in residential dwellings, including rentals. Plumbing work and repairs in residential dwellings must be compliant with the *Plumbing and Drainage Act 2018* and the associated regulations. Electrical work is similarly regulated under the *Electrical Safety Act 2002* and there is a system of safety approvals for the installation of fixtures such a pool fencing under the Queensland Development Code.

Despite existing laws and obligations to maintain rental properties some tenants experience unsafe or unfit living conditions in Queensland's rental market. Some stakeholders have suggested that existing obligations are unclear and dispersed across several sources, including legislation, the tenancy agreement and common law.

In 2017, the Queensland Government amended tenancy laws to allow for minimum housing standards to be set for rental accommodation by regulation on issues like:

- General repair, safety and condition
- Ventilation and insulation
- Privacy and security
- Dimension of rooms
- Supply of utilities and facilities
- Energy efficiency.

The minimum standards may help to clarify or guide tenants, property owners and property managers about the basic requirements of cleanliness, good repair and fit to live in to meet their residential tenancy obligations.

This module will examine potential options to ensure Queensland rental accommodation is safe, secure and functional including setting out proposed Minimum Housing Standards and strengthening the existing compliance and enforcement framework.

[75] Available at: https://www.qld.gov.au/housing/public-community-housing/have-your-say-housing-strategy, accessed on 17 July 2019.

3.2 What we heard in consultation

Property condition was the third most mentioned theme during the 2018 Open Doors to Renting Reform consultation. Repairs and maintenance was discussed by tenants, owners and managers and was a contentious issue. More than 60 per cent of respondents to a snap poll agreed that they had seen a rental property with serious safety problems, such as a broken lock, rotting stairs or deck, or malfunctioning or missing smoke alarms.

The Open Doors to Renting Reform online survey asked respondents to rate the condition of their rental property as:

- Excellent - no repairs or maintenance needed
- Good - some repairs or maintenance needed
- Poor - needs repair or maintenance for health & safety.

Overall, 12 per cent of respondents reported their property condition as “Poor - needs repair or maintenance for health and safety e.g. mould, broken locks, structural issues” (17 per cent of tenants reported their property as poor, 2 per cent of property owners, 3 per cent of property managers, and 13 per cent of not specified respondents)[76].

Many tenants reported a lack of attention or responsiveness to repair and maintenance requests. Owners raised concerns about the reasonableness of some tenant’s repair and maintenance requests and expectations. Some tenants also indicated they were hesitant to report they needed repairs or maintenance due to fear of retaliatory rent increases or eviction.

Mandatory times for repairs to be completed and minimum standards for repairs and maintenance were supported by 44 per cent and 32 per cent of respondents respectively in a snap poll asking what would help to ensure rental accommodation is well maintained and in good repair.

Minimum standards to address health and safety issues were generally supported by all stakeholder groups. Peak bodies representing tenants argued for specific minimum standards to be clearly articulated and enforceable.[77] Tenants, tenant advocates, and the wider community also highlighted more general concerns about the quality of rental properties, including:

- provision for adequate ventilation and climate control
- security standards
- safety standards
- plumbing issues
- contamination concerns relating to mould and asbestos.[78]

Property owners, on the other hand, expressed reservations about increasing regulatory requirements. Owners and managers cautioned that if minimum standards were too onerous, it could force them to increase rent or leave the rental market. Peak bodies representing property owner and property manager groups stressed that minimum standards should not extend beyond basic health and safety matters and should include some flexibility to account for the wide variety of rental dwellings.[79]

[76] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p. 52. Respondents were asked “what is the condition of your rental property and the options given for answer were: Excellent - no repairs or maintenance needed, Good - some repairs or maintenance needed, Poor - needs repair or maintenance for health & safety.

[77] Ibid, p. 20.

[78] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p. 98.

[79] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p.21.

There were some inclusions of minimum standards that were widely accepted as being important for rental properties across all stakeholder groups. The following table shows the proportion of respondents rating minimum standards to be set for rental properties as 'important', by respondent type.

Table 3.1: Percentage of survey respondents who rated minimum housing standards for rental accommodation as Important

Prescribed minimum housing standards matters	Tenants	Property owners	Property managers	Total
Structural condition and safety	98%	96%	97%	97%
Repair, sanitation and drainage	97%	93%	94%	94%
Cleanliness and freedom from pests	96%	95%	95%	95%
Preventing damp and its effects	95%	91%	90%	90%
Supply of utilities e.g. water, sanitation, electricity	95%	94%	94%	94%
Privacy and security	93%	85%	88%	88%
Supply of facilities e.g. laundry, cooking, storage	86%	82%	86%	86%
Ventilation and insulation	88%	75%	73%	73%
Lighting	79%	75%	75%	75%
Features that minimise the cost of living e.g. insulation	70%	50%	53%	53%
Accessibility e.g. modifications for people with disability	55%	38%	44%	44%
Room dimensions	36%	25%	22%	22%

There was also discussion in the Open Doors consultation about repairs to rental properties not being completed within appropriate timeframes or to acceptable quality standards. Most tenants who commented on Minimum Housing Standards expressed dissatisfaction with the overall standard of property maintenance.

3.3 Problem Identification

The quality of rental properties for safety and security is regulated throughout various legislation in Queensland and the tenancy agreement. However, there is evidence that some rental properties are not being maintained to meet the current legal requirements. While there could be many reasons that a property is not maintained, the consequence is some tenants may be living in homes that are hazardous to their health and safety. To clarify rights and obligations, encourage compliance with existing laws and ensure rental accommodation is safe, secure and functional, many Australian jurisdictions are implementing minimum housing standards for rental properties.

In 2018, the New South Wales Parliament passed reforms to their *Residential Tenancies Act 2010* to include a set of minimum standards that must be met at the start of every tenancy. The *Residential Tenancies Amendment Act 2018* was introduced in Victoria and seeks to set a minimum standard for rental properties together with other amendments. South Australia introduced the Home Improvements Regulation in 2017, while Tasmania's standards came into effect for all leases signed after 1 August 2015. Broadly, the minimum housing standards that have been prescribed in these states require that before a property can be rented out, it must be is considered safe and suitable for human occupation. The individual standards generally cover weatherproofing and good repair, cleanliness and the absence of vermin, functioning bathrooms and toilets, adequate kitchen including functioning cooking facilities, the safety of electrical fittings, adequate lighting and ventilation, window coverings and heating.

Currently in Queensland the quality of rental accommodation to ensure the safety and security of tenants, is embedded in various regulation and the tenancy agreement. While Queensland has established a power for minimum housing standards to be prescribed by regulation for rental accommodation, this has not yet been exercised. Table 3.2 below shows a list of potential prescribed minimum housing standards and details the existing regulation relevant to each standard.

The National Construction Code (NCC) and Queensland Development Code (QDC) establish standards for building and construction works. While these are not general standards that all buildings must comply with, they may be a reference point to support interpretation of minimum housing standards for rental accommodation.

Table 3.2 – Comparison of Minimum Housing Standard and Existing Regulation

Potential standards	Existing Regulation
Weatherproof and structurally sound	The RTRA Act establishes obligations for owners to ensure that their rental property is clean, in good repair, fit for the tenant to live in, and not in breach of a law dealing with the health or safety of persons entering or using the property. This obligation applies at the start of the tenancy and for its duration. This obligation applies in general, rooming accommodation and moveable dwelling tenancies (ss 185, 186 and 247). Owners are also required to comply with requirements under the: • *Building Act 1975* • *Building Regulation 2006* • *Plumbing and Drainage Act 2018* (the PDA) • *Plumbing and Drainage Regulation 2003* • *Standard Plumbing and Drainage Regulation 2003* • *Local Government Act 2009* • Local laws throughout Queensland • *Planning Act 2016* • Planning schemes • *Water Act 2000* • *Water Supply (Safety and Reliability Act 2008).*
Plumbing and drainage	The RTRA Act establishes obligations for owners to ensure that their rental property is clean, in good repair, fit for the tenant to live in, and not in breach of a law dealing with the health or safety of persons entering or using the property. This obligation applies at the start of the tenancy and for its duration. This obligation applies in general, rooming accommodation and moveable dwelling tenancies (ss 185, 186 and 247). The PDA also requires property owners to ensure plumbing or drainage on the property is kept in good condition and operates properly and must be operated and maintained in compliance with the conditions of the permit and the PDA.
Security	The RTRA Act requires owners to supply and maintain locks necessary to ensure the rental property is reasonably secure (s 210). A lock is defined as a device for securing a door, gate, window or another part of the property. In rooming accommodation tenancies, the provider must supply and maintain the locks necessary to ensure the resident's room is reasonably secure and give the resident a key for each lock that secures entry to the resident's room and a building or building within which the resident's room and common areas are situated (s. 250).
Fixtures and fittings	The RTRA Act establishes obligations for owners to ensure that their rental property is clean, in good repair, fit for the tenant to live in, and not in breach of a law dealing with the health or safety of persons entering or using the property.

Potential standards	Existing Regulation
	This obligation applies at the start of the tenancy and for its duration. This obligation applies in general, rooming accommodation and moveable dwelling tenancies (ss 185, 186 and 247). Owners must also comply with requirements under the: • *Fire and Emergency Services Act 1990* • *Electrical Safety Act 2002* • QDC MP 3.4 Swimming Pool Barriers • QDC MP 6.1 Maintenance of Fire Safety Installations
Pests, vermin and infestation	The RTRA Act establishes obligations for owners to ensure that their rental property is clean, in good repair, fit for the tenant to live in, and not in breach of a law dealing with the health or safety of persons entering or using the property. This obligation applies at the start of the tenancy and for its duration. This obligation applies in general, rooming accommodation and moveable dwelling tenancies (ss 185, 186 and 247). Some owners may need to comply with QDC MP 5.7 Residential Services Building Standard.
Adequate ventilation	The RTRA Act establishes obligations for owners to ensure that their rental property is clean, in good repair, fit for the tenant to live in, and not in breach of a law dealing with the health or safety of persons entering or using the property. This obligation applies at the start of the tenancy and for its duration. This obligation applies in general, rooming accommodation and moveable dwelling tenancies (ss 185, 186 and 247). Some owners may need to comply with QDC MP 5.7 Residential Services Building Standard.
Lighting	This standard is not covered by existing obligations.
Privacy	This standard is not covered by existing obligations.
Kitchen (basic cooking, food preparation and storage areas)	The RTRA Act establishes obligations for owners to ensure that their rental property is clean, in good repair, fit for the tenant to live in, and not in breach of a law dealing with the health or safety of persons entering or using the property. This obligation applies at the start of the tenancy and for its duration. This obligation applies in general, rooming accommodation and moveable dwelling tenancies (ss 185, 186 and 247). Some owners may need to comply with QDC MP 5.7 Residential Services Building Standard.

Despite existing regulatory requirements, concerns about maintenance and the structural integrity of rental properties were raised during consultation, and they are often a cause for dispute resolution requests for the RTA, QCAT, and Magistrates Courts. The Queensland Coroner has made recommendations to amend tenancy laws to improve the quality and maintenance of rental properties.[80]

[80] Office of the State Coroner, *Findings of Inquest – Inquest into the death of Isabella Wren Diefenbach,* available at www.courts.qld.gov.au/__data/assets/pdf_file/0019/163027/cif-diefenbach-iw-20120919.pdf, 2012, pp. 58 – 61, accessed 16 August 2019.

Feedback received during the Open Doors Consultation reported that 17 per cent of tenants considered their property condition as “Poor - needs repair or maintenance for health and safety e.g. mould, broken locks, structural issues”.[81]

The 2018 report *Disrupted: The consumer experience of renting in Australia*, (the Disrupted report) found that 42 per cent of Queensland’s rental households need repairs.[82] This report also detailed that a high proportion of Australian tenants have experienced problems such as mould in their bathroom (33 per cent), no fan or poor ventilation in the bathroom (25 per cent), faulty or broken toilets (22 per cent), and faulty kitchen appliances (23 per cent).[83] Speaking specifically of their current rental property, tenants have problems with locks, doors or windows (35 per cent), pest infestation (30 per cent), and leaks or flooding (25 per cent).[84]

This data indicates that despite the existing regulation, there is a high percentage of rental households being affected by a serious quality or maintenance issues. Given that around 35 per cent of Queensland households are rented (around 566,000 dwellings)[85], this problem is potentially widespread.

Left unaddressed these issues can have impacts for tenant’s health and safety, while some issues could impact general wellbeing, others may cause illness or injury, or in more extreme cases could lead to fatalities. In 2010, a young child was killed when her father fell through a rotted timber deck at their rental property while carrying the child. The State Coroner recommended a range of actions and amendments to the RTRA Act to improve the reporting and management of repair and maintenance issues in the 2012 coronial inquest findings following this child’s death. The tenant reported the issue as an emergency repair however the agent was not authorised to approve such a costly repair and the owner could not be reached. Major emergency repairs, such as roof leaks or replacing hot water systems or rotting decks, are often expensive and generally exceed the authorised emergency repair amount of up to the equivalent of two weeks rent.[86]

Health and safety issues such as mould can arise from properties that are not properly maintained such as waterproofing, have inadequate ventilation, or have had a water leek that was not was not effectively managed. Mould is a fungus that can be toxic to humans and in some cases can grow in lungs causing serious health implications.[87] Mould in homes has been linked to increases in asthma in children, respiratory and upper respiratory tract infections, development of allergic rhinitis (hay fever) and allergic rashes, and fungal infections of the eyes, skin, and ears (especially in immune compromised individuals).[88]

Other potential health impacts include electrocutions from fixtures and fittings that require repair. From 2014-15 to 2015-16, there were around 350 people hospitalised for electrical injury that occurred in the home (this includes both rental and owner-occupied dwellings).[89] Safety is also a concern for tenants. Between June 2018 and May 2019 in Queensland, there were around 24,000

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[81] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p. 52. Respondents were asked “what is the condition of your rental property and the options given for answer were: Excellent - no repairs or maintenance needed, Good - some repairs or maintenance needed, Poor - needs repair or maintenance for health & safety.

[82] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, p.7.

[83] Ibid, p. 11.

[84] Ibid, p. 12.

[85] Australian Bureau of Statistics, *2016 Census Community Profiles – Queensland, Table G33 Tenure and Landlord Type by Dwelling Structure*, available at https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/communityprofile/3?opendocument, 2019.

[86] Office of the State Coroner, *Findings of Inquest – Inquest into the death of Isabella Wren Diefenbach*, available at https://www.courts.qld.gov.au/__data/assets/pdf_file/0019/163027/cif-diefenbach-iw-20120919.pdf, 2012, accessed 16 August 2019.

[87] "Mould: a hidden threat to health", 1997, *Daily Commercial News and Construction Record,* vol. 70, no. 13, pp. A1, A7.

[88] Metts, Tricia A, ‘Addressing Environmental Health Implications of Mold Exposure After Major Flooding’, *AAOHN Journal,* vol. 56, no. 3, pp. 115-20; quiz 121-2, available at https://journals.sagepub.com/doi/pdf/10.3928/08910162-20080301-03, 2008.

[89] Australian Institute of Health and Welfare: Tovell A, McKenna K & Harrison JE, ‘Electrical injuries: hospitalisations and deaths, 2014–15 and 2015–16’, *Injury research and statistics series,* no. 117, available at https://www.aihw.gov.au/getmedia/2c37bd48-ee08-43d5-be11-f6929f671b83/aihw-injcat-197.pdf.aspx?inline=true, 2018, pp. 15.

instances of unlawful entry with intent for residential dwellings, with 705 instances including violence.[90] Burglars often gained entry through an unlocked door or window, or by breaking or picking a lock.[91]

For property owners, many repair and maintenance issues could worsen and cause major structural damage if left unattended, leading to costly repairs. Non-waterproof houses can not only contribute to the property becoming contaminated by microorganisms such as mould, it can also impact the structural integrity of the building and lead to costly repairs for the property owner, and potentially leave the property vacant for long periods of time.

There are many reasons why issues or required maintenance in rental properties may not be addressed. Property owners may not be aware of the need for the repairs or maintenance by the tenant or the property manager or there may be factors impeding the owner carrying out the repairs. The Choice Unsettled report in 2017 details several reasons why a tenant would not advise of the necessity for repairs and maintenance including concerns of a rent increase (42 per cent of all tenants who did not report a property issue), fear of eviction, (23 per cent), fear of being given a bad reference (14 per cent) and fear of not having the lease renewed (14 per cent). If property owners aren't being made aware of problems with their property this could represent a risk to their investment.[92]

In a Victorian study by Ernst and Young, of the approximately 1,460 tenants who have reported to have made requests for repairs and maintenance, 53 per cent reported they had difficulty getting them completed. For property owners, there were various reasons they would refuse a request for repairs or maintenance including: it was an unreasonable request (46 per cent), the cost was too high or they could not afford it (15 per cent), tenants are causing damage to the property (10 per cent), the repair will not add value (3 per cent), or wanting to delay the repair (3 per cent).[93]

The above highlights that there is ambiguity and uncertainty of the rights and obligations for tenants, property owners and managers for rental properties. While there are laws in place to ensure tenants are living in a safe and secure home, a lack of clarity surrounding the particulars of these laws as well as how to enforce them is resulting in tenants often living in rental properties that are not safe, secure and functional.

3.4 Government objectives

- Support enforcement of existing tenancy rights.
- Ensure rental accommodation is safe, secure and functional.
- Improve liveability of rental accommodation.
- Tenancy laws protect vulnerable people in the rental market.

[90] Queensland Police Service, *Queensland Crime Statistics*, available at https://mypolice.qld.gov.au/queensland-crime-statistics/, accessed 8 July 2019.

[91] Budget Direct, *Home Burglary in Australia Statistics 2019*, available at https://www.budgetdirect.com.au/home-contents-insurance/research/home-burglary-statistics.html, accessed 9 July 2019.

[92] Choice (National Shelter & The National Association of Tenant Organisations), *Unsettled – Life in Australia's private rental market*, available at http://www.sheltersa.asn.au/wp-content/uploads/The-Australian-Rental-Market-Report-Final.pdf, 2017, pp. 16

[93] Ernst and Young, *Consumer Affairs Victoria: Rental experiences of tenants, landlords, property managers, and parks in Victoria – Final Report*, available at https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/5814/8781/7797/Victorian_Renting_Research_Report_-_RTA_Review_1.pdf, accessed 13 September 2019.

3.5 Options for ensuring Queensland rental accommodation is safe, secure and functional

Option 1.	Status quo
Option 2.	Education and Awareness Campaign
Option 3.	Enhanced Repairs and Maintenance Provisions
Option 4.	Minimum Housing Standards
Option 5.	Minimum Housing Standards for Safety, Security and Functionality Combined with Enhanced Repairs and Maintenance Provisions

Option 1: Status Quo (no change)

Existing repair and maintenance rights and obligations for tenants, owners and managers will be maintained in tenancy laws and agreements. Property owners must continue to comply with safety and quality regulation that applies to residential dwellings. The RTA and QCAT can provide compliance and enforcement support.

Existing legislation

All stakeholders must continue to comply with their existing obligations to ensure rental accommodation is clean, fit to live in, and in good repair. Owners must comply with specific safety and quality regulation for residential dwellings, including the *Fire and Emergency Services Act 1990*, the *Plumbing and Drainage Act 2018* and the *Electrical Safety Act 2002*.

Stakeholders have reported that existing terminology and obligations of “clean”, “fit for habitation” and “in good repair” are subjective and unclear. While the RTA has education and guidance material to support parties understand these obligations, this has not supported the sector to achieve a consistent level of quality for all rental properties to be safe and functional for tenants to occupy.

While minimum housing standards may be prescribed for rental accommodation, this power has not been exercised.

Existing repairs and maintenance framework

Property owners or their representatives are generally responsible for necessary repairs relating to general wear and tear of the property (ss 185, 186 and 247 of the RTRA Act). They must carry out repairs within a reasonable time and comply with entry rules.

For routine repairs (that is, non-emergency repairs), the tenant can notify the property owner or manager of the need for a repair. If the problem is not fixed in a reasonable time, the tenant is first required to attempt to resolve the issue by negotiating with the property manager or owner. If this is unsuccessful, the tenant can issue a Notice to Remedy Breach, which gives the property owner or manager seven days to fix the problem. If the problem still cannot be resolved, the parties have access to the RTA’s dispute resolution service.

For emergency repairs, the tenant must attempt to contact the property manager or owner, or a nominated repairer. If contact cannot be made, the tenant can arrange for a qualified person to carry out the emergency repair, up to the cost equivalent of two weeks’ rent. If the tenant and property owner or manager do not agree about the emergency repair, or if the tenant has not been reimbursed for repairs within seven days, the tenant can apply to QCAT for arbitration.

Tenants are responsible for repairing any damage they cause to the property that is not fair wear and tear of the rental property.

Existing compliance and enforcement mechanisms

The RTA is responsible for administering the RTRA Act. The RTA encourages tenants and property owners or managers to resolve disagreements through negotiation. It also provides a free dispute resolution service if parties are unable to resolve problems themselves.

The RTA can issue a Notice of Unresolved Dispute if the parties are unable to reach agreement through its voluntary dispute resolution process. This allows the person who lodged the dispute resolution request to apply to QCAT for a hearing. QCAT can decide rental tenancy disputes, including disputes related to the standard of a rental property.

Currently QCAT can make a repair order to:

- require owners to undertake repairs within a specified time, including to a set standard
- limit rent payable for the property.

Option 2: Education and awareness and voluntary housing quality guidelines

The existing regulatory framework would be complemented by voluntary housing quality guidelines. Information and awareness campaigns would encourage owners, managers and tenants to improve quality in residential accommodation.

Option 2.1 Voluntary housing quality guidelines

The RTA could develop and publish housing quality guidelines for property owners to take into consideration when making investments, listing properties for rent, or undertaking repairs and maintenance. Compliance would be optional and there would be no mechanism to enforce the guidelines.

Option 2.2 Information and awareness campaigns

The guidelines could be supported by an information and awareness campaign to educate tenants, property owners, property managers and the community about the benefits of quality rental properties and pathways to improve standards.

The information package would include information about the existing rights and obligations of all parties to a tenancy. This could help tenants to understand how to enforce their rights and the mechanisms that are currently available to protect them against related retaliatory action.

This may encourage a self-regulatory approach in the rental sector to voluntarily improve the quality of rental properties. Awareness could also be raised about the value of effective communication between the parties to enforce existing tenancy rights.

Option 3: Enhanced Repairs and Maintenance Provisions

Enhance existing processes and obligations for general and emergency repairs in tenancy laws and agreements, including by:

- increasing the time for tenants to complete the entry condition report
- increasing the amount tenants can authorise for emergency repairs
- allowing property managers to authorise repairs or maintenance up to a set amount
- enhancing QCAT repair orders so that they can:
    - be sought by tenants or other interested parties
    - attach to the owner and the rental property not the current tenant
    - be enforced by the RTA through prosecution.

Option 3.1 More time for entry condition report

The purpose of an entry condition report is to record the condition of the rental property at the start of the tenancy. Currently, tenants have three days to complete and return the entry condition report. Option Three proposes extending this to seven days to allow the tenant a more reasonable amount of time to identify any existing issues at the start of their tenancy.

Option 3.2 Nominated repairer and contact details

Under this option, property owners would provide tenants with the name, and telephone number for a suitably qualified nominated repairer to undertake or arrange emergency repairs of the rental property. The property owner will also be required to supply contact details for themselves or a representative who can act on their behalf in case of emergency. This will provide additional channels for the tenant to notify emergency repairs.

Option 3.3 Emergency repairs authorised by tenant

This option would increase the amount tenants may authorise for emergency repairs up to the equivalent of four weeks rent from the existing authorised amount of up to the equivalent of two weeks rent. Based on the Queensland average weekly rent, the amount of emergency repairs a tenant can authorise is $740.00 (Median weekly rent range for QLD: $370[94] x 2).

Option 3.4 Emergency repairs authorised by property manager

It is proposed that property managers be authorised to consent to emergency and general repairs up to an agreed amount or the equivalent of four weeks rent. The property manager must make reasonable attempts to contact the property owner about the required repairs before authorising the repairs to be made on their behalf.

Option 3.5 Repair Orders

QCAT repair orders will be enhanced to:

- allow orders to be made that prevent the rental property from being let until the repairs and maintenance are completed
- allow tenants or other interested parties to seek them
- attach to the owner and the rental property not the current tenant
- be enforced by the RTA through prosecution.

In making an order, QCAT may take into consideration any financial hardship affecting the property owner or difficulties in sourcing suitably qualified tradespersons to undertake the repair in the relevant location.

The Repair Order would apply to the relevant property, rather than an individual tenancy agreement to ensure that future tenants would not inherit the identified problems. Further, QCAT would have the ability to prevent rental properties from being rented until the ordered repairs are done. An interested party (such as a tenant advocate) could seek a repair order on behalf of the tenant. Further, QCAT will be able to refer the repair order to the RTA for enforcement through prosecution.

[94] Residential Tenancies Authority, *Data from 1 Jan 2019 to 31 March 2019 provided to Department of Housing and Public Works 2 May 2019,* 2019.

Option 4: Introducing Prescribed Minimum Housing Standards

Minimum housing standards for rental accommodation would be prescribed by regulation to ensure Queensland rental accommodation (including moveable dwellings and rooming accommodation) is safe, secure and functional. The standards may be made about residential or rental properties let or to be let, inclusions for properties, or facilities in a moveable dwelling park.

Under section 17A of the RTRA Act, a prescribed minimum housing standard may be made for any matter relating to the property, inclusions or park facilities, including, for example, the following:

- sanitation, drainage, cleanliness and repair of the property, inclusions or park facilities;
- ventilation and insulation;
- protection from damp and its effects;
- construction, condition, structures, safety and situation of the property, inclusions or park facilities;
- the dimensions of rooms in the property;
- privacy and security;
- provision of water supply, storage and sanitary facilities;
- laundry and cooking facilities;
- lighting;
- freedom from vermin infestation;
- energy efficiency.

The Minimum Housing Standards would be set out in regulation and a two year transition period is proposed to support the rental sector to understand and comply with the standards.

The standards will clarify existing obligations to ensure rental accommodation is clean, fit to live in and in good repair, and complement regulatory requirements for all residential dwellings. The proposed standards are not intended to duplicate existing requirements in other regulation that applies to all residential dwellings, such as building codes, electrical, plumbing and fire or pool safety requirements.

Prescribed minimum housing standards are not intended to establish a benchmark for all residential dwellings. If a matter or standard should apply to all residential dwellings this should be achieved through other regulation.

Premises and rental properties must be weatherproof and structurally sound.

A safe and healthy environment can only be maintained by a fully weatherproof structure that is also structurally sound. For rental and other accommodation this is an essential requirement. A premises or rental property is not weatherproof if the ceilings or windows do not prevent water penetration caused by rain; the walls, ceiling or roof are likely to collapse because of rot or a defect; or the floors, ceilings, walls or other supporting structures are affected by significant dampness. Fundamental to safe and healthy tenancy is sound weatherproofing and structural effectiveness.

This standard is recommended to clarify existing obligations for owners to ensure rental accommodation is clean, in good repair, fit for the tenant to live in and not in breach of a law dealing with the health or safety of persons entering or using the property (RTRA Act ss 185, 186 and 247).

Plumbing and drainage

Adequate sanitation and water supply are basic requirements of housing arrangements. Premises and rental properties must have adequate plumbing and drainage for the number of tenants or residents occupying the property under a residential tenancy agreement or rooming accommodation agreement; and be connected to a water supply service or other infrastructure that can supply hot and cold water for drinking, ablution and cleaning. Each toilet of a premises or rental property must function as designed, including flushing and refilling; and be connected to a sewer, septic system or

other council approved waste disposal system. Effective plumbing and drainage are basic requirements.

This standard is recommended to clarify existing obligations for owners to ensure rental accommodation is clean, in good repair, fit for the tenant to live in and not in breach of a law dealing with the health or safety of persons entering or using the property (RTRA Act ss 185, 186 and 247).

Security

A tenant must be able to secure the property and rely on the functionality and effectiveness of security fixtures in the property. Properties must have functioning latches for external windows and doors to secure against entry to the property. For rooming accommodation tenancies, there must be a functioning lock or latch fitted to all entries to a resident's room. This is considered an essential requirement for security and amenity in tenanted properties.

This standard is recommended to clarify existing obligations for owners to supply and maintain locks that are necessary to ensure the rental property is reasonably secure.

Fixtures and fittings

Fixtures and fittings provided in the rental property must not represent a health or safety risk to a person entering or using the property with ordinary use. A tenant must be able to rely on the functionality and effectiveness of the fixtures and fittings of the rental property. This only applies to fixtures and fittings provided in the rental property by the property owner. Tenants are responsible for ensuring any fixtures or fittings they install are safe and functional.

This standard is recommended to clarify existing obligations for owners to ensure rental accommodation is clean, in good repair, fit for the tenant to live in and not in breach of a law dealing with the health or safety of persons entering or using the property (RTRA Act ss 185, 186 and 247).

Pests, vermin and infestation

Rental properties must be free of plant and animal pests, including vermin, noxious plants, fungus growths or other infestations of micro-organisms to maintain the health and safety of tenants and the wider community.

This standard is recommended to clarify existing obligations for owners to ensure rental accommodation is clean, in good repair, fit for the tenant to live in and not in breach of a law dealing with the health or safety of persons entering or using the property (RTRA Act ss 185, 186 and 247).

Adequate ventilation

Premises and rental properties must have adequate ventilation in each room through opening windows, vents or exhaust fans in order to support health and safety. A premises or rental property does not have adequate ventilation in a room if inadequate ventilation contributes to the growth of mould and mildew in the room. This does not apply to mould or mildew caused by a tenant or resident failing to keep the room clean. Tenants have an obligation to keep properties and inclusions clean. Basic health and safety determines that ventilation is required in tenanted housing.

This standard is recommended to clarify existing obligations for owners to ensure rental accommodation is clean, in good repair, fit for the tenant to live in and not in breach of a law dealing with the health or safety of persons entering or using the property (RTRA Act ss 185, 186 and 247).

Energy efficiency and insulation

In the Open Doors consultation, several tenants and tenant advocacy groups supported mandatory energy efficiency standards for rental properties. The Queensland Council of Social Service, for

example, indicated that it *"supports the introduction of regulated minimum standards for energy efficiency in rental homes to improve their liveability and to reduce energy bills."*

The QDC applies an energy efficiency star rating system to newly constructed dwellings in Queensland. While there are no prescribed energy efficiency design features, all new dwellings are required to meet a certain star rating standard. Architects and designers have flexibility as to the design features they can use to achieve the required star rating, including:

- energy efficient room layouts
- ceiling and wall insulation
- ventilation
- light coloured roofs and walls
- energy efficient glazing
- ceiling fans.

A Minimum Housing Standard could extend these star rating requirements to existing rental properties. Like the QDC for new constructions, such a Standard could require that rental properties achieve a certain energy efficiency rating without prescribing design features.

A standard of this nature may improve the energy efficiency of rental properties, reducing energy costs for tenants and mitigating carbon emission impacts. However, the cost of re-engineering older dwellings may be significantly greater than the cost of integrating energy efficient features at the design stage in new constructions. Requiring existing rental properties to meet current new dwelling standards may therefore be cost-prohibitive for rental property owners.

This standard is not currently recommended.

Room dimensions and laundry facilities

Minimum room dimensions are prescribed in Queensland regulation for residential services, such as hostels, boarding houses and aged rental accommodation. For example, Residential Services Building Standard MP 5.7[95] requires that a bedroom for one person must have a minimum of 7.5 square metres of unencumbered floor space. There are also minimum requirements for laundry facilities, where laundering is done on the premises, including one 10-kilogram capacity automatic washing machine per 20 residents. Residential service providers can comply with these requirements through a flexible range of options, including formulating an alternative, performance-based solution that meets an equivalent standard.

No such standards currently apply to rental properties under the RTRA Act in Queensland. Room dimensions are necessary in residential services as this is the only private space available to the resident as an individual. While applying such a standard in general tenancies in Queensland may provide some amenity and consistency to tenants, they generally have free access to the entire property rather than being confined to their room.

A requirement of this kind would be difficult to frame considering the diversity of tenant needs and circumstances and the variety of rental properties. Further the cost of re-engineering properties to comply with such a requirement is likely to be prohibitive to property owners.

This standard is not currently recommended.

Lighting

[95] Department of Housing and Public Works, *MP 5.7 – Residential Services Building Standard*, available at https://www.hpw.qld.gov.au/SiteCollectionDocuments/QDCMP5.7ResidentialServicesBuildingStandard.pdf.

Premises and rental properties must have adequate natural or artificial light in each room, other than a room intended to be used only for storage or as a garage. The basis of this standards is a safe and healthy environment for residents.

This standard would require that artificial lighting is available in rooms that do not allow natural light to enter and are not intended for storage or as a garage. This could be met by providing a floor lamp if an electrical outlet is available or installing a light fitting.

This standard is recommended to ensure safety and functionality of rental accommodation for people entering and using the property.

Heating and Cooling

A standard could require that rental properties must be fitted with heating and cooling equipment. As the weather changes and temperatures vary, tenants may depend on heating and cooling equipment to maintain comfortable conditions. In some parts of the state, temperature control may assist tenants to minimise potential health and safety risks, such as preventing heat stroke in Far North Queensland.

During consultation several tenants and tenant advice groups expressed support for a standard to include rental properties having fans or air-conditioning (as well as insulation) for health and safety reasons.

While such a standard has merits for improving liveability of rental properties and the health and safety for some tenants, costs for property owners may be prohibitive in the present circumstances. If this was considered a required standard it would be more appropriately applied to all residential accommodation, not just rental properties.

This standard is not currently recommended.

Privacy

The toilet and bathroom facilities in rental properties must provide the user with privacy. It is also reasonable that people would expect privacy in other areas of their home, such as bedrooms.

Privacy could be met in bathrooms or toilets by providing screening or doors for open doorways where privacy is not otherwise provided by other structural means. Privacy could also be provided through window coverings or treatments, such as curtains, blinds or frosted glass or film.

While owners may incur costs to install coverings or treatments to comply with this standard it is essential to ensuring privacy for tenants in rental properties.

This standard is recommended to ensure rental properties provide privacy in areas where there would be a reasonable expectation of privacy.

Kitchen

As renting is increasingly a long-term housing solution for many Queenslanders, it is reasonable that rental properties should allow tenants to cook, prepare and store food.

A minimum housing standard could specify facilities required to be provided in rental properties to support tenants to cook, prepare and store food, including:

- a functioning cooktop and sink
- food preparation areas
- storage areas, other than refrigerated storage areas.

This standard is recommended to clarify existing obligations for owners to ensure rental accommodation is clean, in good repair, fit for the tenant to live in and not in breach of a law dealing with the health or safety of persons entering or using the property (RTRA Act ss 185, 186 and 247).

Australian Jurisdictional Comparison - Minimum Housing Standard for Rental Accommodation

While several Australian states have or are implementing minimum housing standards for rental accommodation, the standards vary across jurisdictions. Table 3.3 provides a high-level summary of some proposed minimum housing standards across these jurisdictions and the recommended standards for Queensland.

Table 3.3 Jurisdictional Comparison of Standards

Standards	Qld	NSW	Vic	Tas	SA
Weatherproof and structurally sound	Yes	Yes	No	Yes	Yes
Plumbing and drainage	Yes	Yes	Yes	Yes	Yes
Security	Yes	No	Yes	Yes	Yes
Fixtures and fittings	Yes	No	No	Yes	Yes
Pests, vermin and infestation	Yes	No	Yes**	Yes	Yes
Adequate ventilation	Yes	Yes	No	Yes	Yes
Energy Efficiency	No	No	No	No	Yes
Lighting	Yes	Yes	No	Yes	Yes
Heating and/or Cooling	No	Yes	Yes	Yes	No
Privacy	Yes	Yes*	Yes	Yes	Yes
Kitchen	Yes	No	Yes***	Yes	Yes
Cooktop	Yes	No	Yes	Yes	Yes
Food Storage	Yes	No	Yes	No	Yes
Oven	No	No	Yes	Yes	Yes
Room Dimensions	No	No	No	No	Yes***

* Only in the washing facilities

** Vermin proof rubbish bin

*** For utility rooms and bedrooms in rooming accommodation only

Option 5: Prescribe minimum housing standards for rental accommodation supported by enhanced repair and maintenance provisions (combine options 3 and 4)

Strengthened repairs and maintenance obligations with more effective compliance and enforcement mechanisms would support and complement implementation of prescribed minimum housing standards for rental accommodation. This option combines Options 3 and 4 as detailed above.

Option 5 would require a staged implementation and an education program to raise awareness of the prescribed minimum housing standards, repairs and maintenance, and compliance and enforcement arrangements.

3.6 Impact analysis

Option 1 – Status quo (no change)

Some property owners do not provide rental properties that meets community standards of safety, security and functionality. Some tenants, particularly at the lower end of the market, rent properties that potentially increase their risks of illness and injury.

Tenants may underreport repairs and maintenance issues due to fears of retaliatory action by property owners and managers if they enforce their right for necessary repairs and maintenance to be undertaken in their rental property in a timely manner. Property owners may also incur additional or higher costs due to underreporting of these issues, which may worsen or lead to large-scale repairs or major structural damage.

The option would maintain the current number of requests for dispute resolution received by the RTA, QCAT and the courts, and may contribute to these requests increasing over time.

The Queensland Government will be unable to deliver commitments in the *Queensland Housing Strategy 2017-2027* and *Action Plan 2017-2020*, or election commitments to reform tenancy laws and to prescribe minimum housing standards.

Option 1 – Status Quo (no change)

Stakeholder	Issues
TENANT	• Tenants are residing in poor quality rental properties that may increase risks of illness or injury due to properties not being maintained in compliance with existing regulation.[96] • Tenant feedback indicates a fear of retaliatory evictions when upholding rights to seek repairs or maintenance[97] • Potential for rent increases when upholding rights to seek repairs or maintenance[98] • Increased living costs resulting from poor property condition, e.g. heating/cooling costs, water usage, etc. • Difficulty for vulnerable groups in finding affordable housing that meets acceptable health and safety standards • Continued disputes with property owners and managers over repair and maintenance obligations

[96] General trends observed from the Australian Housing Conditions Dataset (available at https://architecture.adelaide.edu.au/sites/default/files/docs/AHCD_Technical%20Report_16%20January%202018%202_0.pdf, pp. 2) and in housing condition surveys in New Zealand and the United Kingdom suggest renters experience poorer quality housing than owner occupiers.

[97] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, pp.4-5; Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, pp.75.

[98] Ibid.

Stakeholder	Issues
PROPERTY OWNER	• Potential for liability for injury, illness or fatalities where residential properties don't meet current legislative health, safety or building requirements or requirements in tenancy laws and agreements • Potential to be unaware of repair and maintenance issues which may worsen and lead to large-scale repair costs or major structural damage • Ambiguity around obligations for repairs and maintenance causes disputes with tenants
PROPERTY MANAGER	• Continued disputes with tenants and property owners regarding repair and maintenance obligations • Potential for liability for injury, illness or fatalities where residential properties don't meet current legislative requirements • Lack of ability for property managers to be able to ensure the safety and health of tenants as they have a limited ability to approve required repairs without owner approval • Poor quality of rental stock on their books
STATE GOVERNMENT	• Repairs and maintenance currently account for nearly 8% of all dispute resolution requests for RTA[99] • Matters that cannot be resolved through the RTA dispute resolution are sent to QCAT for resolution • Continued impacts and costs to health care systems to address health issues caused by poor housing[100]
SOCIAL HOUSING	• Potential for liability in for injury, illness or fatalities where residential properties don't meet current legislative health, safety or building requirements • Ambiguity around obligations for repairs and maintenance causes disputes with tenants
COMMUNITY	• Continued disadvantage for vulnerable tenants in poorly maintained housing • Risk of poor housing creating health risks which negatively impact health systems[101]

Recommendation: This option is not recommended as it does not achieve the desired policy objective.

[99] Residential Tenancies Authority, *Annual Report 2017–18*, p. 30, available at https://www.rta.qld.gov.au/About-the-RTA/Corporate-information/Annual-report/Annual-report-2017-18.

[100] World Health Organization, *WHO Housing and Health Guidelines,* available at www.who.int/sustainable-development/publications/housing-health-guidelines/en/, 2018, pp. 117.

[101] Ibid.

Option 2 – Education and awareness

The RTA could develop and implement a focussed education and awareness campaign, including developing voluntary housing quality guidelines, to educate stakeholders of their rights and obligations and encourage property owners to maintain their rental properties to a reasonable standard. This would improve awareness and may remind some property owners and managers to action and prioritise repairs and maintenance requests.

This option is likely to be cost-effective as the RTA currently produces a range of education and awareness materials. Developing and distributing voluntary housing quality guidelines may only result in an incremental cost for the RTA.

While this would increase tenants' and property owners' awareness of their existing rights and obligations and improve tenants' ability to enforce their rights to request repairs and maintenance, it is unlikely to overcome tenants' fear of retaliatory action.

An education and awareness campaign is unlikely to be sufficient on its own to achieve and sustain desired policy outcomes. To date, education and information activities have not been effective in removing unsafe properties from the market, and existing obligations have provided inadequate incentives for owners to invest in repairs and maintenance activities. There is also potential for an education and awareness campaign to have restricted scope and may not reach some stakeholders, particularly vulnerable cohorts.

Option 2 – Education and awareness

Stakeholder	Benefits	Costs
TENANT	• Increased awareness of existing rights and obligations could improve tenants' ability to enforce their rights to request repairs and maintenance • Potential to increase quality of rental properties which could deliver some health and safety benefits • Potential for fewer disputes between tenants and property owners due to higher awareness	• Potential for property owners to pass on costs in increased rents where repairs and maintenance requests have been successful
PROPERTY OWNER	• Increased awareness of rights and obligations may allow property owners to more effectively manage their rental properties • Potential opportunity for large scale repair costs to be minimised through early identification of repair and maintenance issues • Potential for fewer disputes between tenants and property owners due to higher awareness of rights and obligations	• Potential for increase in number of repair and maintenance requests from tenants leading to higher costs
PROPERTY MANAGER	• Improved understanding of repair and maintenance rights and obligations in their role as tenancy intermediaries. • Potential for fewer disputes between tenants and property owners representing potential time savings	• Possible increased administrative workload to manage potential increase in tenant requests for repairs and maintenance • Potential increased communication and negotiation to support property owners and tenants reach agreement on repair and maintenance requests

	• Improved awareness and understanding of rights and obligations may contribute to efficiencies in the private market	
STATE GOVERNMENT	• Clarified rights and obligations may create long-term efficiencies for RTA dispute resolution services and QCAT • For State Government owned housing, such as rural health employee housing, there could be similar impacts as those listed under Property Owner	• Potential short-term increase in dispute resolution requests from the RTA and QCAT • For State Government owned housing, such as rural health employee housing, there could be similar impacts as those listed under Property Owner
SOCIAL HOUSING	• Potential improved awareness among tenants of their obligations and importance of notifying the social housing provider of repair needs • Potential opportunity to avoid or minimise repair costs through earlier reporting of maintenance issues	• Potential for tenants' raised awareness of their rights to increase the number of requests for repairs and maintenance (however these costs may be mitigated as repairs are tax deductible)
COMMUNITY	• Potential for small improvement in social issues associated with the prevalence of poorly maintained housing compared to status quo	

Recommendation: As this option alone will not achieve the desired policy objective, it is recommended to be undertaken alongside any proposed policy option.

Option 3 – Enhanced repairs and maintenance provisions

This option will contribute to improving the overall quality of stock in the rental market. Repair and maintenance issues will be identified and reported earlier. Requests can be dealt with quickly and efficiently to mitigate damage to the property owners' financial investment. This will help improve tenant and occupant health and safety in their rental property as issues can be dealt with faster to reduce risks of injury or illness.

QCAT and Magistrates Courts may receive more applications for repair orders in tenancy matters. While requests for QCAT Repair Orders may increase, the proposed reforms seek to moderate these impacts by establishing processes and frameworks to guide and encourage the parties to resolve repair and maintenance issues between themselves. Most tenancy disputes undertake RTA conciliation to assist the parties to resolve the issue themselves before it progresses to a hearing in QCAT or the courts, with any increased demand likely to be seen first through the RTA conciliation services.

RTA workloads will also be impacted by the proposal to empower them to enforce QCAT Repair Orders. This may increase the volume of non-compliance investigations and matters proceeding to prosecution. However, this may be balanced by improved compliance and support for parties to resolve issues between themselves, which will help to reduce repair and maintenance disputes and investigations over time.

3.1 More time for entry condition report

Providing a more practical amount of time to identify any repair maintenance or functionality issues in the rental property when the tenancy starts will improve tenant protections. Moving to a new house can be a stressful time and problems can easily arise. Extending the time for tenants to return the entry condition report may contribute to improved tenant wellbeing and reduce stress for tenants caused by:

- completing this task within the required time, and
- potentially missing pre-existing issues that they may be held accountable for during or at the end of their tenancy.

Earlier identification of these issues may reduce disputes between tenants and owners about how the issue was caused and who is responsible for any repairs. The owner's financial investment will also be better protected as early identification will minimise repair costs and ongoing damage that may result if the issue is not fixed.

3.2 Nominated repairer and property owner contact details

This option will contribute to facilitating open communication between property owners, managers and tenants about emergency repairs. This will reduce delays for tenants to seek approval for emergency repairs and minimise damage to the property owner's financial investment. This may also help reduce disputes about tenant actions and costs for emergency repairs and may assist in keeping property owners informed about issues in their rental property.

3.3 Emergency repairs authorised by tenant

Increasing the value of emergency repairs a tenant can authorise may reduce delays some tenants face for these repairs to be completed. This will ensure tenants are protected from any health and safety risks posed by an emergency and that their rental property remains functional and fit for them to live in.

This option is not expected to adversely impact property owners. Existing processes and obligations for emergency repairs will be maintained and the proposed authorised amount does not exceed the bond held for the rental property. While there may be some increased risk for tenants who action emergency repairs without clear prior authority from the property owner, tenants in general will be more empowered to respond to emergency repairs quickly and to mitigate further damage.

3.4 Emergency repairs authorised by property manager

Allowing property managers to authorise emergency repairs if a property owner is uncontactable will improve responsiveness to tenant requests for emergency repairs. This will help to minimise situations where tenants need to arrange immediate repairs themselves and bear the risk of funding the repairs if there is a dispute about whether the repair was necessary or an emergency.

This option is not expected to adversely impact property owners. Existing processes and obligations for emergency repairs will be maintained and the proposed authorised amount does not exceed the bond held for the rental property. Tenants will be more empowered to respond to emergency repairs quickly to mitigate further damage, improving protection of the owner's financial investment risk.

3.5 QCAT Repair Order

The QCAT repair order will ensure the safety, functionality and security for those properties where the owner has failed to complete repairs, or where a repair order has not been actioned by the owner. A repair order will attach to the relevant property, rather than an individual tenancy agreement, and the Tribunal will have the ability to prevent rental properties from being rented until the ordered repairs are done, to ensure that future tenants do not inherit identified problems. Allowing tenancy advocates to seek a repair order on behalf of a tenant will also contribute to improving equality in the market, particularly for vulnerable stakeholders.

As this option relies on the timeframes for RTA conciliation and/or QCAT hearing for routine repairs, some tenants may continue to be exposed to health and safety risks from repair and maintenance issues during the dispute resolution process.

Empowering the RTA to enforce repairs orders will incentivise property owners to comply to avoid prosecution. The Tribunal can consider a range of factors to ensure any repair orders are reasonable and practicable for property owners to comply with, including financial hardship or difficulties sourcing a qualified tradesperson to do the repairs.

Option 3 – Enhanced repairs and maintenance provisions

Stakeholder	Benefits	Costs
TENANT	• Improved housing quality which could reduce health and safety risks, improving overall health[102] • May improve relationships with property owners and managers due to improved understanding of rights and obligations • Improved rental satisfaction and experience	• There is a potential for property owners to increase rents[103] to recoup repair and maintenance costs. This would also lead to increased rental bonds. • It has been reported that approximately 40 percent of rental tenants in Australia would find a rent increase of 10 percent difficult or very difficult to afford.[104] However, property owners would be constrained by wider market rates for rental properties.
PROPERTY OWNER	• Avoid costs of large-scale repairs due to earlier repair and maintenance issue identification (extended time for entry reports)	• Possible increase in costs to undertake repairs and maintenance which were previously under-reported, however these

[102] World Health Organization, *WHO Housing and Health Guidelines,* available at www.who.int/sustainable-development/publications/housing-health-guidelines/en/, 2018, pp.58.

[103] Rents for fixed term and periodic tenancy agreements can only be increased six months' after the last increase. Tenants can apply to QCAT to dispute any rent increases they believe are unreasonable.

[104] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia*, available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, p. 15.

Stakeholder	Benefits	Costs
	• Improved relationships with tenants and property managers • Reduced potential for liability of injury, illness or fatality to occupants	costs may be mitigated as repairs are tax deductible
PROPERTY MANAGER	• Improved processes to manage and respond to repair and maintenance requests • Improves relationships with and between tenants and property owners, which may reduce disputes and deliver time savings • Improved quality of rental portfolio	• Possible increase in administrative workload if tenant requests for repairs and maintenance increase
STATE GOVERNMENT	• Potential reduction of repair and maintenance disputes over time, which may deliver time and cost savings for dispute resolution bodies • Reduced impact on health systems due to improved personal health and wellbeing • For State Government owned housing, such as rural health employee housing, there could be similar impacts as those listed Under Property Owner	• Increased administrative and operational costs for the RTA because of increased applications, conciliation, investigation and enforcement. • Potential for increase in dispute resolution requests in the immediate to short-term, impacting RTA and QCAT hearing timeframes • For State Government owned housing, such as rural health employee housing, there could be similar impacts as those listed Under Property Owner
SOCIAL HOUSING	• Reduction in disparity between private and social housing • Comparative property standards and expectations will ease the transition for customers moving from social housing into the private rental market	• Possible increase in costs to undertake repairs and maintenance which were previously under-reported
COMMUNITY	• Improved community health, safety and wellbeing as rental accommodation meet acceptable standards of health, safety and functionality	

Recommendation: This option alone is not recommended as it does not comprehensively meet the policy objectives.

Option 4 – Minimum housing standards

Prescribed minimum housing standards will help to ensure that property owners and managers offer rental properties that do not pose health and safety risks to occupants. This could increase the liveability of some rental properties and increase safety and security for tenants.

Most of the proposed minimum housing standards clarify existing obligations for property owners to ensure rental accommodation is clean, fit to live in and in good repair. However, there is evidence that some owners of rental properties are not meeting these existing obligations. These owners may incur an additional cost to bring their rental properties up to compliance with the proposed minimum housing standards. Costs could vary depending on the geographical location of their rental property and the nature of repairs and maintenance needed to comply with the proposed standards.

Introducing minimum housing standards will reduce gaps in existing regulation of rental properties. It will also clarify tenant and property owner rights and obligations, improve negotiation in tenant and property owner disputes, and simplify property management.

This option does not provide increased incentives for owners to meet the new minimum housing standards. The impacts resulting from this option are tied to the increased awareness and clarification of rights and obligations by tenants, property owners and property managers and existing breach processes.

Costs borne by property owners to comply with Minimum Housing Standards could be passed through to tenants in the form of higher rents and bonds. Significant rent increases could in turn cause financial stress to many tenants. However, the rental market is highly competitive and property owners in general are constrained from raising rents above rates that the market will allow. Research indicates that property owners are also primarily motivated by finance costs and capital gains, rather than rental margins. Consequently, impacts in terms of rent increases and withdrawal of property owners from the rental market are considered likely to be minimal.

Option 4 – minimum housing standards prescribed, (no enforcement or compliance in place)

Stakeholder	Benefits	Costs
TENANT	• Increased awareness of existing rights and obligations could improve the ability of tenants to uphold their rights to request repairs and maintenance • Some tenants may receive improved quality of rental property with enhanced functionality, health and safety in their home • Fewer disputes with property owners due to increased awareness and clarity of rights and obligations	• There is a potential risk of rent increases caused by property owners passing on increased maintenance costs (however these costs may be mitigated as repairs are tax deductible)
PROPERTY OWNER	• Earlier identification of repair and maintenance issues could prevent further damage if left unrectified. This is an avoided cost of potential major structural damage or costly repairs.	• Costs may be incurred to bring rental properties up to compliance if existing requirements are not being met • More repair and maintenance requests from tenants may lead to higher costs (however these costs

Stakeholder	Benefits	Costs
	• Fewer disputes with tenants due to clarity of rights and obligations and increased awareness	may be mitigated as repairs are tax deductible)
PROPERTY MANAGER	• Higher quality rental stock in their portfolio • Fewer repair and maintenance disputes due to clarity of rights and obligations and increased awareness, which may deliver time savings	• Possible increased administrative workload if tenant repair and maintenance requests increase • More communication and negotiation may be required to support tenants and owners reach agreement about repair and maintenance requests
STATE GOVERNMENT	• For State Government owned housing, such as rural health employee housing, there could be similar impacts as those listed Under Property Owner • Potential for a decrease in RTA and QCAT dispute resolution requests in the long term	• Potential short-term increase in dispute resolution requests from the RTA and QCAT (in the long term this may lead to lower disputes) • Unlikely to achieve desired policy outcomes without strengthened mechanisms to incentivise and enforce compliance. • For State Government owned housing, such as rural health employee housing, there could be similar impacts as those listed under Property Owner
SOCIAL HOUSING	• Potential improved awareness among tenants of their obligations and importance of notifying the social housing provider of repair needs • Potential opportunity to avoid or minimise repair costs through earlier reporting of maintenance issues	
COMMUNITY	• Potential for some improvement in social issues associated with poor quality housing	

Recommendation: This option alone is not recommended. While there is merit in introducing prescribed minimum housing standards, the potential benefits will not be realised without enhanced compliance and enforcement mechanisms.

Option 5 – Prescribed minimum housing standards for rental accommodation with enhanced repairs and maintenance provisions

This option combines options 3 and 4 to provide appropriate mechanisms to incentivise and enforce compliance with prescribed minimum housing standards for rental accommodation.

By introducing an enforceable set of prescribed minimum housing standards tenants will have clarity of their rights and the process to enforce those rights will be accessible. Similarly, property owners will have a clear understanding of their obligations in ensuring their rental property is safe, secure and functional.

To encourage compliance with the minimum housing standards, this option will include a strengthened regulatory framework for repairs and maintenance as outlined in Option 3. This compliance framework will ensure the functionality, safety and security of all rental accommodation in Queensland and the health and safety of tenants.

The introduction of prescribed minimum housing standards supported by proportionate compliance and enforcement mechanisms may increase the quality of rental properties. Improving the quality of rental properties will benefit tenants physical and mental health, liveability of their homes and their personal safety and security. These personal benefits may also support benefits for the wider community in reduced health burdens and increased social and economic participation.

Owners will also benefit from clearer obligations and assignment of risks, earlier identification and rectification of issues affecting the quality of their rental property and maintained or improved value of their asset. Owners will also potentially incur a cost to bring rental properties up to the minimum housing standard. These costs will be born in two ways:

- Increased compliance for existing standards already captured in regulation
- Changes to the minimum standard that aren't already captured in existing regulation:
    - Window coverings
    - Adequate lighting.

The proposed minimum housing standards for lighting and privacy are not existing obligations for property owners. These standards will ensure all rental properties have basic natural or artificial lighting and that tenants can maintain their privacy in rooms where there is a reasonable expectation for privacy. It is unlikely these new obligations will create new costs for all property owners as some rental properties will already have both lighting and window coverings.

The potential additional cost to a household to meet the proposed privacy minimum housing standard has been estimated as approximately $17-$50 per window or $96 - $320 for the average home.[105] The public housing portfolio of 72,984 dwellings[106] was used as a proxy to ascertain an average window size (1500mm x 1200mm) and average number of windows in a standard home (6.4) to provide assumptions for this estimate.

The average Australian home has approximately nine rooms[107] and providing adequate lighting for a room could be from $12 (a floor lamp requiring no installation) to $80 (ceiling light which would require installation at an additional cost). Based on the standard of one floor lamp per room, the minimum cost of

[105] Various suppliers of window covering were used to ascertain a price including:
Bunnings Warehouse website (accessed 01/05/2019): https://www.bunnings.com.au/zone-interiors-150-x-150cm-25mm-pvc-dawn-venetian-blind-ivory_p1260673
Spotlight website (accessed 01/05/2019) : https://www.spotlightstores.com/curtains-blinds/blinds/venetian-blinds/pvc-venetian-blinds/windowshade-25-mm-light-filtering-pvc-venetian-blind--everyday-bargain/80295357
Curtin Wonderland (accessed 01/05/2019): https://www.curtainwonderland.com.au/products/burma-roller-blinds/#

My Blinds Direct (accessed 01/05/2019) https://www.mydirectblinds.com.au/product/127mm-89mm-vertical-blinds/

Kmart (accessed 01/05/2019) https://www.mydirectblinds.com.au/product/127mm-89mm-vertical-blinds/

[106] Department of Housing and Public Works data, accessed 30 June 2019.

[107] Calculations based on data available at https://profile.id.com.au/australia/bedrooms.

the proposed lighting minimum housing standard is estimated to be approximately $12 per room or $108 per dwelling for the average home.[108]

The remaining proposed minimum housing standards for rental accommodation are currently required under existing regulation as detailed in **Table 3.2.** However, there is evidence these existing requirements are not being met consistently by some property owners, resulting in tenants living in homes that do not provide for their health, safety and security. While it is unlikely that this proposed policy option will achieve 100 per cent compliance, it would be reasonable to assume some owners of rental properties not currently meeting their obligations would improve their compliance with the standards as:

- Tenants may more often raise issues as they will better understand their rights
- Other representatives will be able to raise issues on behalf of tenant
- Tenants will have clearer pathways to pursue repair, maintenance and quality issues
- There will be enhanced enforceability of the standards through QCAT repair orders.

Complying with the proposed minimum housing standards could increase costs for some owners of rental properties that do not currently meet existing requirements.

Costs to comply with current or new obligations are likely to vary depending on the geographical location of the rental property and the nature of repairs, maintenance or other works needed to comply with the proposed standards.

There has been anecdotal feedback from the open doors consultation that property owners would need to increase rents due to an increase in their costs to meet the new requirements. However, rent prices are determined by market forces and rent can only be increased to what the market will allow. It is unlikely that the cost of maintenance will be able to be entirely passed down to tenants.

Analysis suggests that overall less than six per cent of the total Queensland rental housing stock is estimated to be affected by the proposed minimum housing reforms. Around 30 per cent of tenants request repair and maintenance and it is assumed eight per cent of rental accommodation requires maintenance at an average cost of $1,100 per year.[109] If an additional 50 per cent of tenants living in properties that do not meet minimum housing standards request repair or maintenance following the reforms on a worst-case basis the maximum that rent could potentially increase in the short-term is between $5 to $18 per week. This is based on analysis of historical rent data, which is affected by a range of variables that may or may not influence markets in the future.

This analysis suggests that the maximum price increase available to owners who might be prompted by the reforms to revisit rent price at the end of the current tenancy agreement. However, owners may react in several ways, including:

- Fully absorb the costs to retain tenants and avoid rent discontinuities or reletting costs
- Carry out the works to increase the value of their property in the rental market
- Seek to maximise rent to recover their additional costs.

In the medium term, modelling suggests that the impact of the policy change may be more sector wide and result in a repricing of rents, with an average impact of $50 per year per affected property. On a worst-case scenario, the reform could increase rents and the proportion of total household income spent on rent in low income households by less than one per cent.

The reforms can be expected to clarify the nature and assignment of risks for rental property owner investments. Making risks clear could improve capital flows and reduce transaction costs in the private rental sector, as expenses will be able to be planned for in advance.

[108] This calculation doesn't consider hallways or other areas that may need to be lit and assumes that no rooms are currently adequately lit by either natural or artificial light.

[109] Derived from Australian Taxation Office expense deductions for rental property owners.

Impacts of Individual Standards

Weatherproof and structural sound

Dampness caused by rain penetrating the interior of a property can impact the structural integrity of the building which could be costly to property owners. Waterproofing is the most common form of weatherproofing and is very cost-effective long-term. It is estimated that waterproofing is estimated to cost 2-3% of total construction costs in residential buildings, but 75-80% of building defects are water-related.[110]

Building dampness can cause several adverse side effects, such as the proliferation of dust mites and the growth of mould and mildew. These health risks can exacerbate and may contribute to the development of allergies and respiratory illnesses, such as asthma. [111]

Effective weatherproofing may also reduce draughts in rental properties that allow hot air to enter the property during summer and warm air to escape during cooler months. Draughts can attribute to 25% of heat loss or gain in a property. Sealing the building against outdoor elements also enhances energy efficiency by minimising the requirements for AC and climate control. This will result in a cost saving on household utilities, as well as an environmental benefit through reduced greenhouse gas emissions. [112]

Plumbing and drainage

Plumbing and drainage is an integral sanitation measure improve to reduce the spread of illnesses and disease and is essential to ensure both public health and environmental protection. Improved sanitation through functioning showers, taps and toilets reduces risks of catching/spreading diseases.[113]

Security

Ensuring properties are secure and safe for tenants to reside in may contribute to increased wellbeing through better peace of mind as well as reductions in the numbers of home invasions. Between June 2018 and May 2019 in Queensland, there were around 24,000 instances of unlawful entry with intent for residential dwellings, with around 700 including violence. [114] Burglars often gained entry through an unlocked door or window, or through breaking or picking a lock.[115] This minimum housing standard could result in an avoided cost of $2874 per attempted burglary foiled (The estimated average cost of one completed burglary including $1,425 in property loss, $321 in property damage, $80 in lost output and $1,048 in intangible losses).[116]

Fixtures and fittings

Ensuring all electrical fittings and appliances are in good repair and do not present a health hazard could reduce the instances of electrocution that occur in rental properties. From 2014-15 to 2015-16 there were

[110] Spec-Net Building News, *Energy Efficient Waterproofing Systems from Projex Group*, available at https://www.spec-net.com.au/press/1118/pro_071118/Energy-Efficient-Waterproofing-Systems-from-Projex-Group, accessed 8 July 2019.

[111] W. J. Fisk, Q. Lei-Gomez and M. J. Mendell, 'Meta-analyses of the associations for respiratory health effects with dampness and mould in homes' *Indoor Air*, Vol. 17, No. 4, available at https://onlinelibrary.wiley.com/doi/full/10.1111/j.1600-0668.2007.00475.x, 2007, accessed 8 July 2019.

[112] Premium Residential *Weather Proofing Your Home… for Queenslanders*, available at https://premiumres.com.au/weather-proofing-your-home-for-queenslanders/, accessed 10 July 2019.

[113] Australian Government Department of Health, *Environmental Health Practitioner Manual: A Resource Manual For Environmental Health Practitioners Working With Aboriginal And Torres Strait Islander Communities, 2010,* available at https://www1.health.gov.au/internet/publications/publishing.nsf/Content/ohp-enhealth-manual-atsi-cnt-l~ohp-enhealth-manual-atsi-cnt-l-ch1~ohp-enhealth-manual-atsi-cnt-l-ch1.4, accessed 16 August 2019.

[114] Queensland Police Service, *Queensland Crime Statistics*, available at https://mypolice.qld.gov.au/queensland-crime-statistics/, accessed 8 July 2019.

[115] Budget Direct, *Home Burglary in Australia Statistics 2019*, available at https://www.budgetdirect.com.au/home-contents-insurance/research/home-burglary-statistics.html, accessed 9 July 2019.

[116] Russell G Smith, Penny Jorna, Josh Sweeney & Georgina Fuller, 'Counting the costs of crime in Australia: A 2011 estimate' *Australian Institute of Criminology Reports – Research and Public Policy Series 129* (AIC Report 129), 2014, p. 29.

around 350 people hospitalised for electrical injury that occurred in the home (both rented and owned dwellings).[117]

If there is a decrease in electrocutions due to a reduction in the number of hazardous fixtures and fittings, this will lessen the number of associated hospitalisations and lead to cost savings for the health care system. An average emergency department presentation costs $652 per person in Queensland118, with acute admitted hospital care (which may be required for electrical injuries) costing on average $5,076 per person in Queensland.[119]

Pests, vermin and infestation

Ensuring a rental property remains free from fungus growths, pests and vermin may reduce the health and safety risks to tenants as some common pests in Australia can pose a public health risk. Risks include nuisance biting, allergic reactions, spread of illnesses and disease, stings or bites, and food contamination, as well as general annoyance. Mould can pose a serious health and safety risk to the tenants of a property (see Adequate ventilation below).[120]

Mould and mildew can be costly to remediate, typically ranging between $500 and $4000, but will vary according to the size of the property and where the mould or mildew is located.[121] Early identification and rectification of mould and its causes can result in substantial avoided costs.

*Note: Tenants will still be responsible for keeping a rental property clean under existing RTRA Act obligations and are responsible for rectifying any infestations or presence of pests or vermin caused by the tenant's poor housekeeping or lack of cleanliness.

Adequate ventilation

Adequate ventilation may contribute to ensuring mould and mildew does not grow in the property, saving property owners (and possibly tenants) from costly remediation work. Additionally, adequate ventilation to ensure mould and mildew do not grow in a rental property may contribute to health benefits. Studies have found sufficient evidence of an association between mould (and other indoor dampness-related factors) and a wide range of respiratory health effects, including:

- asthma development and exacerbation of asthma symptoms, coughing, wheezing,
- respiratory infections and upper respiratory tract symptoms.[122]

If adequate ventilation can contribute to reducing the exacerbation or development of asthma and other respiratory illnesses, this could save up to $524 per person, which is the average direct health care cost for a person with asthma.[123] It may also contribute to financial savings in indirect costs, such as the burden of disease, lost productivity, which were estimated to cost the Australian economy $24.7 billion a year, averaging $11,470 per person.[124]

Lighting

Providing lighting in all rooms other than those intended for storage could have positive impacts relating to a reduction of trips and falls, as well as helping to reduce mould and mildew.

[117] Australian Institute of Health and Welfare: Tovell A, McKenna K & Harrison JE 2018. Electrical injuries: hospitalisations and deaths, 2014–15 and 2015–16. Injury research and statistics series no. 117., 2018, pp. 15.

[118] National Hospital Cost Data Collection, *What is the cost of Australia's emergency care patients?*, accessed 9 July 2019.

[119] National Hospital Cost Data Collection, *What is the cost of Australia's admitted acute care patients?* Accessed 9 July 2019.

[120] enHealth Australia, *Arthropod Pests of Public Health Significance in Australia*, 2012, pp. 4-5.

[121] Service Seeking.com.au, *Cost of mould and mildew removal*, available at https://www.serviceseeking.com.au/blog/cost-mould-mildew-removal/, 2019, accessed 8 July 2019.

[122] World Health Organisation, *WHO guidelines for indoor air quality: dampness and mould*, 2009, p. 67.

[123] Deloitte Access Economics for Asthma Australia and the National Asthma Council Australia, *The Hidden Cost of Asthma*, 2015, p. 26.

[124] Ibid p. 71.

Privacy

Improving privacy in a rental property will allow tenants to feel safe, secure and comfortable in their rental properties, which could increase general wellbeing.

Window coverings may also improve climate control and energy efficiency in rental properties for tenants. They may reduce reliance on owner-provided fixtures such as air conditioning units and lessen wear and tear. Up to 40 per cent of a home's heating energy is lost through windows, therefore window coverings can reduce energy loss, contributing to lower utility bills and improving the overall comfort of the rental property. The amount of energy savings will depend on the type of window covering and will vary according to location and climate. [125]

Kitchen

Ensuring a tenant can cook and store food safely can have positive health and economic impacts relative to having to purchase take-out food regularly.

Option 5 – Minimum Housing Standards for Safety, Security and Functionality Combined with Enhanced Repairs and Maintenance Provisions

Stakeholder	Benefits	Costs
TENANT	• Increased awareness of existing rights and obligations, combined with a streamlined process for ensuring minimum housing standards are complied with, will improve the ability of tenants to uphold their rights ensuring that all tenants can live in housing that is functional, safe and secure. • Reduces fear of retaliatory action from property owners for reporting property issues (further strengthened by Ending Tenancies Fairly options, see Part 2) • May contribute to improved relationships with property owners and managers due to improved understanding of obligations • Reduced risk of bond disputes over repairs and maintenance by allowing additional time to fill out entry condition report • Improved rental satisfaction and experience • Allowing advocates to apply to QCAT will benefit vulnerable tenants who may face barriers to initiating a dispute as well as further reducing fear of retaliatory action (e.g. culturally and linguistically diverse people) • May incur fewer costs to enforce their rights, e.g. less legal or time costs • May reduce disputes with property owners and managers about the quality of their rental property • Statutory time period of 21 days for property owners to rectify substandard properties has a potential to decrease time taken for rectification reducing the time	• Potential for property owners to pass on costs in the form of increased rents (which will increase bonds) if they have been failing to meet their current obligations. • Potential increase difficulty finding low cost housing due to increased rental prices at the lower end of the market • Administrative costs to provide evidence of non-compliance during dispute process • Some property owners may leave the rental market due to perceived increase in regulatory burden (particularly those at providing rental properties at the lower end of the market. However, research suggests this impact is likely to minor as the price of rent is determined by market forces) • Some properties may be removed from market for long periods to undergo major repairs to comply with minimum housing standards which could temporarily constrain the supply of rental properties

[125] Anna Cumming, 'Not just window dressing: High-performance curtains and blinds' *Renew*, 2018, available at https://renew.org.au/renew-magazine/buyers-guides/high-performance-curtains/.

Stakeholder	Benefits	Costs
	tenants are exposed to potential health and safety hazards • Fewer instances of injury, illness and fatalities relating to residential properties that would meet acceptable health and safety standards (e.g. reductions in mould contributing to reductions in respiratory conditions, reduced injuries due to structural damage, less violent and non-violent home invasions due to improved security standards)	

PROPERTY OWNERS	• Avoided cost of major structural damage and/or large-scale repair costs due to earlier identification of repair and maintenance requirements
	• Reduced potential for liability of injury, illness or fatality to occupants of the residential properties that will now meet current legislative requirements
	• Reduction in disputes between tenants and property owners due to clarified understanding of obligations
	• Retention of longer-term tenants encouraged to remain in, and take care of, well maintained property
		• Some owners may incur initial and ongoing costs to comply with minimum standards not currently captured under existing legislative requirements (e.g. lighting and privacy requirements):
		  • Costs to meet new individual minimum housing standard for dwellings that do not currently have window coverings: $17-$50 per window or $96 - $320 for the average home.[126]
		  • The minimum cost of the proposed standard for lighting could be around $12 per room or $108 per dwelling for the average home. [127]
		• Due to increased awareness of minimum housing standards, potential for increased instances of dispute resolution requests from tenants
		• Some owners whose properties do not meet current legislative requirements will incur costs due to increased compliance
		• Non-compliance to minimum housing standards may decrease financial security of owners as tenants may vacate property due to non-compliance or QCAT may order reduced rent

PROPERTY MANAGERS	• Streamlined process for managing minimum housing standards of property portfolio (all minimum housing standards will be captured under the RTRA Act)	• Possible increased administrative workload to manage potential increase in tenant requests for repairs and maintenance

[126] Various suppliers of window covering were used to ascertain a price including:

Bunnings Warehouse website (accessed 01/05/2019): https://www.bunnings.com.au/zone-interiors-150-x-150cm-25mm-pvc-dawn-venetian-blind-ivory_p1260673

Spotlight website (accessed 01/05/2019) : https://www.spotlightstores.com/curtains-blinds/blinds/venetian-blinds/pvc-venetian-blinds/windowshade-25-mm-light-filtering-pvc-venetian-blind--everyday-bargain/80295357

Curtin Wonderland (accessed 01/05/2019): https://www.curtainwonderland.com.au/products/burma-roller-blinds/#

My Blinds Direct (accessed 01/05/2019) https://www.mydirectblinds.com.au/product/127mm-89mm-vertical-blinds/

Kmart (accessed 01/05/2019) https://www.mydirectblinds.com.au/product/127mm-89mm-vertical-blinds/

[127] This calculation doesn't consider hallways or other areas that may need to be lit and assumes that no rooms are currently adequately lit by either natural or artificial light.

Stakeholder	Benefits	Costs
	• Reduction in disputes between tenants and property owners represents time savings • Improved clarity regarding expectations and requirements of minimum housing standards • Improved quality of rental portfolio	
STATE GOVERNMENT	• Reduced impact on health systems due to improved personal health and wellbeing • For State Government owned housing, such as rural health employee housing, there could be similar impacts as those listed under Property Owner	• For State Government owned housing, such as rural health employee housing, there could be similar impacts as those listed under Property Owner • In immediate to short-term, may lead to increase in dispute resolution requests from the RTA and for QCAT (In the long run this may lead to a reduction in disputes resolution requests for QCAT and the RTA between tenants, property owners and managers regarding repairs and maintenance and minimum standards)
SOCIAL HOUSING	• Potential decrease to demand for social housing due to more properties now meeting safety, security and functionality needs • Reduction in disparity between private and social housing standards • Comparative property standards and expectations will ease the transition for customers moving from social housing into the private rental market	• Cost to meet new standard for window coverings for all houses in the social housing portfolio. • Ongoing costs to comply with minimum standards as a property owner • Potential increase to demand for social housing if owner pass on cost of necessary changes and tenants are unable to afford or if owners no longer want to provide rental accommodation.
COMMUNITY	• Weatherproofing such as sealing the building against outdoor elements enhances energy efficiency by minimising the requirements for AC and climate control.[128] This will result in a reduction of greenhouse gas emissions. • Improved community health, safety and wellbeing • Increased work/income for small businesses and tradespersons to be employed for work to make rental properties comply • Social enterprise opportunities for small business • Improved social equality resulting from improved standard in property condition at lower end of the market	

Recommendation: This option is recommended

[128] Spec-Net Building News, *Energy Efficient Waterproofing Systems from Projex Group*, available at https://www.spec-net.com.au/press/1118/pro_071118/Energy-Efficient-Waterproofing-Systems-from-Projex-Group, accessed 8 July 2019.

3.7 Conclusion and recommended option

Option Five prescribing minimum housing standards supported by enhanced repairs and maintenance provisions is recommended.

The introduction of regulations to define Minimum Housing Standards for rental accommodation in Queensland is recommended. Standards will provide for minimum requirements regarding:

- weatherproofing and structural soundness
- plumbing and drainage
- security
- the standard of repair of fixtures and fittings
- control of pests and vermin
- ventilation, lighting and privacy
- cooking and food preparation facilities.

The introduction of these standards will be supported and complemented by a number of changes to the framework for compliance and enforcement, and for repairs and maintenance, as follows:

- the time for the tenant to return a condition report will be extended
- property owners will be required to provide contact details
- the cost of emergency repairs that can be authorised by the tenant will be increased
- property managers can authorise emergency repairs up to a certain cost
- timeframes for repairs and maintenance relating to minimum housing standards will be prescribed
- enforceable QCAT Repair Orders will be introduced.

This option is recommended as it is likely to address tenant's concerns about repairs and maintenance being undertaken in a timely manner to reduce health and safety risks. This will also benefit property owners as it will ensure any damage to their financial investment is mitigated.

Introducing prescribed minimum housing standards, along with a compliance framework, will encourage tenants to report repairs and maintenance issues and will also encourage property owners and managers to undertake repairs and maintenance.

This option is likely to reduce disputes involving repairs and maintenance, achieving long-term efficiencies for RTA and QCAT dispute resolution, however, initially there is potential for a short-term increase in disputes during implementation. Implementation will take place over two years will allow property owners time to absorb any costs they may incur to bring their rental properties to compliance. This option is likely to only create costs for a small number of property owners, as most proposed minimum housing standards clarify existing obligations. The proposed new obligations are generally accepted community expectations of residential dwellings and are likely to be met in most rental stock.

The recommended option may increase costs for some property owners to ensure their rental property complies with the proposed minimum housing standards. A small number of these owners may also be encouraged to improve their compliance with existing regulation in their rental property. Owners may be able to claim some of these costs as tax deductions and may also seek to pass some costs on to tenants through higher rents depending on vacancy rates and competitiveness of the rental market in their region. Owners may choose to absorb these costs to retain good tenants and avoid rent discontinuities and reletting costs.

Overall, it is considered that only a small proportion of the Queensland rental housing stock will be affected by the proposed minimum housing standards reform and it is unlikely that rent, supply or affordability will be substantially impacted. The benefits for tenants of improving housing quality in the rental market is considered to outweigh these costs.

3.8 Implementation, compliance and evaluation strategy for Option Five

3.8.1 Implementation

The *Better Renting Future* reform measures for ensuring rental accommodation quality will be implemented in stages to give the rental sector, particularly property owners and managers, time to prepare for and adjust to the new requirements.

The Minimum Housing Standards reforms will commence no less than two years after the reform legislation is granted assent to allow property owners to make any necessary upgrades to properties to comply with the standards. Other legislative amendments will apply to new tenancies six months after assent, or by a nominated date for pre-existing tenancies.

The Department of Housing and Public Works will work with the Residential Tenancies Authority (RTA) to develop a communication and engagement plan to raise awareness of the *Better Renting Future* initiatives and to enable tenants, property owners and property managers to understand their new rights and responsibilities.

3.8.2 Compliance

Responsibility for compliance and enforcement of the RTRA Act rests with:

- the RTA, which manages rental bonds and provides tenancy information services, dispute resolution services, investigation services, and education services
- the QCAT, which decides disputes between tenants and property owners or rooming accommodation providers related to, among other things, rents, bonds, standard of properties, entry onto properties, park rules, termination of tenancy agreements, and tenancy databases.

The RTA and QCAT will continue to undertake these responsibilities for proposed tenancy law reforms and the sector will be supported with information and education to understand their changed obligations and rights.

3.8.3 Evaluation

The *Better Renting Future* reform package will be reviewed as an integrated part of the RTRA Act at an appropriate time in the future to ensure that the reform measures are achieving the desired outcomes for the Queensland community.

This review will be supported through data collected by the Department of Housing and Public Works, the RTA and QCAT, as well as other relevant government agencies.

Further consultation will be undertaken to gauge the experiences of tenants, property owners, property managers, peak organisations, and other members of the Queensland community, as the *Better Renting Future* reforms are implemented.

This information will be subject to comparative analysis with baseline information collected in advance of implementation, including the views expressed in the 2018 *Open Doors to Renting Reform* consultation, the submissions and comments received in the response to this Consultation RIS, and evidence provided during Parliamentary Committee consideration of the amending legislation.

3.9 Questions

Questions about ensuring rental accommodation quality

- Do you agree with the recommended option, Enhanced Regulation (Option 3)?
- If you do not agree with the recommended option, what alternative option do you prefer?
- Would prescribing minimum housing standards result in increased costs being incurred by, or passed onto tenants?
- Would prescribing minimum housing standards result in increased costs being incurred by, or passed onto property owners?
- How would the introduction of the minimum housing standards affect an owner's decision to invest in or continue to hold residential rental property?
- Are there any unforeseen costs or unforeseen significant impacts of prescribing minimum housing standards?
- Are there any other issues about minimum housing standards which have not been addressed?
- Are there any elements of the recommended option that may need to be modified, or issues considered, for owner-occupied moveable dwellings on rental sites or rooming accommodation with shared facilities?

Domestic and family violence protections

Consultation Regulatory Impact Statement

Review of the *Residential Tenancies and Rooming Accommodation Act 2008*

Stage 1 Reforms



Part 4 – Domestic and family violence protections

4.1 Introduction

Everyone has the right to feel safe and live their life free of violence, abuse or intimidation. The Queensland Government is committed to reducing the rate of domestic and family violence (DFV) and is progressing the recommendations from the *Not Now, Not Ever: Putting an End to Domestic and Family Violence in Queensland* report.[129]

The Queensland Government recognises the importance of safe and secure housing and is looking at ways to strengthen tenancy laws to support people experiencing DFV while ensuring that appropriate safeguards are in place to prevent owners from unreasonably bearing the costs of DFV occurring in their property.

Domestic and family violence

occurs when one person in an intimate personal, family or informal carer relationship uses violence or abuse to maintain power and control over the other person.

Broadly, under Queensland law, it includes behaviour that is physically, sexually, emotionally, psychologically or economically abusive, threatening, coercive or aimed at controlling or dominating another person through fear. The violence or abuse can take many forms ranging from physical, emotional and sexual assault through to financial control, isolation from family and friends, threats of self-harm or harm to pets or loved ones, constant monitoring of whereabouts or stalking.

Despite increasing awareness of DFV, prevalence rates remain high. Due to the private nature of the relationships within which this type of violence occurs, many cases of DFV go unreported.[130] Nationally, one woman is killed every nine days and one man is killed every 29 days by a partner,[131] while one in six women and one in 19 men in Australia have experienced physical or sexual violence from a current or previous cohabitating partner.[132]

Deciding to leave an abusive relationship is often a very difficult choice to make. There can be many obstacles to a person safely exiting the relationship, including: fear for safety, isolation from others, pressures about children, promises made by a partner, pressures from religious or cultural communities, pressure from family or friends, financial pressures, and legal issues.[133]

[129] Available at: https://www.csyw.qld.gov.au/campaign/end-domestic-family-violence/about/not-now-not-ever-report, 2015.
[130] Janet Phillips and Penny Vandenbroek, *Domestic, family and sexual violence in Australia: an overview of the issues*, available at https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1415/ViolenceAust, Parliament of Australia, 2011, accessed 18 July 2019.

[131] Australian Institute of Health and Welfare, *Family, domestic and sexual violence in Australia: continuing the national story,* available at https://www.aihw.gov.au/reports/domestic-violence/family-domestic-sexual-violence-australia-2019/contents/table-of-contents, 2019, p. x.
[132] Queensland Government, *Domestic and Family Violence Prevention Strategy 2016-2026*, available at: https://www.csyw.qld.gov.au/resources/campaign/end-violence/dfv-prevention-strategy.pdf, 2016, p. 2.
[133] Domestic Violence Prevention Centre Gold Coast Inc, *Barriers to leaving an abusive relationship,* available at http://www.domesticviolence.com.au/pages/barriers-to-leaving-an-abusive-relationship.php, 2019, accessed 18 July 2019.

Housing is critical for people experiencing DFV. In a study on women's economic wellbeing both during and preceding DFV, women indicated that their biggest concern following separation was finding safe, affordable and suitable housing.[134]

People forced to leave their homes due to DFV can have trouble securing long-term accommodation. One study indicated that 60 per cent of women who had separated from their partners reported experiencing housing stress post-separation and around one in five women return to violent partners because they have no financial support, or nowhere else to go.[135]

DFV increases vulnerability to homelessness and has consistently been one of the main reasons people have pursued assistance from specialist homelessness agencies.[136] In 2017-18, the Department of Housing and Public Works[137] received about 1,053 applications (including transfers) for social housing because of DFV. The total number of households assisted (including transfers) in the same period was 1,058. In 2017-18, approximately 1,903 or almost 10 per cent of all bond loans were issued to people who were affected by DFV. About 1,769 people experiencing DFV received a rental grant and 1,338 clients experiencing DFV accessed the Rent Connect Service.

Tenants experiencing or escaping DFV face additional burdens that can make it difficult to leave a rental property or make a current rental property safe.

Queensland's *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act) provides some protections for people experiencing DFV. This applies to people living in a domestic relationship, which could be a relationship with a spouse (including a de-facto), a dating partner, an informal carer or family members. The options available under the RTRA Act depend on whether the affected person wants to stay or leave, and whether the person is a named tenant on the tenancy agreement or an approved occupant. A person who is not named on the tenancy agreement can leave quickly without needing to end the agreement.

A named tenant on the tenancy agreement must take steps to formally end the tenancy, including lodging an application with the Queensland Civil and Administrative Tribunal (QCAT). This is further complicated if the person experiencing DFV wants to terminate a tenancy and there are co-tenants who may want to stay in the property, or the person leaving needs to access a share of the rental bond quickly.

Tenancy reform could increase safety for people experiencing DFV, prevent further violence, and reduce homelessness while providing sufficient safeguards for property owners.

[134] Janet Phillips and Penny Vandenbroek, *Domestic, family and sexual violence in Australia: an overview of the issues*, available at https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1415/ViolenceAust, Parliament of Australia, 2011, accessed 18 July 2019.

[135] Australia's National Research Organisation for Women's Safety, *Domestic and family violence, housing insecurity and homelessness: Research synthesis,* available at https://apo.org.au/sites/default/files/resource-files/2019/03/apo-nid226421-1346101.pdf, ANROWS Insights, 2019, p.4.

[136] Australian Institute of Health and Welfare, *Specialist Homelessness Services 2015-2016*, available at https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-2015-16/contents/client-groups-of-interest/clients-who-have-experienced-domestic-and-family-violence, Australian Government, 2016, p.35.

[137] These statistics are taken from data held by the Department of Housing and Public Works.

4.2 What we heard through consultation

During the Open Doors to Renting Reform consultation in 2018, the theme 'Better Protections' included the topic of DFV. While this topic was not discussed in extensive detail, respondents were generally in agreement about the importance of the safety and security of vulnerable Queenslanders.

Overall, 82 per cent of respondents to a snap poll regarding DFV agreed that tenants should be able to end their tenancy obligations at short notice, without going to QCAT, if sufficient evidence was provided.[138] Tenants who offered insights into their personal experiences of vulnerability expressed disappointment with how their personal situations were acknowledged and accommodated in the rental market.

Property owners had more mixed responses. The most common opinion from property owners was that they should not be financially disadvantaged or burdened by supporting tenants experiencing DFV.[139] While most comments from property owners acknowledged the seriousness of DFV, many suggested that a centralised government fund should be created to assist people experiencing DFV.[140] Property owners also noted existing RTRA Act provisions for both excessive hardship (section 310) and tenant replacement (sections 243 to 246) should a person experiencing DFV need to leave a tenancy.

Peak bodies such as Tenants Queensland suggested that tenants who hold a relevant DFV order and need to leave their tenancy for safety reasons should be entitled to vacate by issuing the relevant notice, without being required to compensate the property owner.[141] The Women's Legal Service Queensland[142] provided several recommendations to promote safety and housing stability for people experiencing domestic and family violence. These included specific grounds to:

- end tenancies in cases of DFV without penalties
- allow a person experiencing DFV who wants to remain in the rental property to be named as the tenant and to remove the name of the perpetrator from the lease without needing a QCAT order.

Further suggestions included supporting the person to remain in the rental property through the introduction of specific grounds for changing locks where DFV is present without needing to obtain prior consent or a QCAT order, and improved protections for tenants from liability for costs of repairing damage caused as a result of DFV.[143]

4.3 Problem identification

DFV is the main reason women and children leave their homes in Australia. More than 50 per cent of women who permanently left a previous violent partner reported that they, and not their partner, moved out of the home they shared.[144]

People experiencing DFV are often at their most vulnerable when they attempt to leave. Existing tenancy protections do not support people experiencing DFV to leave quickly and safely as they rely on third party intervention either through QCAT or property managers and owners. Existing processes may also signal to the perpetrator that the person experiencing DFV intends to leave. This may place the person experiencing DFV at a higher risk of further violence, discourage them from leaving, or lead them to abandon the tenancy.

Under current tenancy legislation, a person experiencing DFV may not be able to end a tenancy agreement in a timely way and may be subject to financial disadvantage through ongoing rent obligations and an

[138] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p.26.
[139] Ibid, p.26.
[140] Ibid, p.26.
[141] Ibid, p.110.
[142] Women's Legal Service Queensland, *Open Doors to Renting Reform Consultation - Submission to the Department of Housing and Public Works By Women's Legal Service Queensland*, 2018, pp. 2-3.
[143] Ibid, p.3.
[144] Australia's National Research Organisation for Women's Safety, Domestic and family violence, housing insecurity and homelessness: Research synthesis, available at https://apo.org.au/sites/default/files/resource-files/2019/03/apo-nid226421-1346101.pdf, ANROWS Insights, 2019, p.1.

inability to access bond funds. For example, under current arrangements a person experiencing DFV may have to lodge an application with QCAT to:

- end a tenancy agreement
- remove the name of a perpetrator who is a co-tenant from a tenancy agreement
- be listed as the tenant on a tenancy agreement
- prevent their personal information from being listed on a tenancy database where a breach of a tenancy agreement resulted from the actions of a perpetrator.

The current average waiting time to have an urgent application heard at QCAT is three weeks.[145] It costs approximately $26.95[146] to have a residential tenancy matter heard at QCAT. During this waiting period, a person experiencing DFV may be at risk of harm if they remain in a rental property until an application is heard.

A person experiencing DFV may need to leave a rental property quickly, which could result in abandonment of the lease and liability for tenancy costs such as:

- unpaid rent
- property damage (even if the damage has been caused by the perpetrator)
- break lease costs
- reletting fees
- abandoned goods charges.

These financial liabilities make finding new affordable accommodation difficult. Abandoning the lease may also result in an adverse listing on residential tenancy databases, which can further affect a person's ability to secure rental housing.

Obtaining their share of rental bond quickly can be essential in accessing new accommodation for people experiencing DFV. However, the RTRA Act currently prevents the RTA from refunding bonds before a tenancy has ended and requires the RTA to inform any bond contributors of claims against the bond. Any bond contributors may also challenge a claim against the bond.

People experiencing DFV may have difficulties getting their bond returned because they are unable or unwilling to contact the accused perpetrator to finalise the required paperwork, or have concerns about the release of personal information, such as their new address.

Delays may be extended when there is a dispute between parties as to how the rental bond should be refunded. The RTA is unable to release the full bond until the 14-day Notice of Claim period expires, the parties reach agreement, or there is a QCAT order.

[145] Queensland Civil and Administrative Tribunal, *Timeframes*, available at https://www.qcat.qld.gov.au/applications/timeframes, accessed on 17 July 2019.

[146] Queensland Civil and Administrative Tribunal, *Matter type: Residential tenancy*, available at https://www.qcat.qld.gov.au/applications/fees-and-allowances, accessed on 21 August 2019.

4.4 Government objectives

Government objectives for proposed tenancy reforms are to:

- support enforcement of existing tenancy rights
- ensure rental accommodation is safe, secure and functional
- improve liveability of rental accommodation
- ensure tenancy laws protect vulnerable people in the rental market.

Policy objectives for the proposed tenancy reforms:

- strengthened tenancy laws that include additional protections that support people escape DFV quickly and safely.
- appropriate safeguards to prevent owners from unreasonably bearing the costs of DFV occurring in their rental property.

This aligns with the Supporting Families, Changing Futures program and key outcomes of the *Domestic and Family Violence Prevention Strategy 2016-2020*.

4.5 Options

Option 1.	Status Quo
Option 2.	Communication and Education Campaign
Option 3.	Improve tenancy law protections for people experiencing DFV: - End tenancies quickly - Access part rental bonds - Install safety and security measures

Option 1 – Status quo

The current provisions in the RTRA Act for tenants experiencing DFV would be maintained.

A tenant wishing to end their tenancy would need a QCAT order. If they cannot wait for the QCAT process to be completed, they could abandon the property and incur liabilities for unmet tenancy costs.

Property owners would either pursue outstanding costs through dispute resolution mechanisms from the person experiencing DFV or any remaining tenants on the tenancy agreement, including the perpetrator, if they can contact them. Alternatively, the property owner could lodge an insurance claim, leading to an increase in their insurance excess. A property owner could also pursue recovery of damages civilly through QCAT against any person named in the tenancy agreement.

Tenants ending their tenancies on DFV grounds could only access their bond contribution early if all parties to the tenancy agreement (including the DFV perpetrator if they are a named party) agree or if they get a QCAT order for their bond contribution to be released.

If the person/s experiencing DFV wishes to stay in the property, they would require property owner consent or a QCAT order to change the locks or install security measures.

Option 2 – Communication and Education Campaign

The RTA could implement a communication and education campaign using existing channels to ensure tenants, property owners and property managers better understand their current rights and obligations if a tenant is experiencing DFV. This could be implemented in partnership with key industry and advocacy groups in the tenancy and DFV sectors.

The campaign could build on the 2018 *"Domestic and Family Violence - Strengthening the Real Estate Agent Response"* toolkit. This toolkit was developed through a partnership between the RTA, Queensland Shelter (QShelter) and the Real Estate Institute of Queensland (REIQ) and the Queensland and Commonwealth Governments. The toolkit, which was supported by education workshops, aims to increase awareness about DFV, provides best practice tools for property managers and makes suggestions about to appropriately communication a DFV situation to a property owner.

Option 3 – Improve tenancy law protections for people experiencing DFV

Tenancy law protections for people experiencing DFV would be improved to support them to end tenancies quickly and safely, limit their liability for end of tenancy costs, streamline access to their bond contribution, and more easily install safety and security measures:

Option 3.1 – Ending tenancies quickly

A tenant experiencing DFV could end their obligations under a tenancy agreement by giving the property owner or manager at least seven days' notice of their intention to leave. The tenant could leave immediately and their liability for rent would be limited to the end of this notice period. They would not be responsible for lost rent, advertising or reletting fees, or costs of disposing abandoned goods.

The tenant will be required to provide evidence that they are experiencing or have experienced DFV during the tenancy to access the protection by allowing the property owner or manager to sight or giving them a copy of one of the following documents:

- Protection Order or Temporary Protection Order
- Police Protection Order
- A letter or other document from an authorised professional certifying that the tenant has experienced DFV during the tenancy.

The tenant could also meet this evidence requirement by having an authorised professional sign a certification statement on the DFV *Notice of intention to Leave* form. This statement would not detail the DFV but would include a declaration that the information is true and correct to the best of their knowledge and that they are an authorised professional. An authorised professional could be a:

- doctor
- social worker
- refuge or crisis worker
- DFV worker or case manager, or
- Aboriginal and Torres Strait Islander medical service worker.

The DFV *Notice of intention to leave* form would not require forwarding address information and the property owner/manager would not be permitted to require or disclose forwarding address information from the tenant/s experiencing DFV.

To ensure the tenant's privacy and confidentiality is protected, the property owner or manager would incur a penalty if they:

- disclose information about the DFV to another person except in accordance with the RTRA Act or other applicable law
- fail to securely store and handle any DFV information that is given to them.

The property owner/manager could make an urgent application to QCAT to review whether the DFV notice has been validly given by the tenant experiencing DFV.

Co-tenants

Where the person experiencing DFV is a sole tenant the tenancy would end after the required notice period. Where there are co-tenants the tenancy would not immediately cease.

On receiving the notice of intention to leave from the tenant vacating on DFV grounds, the property owner or manager would need to:

- advise the tenant vacating on DFV grounds that all remaining co-tenants named on the tenancy agreement will be provided with notice that the tenant is vacating, either at the expiry of the required 7 day notice period or on the date specified by the vacating tenant
- at the end of the specified time period, provide notice to any remaining co-tenant that they will have 7 days to decide if they want to continue the tenancy agreement.

If a co-tenant named on the tenancy agreement wants to stay the tenancy will continue.

If a co-tenant decides to leave they:

- must give the lessor 21 days notice
- will be responsible for paying rent until the 21 day notice period expires
- cannot be charged break lease fees (such as lost rent, advertising or reletting fees) as the tenancy will have ended in accordance with approved grounds.

Option 3.2 Access to part rental bonds

Tenants who end their tenancy on DFV grounds by providing a valid DFV notice of intention to leave can apply to the RTA to have their rental bond contribution refunded.

The RTA could refund the bond contribution with the property owner's agreement but without requiring other bond contributor's agreement. To ensure the bond is paid into the bank account of the tenant vacating on DFV grounds, the *DFV Notice of Intention to leave* form would require updated bank account information for the tenant vacating on DFV grounds.

If a property owner disputes the bond refund claim, the tenant vacating on DFV grounds can apply to QCAT to request an order for the payment (or part payment) of their bond contribution amount.

QCAT can determine the rights and liabilities of all tenants and the property owner. A tenant vacating on DFV grounds would not be liable for property damage or rent arrears during the tenancy caused by acts of DFV against them. Co-tenants could apply to QCAT to determine the rights and liabilities of the parties against the bond held, including any evidence about:

- property condition
- the cause of damage or arrears during the tenancy, and
- connection to any acts of DFV against the tenant vacating on DFV grounds.

The property owner or manager can request that co-tenants who choose to continue the tenancy top-up the rental bond to the full amount required under the RTRA Act. This will ensure the bond value is maintained if the vacating tenant's bond contribution is refunded.

If the remaining co-tenants refuse or are unable to pay the bond top-up, the property owner or manager could issue a notice to remedy breach.

Option 3.3 Safety and security

A tenant experiencing DFV could change the locks to their rental property without seeking approval from the property owner or manager. The tenant would be:

- responsible for all costs involved with changing the locks
- required to provide the property owner a new key or access code within seven (7) days unless there is a reasonable excuse not to. For example, where giving the new key or access code to the property owner would expose the tenant to risk of DFV.
- responsible for ensuring the locks comply with relevant body corporate by-laws.

The property owner or manager could not give a copy of the key to anyone unless the tenant instructs them in writing to do so.

A tenant experiencing DFV could also install security measures to their rental property without approval from the property owner or manager. Tenants would:

- need to inform the property owner or manager about the security upgrades before or as soon as practicable after they are made
- need to ensure the upgrades are installed by a qualified tradesperson where required or appropriate
- be responsible for paying all costs in relation to the security upgrades
- need to ensure that the upgrades comply with relevant body corporate by-laws.

The property owner would have the right to ask tenants to restore the property to original condition at the end of the tenancy.

These safety and security measures are part of the proposed minor modification reforms. For further discussion see Part 5 – Minor Modifications.

4.6 Impact analysis

Option 1 – Status quo

Requiring a person experiencing DFV to apply to QCAT, when a written agreement cannot be reached with a property owner to end their tenancy, places unnecessary and undue stress on the person experiencing DFV and their families.

A person experiencing DFV is required to apply to QCAT to terminate tenancy and incur an application fee of $26.35.[147] They may also remain liable for tenancy related expenses for the property they have vacated and any new property they have secured. These expenses will vary depending on each circumstance, including the remaining term of the tenancy, time taken to re-let the vacated property, and QCAT wait times.

Current QCAT wait times in Brisbane are estimated to be up to three weeks for an urgent application and 12 weeks for non-urgent applications (regional wait times differ). [148]

[147] Queensland Civil and Administrative Tribunal, *Fees and allowances,* available at https://www.qcat.qld.gov.au/applications/fees-and-allowances, 2019, accessed 27 June 2019.

[148] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p. 26.

These wait times do not meet the needs of people experiencing DFV who often require immediate action to ensure their safety. Where people experiencing DFV are unable to immediately action safety and security measures, flee, or have the perpetrator removed, there are risks to their safety that could lead to further acts of DFV. Threats to people experiencing DFV will often mean that they are forced to leave their homes, in many cases without a new home to go to.[149]

Property owner or managers may also be more likely to experience abandoned properties and delays to relet their property. The process for the property owner or manager to form a reasonable view that a property is abandoned are:

- after seven (7) days of unpaid rent a seven (7) day notice to remedy breach may be issued
- after the breach notice period has lapsed, a seven (7) day abandonment termination notice may be issued.[150]

The property owner is without rent for three (3) weeks at a minimum to follow this process. The property then will have to be returned to a rentable standard and new tenants found. Delays in ending a tenancy where DFV is occurring prolongs the risk of DFV related damage being caused to the property.

Option 1 - Status quo

Stakeholder	Issues
TENANT	• Injuries (and fatalities) where people experiencing DFV are unable to immediately action safety and security measures, flee or have the perpetrator removed. • Person experiencing DFV may remain liable for tenancy related expenses and must apply to QCAT to terminate tenancy, incurring application fee of $26.35[151] • Potential expense of two rental payments when moving between properties because of DFV: - Median weekly rent range for QLD: $370[152] x 2 = $740.00 per week in rental payments. - Rental bond liability depends on the price of the rental. If the rent is $700 or less per week, the maximum bond amount is 4 weeks rent: $370 x 4 = $1480[153]. • People experiencing DFV have high levels of emotional stress and anxiety relative to other cohorts due to current tenancy law requirements when experiencing DFV [154] • People experiencing DFV have increased cost-of-living (relative to other cohorts) caused by forced moves and disruption to community and support networks[155] • Currently tenants experiencing DFV remain at risk of tenancy database listings further exacerbating vulnerability status.

[149] Mission Australia, *5 facts you didn't know about homelessness*, available at https://www.missionaustralia.com.au/news-blog/news-media/5-facts-about-homelessness, 2018, accessed 28 June 2019.

[150] Residential Tenancies Authority, *Abandoned premises fact sheet,* available at https://www.rta.qld.gov.au/Forms-and-publications/Fact-sheets/General-tenancy-fact-sheets/Abandoned-premises-fact-sheet, accessed 27 June 2019.

[151] Queensland Civil and Administrative Tribunal, *Fees and allowances,* available at https://www.qcat.qld.gov.au/applications/fees-and-allowances, 2019, accessed 27 June 2019.

[152] Residential Tenancies Authority, *Data from 1 Jan 2019 to 31 March 2019 provided to Department of Housing and Public Works 2 May 2019,* 2019.

[153] If the weekly rent is higher than $700, the amount of bond should be negotiated between the property manager/owner and tenant. The law gives no maximum amount where the weekly rent is higher than $700.

[154] Tenants' Union of New South Wales & Marrickville Legal Centre, *Lives turned Upside Down – NSW renters' experience of 'no grounds' evictions*, available at https://files.tenants.org.au/policy/2019-Lives-turned-upside-down.pdf, 2019, pp.5, 16 and 18; Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, pp.14.

[155] Tenants' Union of New South Wales & Marrickville Legal Centre, *Lives turned Upside Down – NSW renters' experience of 'no grounds' evictions*, available at https://files.tenants.org.au/policy/2019-Lives-turned-upside-down.pdf, 2019, pp.14; Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, pp.4 and 13;
Australian Federal Government: Department of the Prime Minister and Cabinet, *Reform of the Federation White Paper: Roles and Responsibilities in Housing and Homelessness – Issues Paper 2*, accessed at https://apo.org.au/sites/default/files/resource-files/2014/12/apo-nid56122-1161406.pdf, 2014, p.1.

Stakeholder	Issues
PROPERTY OWNER	**Approximate reletting costs and vacancy period where QCAT order that the tenancy be terminated:** • Loss of rent while vacant: Calculated based on $370.00 per week (median rent per week in QLD) and based on the average days vacant for a unit, being 26 days[156] (26.1 days for houses in Brisbane) =$1374.28[157] **Approximate reletting costs and vacancy period where a tenant abandons the rental property:** • Loss of rent while forming reasonable view that property is abandoned 3 weeks x $370.00[158] = **$1,110** • Loss of rent while vacant: Calculated based on $370.00[159] per week (median rent per week in QLD) and based on the average days vacant for a unit, being 26 days[160] (26.1 days for houses in Brisbane) = **$1,374.28** • Total estimated cost to property owner in lost rent = **$2,484.28** Average days vacant will vary between regional areas and is also dependant on whether the property is a house or unit
PROPERTY MANAGER	• The abandoned property process is prolonged. • Potential risks of managing difficult relationships during the tenancy incurring greater time costs to manage the tenancy.
STATE GOVERNMENT	• Continued demand for QCAT services to resolve DFV related tenancy disputes. • Will not meet Government action plans or priorities
SOCIAL HOUSING	• Tenants unable to fund dual rent may require low cost housing options funded by the Government or experience homelessness • Around 12% of new social housing applications received in 2018/19 were in the DFV cohort. • Between 2014-15 and 2018-19 the number of new applicants who were single parents in the DFV cohort seeking housing increased by around 1,500. • Between 2014-15 and 2018-19 new female applicants in the DFV cohort seeking housing increased by around 2,200 • As at 31 July 2019, there were around 2,500 DFV applications and DFV transfer applications for social housing[161] • Existing economic barriers to ending tenancies place a continued strain on DHPW through requests for and ongoing occupation of social housing
COMMUNITY	• DFV is estimated to cost the Queensland economy $2.7 billion to $3.2 billion annually.[162] • Nationally, an estimated 42% of people seeking homelessness support services were experiencing domestic violence.

Recommendation: This option is not recommended.

[156] Rent.com.au, *Quarterly Snapshot*, available at https://www.rent.com.au/blog/rental-snapshot-q2-2018, accessed 11 July 2019

[157] Average days vacant will vary between regional areas and is also dependant on whether the property is a house or unit.

[158] Residential Tenancies Authority, *Data from 1 Jan 2019 to 31 March 2019 provided to Department of Housing and Public Works 2 May 2019,* 2019.

[159] Residential Tenancies Authority, *Data from 1 Jan 2019 to 31 March 2019 provided to Department of Housing and Public Works 2 May 2019,* 2019.

[160] Rent.com.au, *Quarterly Snapshot*, available at https://www.rent.com.au/blog/rental-snapshot-q2-2018, accessed 11 July 2019

[161] Department of Housing and Public Works data, accessed August 2019.

[162] Queensland Government, *Not now, not ever,* available at https://www.csyw.qld.gov.au/resources/campaign/end-violence/about/special-taskforce/dfv-report-vol-one.pdf, accessed 15 July 2019

Option 2 – Communication and Education

The communication and education campaign would educate and inform the sector about DFV and options to respond to DFV during a tenancy. This would be a low-cost option given the RTA and other organisations are taking steps to educate the sector about DFV and its effects on tenancy relationships.

Existing financial barriers for people experiencing DFV will not be reduced and the safety of people experiencing DFV will not be improved under this option.

Education and community engagement alone will not eradicate the broader and more complex housing issues that stem from DFV. It should support any changes to improve tenancy law protections for people experiencing DFV.

Option 2 - Communication and Education Campaign

Stakeholder	Benefits	Costs
TENANT	• People experiencing DFV will have an improved understanding of their rights and obligations.	• Nil anticipated
PROPERTY OWNER	• Increased awareness of rights and obligations may improve tenancy management practices • Disputes may be reduced reduce due to improved awareness	• Nil anticipated
PROPERTY MANAGER	• Increased awareness of rights and obligations may improve tenancy management practices • Disputes may be reduced reduce due to improved awareness	• Nil anticipated
STATE GOVERNMENT	• Greater awareness of rights and obligations of all parties may reduce service requirements for RTA in the long term	• Minor costs involved for RTA in developing materials and publishing information • May lead to an increase in customer contact for RTA service delivery staff in the short-term • Greater education and communication may lead to more people experiencing DFV exercising their rights through QCAT
SOCIAL HOUSING	• Nil anticipated	• Nil anticipated
COMMUNITY	• Nil anticipated	• Nil anticipated

Recommendation: This option is recommended to support any changes and/or existing provisions to improve tenancy law protections for people experiencing DFV.

Option 3 – Improve tenancy law protections for people experiencing DFV

Option 3.1 Ending tenancies fairly

Tenants experiencing DFV will be able to end their tenancy directly with a property owner or manager by providing supporting evidence so they can vacate immediately, limiting their financial obligation to one week's rent from the date of notification.

Where the person vacating on DFV grounds is the sole tenant this option will be quicker than the current process of either a QCAT hearing or abandonment. The time a property would be vacant and the property owner without rental income would be reduced from the current minimum three (3) weeks to one (1) week. This may also limit the potential for DFV related damage to the property.

Where there are co-tenants, the property owner or manager will be able to confirm intentions of the remaining co-tenants and their liabilities and obligations to help clarify rights and obligations and more clearly assign risks to provide more investment certainty. Requiring remaining co-tenants to provide 21 days notice of their intention to vacate will provide the property owner or manager time to relet the property while still receiving rental income.

The proposed changes in this option seek to fairly balance the need for tenants experiencing DFV to end their tenancies quickly and safely, efficiently manage co-tenant occupancy issues and give financial certainty to property owners so property damage issues can be mitigated and property can be re-let when necessary as soon as practicable.

Any changes to the tenancy structure could place property owners at greater financial risk where the number of accountable rent paying tenants decreases. The risks of lost rent and property damage versus the personal safety cost for a person experiencing DFV if barriers prevent them from leaving an unsafe environment were weighed up as part of this process. These proposed changes are expected to reduce incidence of tenancy abandonment.

Option 3.2 Simpler access to rental bonds

This option would ensure that people experiencing DFV receive faster and improved access to their rental bond contributions to assist them to secure alternative accommodation and are not financially responsible for damage or arrears caused by acts DFV against them.

QCAT consideration will be required to determine the rights and liabilities of all parties to the tenancy against the vacating tenants bond contribution if the parties are unable to reach agreement themselves.

The property owner will be able to claim against the bond contribution for damage or arrears, pursue compensation for amounts that exceed the bond held for the rental property, and can ask the remaining tenants for bond top-ups. Property owners will also have more certainty about the liability and rights of the parties where DFV has occurred during the tenancy under this option.

Option 3.3 Safety and security

Allowing a person experiencing DFV to make minor modifications to improve the safety and security of their home could reduce the risk to the person and their family of injury or death. Security upgrades and change of locks will help tenancies to continue, which means people experiencing DFV are safe in their homes, property owner/managers continue to collect rent and there is less risk of property damage due to DFV.

Owners will not bear the costs of minor safety and security modifications and can agree to retain these upgrades at the end of the tenancy, which can add value to their property.

Summary of Option 3 Impacts

This option has clear benefits for tenants experiencing DFV, property owners and managers and the community.

Allowing tenants experiencing DFV to end their tenancy quickly and safely, change locks and install security measures and access their bond contribution will allow them to efficiently access secure and safe housing. This reduces their risk of homelessness, risk injury or death from DFV and risk of returning to the perpetrator.

There are also clear immediate financial benefits for tenants DFV to end their tenancy by providing their property owner or manager with seven (7) days notice.

The improved protections for tenants experiencing DFV in this option will equate to social benefits through potential reduction in police callouts for DFV complaints, hospitalisations and demand for homelessness services and social housing as barriers for people experiencing DFV to leave will be reduced.

While over 90% of people experiencing DFV never contact police, in 2017 more than 40% of all assaults recorded by police were related to DFV at a national level, [163] with an estimated 12,000 DFV related assaults reported to police in Queensland in 2018.[164]

In 2017–18, there were 121,000 people nationally who sought assistance from specialist homelessness services who had experienced DFV (94,100 females and 27,000 males). [165]

It is difficult to estimate the cost of health care for DFV as it often goes unreported however the Department of Social Services has calculated $1,154 in health costs can be avoided for every person who avoids DFV as a result of the national DFV strategy.[166]

Option 3 - Strengthen tenancy laws to include additional protections that support people to escape DFV

Stakeholder	Benefits	Costs
TENANT	**Benefits relating to avoided financial costs for a person experiencing DFV**: • Reduces financial obligation to the tenancy from a minimum of 3 weeks (QCAT wait time) or the length of the tenancy down to one (1) week. Potential avoided cost equivalent to an average of $740.00 (2 weeks rent at the Qld median weekly rent of $370)[167] • avoid QCAT application fee $26.35 for order to terminate tenancy[168] • streamlines access to bond refund. **Health, Social and well-being benefits for a person experiencing DFV:** • Allows people experiencing DFV to end a tenancy quickly and legally with owner/manager directly • Immediately able to action safety and security measures or leave to reduce risk of further DFV • Reduces need for contact or risk of confrontation with perpetrator. • Reduction of emotional stress and anxiety.	• Installation costs for security upgrades and change locks. • Co-tenants may be required to top up bond • Tenants may incur time, financial and administrative costs to gather evidence to substantiate the DFV claim.

[163] Australian Institute of Health and Welfare, *Family, domestic and sexual violence in Australia: continuing the national story 2019,* available at https://www.aihw.gov.au/getmedia/b0037b2d-a651-4abf-9f7b-00a85e3de528/aihw-fdv3-FDSV-in-Australia-2019.pdf.aspx?inline=true

[164] Queensland Police, *Queensland crime statistics*, available at https://mypolice.qld.gov.au/queensland-crime-statistics/

[165] Australian Institute of Health and Welfare, *Family, domestic and sexual violence in Australia: continuing the national story 2019,* available at https://www.aihw.gov.au/getmedia/b0037b2d-a651-4abf-9f7b-00a85e3de528/aihw-fdv3-FDSV-in-Australia-2019.pdf.aspx?inline=true

[166] Australian Government, Department of Social Services, *Economic cost of violence against women and their children*, available at https://www.dss.gov.au/our-responsibilities/women/publications-articles/reducing-violence/national-plan-to-reduce-violence-against-women-and-their-children/economic-cost-of-violence-against-women-and-their-children?HTML#health

[167] Residential Tenancies Authority, *Data from 1 Jan 2019 to 31 March 2019 provided to Department of Housing and Public Works 2 May 2019,* 2019.

[168] Queensland Civil and Administrative Tribunal, *Fees and allowances,* available at https://www.qcat.qld.gov.au/applications/fees-and-allowances, 2019, accessed 27 June 2019.

Stakeholder	Benefits	Costs
	• Risk of tenancy database listings reduced • Reduced risk of homelessness and/or need for social housing.	
PROPERTY OWNER	• Streamlining the process to end tenancies quickly and efficiently will improve protections against tenancy abandonment costs and potential DFV related property damage. • Owners can choose to have the tenants not remove the security additions, resulting in property improvements. • Elimination of property management representation fees due to removal of QCAT process. • More efficient processes, clearer rights and obligations and assignment of risks will improve investment certainty.	• If there are no co-tenants the property owner may only receive 7 days notice before having a vacant property, relative to the status quo this could be a potential loss of two or more weeks rent plus early reletting costs (cost equivalent to an average of $740.00 - 2 weeks rent at the Qld median weekly rent of $370)[169] • Potential reduction of financial security where part bond is paid out by a QCAT order and remaining co-tenants are not able to top up bond • Greater financial risk where the number of tenants decreases.
PROPERTY MANAGER	• Time saving resulting from removal of the approval process for security upgrades and lock changes. • Time saving of abandonment determination process where tenants end tenancy on DFV grounds where they would previously abandon property.	• Reduced financial income from management representation fees due to removal of QCAT process • Will be responsible for sighting the DFV evidence report and comply with obligations to keep that information safe. • Will have new responsibility to inform remaining co-tenants of person experiencing DFV's intent to leave. • May increase risks for property managers in dealing with potentially violent co-tenants.
STATE GOVERNMENT	• Tenancy reforms will help meet initiatives designed to reduce DFV in Queensland. • Reduction in QCAT hearings in relation to termination of tenancy due to DFV. • Reduction in health care costs relating to DFV as a result of people having improved safety[170] • Contributes to Government action plans and priorities. • Potential reduction in police call outs if people are more empowered to leave DFV situations.	• Increase in dispute resolution requests due to partial bond payment requests from DFV grounds
SOCIAL HOUSING	• Decrease in bond loan applications as bond will be made more accessible for people experiencing DFV. • There may be less demand on social and community housing if people experiencing DFV are supported to remain in their own homes, or are able to access other private rental accommodation.	

[169] Residential Tenancies Authority, *Data from 1 Jan 2019 to 31 March 2019 provided to Department of Housing and Public Works 2 May 2019,* 2019.

[170] Australian Institute of Health and Welfare, *Family, domestic and sexual violence in Australia: continuing the national story,* available at https://www.aihw.gov.au/getmedia/b0037b2d-a651-4abf-9f7b-00a85e3de528/aihw-fdv3-FDSV-in-Australia-2019.pdf.aspx?inline=true, Australian Government, 2019, pp.44.

Stakeholder	Benefits	Costs
COMMUNITY	• Potential improved social and economic participation for people experiencing DFV. [171] • Reduced levels of homelessness. • Reduced incidence of violence.[172]	

Recommendation: This option is recommended.

[171] Ibid.

[172] M. Campo, *Children's exposure to domestic and family violence – key issues and responses*, available at https://aifs.gov.au/cfca/publications/childrens-exposure-domestic-and-family-violence/introduction, Australian Government: Australian Institute of Family Studies, CFCA Paper No. 36, 2015, accessed 27 June 2019.

4.7 Conclusion and recommended options

All Queenslanders have a role to play in helping eradicate DFV from our community.

Strengthened tenancy laws to include additional protections to support people experiencing DFV (Option 3), supported by communication and education (Option 2), are the recommended options.

These changes will also help people experiencing DFV (or their co-tenants) to leave or continue their tenancies where appropriate, while reducing exposure to risks for property owners. The benefits of the proposed tenancy law reforms for people experiencing DFV include streamlined processes to:

- allow them to end a tenancy quickly and legally with property owners directly
- allow those ending tenancies to access their share of rental bonds quickly while reducing the need for contact with the perpetrator
- improve processes to install safety and security measure for rental properties without requiring property owners' consent.

Safeguards for property owners include:

- limiting the financial impact for property owners by allowing tenancies to end quickly and efficiently and reduce abandonment costs
- protection from misuse of DFV provisions to end the agreement by requiring supporting evidence
- improved safety and security measures for rental properties if installed by tenants (at tenants' cost) with no requirement to remove and/or requirement to make good
- requiring co-tenants to advise of intentions to stay within an identified time period
- allowing bond top ups from remaining co-tenants if partial refunds are made to the departing tenant.

Property owners will benefit from more efficient processes, clearer rights and obligations and assignment of risks that improve investment certainty. Option 3 is also expected to reduce risks of abandoned tenancies and limit exposure to risks of DFV related property damage.

Property owners may bear more financial risks from the proposed reforms if the bond does not cover damage or rent arrears and reletting costs if all tenants end the tenancy. Some owners financial risk may increase if the remaining tenants cannot afford to sustain their tenancy.

Reformed DFV tenancy legislation would contribute to:

- improved education outcomes for children
- improved social and economic participation for people experiencing DFV
- reduced levels of homelessness
- reduced incidence of violence for both people experiencing DFV, and for their children in the future
- reduced costs (both time and money) and more certainty for property owner/managers and tenants in tenancy matters related to DFV.

If tenancy law reform is not introduced, the cost to both the individual and the community is the risk of increased violence and continued uncertainty for property owners and managers.

4.8 Consistency with fundamental legislative principles

The fundamental legislative principles under section 4 of the *Legislative Standards Act 1992* were considered during development of the proposed regulatory reforms. The rights and liberties of individuals (s4(2)) in relation to privacy may be impacted through the provision of confidential and sensitive information when ending a tenancy on the grounds of domestic and family violence (DFV). To alleviate the potential impact on this fundamental legislative principle, it is proposed to introduce a new offence whereby a lessor must not disclose any of the information provided to or sighted by them with the notice of intention to leave. This includes forwarding addresses or any contact details.

4.9 Implementation, compliance support and evaluation strategy

4.9.1 Implementation

The *Better Renting Future* reform measures for DFV will be implemented in stages to give the rental sector, particularly property owners and managers, time to prepare for and adjust to the new requirements.

Commencement dates will provide at least six months after assent for new tenancies, and 12 months for existing tenancies.

The Department of Housing and Public Works will work with the RTA to develop a communication and engagement plan to raise awareness of the Better Renting Future initiatives and to enable tenants, property owners and property managers to understand their new rights and responsibilities.

4.9.2 Compliance

Responsibility for compliance and enforcement of the RTRA Act rests with:

- the RTA, which manages rental bonds and provides tenancy information services, dispute resolution services, investigation services, and education services
- QCAT, which decides disputes between tenants and property owners or rooming accommodation providers related to, among other things, rents, bonds, standard of properties, entry onto properties, park rules, termination of tenancy agreements, and tenancy databases.

The RTA and QCAT will continue to undertake these responsibilities regarding the new measures adopted through the Better Renting Future reform process.

4.9.3 Evaluation

The Better Renting Future reform package will be reviewed as an integrated part of the RTRA Act at an appropriate time in the future to ensure that the reform measures are achieving the desired outcomes for the Queensland community.

This review will be supported through data collected by the Department of Housing and Public Works, the RTA and QCAT, as well as other relevant government agencies.

Further consultation will be undertaken to gauge the experiences of tenants, property owners, property managers, peak organisations, and other members of the Queensland community, as the *Better Renting Future* reforms are implemented.

This information will be subject to comparative analysis with baseline information collected in advance of implementation, including the views expressed in the 2018 *Open Doors to Renting Reform* consultation, the submissions and comments received in the response to this Consultation RIS, and evidence provided during Parliamentary Committee consideration of the amending legislation.

4.10 Questions

Questions about domestic and family violence and tenancy law reform

- Do you agree with the recommended option to strengthen tenancy laws to include additional protections that support people to escape DFV? (Option 3)
- If you do not agree with the recommended option, what alternative option would you prefer?
- Would the recommended option result in increased costs being incurred by, or passed onto tenants?
- Would the recommended option result in increased costs being incurred by, or passed onto property owners?
- How would the introduction of the recommended option affect an owner's decision to invest in or continue to hold residential rental property?
- Are there any unforeseen costs or unforeseen significant impacts if the recommended option is adopted?
- Are there any other issues about domestic and family violence and tenancy law reform which have not been addressed?
- Are there any elements of the recommended option that may need to be modified, or issues considered, for owner-occupied moveable dwellings on rental sites or rooming accommodation with shared facilities?

Minor modifications

Consultation Regulatory Impact Statement

Review of the *Residential Tenancies and Rooming Accommodation Act 2008*

Stage 1 Reforms



Part 5 – Minor modifications

5.1 Introduction

Liveability is an important aspect of renting. Research suggests that being able to personalise physical space contributes towards psychological wellbeing.[173] The ability of a tenant to make modifications to a rental dwelling may also support essential and tailored measures to ensure access, security, privacy and safety. Almost a quarter of Australian tenants have reported restrictions on how they want to use their homes, including restrictions on making minor modifications.[174]

Property owners also have an interest in managing their investment and minimising damage or loss to their rental property. Important considerations for people making an investment in rental property are the ability to oversee significant changes a tenant may want to make to a rental property, and being able to access bond funds and other legal options to remedy damage.

Queensland's *Residential Tenancies and Rooming Accommodation Act 2008* requires tenants to have the written permission of the property owner to make any alterations to the property. The RTRA Act categorises these as attaching *fixtures* or making *structural changes* and treats all changes the same, from installing furniture anchors to adding a carport.

Tenants and owners must agree whether the tenant is required to remove any alterations at the end of the tenancy, compensate the property owner for the costs of restoration, or if the change is to be retained as an improvement to the property. Property owners cannot unreasonably refuse requests for fixtures or structural changes and any damage caused by the tenants must be repaired and paid for by the tenant.

While restrictions on making changes to rental properties can reduce rental satisfaction for tenants, these restrictions may also disadvantage certain cohorts of tenants, including:

- tenants who require accessibility modifications, whether due to age, injury, illness or other circumstances
- people with disabilities
- families with young children
- people experiencing domestic and family violence.

Under section 84 of Queensland's *Anti-Discrimination Act 1991*, a property owner must not discriminate by refusing to allow a tenant with an impairment to alter the rented accommodation to meet the tenant's special needs, if:

- the alteration is at the tenant's expense
- the action required to restore the accommodation to its previous condition is reasonably practicable
- the tenant undertakes to restore the accommodation to its previous condition before leaving.

[173] H. Easthope, *Making a Rental Property Home*, available at https://www.tandfonline.com/doi/abs/10.1080/02673037.2013.873115, Vol. 29, No. 5, Housing Studies, 2014, p.582.
[174] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, p.11.

Terms used in this chapter

An ***alteration*** is any change made to a rental property. Alteration is not a defined term in the RTRA Act but is used in this chapter as a blanket term to refer to any kind of change to the property.

An ***addition*** can be understood as an alteration involving something being added to the rental property (rather than removed). This term is also not used in the RTRA Act but is used in this chapter in its ordinary sense.

The RTRA Act currently breaks alterations down into ***fixtures*** and ***structural changes***. Neither term is de-fined in the RTRA Act, but they can be taken to have their ordinary or dictionary meaning. Accordingly, a ***fixture*** is something that is fixed in place, and can be distinguished from a 'fitting' or a 'furnishing.' ***Structural change*** is also undefined but can be understood as a change involving 'construction' (for example, an alteration that might be undertaken by a builder).

Modification is also a general term referring to any change made to a property (an alteration or an addition). This chapter distinguishes a ***minor modification*** as a type of modification that can be reasonably rectified, removed or repaired.

A ***minor modification*** would therefore be a third category of alteration in the RTRA Act, with a new and separate process for approval. Alterations that are not minor modifications would be treated as either fixtures or structural changes and would continue to use the existing approvals framework in the RTRA Act.

Minor modification is defined in detail below.

5.2 What we heard through consultation

'Making a house a home' was one of the themes of the Queensland Government's 2018 Open Doors to Rental Reform consultation. This theme prompted respondents to share their experiences on living in, owning and managing rental properties, including making changes that personalise or increase liveability. Stakeholders held diverse views about the extent to which tenants should be allowed to change rental properties without the permission of the property owner.

Tenants generally sought more freedom to make small changes to help make their rental property feel like their home. Tenants with disabilities have reported difficulties in obtaining property owner approval for modifications to make rental dwellings more appropriate for their needs.[175] While property owners expressed concerns about protecting the financial investment they had made in the property.

Property owners tended to mention this topic more often than tenants or property managers. In general, there was an acknowledgement that tenants should be able to personalise their living space. Property owners were concerned about the scope of changes that tenants may attempt if permission was not required and that the property would not be returned to its original state.[176]

Tenants generally supported a moderate amount of control over their rental property and felt they should be able to make small changes without the express permission of the property owner. It was suggested that personalising a rental property allows tenants to take pride in their home resulting in better care for the property.[177]

Some 65 per cent of respondents to a snap poll indicated that property owners should not be able to stop tenants from making minor modifications to a rental property, such as connecting pay TV or installing curtains or blinds.[178]

[175] Queenslanders With Disability Network, *Going or Gold: Accessible Affordable Housing Now*, available at: https://qdn.org.au/wp-content/uploads/2018/06/QDN-Going-for-gold-position-paper.pdf, March 2017, p. 15.

[176] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p.19.

[177] Ibid, pp.19 and 94.

[178] Ibid, p.19.

What are minor modifications?

Respondents during the Open Doors consultation put forward examples of minor modifications that tenants should be allowed to undertake without the consent of the property owner. Common suggestions were:

- hanging pictures, photos, paintings or clocks
- installing small shelves
- planting or maintaining a garden
- installing curtains or blinds
- installing grab rails
- installing pay TV
- painting a feature wall.[179]

Property owners and their representative peak bodies were concerned that even small changes can create substantial damage to a property. The most commonly cited example was wall hangings and structural changes to the property. Owners noted that the tenant may be unaware of the building materials used in the rental property, such as asbestos, which could expose them to health and safety risks and lead to legal liability for the property owner.[180]

Property owners also indicated that if tenants change the property without their consent, it could lead to damage and costly repair work that may void the property owner's insurance, affect the value of the property, and lead to a substantial loss of income for the property owner.[181]

There were a few comments on the impacts that not being able to alter rental properties could have on vulnerable tenants. Some property owners noted that older people and people with disabilities are often the 'best' tenants and, where feasible, the installation of accessibility features will improve attraction and retention of these tenants. It may also increase security of tenure for these vulnerable tenants and improves financial security for property owners.[182]

Property owners did not think they should be financially disadvantaged to protect vulnerable persons, including to ensure rental properties are modified to meet specific tenant needs. Some respondents suggested a fund could be created to provide financial assistance to support vulnerable tenants in the rental market. This fund could be used to install or rectify changes to rental properties to meet the needs of vulnerable tenants, such as people with health, safety, security or accessibility needs.[183]

5.3 What is the problem?

Only 37 per cent of tenants who contributed to the 2018 Open Doors to Renting Reform consultation felt that they could treat their rental property as their home, while 56 per cent and 62 per cent of property owners and managers respectively thought tenants could treat it as a home.[184] A common suggestion put forward by tenants to improve renting satisfaction was being able to improve the liveability of rental properties by making small changes.

Property owners also have a legitimate interest in investment certainty. A lack of clarity in tenancy laws for making changes to the rental property may result in barriers to effective communication between the property owner and the tenant, and increased risks and costs for property owners.

[179] Ibid, pp.19, 78, and 94.
[180] Ibid, p.94.
[181] Ibid, p. 94.
[182] Ibid, p.111.
[183] Ibid, p. 26.
[184] Ibid p. 51.

Some tenants may have compelling life circumstances that require changes to be made to their rental property. The process of seeking permission from the property owner to make these changes may not be practicable or appropriate. The property owner's right to refuse these changes without grounds also may not be appropriate if there are compelling reasons for the change, or if there is no irreversible negative impact on the quality and soundness of the rental property.

The current laws may create unnecessary barriers for people experiencing domestic and family violence to improve the security of their rental property by changing locks or installing security screens or cameras.

A person with a disability, an ageing person, or a person with other accessibility requirements, may wish to install supports and aids in their rental property to enable mobility and access to facilities. In 2016 there were over 72,000 Queenslanders living in rental properties with a disability, this number has increased dramatically from around 53,000 in 2011.[185] Australia's ageing population is presenting unique health and accessibility needs that may impact the private rental market. It is projected that by 2041, close to a quarter of the Queensland population will be aged over 65 years.[186] Current statistics show the proportion of older tenants in the private rental market is already increasing.[187] In 2011 there were around 173,000 people over the age of 55 living in rental properties in Queensland. This figure has increased to around 201,000 in 2016. [188] The ageing population may lead to increased demand for affordable accessible accommodation that meets the needs of this cohort.

Between 1999 and 2013, there were 1,023 injuries or fatalities among children under the age of five as a result of falling or tipping furniture in Queensland households, including rental households.[189] Across Australia, 22 children under the age of nine have been killed by toppling furniture since 2001.[190] In at least one case in Western Australia in 2013, a child was killed by a toppling chest of drawers after the property owner refused permission to the tenants to install anchor points.[191] The Coroner's inquiry recommended that the Western Australian *Residential Tenancies Act 1987* be amended to ensure that a tenant cannot be prevented from affixing a fixture for the purposes of child safety.[192]

Tenants in rental properties with children may wish to address health and safety risks of this nature by installing anchor points and other low impact safety features. If they are refused permission to do so by the property owner, this may contribute to unnecessary health and safety risks in rental properties.

Consumer organisation Choice has found that almost a quarter (23 per cent) of Australians who rent have experienced issues with restrictions on how they use their home, including making simple changes such as changing curtains if it required different fixtures. For example, one Queensland tenant reported that consent was refused to install block out curtains in his bedroom, resulting in disruption of his night shift work.[193]

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[185] Australian Bureau of Statistics, *2016 Census of Population and Housing,* from table builder, available at https://auth.censusdata.abs.gov.au/webapi/jsf/dataCatalogueExplorer.xhtml

[186] Queensland Government Statistician's Office, *Queensland Government population projections: Statistical areas level 4 – SA4 Snapshot*, available at http://www.qgso.qld.gov.au/products/reports/qld-govt-pop-proj-qld-sa4/index.php, Queensland Treasury, 2018, p.6.

[187] W. Stone, T. Burke, K. Hulse and L. Ralston, *How does security of tenure impact on public housing tenants?* available at https://www.ahuri.edu.au/__data/assets/pdf_file/0027/2898/AHURI_RAP_Issue_185_How-has-the-private-rental-sector-changed-in-recent-decades,-particularly-for-long-term-private-renters.pdf, Issue 185, AHURI Research and Policy Bulletin, 2015, p.1.

[188] Australian Bureau of Statistics, *2016 Census of Population and Housing,* from table builder, available at https://auth.censusdata.abs.gov.au/webapi/jsf/dataCatalogueExplorer.xhtml

[189] Mater Hospital - Queensland Injury Surveillance Unit, *Furniture Tip Over Injury Data*, available at http://www.qisu.org.au/ModCoreFilesUploaded/Furniture-Tip-Over367.pdf, 2015, unpaginated.

[190] Australian Competition and Consumer Commission, *Fifty Australians a week injured by toppling furniture and televisions*, available at https://www.accc.gov.au/media-release/fifty-australians-a-week-injured-by-toppling-furniture-and-televisions, 2018, accessed 17 July 2019.

[191] Western Australian Department of Mines, Industry Regulation and Safety, *Protecting children in rental properties from toppling furniture: Real estate bulletin issue 159 (October 2017)*, available at https://www.commerce.wa.gov.au/publications/protecting-children-rental-properties-toppling-furniture-real-estate-bulletin-issue-159, 2017, accessed on 17 July 2019.

[192] Coroner's Court of Western Australia, *Inquest into the Death of Reef Jason Bruce KITE, available at* https://www.coronerscourt.wa.gov.au/_files/Kite%20finding.pdf, accessed 17 July 2019.

[193] Choice (National Shelter & The National Association of Tenant Organisations), *Disrupted: The consumer experience of renting in Australia,* available at https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf, 2018, p.11.

5.4 Government objectives

Government objectives:

- support enforcement of existing tenancy rights
- ensure rental accommodation is safe, secure and functional
- improve liveability of rental accommodation
- ensure tenancy laws protect vulnerable people in the rental market.

Policy objectives:

- Improve tenants' ability to alter their rented homes to suit their needs, including for people with disabilities, elderly tenants and people escaping domestic and family violence, while providing safeguards for property owners to protect their investment.

5.5 Options

Option 1. Status quo (no change)

Option 2. Tenants allowed to make minor modifications without consent of property owner and no requirement to restore property at the end of the tenancy

Option 3. Establish mechanisms to manage minor modifications with appropriate safeguards.

Definition of a minor modification

What constitutes a minor modification or change could be defined in the RTRA Act. This may consist of either:

- prescribing certain examples of changes that are considered minor, or
- by introducing a definition which may be interpreted.

For example, the ACT has defined a minor modification as a renovation, alteration or addition that can be removed or undone so that the property is restored to substantially the same condition as at the commencement of the agreement (fair wear and tear excepted).

A proposed definition of a 'minor modification' is an alteration or addition to a rental property which:

- can be reasonably rectified, removed or repaired so the property may be restored to the same condition (fair wear and tear excepted)
- does not permanently modify surfaces, fixtures or the structure of the property, and
- does not require local council approval.

Option 1 – Status quo (maintain current RTRA Act provisions for fixtures and structural changes)

The following would continue to apply:

- Tenants must have written permission from the property owner to attach fixtures or make structural changes to a rental property.
- Property owners cannot unreasonably refuse a request for fixtures or structural changes and can add conditions to the permission.
- Tenants must remedy or pay for any damage caused through removing the fixture. If the fixture is an improvement to the property, the owner may be required to pay compensation to the tenant if the fixture is not to be removed.
- Fixtures and structural changes are not defined in the RTRA Act.

Option 2 – Tenants allowed to make minor modifications without consent of property owner and no requirement to restore property at the end of a tenancy

Under this option:

- A definition for a ‘minor modification’ would be introduced to the RTRA Act.
- Tenants would be allowed to make any minor modifications to their rental property without the consent of the property owner, provided these fall within the definition of ‘minor modification’.
- Tenants would not be required to restore the property to its original condition at the end of the tenancy and can leave any modifications they make in place.
- Under existing RTRA Act obligations, tenants would remain required to repair any damage caused to the property, including damage caused through the installation or removal of any modifications made to the property.
- Any modifications that do not meet the minor modification definition will be required to follow the existing fixture or structural change processes in the RTRA Act for the owner to provide written approval for the change to being undertaken.
- If tenants have made modifications to a property that are not minor modifications, property owners will have access to existing processes to issue a notice to remedy the changes, and may take subsequent action currently allowed depending on the tenant’s action.

Option 3 – Establish mechanisms to manage minor modifications with appropriate safeguards

Under this option:

- A definition for a 'minor modification' would be introduced to the RTRA Act.
- New categories of minor modifications would be established to streamline access to small changes:
  - required to meet tenant health, safety, accessibility or security needs, or
  - that allow tenants to improve amenity and personalise their rental accommodation.
- Owners would be required to seek a pre-emptive QCAT order to refuse minor changes required for health, safety, accessibility and security reasons.

Proposed new categories of minor modifications	
Health, safety, accessibility and security modifications	**Amenity or personalisation modifications**
Modifications for the **health and safety** of the tenants or other people on the property *Examples: furniture anchors, child safety gates, non-slip strips on stairs* **Accessibility** modifications determined to be necessary by a registered practitioner or allied health professional or are reasonable alterations under the *Anti-Discrimination Act 1991* *Examples: grab rails in bathrooms, shower seats* Modifications to improve the **security** of a tenant, particularly where a tenant is at risk of, or escaping domestic and family violence *Examples: dead locks, security doors, cameras or alarms* Modifications to provide **access to basic telecommunications** in case of emergencies *Examples: telephone or data points to provide telephone or internet connections* Any other modifications prescribed by Regulation.	Modifications to improve the **amenity of the property** or the tenant's use of the property to make it a 'home' *Examples: hanging pictures, window coverings, light shades, small gardens* Modifications to increase **energy efficiency** *Examples: LED light fittings, water saving taps and shower heads, weather seals* Modifications to provide **access to telecommunications** which require more significant modifications or are unlikely to be removed at the end of the tenancy *Examples: satellite dishes, cable television connections or large antennas* Any other modifications prescribed by Regulation.

<u>Health, safety, accessibility and security modifications</u>

- Tenants can make minor modifications for health, safety, accessibility, and security reasons, including access to basic telecommunications, without owner consent.
- The tenant must inform the owner before the changes are made.
- Owners can apply to the QCAT for a refusal order to prevent health, safety, accessibility and security modifications if they have a genuine reason that these types of changes cannot be installed in their rental property.

<u>Amenity or personalisation modifications</u>

- Tenants must provide the owner with seven days' notice of their intention to make a minor modification for amenity or personalisation reasons.

- The owner must respond within this seven-day notice period or be deemed to have consented to the change.
- Owners' can request an extension of time to consider the request or to seek any approvals required from owner corporations or park managers.
- Owners cannot unreasonably refuse consent for these changes.
- A tenant can pursue dispute resolution processes in the RTA and QCAT if they believe an owner has unreasonably refused consent to their request.

Proposed reasonable grounds to refuse a minor modification

- Does not meet the definition of a 'minor modification'
- Would breach an Act or law (for example, inconsistent with body corporate or caravan park by-laws or rules)
- Would expose tenants or others to health and safety risks (for example, if asbestos is present and would be disturbed by the works)
- Would significantly change the property or are not consistent with the nature of the property
- Restoring the property to substantially the same condition would not be reasonably practicable
- Would result in additional maintenance costs for the owner if the property is not restored
- Modification to other residential properties or common areas would be required (such as in strata titles)
- Reasonable risk the modification could cause significant damage to the property (for example, planting a large tree with an invasive root system).
- For minor modification requests in rooming accommodation: would jeopardise the license of the provider to operate the rooming accommodation and/or the safety of other tenants in the rooming accommodation

<u>Property owner applications to QCAT required to refuse consent for fixtures or structural changes required for accessibility or security reasons</u>

People with disability or those experiencing domestic and family violence may require changes to their rental property for accessibility or security reasons that may not meet the 'minor modification' definition. In these circumstances, the existing processes for fixtures and structural changes will apply.

Property owners will be required to apply to QCAT for an order to refuse consent for fixtures and structural changes required for accessibility or security reasons. QCAT would be required to consider a range of factors for a request to refuse consent.

If QCAT approves a property owner's refusal for fixtures or structural changes required for accessibility or security reasons, QCAT can order that the tenant can end the tenancy (with appropriate notice of two weeks and without penalty) as the property is not suitable to their needs.

Proposed QCAT considerations

- Evidence to support the fixture or structural change request (for example, a domestic violence order, medical advice)
- Whether significant hardship would be caused to the:
    - property owner if the fixture or structural change is made
    - tenant if the fixture or structural change is not made
- Whether the modification would contravene an Act or law
- If modifications to other residential properties or common areas are required
- If it would result in additional maintenance costs for the owner
- Whether the tenant should be required to 'make good' the modifications

- Whether the property was sufficiently secure
- Whether the property did not meet prescribed minimum housing standards
- Whether the order is to be attached to the property or the tenancy
- Any other factors that may be relevant

Safeguards

Tenants must comply with any requirements for the work to be performed by a suitably qualified tradesperson, where appropriate.

Tenants must comply with any by-laws or rules in community title schemes or other managed communities, such as caravan parks.

Existing RTRA Act obligations would be retained to require:

- tenants to repair any damage caused to the property, including damage caused through the installation or removal of any modifications made to the property
- the parties to agree how the modifications are to be managed at the end of the tenancy, including if the tenant is required to restore the property to its original condition or the modification is to be retained as an improvement to the rental property.

Any modifications that do not meet the minor modification definition will be required to follow the existing fixture or structural change processes in the RTRA Act for the owner to provide written approval for the change to being undertaken.

If tenants have made modifications to a property that are not minor modifications, property owners will have access to existing processes to issue a notice to remedy the changes and may take subsequent action currently allowed depending on the tenant's action.

Disputes can be resolved through RTA conciliation and QCAT.

For future consideration: 'restoration bonds'

Under section 112 of the RTRA Act, the amount that can be required to be lodged as a rental bond is currently limited to the equivalent of four weeks' rent for non-moveable rental properties and rooming accommodation.

A restoration bond would be a separate or additional amount to be paid by a tenant proposing minor modifications. This amount could be used at the end of the tenancy to rectify, restore or repair the minor modifications.

Consideration of restoration bonds can take place in the context of rental bond reforms more broadly, which will occur in Stage 2 of the Better Renting Future reform process. For this reason, restoration bonds will not be fully examined in this current consultation process but may be considered at a future date.

5.6 Impact Analysis

Option 1 - Status quo (no change)

Stakeholder	Issues

TENANT	• The current system places administrative burden on tenants to seek written permission from the owner for any change they wish to make to their rental property.
	• Tenants may not disclose their intention to make minor modifications due to:
	  ○ administrative burden,
	  ○ perception that they are unlikely to be approved or will be approved with conditions that make the change impractical, or
	  ○ fear that their tenancy will not be renewed.
	• Restrictions on tenants' ability to make modifications (or make modifications in a timely fashion) may increase risk of injury and fatality among vulnerable cohorts who require small changes for accessibility, safety and security reasons (including older tenants, disabled tenants, people escaping domestic and family violence, and young children).
	• Restrictions on tenants' ability to make minor modifications to their home:
	  ○ May result in the tenant having to relocate due to inability to adapt property to needs, resulting in relocation costs
	  ○ Contributes to low rental satisfaction as tenants are unable to make a rental property 'homely'
	• Tenants may breach their tenancy agreement by making unapproved changes to meet their accessibility, health, safety or security needs or to improve amenity and personalize their rental property.
	• What constitutes 'reasonable refusal' of requests for fixtures or structural changes to their rental property is unclear.
	• Tenant must challenge an owner's refusal through dispute resolution services if they believe it is unreasonable, which represents time and possible financial costs.

PROPERTY OWNER	• Unapproved changes made by tenants may cause damage to property. • Financial costs may be incurred to remove or repair unapproved modifications and subsequent damage if these exceed the bond held for their rental property. • What constitutes 'reasonable refusal' of requests for fixtures or structural changes to their rental property is unclear.
PROPERTY MANAGER	• Currently the property manager incurs costs to administer requests to make changes to the rental property
STATE GOVERNMENT	• Through the public health care system, the government incurs the costs associated with preventable injuries at home (such as falls, slips and toppling furniture)
SOCIAL HOUSING	• As some tenants are unable to find accessible and safe homes in the private rental market this may be increasing the requirement for social housing
COMMUNITY	

Recommendation: This option is not recommended

Option 2 - Tenants allowed to make minor modifications without consent of property owner

This option would remove the obligation for tenants to seek permission for minor modifications, increasing the ease with which tenants can make changes to a property. This would improve the liveability of rental properties for tenants as they are able to make their rental property a home, thereby improving rental satisfaction. This option may also contribute to security of tenure for tenants and security of investment for property owners, as people who have modified their homes are more likely to remain in that property.

The decision-making power of property owners would be significantly reduced under this option. Tenants would be required to notify a property owner or manager of any minor modifications before they make the change or as soon as practicable after the change has been made. However, the onus will be on tenants to interpret the definition of 'minor modification' and there may be a risk to tenants as modifications made to a property which do not meet the definition of 'minor' may be treated as a breach of the tenancy agreement. Property owners may also challenge modifications which they believe they do not meet the definition through RTA conciliation or in QCAT.

Tenants would not be required to restore the modifications at the end of a tenancy but would continue to be required to repair any damage they cause to the property, including through the installation or removal of minor modifications.

If modifications are left in the rental property, a property owner would bear the cost of restoring these modifications if they do not want them. There is a risk these modifications could reduce the financial value of the property or may be unsafe.

Anecdotal evidence suggests that property owners view permissions regarding minor changes as a way of managing risk. It is possible this option may lead to some owners selling their property and exiting the rental market due to the increased financial risk this option may present.

This option would not override any responsibilities for tenants who live in community title schemes or caravan parks to comply with by-laws or park rules. Often, body corporate by-laws or caravan park rules require written consent of the owner corporation or park manager before any changes are made, particularly to common property.

Option 2 – Tenants allowed to make minor modifications without consent of property owner

Stakeholder	Benefits	Costs
TENANT	• Improved liveability and rental satisfaction • Improve accessibility, safety and functionality of rental properties, possibly reducing rates of injuries and fatalities, particularly caused by falls or toppling furniture	• May be discriminated against if property owners or managers decide to avoid cohorts of tenants they perceive likely to require modifications • May deteriorate relationship with property owners and managers
PROPERTY OWNER	• More secure rental returns and reduced vacancy rates as tenants may be more inclined to stay in rental properties they have modified to meet their needs and preferences • Housing that has been improved to be more accessible may attract and retain tenants with disability and older tenants, who tend to prefer longer tenancies. • Housing that has been improved for accessibility may attract higher rent	• Significant loss of control over property • Financial value may be reduced through inappropriate modifications • Costs of restoring property • Financial and time costs to go to QCAT for dispute resolution plus possible costs to restore if dispute about unapproved modifications (up to seven weeks for a hearing and QCAT application fee of $26.35 if not claiming money)
PROPERTY MANAGER	• Potential decreased workload due to not having to process requests for min	• Increased/changed workload to track modifications to inform property owners

STATE GOVERNMENT	• May lead to financial savings in health system due to reducing rates of injuries and fatalities, particularly caused by falls or toppling furniture	• Possible increase in disputes to RTA dispute resolution, QCAT and Office of the Commissioner for Body Corporate and Community Management.
SOCIAL HOUSING	• Potential decreased reliance on social housing by vulnerable cohorts as can make private rental properties accessible, functional and safe	
COMMUNITY		

Recommendation: This option is not recommended

Option 3 - Establish mechanism for managing minor modifications with appropriate safeguards

This option would improve the liveability of rental properties and improve the renting experience for tenants, ensuring rental properties are accessible, functional, safe and secure while creating a feeling of 'home', leading to an overall improvement in the health and wellbeing of tenants.

The definition of minor modifications would be supported by classifications of modifications, which may be to:

- improve the health and safety of people in the property
- support accessibility
- greater security, particularly for those experiencing domestic and family violence
- access to telecommunications, and
- improve the amenity and liveability of the property.

In Queensland, 1302 children were injured by toppling furniture between 1999 and 2013[194] and 382 children have been injured due to a fall on or from stairs over a ten-year period.[195] Removing unnecessary barriers to the installation of health and safety modifications, such as furniture anchors and child safety gates, may contribute to reductions in the number of injuries sustained by young children. This will also contribute to reducing the burden on the Queensland health system due to hospitalisations caused by these injuries.

Accessibility modifications can lead to improvements in the quality of life for vulnerable cohorts such as elderly tenants and people with disabilities. Studies have found home hazard modifications (such as installing grab rails and non-slip mats) in the population of people at a high-risk from falling is the most cost-effective prevention method to avoid falls. In a population of 10,000 people, modifications would see 2580 less falls.[196] Removing unnecessary barriers to such modifications may provide financial savings in the health system as in 2007-08, the average cost for a person aged over 65 years hospitalised due to a fall was $8139.[197]

[194] Mater Hospital - Queensland Injury Surveillance Unit, *Furniture Tip Over Injury Data*, available at http://www.qisu.org.au/ModCoreFilesUploaded/Furniture-Tip-Over367.pdf, 2015, pp. 3.

[195] Australian Competition and Consumer Commission, *Fifty Australians a week injured by toppling furniture and televisions*, available at https://www.accc.gov.au/media-release/fifty-australians-a-week-injured-by-toppling-furniture-and-televisions, 2018, accessed 26 June 2019.

[196] J. Church, S. Goodall, R. Normal and M. Haas, *The cost-effectiveness of falls prevention interventions for older community-dwelling Australians,* available at https://www.ncbi.nlm.nih.gov/pubmed/22672030, Vol 36, No. 3, Australian and New Zealand Journal of Public Health, 2012, pp.245.

[197] Queensland Health, *Rate and cost of hospital admissions due to fall-related injuries among older Queensland, 2007-08*, available at https://www.health.qld.gov.au/__data/assets/pdf_file/0027/435078/0708-hosp-admissions.pdf, 2010, pp.3.

Property owners are currently required to provide a level of security for rental properties. Security needs will differ depending on the type and location of the property as well as the circumstances of the tenants, which may change during the tenancy. Women leaving violent partners make up approximately one-third of Australia's recorded homeless population.[198] Improvements to the security of a rental property may support them to remain in their homes, ensuring they do not fall into homelessness, and supporting them to sustain employment and connections to their community and reduce schooling disruption for any children.[199]

Giving the tenant greater control over decision-making about security of the property may result in benefits for the tenant of less break-ins, and improved peace of mind resulting in improved mental health. In 2018, there was 23,539 unlawful home invasions reported to police including 704 violent home invasions.[200] In a 2015 study of people found guilty of committing breaking and entering offenses in Australia, around 50 per cent stated a working security system would deter them from breaking into a house and 20% reported that security screens on windows would be enough to deter them.[201]

Tenants who make modifications to a property for safety, security and accessibility reasons or to make it feel more like home may be inclined to remain longer in the property, providing financial security for owners. Appropriate safeguards will also secure a property owners' investment including requiring tenants to 'make good' any modifications if required, requiring suitably qualified tradespeople to undertake the modifications, and providing grounds for owners to refuse modifications. These modifications may also improve the financial value of a property.

Tenants who can modify rental properties may also not move as often to find housing to suit their needs, which may contribute to security of tenure and improving rental affordability. This option may also have a societal benefit in reducing the number of people requesting housing assistance from the government or entering homelessness as they are unable to find appropriate private rental accommodation to suit their needs.

The 2016 Census reports that 224,855 households in Queensland did not have access to the internet from their dwelling.[202] While this includes both owner-occupied and rented properties, ensuring tenants can install basic telecommunications in their rental property may contribute to improving access to phones and the internet. This will ensure these tenants can access emergency services over the phone and can locate vital information online in an emergency. Improved internet access can also deliver health, education and business improvements while also improving the social connectedness of tenants with family and friends.[203]

Energy efficiency modifications such as installing water saving shower heads and taps and using LED light fittings, will deliver financial savings to tenants. While LED lightbulbs may be more expensive than halogen, they provide cost savings over time as they have longer lifespans and use less electricity. This will complement the decision by the Council of Australian Governments Energy Council to phase out inefficient incandescent and halogen lightbulbs where an equivalent lightbulb is available.[204]

Water saving measures can also provide substantial financial and environmental savings for tenants and the wider community. A water efficient showerhead can save more than 63 litres of water for an average seven-minute shower.[205] Low-flow taps can use as little as two litres per minute compared with 15 – 18

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[198] K. Diemer, C. Humphreys and K. Crinall, *Safe at home? Housing decisions for women leaving family violence,* available at https://onlinelibrary.wiley.com/doi/abs/10.1002/ajs4.5, vol 52, Australian Journal of Social Issues, Australian Social Policy Association, 2017, pp.33.

[199] Ibid, pp.34.

[200] Queensland Police, *Queensland Crime Statics, Unlawful Entry With Intent – Dwelling,* available at https://mypolice.qld.gov.au/queensland-crime-statistics/ accessed 27 August 2019.

[201] Budget Direct, *Home Burglary in Australia Statistics 2019,* available at https://www.budgetdirect.com.au/home-contents-insurance/research/home-burglary-statistics.html

[202] Australian Bureau of Statistics, 'Dwellings – Number of motor vehicles -Dwelling internet connection', *2016 Census Quickstats*, available at https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/3?opendocument, 2016, accessed 10 July 2019.

[203] Australian Government Department of Broadband, Communications and the Digital Economy, *Benefits of High-Speed Broadband for Australian Households,* available at https://www2.deloitte.com/content/dam/Deloitte/au/Documents/finance/deloitte-au-fas-benefits-highspeed-broadband-v2-240914.pdf, Deloitte Access Economics, 2013, pp.16.

[204] Energy Rating, *COAG Energy Ministers Meeting*, available at http://energyrating.gov.au/news/coag-energy-ministers-meeting, 2018, accessed 25 July 2019.

[205] The Saver Group, *Water Saving Shower Heads*, available at https://www.thesavergroup.com.au/showerheads, accessed 26 June 2019.

litres per minute with standard taps.[206] These measures provide savings on water and energy bills as less energy is required to heat the water due to reduced water consumption. This has the added environmental and societal benefit of saving amounts of potable water and reducing greenhouse gas emissions.[207]

Tenants are still required to adhere to existing obligations, including repairing or paying for repairs to any damage they cause to the property through the installation and removal of any modifications. Tenants and owners will also continue to negotiate how any modifications are to be managed at the end of the tenancy. This could include agreeing that the tenant must restore the property to its original condition or that the owner will retain the change as an improvement.

This option would reduce the level of control for property owners over their rental properties, based on anecdotal evidence provided by owners during consultation this may lead to some owners selling their properties. This is expected to be rare though as research shows property owners are mostly motivated to hold property as an investment for long term capital gains and this is only one factor that would be considered when making investment decisions. Further increased clarity of rights and obligations resulting from this option may decrease risk for property owners, increasing investment certainty. In relation to modifications made for amenity or personalisation, property owners and managers will also need to respond to tenants within seven (7) days or risk accepting the modifications proposed by the tenant. Extensions of time past the seven (7) days can be requested to enable the property owner or manager to make further inquiries regarding the proposed modification.

While tenants would remain responsible for any costs associated with repairing damage at the end of a tenancy, this option may not alleviate concerns some property owners have raised that minor modifications may cause significant damage to a property. Owners have also raised the current bond amounts are not sufficient to cover any repairs if they are needed for significant damage. If a rental property sustains significant damage through minor modifications, which is not rectified by the tenant, owners must either use the bond to repair the property or go through RTA conciliation and QCAT for a compensation order requiring the tenants to pay for any damage they caused.

This option may have an unintended consequence of increasing discrimination some tenants experience from property owners and managers. Some owners and managers may be hesitant to rent properties to tenants they believe may need or want to modify their rental property and opt for tenants that are less likely to request or make modifications.

Property owners may need to participate in RTA conciliation and then apply to QCAT if they wish to refuse consent for any modifications requested for accessibility to safety and security reasons. This will increase the workload of RTA conciliators and QCAT registry staff and adjudicators.

This option aligns with Supporting Families, Changing Futures reform program and key outcomes of the *Domestic and Family Violence Prevention Strategy 2016-2020*. Streamlined processes for minor modifications to improve accessibility for people with disabilities may also contribute to Queensland Government actions under the state disability plan, *All Abilities Queensland: opportunities for all* and *The Queensland Plan – Queenslanders' 30-year vision*.

This option may not alleviate the concerns of rooming accommodation providers regarding minor modifications. Rooming accommodation residents are also unable to make fixtures or structural changes to the rental premises without permission from the provider. Peak bodies representing rooming accommodation providers indicated that allowing residents to make minor modifications without the provider's consent may jeopardise the license of the provider to operate the rooming accommodation as well as the safety of other tenants in the rooming accommodation.

[206] Australian Government Department of the Environment and Energy, *Water efficiency*, available at https://www.energy.gov.au/households/water-efficiency, accessed 26 June 2019.

[207] Institute for Sustainable Futures, *Evaluation of the environmental and economic impacts of the WELS scheme, available at https://www.waterrating.gov.au/sites/default/files/documents/evaluation-wels-scheme-final-report-2018.pdf,* Australian Government Department of Agriculture and Water Resources, 2018, pp. iv.

Option 3 - Establish mechanism for managing minor modifications with appropriate safeguards

Stakeholder	Benefits	Costs

TENANT	• Health and safety benefits (including protection of life) particularly of children aged under five (5) years and elderly tenants due to reductions of injuries caused by toppling furniture and falls
	• Increased ability to install telecommunication infrastructure can:
	  ○ Improve educational outcomes
	  ○ Improve employment outcomes through remote work opportunities
	  ○ Improve access to emergency services
	• Improved rental satisfaction and security of tenure as tenants may be more inclined to remain in rental properties that meet their personal needs and preferences
	• Tenants will have more confidence to install energy and water efficient measures. This can improve financial and physical wellbeing through lower energy and water bills (particularly for low-income or vulnerable cohorts)
	  ○ LED lightbulbs can deliver energy savings of $253/year for a household (based on household with on average 37 lightbulbs)[208]
	  ○ Water efficient showerheads and taps can save Queenslanders $45per person/year[209]
	• Improvements in financial and physical wellbeing due to lower utility bills
	• May contribute to reducing discrimination if owners are confident their properties will be returned to substantially same state post tenancy
		• Costs to install minor modifications, for example:
		  ○ Energy efficient lightbulbs ~$8 for 10.5w LED light bulb[210]
		  ○ Furniture anchors cost on average $10 for anchors for one piece of furniture
		  ○ Child safety gates range between $39 - $200 according to brand and size.
		• May increase disputes about liability between tenant and owner
		• May contribute to breakdown in relationships between tenants, owners and managers
		• May be required to pay for a suitably qualified tradesperson to undertake installations (handyman costs on average $50/hour)
		• Costs to restore any modifications, if required

PROPERTY OWNER	• Some modifications may improve property's standard or value resulting in higher rents • Improves investment certainty through clearer assignment of risks • Increased financial security as tenants may stay longer in rental properties they have invested in by making minor modifications • Can require a suitably qualified tradesperson to undertake modifications to protect value of asset • Less administrative burden than the current system as tenants only have to notify of	• Loss of some control over rental property • Cumulative changes (particularly more substantial modifications) may generate more significant and longer-term repair issues • Minor modifications may create substantial damage to properties which may not be covered by bond

[208] Energy Rating (A joint initiative of Australian, State and Territory and New Zealand Governments), 'Keen To Save Hundreds Each Year On Your Energy Bills?', *Step 5: Consider Your Costs,* available at http://www.energyrating.gov.au/lighting/energy-costs, 2019, accessed 26 June 2019.

[209] Institute for Sustainable Futures, *Evaluation of the environmental and economic impacts of the WELS scheme, available at https://www.waterrating.gov.au/sites/default/files/documents/evaluation-wels-scheme-final-report-2018.pdf,* Australian Government Department of Agriculture and Water Resources, 2018, pp.70.

210 Woolworths, available at https://www.woolworths.com.au/shop/browse/household/electronics/lighting-torches, accessed 30 July 2019

Stakeholder	Benefits	Costs
	minor modifications and owner does not have to give written permission to approve • Tenants may be more likely to report intention to make minor modifications giving the owner reasonable right of refusal for amenity or personalisation modifications that may cause damage	
PROPERTY MANAGER		• More requests to install minor modifications and monitoring for modifications across rental portfolios may increase workloads
STATE GOVERNMENT	• Improved health and wellbeing of tenants may reduce impacts on health systems: ○ Potential avoided costs of falls (every 10,000 homes suitably modified could avoid 2580 falls. The average cost of $8139 per hospital visit for an elderly fall victim in 2007-08)	• Increased number of dispute resolution requests to the RTA and increased workload for QCAT Registry staff and Adjudicators from unresolved disputes and pre-emptive exclusion orders.
SOCIAL HOUSING	• Potential reduced burden on social housing due to increase in accessible and secure housing	
COMMUNITY	• Improved wellbeing outcomes (e.g. benefits from feeling secure in their home). • Reductions in greenhouse gas emissions from energy efficiency savings • Reduced water consumption improves security of water supply • Allowing tenants to install telecommunications could increase business opportunities and productivity through improved connectedness	

Recommendation: This option is recommended

5.7 Conclusion and recommended options

Option 3 is recommended as it achieves a balanced and fair reform, considering both the interests of tenants and property owners. The recommended option will:

- Define categories of minor modifications required to meet specific tenant needs about health, safety, accessibility and security or to allow the tenant to improve amenity and personalise their rental property.
- Clarify processes, rights and obligations for tenants and owners around making changes to rental properties, including:
  - requirements to provide and respond to notices about making minor modifications
  - reasonable grounds for refusing consent for amenity or personalisation minor modifications
  - requirements for property owners to seek QCAT orders to refuse consent for fixture or structural changes required for health, safety, accessibility or security reasons.

Tenants will continue to be required to repair any damage caused during the tenancy, including through the installation or removal of minor modifications. Tenants and owners will also continue to be required to negotiate how any modifications made during the tenancy are to be managed when the tenancy ends. This

agreement could include that the tenant is required to restore the property to its original condition or that the owner will retain the modification as an improvement.

This option will increase rental satisfaction for tenants by ensuring their rental property meets their specific health, safety, security or accessibility needs and providing greater scope for them to improve amenity and personalisation of their home.

Appropriate safeguards will be introduced for property owners including requiring tenants to notify the property owner/manager of proposed modifications, the ability to refuse modifications on certain grounds and obligations for tenants to restore some modifications at the end of a tenancy, returning the property to the condition it was in at the beginning of the tenancy.

Property owners will continue to be able to claim against the rental bond held for damage caused and may retain the modifications as an improvement if agreed at the end of the tenancy.

5.8 Consistency with fundamental legislative principles

The fundamental legislative principles under section 4 of the *Legislative Standards Act 1992* were considered during development of the proposed regulatory reforms.

5.9 Implementation, compliance support and evaluation strategy

5.9.1 Implementation

The *Better Renting Future* reform measures for minor modifications will be implemented in stages to give the rental sector, particularly property owners and managers, time to prepare for and adjust to the new requirements.

Commencement dates will provide at least six months after assent for new tenancies, and 12 months by which time pre-existing tenancies must comply.

The Department of Housing and Public Works will work with the Residential Tenancies Authority (RTA) to develop a communication and engagement plan to raise awareness of the *Better Renting Future* initiatives and to enable tenants, property owners and property managers to understand their new rights and responsibilities.

5.9.2 Compliance

Responsibility for compliance and enforcement of the provisions of the *Residential Tenancies and Rooming Accommodation Act 2008* rests primarily with:

- the Residential Tenancies Authority (the RTA), which manages rental bonds and provides tenancy information services, dispute resolution services, investigation services, and education services
- the Queensland Civil and Administrative Tribunal (QCAT), which decides disputes between tenants and property owners or rooming accommodation providers related to, among other things, rents, bonds, standard of properties, entry onto properties, park rules, termination of tenancy agreements, and tenancy databases.

The RTA and QCAT will continue to undertake these responsibilities in respect of the new measures adopted through the Better Renting Future reform process, and the sector will be supported with information and education to understand their changed obligations and rights.

5.9.3 Evaluation

The *Better Renting Future* reform package will be reviewed as an integrated part of the *Residential Tenancies and Rooming Accommodation Act 2008* at an appropriate time in the future to ensure that the reform measures are achieving the desired outcomes for the Queensland community.

This review will be supported through data collected by the Department of Housing and Public Works, the RTA and QCAT, as well as other relevant government agencies.

Further consultation will be undertaken to gauge the experiences of tenants, property owners, property managers, peak organisations, and other members of the Queensland community, as the Better Renting Future reforms are implemented.

This information will be subject to comparative analysis with baseline information collected in advance of implementation, including the views expressed in the 2018 *Open Doors to Renting Reform* consultation, the submissions and comments received in the response to this Consultation RIS, and evidence provided during Parliamentary Committee consideration of the amending legislation.

5.10 Questions

Questions about minor modifications

- How should ‘minor modification’ be defined?
- What would you consider examples of ‘minor modification’ that should not require the consent of the property owner?
- Is the notice period of seven days for property owners to respond to requests reasonable? If not, what is a suitable notice period?
- Do you agree with the recommended option to prescribe categories of minor modifications and require property owners to obtain QCAT approval to refuse consent for certain modifications (Option 3)?
- If you do not agree with the recommended option, what alternative option would you prefer?
- Would the recommended option result in increased costs being incurred by, or passed onto tenants?
- Would the recommended option result in increased costs being incurred by, or passed onto property owners?
- How would the introduction of the recommended option affect an owner’s decision to invest in or continue to hold residential rental property?
- Are there any unforeseen costs or unforeseen significant impacts if the recommended option is adopted?
- Are there any other issues about minor modifications that have not been addressed?
- Are there any elements of the recommended option that may need to be modified, or issues considered, for moveable dwelling agreements and properties or rooming accommodation agreements and premises?
- Are there potential conflicts between the recommended option and strata title arrangements? What impact, if any, will the recommended option have on bodies corporate?

Renting with pets

Consultation Regulatory Impact Statement

Review of the *Residential Tenancies and Rooming Accommodation Act 2008*

Stage 1 Reforms



Part 6 – Renting with pets (with safeguards)

6.1 Introduction

Pets are an important part of life for many Queenslanders. Pets are often viewed as part of the family and can provide companionship, safety, and physical and mental health benefits.[211] Nearly six in 10 Queensland households keep a pet.[212] There is a lack of robust data around the availability of rental property that is considered 'pet friendly'.[213] According to Rent.com property data, however, 15% of rental properties in Queensland are pet friendly – the highest number in Australia[214]. Current tenancy laws are largely silent on the issue of renting with pets. While tenants and property owners are currently able to negotiate their own arrangements for pets in rental properties, a more structured framework for keeping pets in rental properties may be justified.

6.2 What we heard through consultation

The ability for a tenant to keep a pet in a rental property was the most discussed topic in the Open Doors to Renting Reform consultation, accounting for more than a quarter (27 per cent) of responses across all channels.[215] Pets in rental properties was the most discussed issue in the online forums (20 per cent) and the second-most discussed issue in other written responses (16 per cent).[216]

In terms of the definition of 'pet,' there was generally an assumption in the consultation that pets would most likely be dogs or cats. Other types of animals, such as birds, fish, rodents, reptiles, horses, chickens and other farm animals, were rarely discussed. Any regulatory response should consider the range of animals that may be kept as pets and the appropriateness of the regulation across this range.

During the Open Doors consultation, there were marked differences in the views expressed on the topic of pets by property owners and tenants. Many tenants argued passionately to be allowed to keep pets so their rental properties would feel more like home and would contribute to their overall health and wellbeing. Many suggested that tenants should be able to have a pet without having to seek the property owner's permission, while others indicated that they would be willing to agree to certain conditions to be allowed to keep a pet. A small number of tenant respondents raised concerns about hygiene, allergies, noise, smell, and possible property damage.[217]

In general, property owners had a strongly held view that they should retain control over approval of pets.[218] Property managers also flagged potential health and safety risks when conducting inspections of rental properties where animals are present.[219]

Both property owners and managers also raised concerns about damage to property and potential pest infestation. Property owner advocacy organisations suggested that incentives, such as a 'pet bond,' may encourage more property owners to allow pets to be kept in rental properties. However, a strongly held

[211] F. Walsh, 'Health and Mental Health Benefits of Companion Animals', *Human Animal Bonds I: The Relational Significance of Companion Animals,* available at https://www.kenrodogtraining.com/upload/human2.pdf, Vol. 48, No. 4, Family Process, 2009, p.466.
[212] Pet Industry Association, *Australian Pet Ownership Statistics,* available at https://piaa.net.au/australian-pet-ownership-statistics/, 2018, accessed 18 July 2019.
[213] The definition of pet friendly for the purpose of this RIS is that property owners/managers have self-identified their properties as pet friendly. It is important to note the limitations of this data – ticking pet friendly as part of a rental advertisement does not mean that pets are automatically accepted or even considered. Also, property owners/managers that may accept or consider pets may not have indicated that their property is pet friendly.
[214] 'Australia's dog-eat-dog rental market exposed: only 1 in 10 properties deemed pet-friendly,' available at https://www.rent.com.au/blog/halloween-pets, accessed on 2 September 2019.
[215] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p.18.
[216] Ibid, p. 18.
[217] Ibid, p. 87.
[218] Ibid, p. 18.
[219] Real Estate Institute of Queensland, Submission to Open Doors to Renting Reform, 2018, p. 7.

view was that tenants should have to seek permission prior to having a pet, and that property owners should have the final say.[220]

Several other peak bodies provided feedback, including animal justice and animal welfare organisations, which raised concerns about the potential impacts of increased pet ownership on native wildlife.[221] The challenges of keeping pets in communal living arrangements such as caravan parks and community title schemes were also raised.[222]

During the Open Doors consultation, one tenant suggested that 'allowing people to have pets is important for mental and physical health reasons.' Another noted that 'some older people have cats or dogs as pets which are classed as part of their families. They are company for the older people and in some cases give them a reason to live.' Another respondent suggested that 'it is unfair that a tenant is not able to enjoy the companionship, safety and health benefits of having a pet.'[223] Further it was raised that tenants felt there was a power imbalance between owners and tenants, with tenants having little discretion to make their rental property a home, which is exacerbated by the restrictions on keeping a pet.

Allowing pets in rental properties was the most popular suggestion from tenants on what changes to tenancy law overall would improve their renting experience.[224] The most common ideas for tenancy reform put forward by tenants can be summarised as follows:

- all rental properties should be pet-friendly
- tenants should not need prior approval from the property owner to have a pet
- some tenants supported paying a pet bond
- special terms about maintaining the standard of the property could be included in tenancy agreements, such as a requirement to undertake pest control
- tenants could provide 'pet references,' including from previous property owners and managers.

The most common ideas for reform put forward by property owners and managers were that:

- mandatory pet requirements should not be imposed
- the property owner should retain the right to refuse pets
- pet-friendly rental properties could require tenants to pay a specific pet bond
- tenants should pay a higher rent for properties that allow pets
- property owners should be able to gain access to information about animals that are declared dangerous or have had complaints against them made to local government authorities
- there should be obligations placed on tenants to disclose the presence of pets to ensure the health and safety of those inspecting properties
- a property owner should be able to request a copy of a pet requisition or licence as part of the pet application process, to ensure that animals are being kept in accordance with legal requirements.

[220] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p.83.

[221] See, for example, Koala Action Group Qld Inc, Submission to Open Doors to Renting Reform, 2018, p. 1.

[222] See, for example, Caravan Parks Association of Queensland Ltd, Submission to Open Doors to Renting Reform, 2018, p. 11.

[223] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, pp. 87-88.

[224] Ibid, p.48.

6.3 Problem Identification

Even though 15 per cent of Queensland's rental properties were listed as 'pet-friendly' in property data, it may prove difficult for a person to secure a rental property that accepts their pet. Overseas research has shown that pet owners can find it difficult to find suitable rental properties and may make sacrifices on quality, location and safety in order to keep their pet.[225] Alternatively, tenants may relinquish, abandon or destroy pets that cannot be accommodated.

Open Doors consultation feedback also indicated that there is considerable unmet demand among tenants for pet-friendly rental properties in Queensland. There were 921 comments that discussed pets. Respondents indicated that most rental properties do not allow pets.[226] Pet Industry Association statistics indicate that 58 per cent of all Queensland households (rented and owner-occupied) include at least one pet, suggesting that pet ownership is disproportionately low among tenants.[227]

While current legislation allows property owners to approve the keeping of pets in rental properties, there is no guidance or framework for tenants and property owners to meaningfully communicate and reach an agreement about the matter. It appears that refusing to accept pets may be a default position for many property owners, without giving the tenant an opportunity to negotiate or consider the circumstances of individual tenants and their pets. Tenants also have no clear recourse to a system of tenancy rights that is geared to address pet ownership issues, particularly before the tenancy starts. This can affect a tenant's access to housing and adds to the perception of power imbalance in the tenancy relationship.

Research has indicated that pet ownership has a number of physical and psychological benefits, such as:

- fewer doctor visits
- reductions in stress
- an overall improvement in mental health
- increased social support for individuals
- improved cardiovascular health
- reduced incidence of allergies linked to asthma
- strengthened immune systems.[228]

Lack of access to pet-friendly properties may reduce opportunities for tenants to take advantage of these potential physical and psychological health benefits. It may also negatively impact pets themselves, which according to RSPCA Queensland are frequently surrendered as a result of changed life conditions of their owners, including a requirement to move into a rental property that does not accept pets.[229]

There is potential for pets to damage rental properties, gardens and yards, as well as the potential for pest infestation. Pets may also cause issues for people with allergies and phobias, as well as cause noise and odours that may disturb neighbours. During the Open Doors Consultation, property owners expressed concern at being compelled to allow pets into their properties. Property owners did not want to lose control over their property, as well as the potential for property damage.

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[225] K. O'Reilly-Jones, 'When Fido is Family: How Landlord-Imposed Pet Bans Restrict Access to Housing', *Columbia Journal of Law and Social Problems,* 52(3), available at http://jlsp.law.columbia.edu/wp-content/uploads/sites/8/2019/04/Vol52-OReilly-Jones.pdf, 2019, pp. 427-472.

[226] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, p. 76.

[227] Pet Industry Association, *Australian Pet Ownership Statistics,* available at https://piaa.net.au/australian-pet-ownership-statistics/, 2018, accessed 15 April 2019.

[228] F. Walsh, 'Health and Mental Health Benefits of Companion Animals', Human Animal Bonds I: The Relational Significance of Companion Animals, available at https://www.kenrodogtraining.com/upload/human2.pdf, Vol. 48, No. 4, Family Process, 2009, p.466, 473. See also Bradley Smith, 'The 'pet effect': Health related aspects of companion animal ownership' available at https://www.racgp.org.au/download/documents/AFP/2012/June/201206smith.pdf, Vol 41, No. 6, Australian Family Physician, 2012, pp. 353-448.

[229] C. Alberthsen, J. Rand, J. Morton, P. Bennett, M. Paterson & D. Vankan, *Numbers and Characteristics of Cats Admitted to Royal Society for the Prevention of Cruelty to Animals (RSPCA) Shelters in Australia and Reasons for Surrender,* available at https://www.mdpi.com/2076-2615/6/3/23, Vol 6, No. 23, MDPI, 2016, p.16; Animal Welfare League Queensland, *Pets & Housing – the Facts,* available at https://www.awlqld.com.au/pet-owner-help/pet-housing-facts, 2019, accessed 17 July 2019.

6.4 Government and policy objectives

Better Renting Future objectives:

- support enforcement of existing tenancy rights
- ensure rental accommodation is safe, secure and functional
- improve liveability of rental accommodation
- ensure tenancy laws protect vulnerable people in the rental market.

Policy objective:

- improve access for tenants to rental properties that allow pets while providing effective safeguards for property owners.

6.5 Options

Option 1	Status quo (no change)
Option 2.	Enhanced self-regulation through information disclosure measures
Option 3.	Information disclosure measures combined with legislation to allow special pest control and carpet cleaning lease conditions for tenants with pets
Option 4.	Information disclosure measures combined with legislation to: require property owners to have reasonable grounds for refusing a tenant's request to keep a pet provide an option for the property owner to obtain a tribunal order permanently excluding pets from a property allow special pest control and carpet cleaning lease conditions for tenants with pets
Option 5.	Legislation to require property owners to obtain a tribunal order to refuse a tenant's request to keep a pet
Option 6.	Allow owners to charge a separate pet bond

Option 1 – Status quo (no change)

Under the status quo option, the current RTRA Act framework would be maintained. Parties are able to negotiate arrangements for keeping pets, but property owners would continue to have the right to refuse pets without providing a reason. Tenants would have no legal recourse to challenge a property owner's refusal to allow pets.

The only measure in the current RTRA Act that is specific to pets is in section 71, which allows a tenant to challenge in QCAT a significant change in a subsequent lease agreement (that is, a second or subsequent lease agreement in a tenancy) that, among other things, removes a permission to keep pets. The purpose of this provision is to allow the tenant to obtain an order to prevent a property owner from unreasonably withdrawing permission for an existing pet.

Guide, Hearing and Assistance Dogs Act 2009

Under Queensland's *Guide, Hearing and Assistance Dogs Act 2009*, a property owner cannot refuse rental accommodation to a person because that person uses a certified guide dog, hearing dog or assistance dog. The *Guide, Hearing and Assistance Dogs Act 2009* also includes a note indicating that persons with disabilities may, in addition, have a right of action under the *Queensland Anti-Discrimination Act 1991* or the *Commonwealth Disability Discrimination Act 1992* in cases where rental accommodation is refused.

Option 2 – Enhanced self-regulation through information disclosure measures

Under Option 2, the current RTRA Act framework would remain in place, but would be complemented by voluntary measures to encourage tenants and property owners to provide more information to each other about pets. These measures would be:

1. a template for a tailored 'pet resumé,' which prospective tenants could use to help property owners to consider whether the pet can be appropriately accommodated
2. encouragement for property owners and managers to clearly disclose whether a property advertised for rent is pet-friendly and whether specific factors and arrangements could be considered for prospective tenants with pets.

The pet resumé template would be developed and distributed by the RTA. It would be supported by educational material and tip sheets to help tenants and property owners/managers to negotiate pet-friendly arrangements. A pet resumé could include, among other things:

- a description and photos illustrating a pet's characteristics, behaviour, breed, age, activity level, temperament and other relevant attributes
- the pet's vaccination, registration and microchipping records
- a description of how the pet is kept free of infectious disease and parasites
- references from trainers and/or veterinarians
- references from previous property owners, property managers and/or neighbours
- arrangements for taking care of the pet when the owner is at work or out of town.[230]

Property owners and managers would be encouraged to advertise whether a rental property is pet-friendly so tenants are able to make informed choices and find suitable rental properties. They would also be encouraged to outline in the advertisement:

- any relevant features of the property, such as the presence of suitable fencing
- any specific arrangements that can be made for pets, including approval of certain kinds of pets.

The purpose of these voluntary measures would be to provide tenants and property owners/managers with a framework to more effectively communicate their requests and requirements regarding pets.

Option 3 – Information disclosure measures combined with legislation to allow special pest control and carpet cleaning lease conditions for tenants with pets

Under Option 3, the RTRA Act would be amended to allow for the inclusion of special terms in a tenancy agreement that require tenants with pets to arrange for professional pest control and professional carpet cleaning services at the conclusion of a tenancy. The purpose of this amendment would be to provide assurance and clarity about how a tenant will address any pest infestation or carpet dirtiness that may result from a pet being kept on the property.

Other current RTRA Act requirements would be maintained. Tenants would continue to be required to seek permission from the property owner or manager to keep a pet. Parties would be able to negotiate

[230] Rent With Pets, *Pet Resume*, available at https://www.rentwithpets.com.au/index.php/tenants2/pet-resume, 2013, accessed 1 May 2019.

arrangements, including through the use of advertising disclosures and pet resumés described in Option 1. Tenants would continue to have no recourse under the RTRA Act if approval is not given.

Option 4 – Information disclosure measures combined with reasonable grounds, tribunal order and special conditions legislation

Option 4 would involve a range of amendments to the RTRA Act to strengthen a tenant's options regarding the keeping of a pet on rental property, but also to safeguard the ability of the property owner to refuse to accommodate a pet where there are reasonable grounds to do so.

The proposed amendments under Option 4 would:

- allow for the inclusion of special terms in a tenancy agreement that require tenants with pets to arrange for professional pest control and professional carpet cleaning services at the conclusion of a tenancy, as described in Option 3
- require property owners to have *reasonable grounds* for refusing a tenant's request to keep a pet
- provide an option for the property owner to obtain a *QCAT order permanently excluding pets* from a property.

Refusal on reasonable grounds

A tenant would still be required to seek the permission of the property owner (or the property owner's agent) to keep a pet. However, the property owner could only refuse the request by reference to defined reasonable grounds that would be included in the RTRA Act. The property owner would also be required to inform the tenant of the reasons for refusing and provided evidence on request.

The reasonable grounds would be as follows:

A. The property is unsuitable to keep the pet
    - *Example: the property does not have an enclosed area of appropriate size to accommodate the pet*
B. Keeping the pet on the property would result in unreasonable damage to the property
    - *Example: the floor or window coverings provided in the property would be easily damaged by the pet*
C. Keeping the pet on the property would pose an unacceptable risk to health or safety
    - *Example: the pet is likely to be a hazard for property managers undertaking an inspection*
D. Keeping the animal on the property would be contrary to other legislation, regulations or rules, including local government ordinances, or caravan park rules or strata title by-laws allowed under the RTRA Act
    - *Example: body corporate by-laws do not allow pets, or the pet is a prohibited breed under local government regulations*
E. A reason approved by the Tribunal, including one or a combination of the above reasons, or another reason.

If a property owner refuses a tenant's request to keep a pet and the tenant believes the refusal is unreasonable, the tenant would have the right to ask the property owner for evidence to support the reasons given. If there is still disagreement between the tenant and the property owner about the reasons, the tenant could pursue the issue through dispute resolution mechanisms, including RTA conciliation and a QCAT hearing. Community and strata title properties can provide some guidance on matters to consider during disputes. By-laws which impose a *complete ban* on animals, for example, have been successfully challenged and found to be invalid by QCAT[231].

This option would be supported with information and education for property owners, property managers and tenants about reasonable grounds and sufficient, relevant and reliable evidence. Some examples of evidence of a reasonable refusal appear in **Appendix 1**. Scenarios and examples are outlined in **Appendix 2**.

[231] Queensland Commercial and Consumer Tribunal, *Tutton, W. & B. v Body Corporate for Pivotal Point Residential CTS 33550 [2008] QCCTBCCM 12 (11 June 2008)*, available at http://www8.austlii.edu.au/cgi-bin/viewdoc/au/cases/qld/QCCTBCCM/2008/12.html, 2019, accessed 3 September 2019

QCAT order excluding pets from a property

In response to a specific request or as a pre-emptive measure, a property owner could apply to QCAT for an order to exclude a pet or a particular class of pets from a property. The order may apply to the current tenancy only or to the property on a long term or permanent basis. The order may also impose some limitations if the type of pet is allowed. The application would need to demonstrate reasonable grounds as well as showing that those grounds are unlikely to change for the relevant period (for example, there are permanent features of the property).

An amendment to the RTRA Act would also require property owners to disclose such an order when advertising the property for rent.

Special pest control and carpet cleaning conditions

As with Option 3, this option would also incorporate an amendment to the RTRA Act to allow for the inclusion of special terms in a tenancy agreement that require tenants with pets to arrange for professional pest control and professional carpet cleaning services at the conclusion of a tenancy.

RTRA Act otherwise unchanged

Under Option 4, other aspects of the RTRA Act affecting pets would be unchanged, including the right of a tenant to challenge a significant change in a subsequent lease agreement that removes a prior permission to keep pets.

Information disclosure measures

As with Option 3, the information disclosure measures would also be complementary to this reformed legislative framework and would support negotiated outcomes between parties.

Option 5 – Legislation to require property owners to obtain a tribunal order to refuse a tenant's request to keep a pet

A final option would allow a tenant to keep pets, provided written consent has been obtained from the property owner. However, a property owner could only refuse a request by obtaining an order from QCAT. The onus would be on the property owner to have the matter decided by QCAT. Failure by the property owner to make an application to QCAT within a certain period would result in a deemed approval of the tenant's request. QCAT could grant an order supporting the property owner's refusal based on reasonable grounds, as outlined under Option 4, above.

Victoria[232] and the ACT[233] have enacted requirements of this kind, which will take effect in 2020.

Option 6 – Allow owners to charge a separate pet bond

The RTRA Act would be amended to allow a specific pet bond to be charged and kept separate from the general bond. It would allow a further amount to be collected in bond for houses, moveable dwellings and rooming accommodation for the purposes of fumigation if the tenant is permitted to keep a pet or pets on the property. The amount would be set in Regulation with the ability to increase the amount in line with CPI or reviewable every few years. Based on a review of market costs for standard end of lease pets control treatment for fleas and cockroaches for a house (using an average of costs for a three to four bedroom house) or a moveable dwelling, the proposed maximum pet bonds allowable would be:

- $250 for a general tenancy (house, flats, units, townhouses)
- $125 for a moveable dwelling or room only accommodation.

This change would generally reflect the approach in Western Australia (WA) which allows for a separate pet bond to be charged ($260 for a house, and $100 for a caravan), and which can only be used for

[232] *Rent Fair - rental reforms for Victorians*, available at: https://www.vic.gov.au/rentfair-rental-reforms-victorians, accessed 8 August 2019.

[233] ACT Civil and Administrative Tribunal, "Changes to residential tenancy law – coming soon," available at: https://www.acat.act.gov.au/about-acat/latest-news#Changes-to-residential-tenancy-law-coming-soon, accessed 8 August 2019.

fumigation at the end of the tenancy. Any damage caused by the pet is to be taken out of the general bond. As at 28 August 2019, 32.25% of all bonds in WA have a pet bond component.[234]

In Queensland, the proposed pet bond would be lodged with the RTA, similar to a general rental bond. Not all rental properties charge rental bonds, and this option would allow property owners and managers to charge tenants a pet bond even if a general rental bond is not held for that tenancy. However, pet bonds must not be charged for assistance dogs covered by the *Guide, Hearing and Assistance Dogs Act 2009*. Pet bonds could also be charged during the tenancy if tenants acquire a pet at a later stage, and the pet bond would need to be lodged with the RTA within the current time frame of ten days. The parties may agree to the release of the pet bond during the tenancy if the pet no longer resides in the rental property for a significant period before the end of the tenancy, and the tenant does not intend to have another pet.

The bond would only be able to be used for professional fumigation if pest control is required. Any other damage caused by the pet, such as scratched floor boards or damage to gardens, would come out of the general bond. Only one pet bond could be applied to a property regardless of the number of pets. The pet bond would be released to the tenant at the same time as the general rental bond refund, on evidence of any required pest control having been undertaken, or to the property owner if fumigation had not been undertaken and there was evidence of fleas. Disputes about pet bonds would follow normal processes through the RTA's conciliation process.

6.6 Impact Analysis

Option 1 - Status quo (no change)

The current framework gives property owners full discretion to refuse a tenant's request to keep a pet (with narrow exceptions for service animals). A reason does not have to be provided for refusing a pet. The property owner is therefore in a strong position to manage any perceived risks and potential costs associated with pets on their rental property.

While there is nothing preventing the parties to a lease from negotiating arrangements for pets, tenants wishing to keep a pet have few rights or options for recourse under the existing legislation. As a result, many tenants are unable to take advantage of the benefits to health and wellbeing of pet ownership.

Option 1 – Status Quo (no change)

Stakeholder	Issues
TENANTS	• Tenants as a group currently report low satisfaction with the renting experience. Many have identified an inability to keep pets as a key factor.[235] • Tenants report having difficulty finding and accessing pet-friendly property.[236] • Some tenants choose to keep pets in rental properties without seeking permission, which can lead to conflict with property owners, property managers and other affected parties. • Tenants have no recourse to challenge a property owner's refusal to allow pets.

[234] Western Australia Department of Mines, Industry Regulation and Safety, data received 28 August 2019.

[235] The most popular suggestion by tenants to improve renting experience was to allow pets in rental properties; Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, pp. 48.

[236] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, pp.76.

	• Vulnerable groups such as people experiencing domestic and family violence have cited the lack of pet-friendly rental properties as a barrier to accessing safe, secure housing. [237]
PROPERTY OWNERS	• Property owners have raised concerns about potential damage and disruption to rental properties that may be caused by pets.[238]
PROPERTY MANAGERS	• There are potential work health and safety risks for property managers making inspections if pets are present at the property.[239]
COMMUNITY	• Pets may continue to be abandoned or surrendered to animal shelters (and euthanised) due to tenants being unable to keep pets.[240]

Recommendation: This option is not recommended. The existing legislation does not achieve *the Better Renting Future* objective of 'improving the liveability of rental accommodation' in respect of the keeping of pets. This option does not help address the perceived power imbalance in the tenancy relationship.

Option 2 - Enhanced self-regulation through information disclosure measures

Option 2 would have no significant regulatory impact on any stakeholders owing to its voluntary nature. The intent would be to encourage all stakeholders to be proactive and take responsibility to fully inform the other party before and during the tenancy. A pet resumé would provide property owners and managers with improved information to support consideration of a request to keep a pet. Similarly, disclosure of arrangements for keeping pets in rental listings would help tenants locate suitable pet-friendly rental properties.

Option 2 - Enhanced self-regulation through information disclosure measures

Stakeholder	Benefits	Costs
TENANT	• To the extent that property owners adopt voluntary advertising disclosures, prospective tenants with pets may have a greater chance of identifying and securing pet-friendly rental properties.[241]	• None
PROPERTY OWNER	• To the extent that prospective tenants with pets provide pet resumes, property owners may have improved information for tenant selection. • A voluntary framework that allows prospective tenants and property owners to negotiate pet-friendly properties in a transparent manner may reduce tenant non-disclosure and its attendant costs.	• None

[237] M. Roguski, *Pets as paws: The Co-existence of Animal Cruelty and Family Violence,* available at http://nationallinkcoalition.org/wp-content/uploads/2013/01/DV-PetsAsPawnsNZ.pdf, Royal New Zealand Society for the Prevention of Cruelty to Animals and the National Collective of Independent Women's Refuges, 2012, pp. 32.

[238] Real Estate Institute of Queensland, Submission to Open Doors to Renting Reform, 2018, p. 7.

[239] Ibid, p. 7.

[240] C. Alberthsen, J. Rand, J. Morton, P. Bennett, M. Paterson & D. Vankan, *Numbers and Characteristics of Cats Admitted to Royal Society for the Prevention of Cruelty to Animals (RSPCA) Shelters in Australia and Reasons for Surrender,* available at https://www.mdpi.com/2076-2615/6/3/23, Vol 6, No. 23, MDPI, 2016, pp.16; Animal Welfare League Queensland, *Pets & Housing – the Facts,* available at https://www.awlqld.com.au/pet-owner-help/pet-housing-facts, 2019, accessed 5 July 2019.

[241] About 80% of property owners and managers surveyed would consider pets if presented with information on the pet at the time of application; Rent.com.au website, *Create a Pet Resume to help with your next rental application*, available at https://www.rent.com.au/blog/pet-resume, 2018, accessed 15 April 2019.

PROPERTY MANAGER	• None	• Potential increased work health and safety risks associated with animals in rental properties may have to be managed
STATE GOVERNMENT	• None	• None
COMMUNITY	• To the extent that the option encourages greater pet ownership, there may be improved homing outcomes for pets	• To the extent that the option encourages greater pet ownership there may be possible negative environmental impacts, such as impacts on native wildlife

Recommendation: While improved communication and transparency regarding pets are desirable, this option alone would not be likely to achieve the objective of 'improving the liveability of rental accommodation' to a significant degree. This is because many property owners would be likely to continue exercising their ability under the RTRA Act to refuse a tenant's request to keep a pet without consulting, negotiating or providing reasons. Option 2 as a standalone measure is therefore not recommended.

Option 3 - Information disclosure measures combined with legislation to allow special pest control and carpet cleaning lease conditions for tenants with pets

Under Option 3, tenants may benefit from an increased ability to get permission to keep pets by providing assurance to property owners that carpet cleaning and pest control will be undertaken at the end of the tenancy. The health and wellbeing benefits of keeping a pet would therefore flow to those tenants, but they would also bear a cost at the end of the tenancy that is additional to the ordinary requirement of returning a property to its initial condition, except for wear and tear. Property owners would retain their discretion to refuse pets. However, if a pet is approved, the property owner would benefit from the assurance that specific cleaning would be undertaken.

As this proposal could be combined with the voluntary pet resumé and advertising disclosure measures, the modest benefits of those self-regulatory tools would also apply.

Option 3 - Information disclosure measures combined with legislation to allow special pest control and carpet cleaning lease conditions for tenants with pets

Stakeholder	Benefits	Costs
TENANT	• Tenants would have a mechanism to help them secure the agreement of the owner to keep a pet, with the associated health and wellbeing benefits	• Tenants will be required to cover pest control and carpet cleaning costs, even if these services are not required to return the property to its original condition • **Pest control** prices will vary according to the treatment required. An anti-flea treatment may cost between $125 and $250 • **Carpet cleaning** can cost between $29 and $55 per room. Prices vary in accordance with carpet condition.
PROPERTY OWNER	• Property owners will have greater assurance regarding carpet cleanliness and pest control for tenancies including a pet • To the extent that prospective tenants with pets provide pet resumes,	• None

	property owners may have improved information for tenant selection. • A voluntary framework that allows prospective tenants and property owners to negotiate pet-friendly properties in a transparent manner may reduce tenant non-disclosure and its attendant costs.	
PROPERTY MANAGER	• None	• Potential increased work health and safety risks associated with animals in rental properties will need to be managed
STATE GOVERNMENT	• None	• None
COMMUNITY	• Improved homing outcomes for pets	• Possible negative environmental impacts, such as impacts on native wildlife

Recommendation: This option may encourage an uptake in pet approvals in rental properties, but this is not guaranteed. This option on its own is therefore also unlikely to substantially achieve the objective of 'improving the liveability of rental accommodation.' Option 3 as a standalone measure is not recommended.

Option 4 - Information disclosure measures combined with reasonable grounds, tribunal order and special conditions legislation

Requiring property owners to articulate reasonable grounds to refuse a tenant's request to keep a pet will help to address the discrepancy in power in the tenancy relationship and will make owners' decision-making more accountable and transparent. This option would therefore support tenants' ability to make reasonable arrangements to keep pets in their rental properties, increasing liveability and improving security of tenure.

Increased ability for pet ownership will enable tenants to accrue the health and wellbeing benefits associated with pet ownership.[242] Pertaining to older adults (those over 60 years), some research has found that pet owners are more likely to have a positive self-perception of health, normal blood pressure, less chronic conditions, and improved function.[243] Research has found that pet ownership during pregnancy and childhood is associated with reduced risk of airborne allergen sensitisation and decreased risk of atopic asthma (the same research found that ownership of rodents and rabbits was associated with an increased risk of non-atopic asthma).

Property owners will retain the right to refuse pets on reasonable grounds, meaning they can continue to manage legitimate risks associated with pet ownership. The option to obtain a long-term or permanent tribunal order excluding pets from a property will also provide a streamlined and low cost means of managing pet ownership across multiple tenancies.

This option does not provide a recourse for prospective tenants with a pet who have a tenancy application rejected. Under the RTRA Act, a property owner is not required to disclose the reasons for refusing a tenancy application. This could perpetuate both perceived and actual existing discrimination against pet owners and will not entirely resolve the issue of tenants not wanting to declare pets on their tenancy application. Tenants that are already in a tenancy may be deterred from challenging an owner's refusal on reasonable grounds given the power imbalance that can sometimes exist between tenants and property owners/managers, and for fear of retaliatory eviction.

[242] F. Walsh, 'Health and mental health benefits of companion animals', *Human-Animal Bonds I: The Relational Significance of Companion Animals*, available at https://www.kenrodogtraining.com/upload/human2.pdf, Vol. 48, No. 4, Family Process, 2009, pp. 466

[243] T.S. Pohnert, *The effect of pet ownership on physical well-being in older adults*, Virginia Commonwealth University, available at https://scholarscompass.vcu.edu/cgi/viewcontent.cgi?article=3237&context=etd, 2010.

With the potential for increased applications to QCAT regarding pets, there may be pressure on tribunal resourcing under this option. The potential impact on the workload of QCAT would be lessened by identifying reasonable grounds in the RTRA Act where a property owner could refuse certain types of pets without having to seek a QCAT order, as well as allowing orders to be made against the property (rather than individual tenancies). Property owners would also be required to include any pet exclusions or particular categories of pets at the time of advertising the rental property.

As Option 4 also encompasses the voluntary disclosure and special conditions measures in Options 2 and 3, the costs and benefits of those proposals would also be realised.

Option 4 - Information disclosure measures combined with reasonable grounds, tribunal order and special conditions legislation

Stakeholder	Benefits	Costs
TENANT	• Tenants will have improved legislative protections for keeping a pet, and will be able to overcome unreasonable objections, allowing them to enjoy the health and wellbeing benefits of pet ownership • Improved rental satisfaction and security of tenure as tenants may be more inclined to remain in rental properties which feel like home[244] • To the extent that property owners adopt voluntary advertising disclosures, prospective tenants with pets may have a greater chance of identifying and securing pet-friendly rental properties.[245]	• Tenants may face costs associated with disputing a refusal of a request to keep a pet, including costs of a potential QCAT process • Tenants will be required to cover pest control and carpet cleaning costs, even if these services are not required to return the property to its original condition • **Pest control** prices will vary according to the treatment required. An anti-flea treatment for a house may cost between $125 and $250 • **Carpet cleaning** can cost between $29 and $55 per room. Prices vary in accordance with carpet condition.
PROPERTY OWNER	• To the extent that prospective tenants with pets provide pet resumes, property owners may have improved information for tenant selection. • A voluntary framework that allows prospective tenants and property owners to negotiate pet-friendly properties in a transparent manner may reduce tenant non-disclosure and its attendant costs. • Property owners will have greater assurance regarding carpet cleanliness and pest control for tenancies including a pet	• Property owner's discretion and control over their rental property investment will be limited • Property owners currently not allowing pets may have increased risk of pet-related damage or disruption • Property owners may face costs associated with defending a refusal to allow a tenant to keep a pet, including QCAT costs. However, property owners will be able to obtain tribunal orders to exclude classes or pets on a permanent basis or for extended periods where there are legitimate risks associated with tenants keeping pets
PROPERTY MANAGER	• None	• Potential increase in workload for pet applications and ensuring carpet and pest control was professionally carried out

[244] Queensland Department of Housing and Public Works, *Open Doors to Renting Reform Consultation Final Report*, 2018, pp.48.

[245] About 80% of property owners and managers surveyed would consider pets if presented with information on the pet at the time of application; Rent.com.au website, *Create a Pet Resume to help with your next rental application*, available at https://www.rent.com.au/blog/pet-resume, 2018, accessed 15 April 2019.

Stakeholder	Benefits	Costs
		• Potential increased work health and safety risks associated with animals in rental properties will need to be managed
SOCIAL HOUSING	• Potential reduction in demand for social housing due to higher availability of pet friendly rentals	• None
STATE GOVERNMENT	• Potential reduced burden on government services, particularly health systems, due to improvements in health and wellbeing created by pet companionship.[246]	• Potential for increases in RTA and QCAT dispute resolution in the short-term which may increase operational costs [247] • Increased costs associated with the RTA and QCAT changes, required to service systems, education and information resources • Resources for Office of the Commissioner for Body Corporate and Community Management to deal with an increase in requests for information and assistance.
COMMUNITY	• Improved homing outcomes for pets	• Possible negative environmental impacts, such as impacts on native wildlife

Recommendation: Option 4 is recommended, as it would substantially achieve the objective of 'improving the liveability of rental accommodation' through increased pet ownership, while retaining appropriate safeguards for the legitimate interests of property owners.

Option 5 – Legislation to require property owners to obtain a tribunal order to refuse a tenant's request to keep a pet

Under this option, a property owner with a tenancy agreement in place would be required to apply to QCAT for an order to refuse a request from a tenant to keep a pet. This option, therefore, would provide an automatic, positive right to keep a pet in a rental property. While this option would have benefits for tenants seeking to keep pets, it would be likely to have significant cost impacts on property owners and QCAT.

Option 5 – Require property owners to apply to a Tribunal to refuse pets at a property

Stakeholder	Benefits	Costs
TENANT	• Tenants would enjoy a far greater scope to be able to keep pets, with the associated benefits.	• A tenant may be required to participate in a QCAT proceedings initiated by a property owner seeking to refuse a request to keep a pet.
PROPERTY OWNER	• None	• Property owners may face considerable costs as a result of the requirement to obtain a QCAT order to refuse a request from a tenant to keep a pet, including the application

[246] B. Heady, M. Grabka, J. Kelley, P. Reddy & Y. Tseng, *Pet ownership is good for your health and saves public expenditure too: Australian and German longitudinal evidence,* available at https://search.informit.com.au/fullText;dn=674270738133649;res=IELBus, Vol. 5, No.4, Australian Social Monitor, 2002, pp. 95

[247] Queensland Civil Administrative Tribunal (QCAT), *QCAT advice to the Department of Housing and Public Works*, 2019, accessed 1 May 2019.

Stakeholder	Benefits	Costs
		fee and time and resources spent preparing materials for QCAT. • Property owners unable to obtain an order from QCAT to refuse a request may face increased costs as a result of the presence of pets at the rental property.
PROPERTY MANAGER	• None	• Potential increased work health and safety risks associated with animals in rental properties will need to be managed
STATE GOVERNMENT	• Potential reduced burden on government services, particularly health systems, due to improvements in health and wellbeing created by pet companionship.	• There would be a likely significant increase in the number of applications to QCAT, placing pressure on tribunal resources
COMMUNITY	• Improved homing outcomes for pets	• Possible negative environmental impacts, such as impacts on native wildlife

Recommendation: Option 5 is not recommended. The increased costs for property owners and QCAT would be likely to result in a smaller benefit than would be realised under Option 4.

Option 6 - Allow property owners to charge a separate pet bond

The introduction of a pet bond may encourage more property owners to allow pets in their rental property. There would then be a larger pool of prospective tenants to choose from. Accordingly, there may be less vacancy turnaround time for letting properties and therefore less lost rent.

Pet owners may wish to sign a longer-term lease so that they do not have to resettle their pets into a new rental property. By allowing pets, property managers/owners may attract tenants that are more likely to be responsible, reliable and potentially less likely to move.

Pet ownership may also provide benefits to both the community and individuals. Pet ownership may generate more interactions between neighbours which increases social cohesion and generates a sense of wellbeing and connection. A pet owner who has to exercise a pet regularly may also enjoy improved cardiovascular health. Ownership of pets contribute to a number of health benefits such as fewer doctor visits, reduction in stress, overall improvement in mental health and increased social support for individuals.[248] These health benefits contribute to savings in health expenditure.

Pet bonds would provide a measure of financial security for property owners. Tenants would have to initially fund a higher bond at the start of the tenancy but would benefit financially by being able to either access those funds at the end of the tenancy to either pay for fumigation or as additional funds if there is no need for pest control.

Pet bonds also need to be considered in conjunction with any special terms about pest control as proposed by Options 2 and 3. Requiring tenants to undertake pest control as a special term, as well as charging tenants a pet bond to be used for pest control, would be an unnecessary duplication of costs and obligations for tenants. Some property owners may perceive pet bonds as less risky than relying on tenants to undertake pest control as a special term of the agreement.

[248] F. Walsh, 'Health and mental health benefits of companion animals', *Human-Animal Bonds I: The Relational Significance of Companion Animals*, available at https://www.kenrodogtraining.com/upload/human2.pdf, Vol. 48, No. 4, Family Process, 2009, pp. 466, accessed 26 August 2019

The RTA will have an additional source of income from the additional investment funds. However, there would be an increase in resources needed to administer and enforce the obligations. The RTA would be responsible for managing separate pet bonds, particularly if they were released mid-tenancy or subject to dispute. While there could be increased numbers of pet bond disputes impacting on the RTA and QCAT, there may be a reduction in the number of disputes for property owners or managers as a result of having increased bond funds to deal with pest control issues.

Option 6 - Allow property owners to charge a separate pet bond

Stakeholder	Benefits	Costs
TENANT	• May contribute to an increase in the number of pet-friendly rental properties, improving security of tenure • Encourages responsible pet ownership • May contribute to improving health and wellbeing outcomes for those tenants allowed to have pets	• May reduce rental affordability due to additional financial cost of bond[249] • May make it difficult to move between rental properties due to increased bond amount. • May impact community housing tenants if they are required to pay additional bond
PROPERTY OWNER	• Increases financial security for property owners around financing pest control.	• May not alleviate concerns held by some property owners that the current bond does not cover damages incurred, especially when these are significant.[250]
PROPERTY MANAGER	• Tenants with pets may stay in their existing property for longer, potentially reducing the workload in seeking and screening new tenants.	• Increased workload and complexity to manage bonds.
STATE GOVERNMENT	• Nil anticipated.	• Increased costs to the RTA to administer and manage additional or separate bonds. • Potential for increases in requests for RTA and QCAT dispute resolution, which may increase operational costs. • Increased costs associated with the RTA and QCAT changes, required to service systems, education and information resources.
SOCIAL HOUSING	• Nil anticipated.	• Nil anticipated.

[249] The median weekly rent in Queensland as at 28 August 2019 is $365 and the median bond balance is $1,460; Residential Tenancies Authority (RTA), *RTA advice to the Department of Housing and Public Works on 28 August 2019,* 2019, accessed 28 August 2019.

[250] A small number of property owners reported experiencing substantial property damage from tenants and their pets during the Open Doors to Renting Reform consultation.

COMMUNITY	• Contribute to improved social cohesion due to pet owners having higher social capital[251]. • Contribute to fewer animals surrendered to shelters.	• Potential environmental impacts for native wildlife (i.e. koalas) if this option contributes to an increase in domestic pet ownership.

Recommendation: This option is recommended. A pet bond would provide property owners/managers with confidence that any pest infestation could be remedied through professional pest control at the end of the tenancy. Therefore, the introduction of a pet bond will most likely contribute to an increase in the number of pet-friendly rental properties made available, but also provide property owners with appropriate safeguards.

6.7 Summary of conclusion and recommended options

Pets in rental properties is a complex issue that needs to balance the benefits of pet ownership for tenants with the risks for property owners (real or perceived). The recommended options (Options 4 and 6) continue to support communication and negotiation between tenants and property owners regarding pets but complements and reinforces this with clear legislative rights and obligations. Given the inclusion of reasonable and unreasonable grounds in Option 4, more pets will be permitted in rental properties and blanket bans on all pets would not be allowed.

Allowing for pet bonds under Option 6, however, could duplicate special terms about pest control allowed in Option 4. If tenants are required as a term of their tenancy agreement to undertake pest control at the end of their tenancy, they should not be charged a pet bond to cover pest control. While the two options can be treated as mutually exclusive, including both allows tenants and property owners the ability to negotiate the timing of the expense for pest control. It could be either at the start of the tenancy through paying a separate pet bond, or at the end of the tenancy under special conditions.

Importantly, the recommended options also do not impact rights and obligations under other applicable regulation, such as legislation governing service animals, local government ordinances regarding animals, and valid park and strata title by-laws. Strata title by-laws which impose a *complete ban* on animals have been successfully challenged and found to be invalid.

In summary, the recommended options involve the following measures:

1. an amendment to the RTRA Act to require a property owner to provide reasonable grounds for refusing a request from a tenant to keep a pet
2. development of material to explain reasonable grounds of refusal
3. an amendment to the RTRA Act to allow a property owner to obtain an order excluding pets or a class of pets from a rental property on reasonable grounds, either for a certain period or permanently (as well as a requirement to disclose such an order in advertising)
4. an amendment to the RTRA Act to allow terms to be included in a tenancy agreement requiring a tenant with a pet to arrange professional pest control and carpet cleaning when they vacate
5. development of a pet resumé template to help in the consideration of pet approvals
6. measures to encourage property owners to disclose information relevant to the keeping of pets at a rental property at the time it is advertised for rent
7. allow property owners to charge a separate pet bond for professional pest control if there is an infestation at the end of the tenancy. *Note: a pet bond would not be able to be charged if a special term about tenants undertaking pest control (point 4) has been included in the tenancy agreement.*

[251] Lisa Wood, 'Our pets strengthen neighbourhood ties' *Rent.com.au*, available at https://www.rent.com.au/blog/pets-strengthen-neighbourhood-ties, 2017, accessed 30 July 2019.

6.8 Consistency with fundamental legislative principles

The fundamental legislative principles outlined in section 4 of the *Legislative Standards Act 1992* (Qld) were considered during the development of the proposed regulatory reforms. The recommended option is consistent with arrangements for the judicial review of decisions made by QCAT and other bodies. The incorporation of 'reasonable grounds' and review provisions is consistent with principles of natural justice. The recommended option does not have retrospective impacts and is drafted in clear and precise language. It has been framed with sufficient regard to both the rights and liberties of individuals and the institution of Parliament.

6.9 Implementation, compliance support and evaluation strategy

6.9.1 Implementation

The *Better Renting Future* reform measures for renting with pets will be implemented in stages to give the rental sector, particularly property owners and managers, time to prepare for and adjust to the new requirements.

Commencement dates will provide at least six months after assent for new tenancies, and 12 months for pre-existing tenancies to comply.

The Department of Housing and Public Works will work with the Residential Tenancies Authority (RTA) to develop a communication and engagement plan to raise awareness of the *Better Renting Future* initiatives and to enable tenants, property owners and property managers to understand their new rights and responsibilities.

6.9.2 Compliance

Responsibility for compliance and enforcement of the RTRA Act rests with:

- the RTA, which manages rental bonds and provides tenancy information services, dispute resolution services, investigation services, and education services
- QCAT, which decides disputes between tenants and property owners or rooming accommodation providers related to, among other things, rents, bonds, standard of properties, entry onto properties, park rules, termination of tenancy agreements, and tenancy databases.

The RTA and QCAT will continue to undertake these responsibilities for the new measures adopted through the Better Renting Future reform process, and the sector will be supported with information and education to understand their changed obligations and rights.

6.9.3 Evaluation

The *Better Renting Future* reform package will be reviewed as an integrated part of the *Residential Tenancies and Rooming Accommodation Act 2008* at an appropriate time in the future to ensure that the reform measures are achieving the desired outcomes for the Queensland community. This review will be supported through data collected by the Department of Housing and Public Works, the RTA and QCAT, as well as other relevant government agencies. Further consultation will be undertaken to gauge the experiences of tenants, property owners, property managers, peak organisations, and other members of the Queensland community, as the Better Renting Future reforms are implemented. This information will be subject to comparative analysis with baseline information collected in advance of implementation, including the views expressed in the 2018 *Open Doors to Renting Reform* consultation, the submissions and comments received in the response to this Consultation RIS, and evidence provided during Parliamentary Committee consideration of the amending legislation.

6.10 Questions

- Do you agree with the recommended options of:
  - requiring property owners to not unreasonably refuse a tenant's pet request
  - allowing property owners to apply to QCAT for an ongoing exemption to refuse pets on reasonable grounds
  - allowing property owners to have special terms about pest control and carpet cleaning
  - improving education and information about pets for tenants and property owners by encouraging the use of a pet resume and information about pets?
  - allowing property owners to charge a separate pet bond for professional fumigation in case of infestation at the end of a tenancy?
- If you do not agree with the recommended option/s, what alternative option/s would you prefer?
- If a pet bond is allowed, what would be a reasonable amount?
  - for houses,
  - for moveable dwellings or room only accommodation
- Would the recommended options result in increased costs being incurred by, or passed onto tenants?
- Would the recommended options result in increased costs being incurred by, or passed onto property owners?
- How would the introduction of the recommended option affect an owner's decision to invest in or continue to hold residential rental property?
- Are there any unforeseen costs or unforeseen significant impacts if the recommended option is adopted?
- Are there any other issues about renting with pets that have not been addressed?
- Are there any elements of the recommended option that may need to be modified, or issues considered, for moveable dwelling tenancies or rooming accommodation?

Appendix 1 Examples of reasonable grounds for property owners to refuse pets

Reasonable ground	Examples
The property is unsuitable to keep the animal	For a property to provide suitable housing for a pet it must include an enclosed area of an appropriate size, indoors or outdoors, to ensure the wellbeing of the animal and to prevent potential nuisance, accident and/or injury to members of the public. The *Animal Management (Cats and Dogs) Regulation 2009* can be used as a reference and outlines the minimum required standard of accommodation to keep a dog: the height of enclosure fencing based on the weight of the dog, the maintenance condition of the enclosure (firm and strong materials) and the design of exterior walls to prevent a child from climbing into the enclosure.
Keeping the animal on the property would be an unacceptable risk to public health or safety	Where a property owner suffers from a severe animal allergy and self manages the tenancy or intends to return to live in the property, it may be reasonable for them to refuse a tenant to keep a type of animal (such as cats) in their property. It may prevent them from entering the property to carry out inspections, undertake repairs and maintenance, or from residing in the property after the tenancy has ended. However, if the property owner has a severe allergy but the property is looked after by a property manager and the owner does not intend to reside in the property after the tenancy has ended, this may not be considered reasonable. Or if the property owner or manager has a significant phobia about a type of animal, limitations about having that animal may be considered suitable, such as covering up a glass snake enclosure for property inspections or keeping the door to the room the enclosure is in closed. In 2018, 13% of all Queenslanders reported having an allergy.[252] Cats and other furry or hairy animals (such as dogs, horses and guinea pigs) are one of the most common causes of allergic reactions in Australia[253] and symptoms may range from minor irritations to severe reactions. Cat allergen is known to be especially difficult to eradicate from a property once it has been introduced and can remain in a home for up to six months after the cat is removed.[254]
Keeping the animal on the property would be contrary to other legislation or regulations	Each local government area defines and administers animal management laws. The tenant must comply with local government regulations. The regulations are unique to each region and differ in the number of pets permitted based on species, breed, number, accommodation type and land size to animal ratio. They also have differing enclosure regulations, specific environmental impacts, nuisance and hygiene requirements. Some local government pet regulation variations are: • Gold Coast City Council allows a maximum of four budgerigars, canaries or other birds of similar size to reside on a property less than 300 metres squared.

[252] Queensland Health, *The Health of Queenslanders 2018: Report of the Chief Health Officer Queensland*, available at www.health.qld.gov.au/__data/assets/pdf_file/0032/732794/cho-report-2018-full.pdf, 2018, pp. iv.

[253] Australian Society of Clinical Immunology and Allergy, *What is Allergy?*, available at: https://www.allergy.org.au/patients/about-allergy/what-is-allergy, 2017, accessed 25 June 2019.

[254] Australian Society of Clinical Immunology and Allergy, *Pet Allergy,* available at https://www.allergy.org.au/images/pcc/ASCIA_PCC_Pet_allergy_2015.pdf, 2015, accessed 25 June 2019.

Reasonable ground	Examples
	• Ipswich City Council only permits a maximum of two birds on a property less than 350 metres squared. • Brisbane City Council includes fish, reptiles and amphibians in their definition of animal. • Mount Isa City Council specifically excludes fish, reptiles and amphibians in their definition and regulation. Other legislation governing the keeping of animals includes: • *Animal Management (Cats and Dogs) Act 2008* (Qld) regulates the keeping of cats and dogs and defines regulated dogs as: restricted, declared dangerous, or declared menacing. • Local government officers can declare a dog to be dangerous or menacing and require the pet owner to adhere to explicit requirements concerning the keeping of those animals. • *Customs Act 1901* (Cth) regulates restricted dog breeds. • It is an offence under the *Animal Care and Protection Act 2001* (Qld) for people in charge of animals to abandon or release them, cause cruelty or breach their duty of care. *Public Health Act 2005* (Qld) regulates public health risks, including where the actions of an individual may provide a breeding ground for pets or facilitate the transmission of disease or infection to humans.
The property is in a community titles scheme and the pet is not allowed under body corporate by-laws	Some community title schemes permit all pets without requiring body corporate consent, and others specify the number, size, weight, breed and species of animals permitted, or will only allow some types of pets with restrictions such as those that have been desexed. Body corporate by-laws about keeping animals on the property can be disputed through the Office of the Commissioner for Body Corporate and Community Management. By-laws that impose a **complete ban** on animals have been found invalid by adjudicators and the Queensland Civil and Administrative Tribunal.[255] However, by-laws which restrict some animals have been upheld when considering the impact of those types of animals or pets on other residents in the community titles scheme.
A Tribunal order on the application of the owner for another reason, including to attach an ongoing order to the rental property to exclude some or all types of pets	In some instances the material factors will not change, for example: unfenced backyards, or specific features of the property. A property owner may apply to the Tribunal for an order to be attached to the rental property to establish whether certain types of pets are not allowed in the rental property. The Tribunal could consider a range of considerations when making the order, such as the impact on neighbours and the property owner's intention for the property. The property owner would be required to prove to the Tribunal the ground is reasonable and present evidence as to why. This information should also be disclosed when advertising the property for rent.

[255] Queensland Commercial and Consumer Tribunal, *Tutton, W. & B. v Body Corporate for Pivotal Point Residential CTS 33550 [2008] QCCTBCCM 12 (11 June 2008)*, available at http://www8.austlii.edu.au/cgi-bin/viewdoc/au/cases/qld/QCCTBCCM/2008/12.html, 2019, accessed 3 September 2019

Appendix 2 Examples of reasonable and unreasonable refusal

Body corporate and community title schemes

REASONABLE

A tenant asks a property owner to seek body corporate approval to keep six budgerigars and a cockatoo in a large aviary on their unit balcony. The body corporate advises the property owner that the request is denied, on the basis that the number of birds would cause a noise disturbance or nuisance to other occupiers, which would contravene their noise by-law. The property owner advises the tenant that body corporate approval was not obtained and rejects their pet request.

UNREASONABLE

A tenant has a guinea pig named Babe, which is kept in a cage in their two bedroom townhouse. The tenants know the body corporate has a pet friendly by-law and does not require approval to bring any pet onto the property. The property owner discovers Leo during an inspection and informs the tenant the body corporate by-laws do not allow pets to be kept and must remove Leo. Because the property owner's information is inconsistent, it may be considered unreasonable.

Local council regulations and by-laws

REASONABLE

A tenant asks their property owner for permission to keep two pet chickens in a 2m x 2m coop in the small yard at the rear of the property. The local council requires the enclosure to be set back at least 1.5 meters from the fence line to prevent nuisance to the neighbours. The property owner refuses the request due to the dimensions of the rear yard. It is 10m long but only 2m wide. It would need to be at least 3.5m wide for the coop to be able to be positioned 1.5 meters from the rear boundary fence line.

UNREASONABLE

A tenant applies for a rental property in Brisbane and advises the property owner that they have a miniature dachshund, Oscar. Oscar is microchipped and registered to the Logan City Council. The tenant has applied to transfer Teddy's registration to Brisbane City Council and provides the property owner with a copy of their application advising they will inform the property owner when it is done. The property owner refuses their pet request as Oscar is not yet compliant with local government regulations. The tenant has taken every action necessary to comply with the regulations of Brisbane City Council, so the property owner's refusal could be considered unreasonable.

The suitability of the property for animals

REASONABLE

A tenant asks to keep an 8 year old German Shepherd, Rex, outdoors in a 3m x 1m paved courtyard at the rear of the rental property. The courtyard has a 2m high surrounding fence to prevent the animal from straying into neighbouring properties, or a child from climbing into the enclosure. However, the size of the courtyard is less than 10m2, which is the minimum requirement for confining a dog under the *Animal Management (Cats and Dogs) Regulation 2009.*

UNREASONABLE

A property owner refuses to allow a tenant to keep a cat inside a three bedroom townhouse. The main living area in the townhouse has floorboards. The property owner believes that the cat may scratch the floorboards and considers the potential damage. As the rental bond paid by the tenant is intended to protect the property owner from incurring the expense of damage, the property owner refusing the cat would be considered unreasonable.

Risk to the health or safety, including of the owner (allergies or phobias)

REASONABLE

A tenant asks to adopt a pet cat to keep in their home in Charters Towers. The property owner refuses because they are allergic to cats and will be unable to attend the property to carry out inspections without experiencing adverse impacts on their health.

UNREASONABLE

A property owner refuses to allow a tenant to keep a small dog at their two bedroom house in Coolangatta, claiming that they have an animal allergy. The tenant later learns from their property manager that the property owner does not have an allergy and actually owns two dogs themselves. The property owner thinks that the dog may mark the carpets at the property and so will not permit pets, even though the tenants are required to return the carpets to the same condition as at the start of the tenancy which may require them to clean the carpets. In this scenario, the property owner could include a special condition in the tenancy agreement which requires the tenant to arrange for professional pest control and carpet cleaning upon vacation of the property.