# Impact Analysis Statement

A Summary Impact Analysis Statement (IAS) must be completed for all regulatory proposals. A Full IAS (see Box 1) must also be completed and attached for proposals that have significant impacts. Once completed, the IAS must be published.

# Summary IAS

#### **Details**

Lead department	Department of Housing and Public Works	
Name of the proposal	Sunset review of Residential Tenancies and Rooming Accommodation Regulation 2009 (Regulation)	
Submission type (Summary IAS / Consultation IAS / Decision IAS)	Summary IAS	
Title of related legislative or regulatory instrument	Residential Tenancies and Rooming Accommodation Act 2008 (Act) State Penalties Enforcement Regulation 2014	
Date of issue	July 2025	

## For all other proposals, complete below.

## What is the nature, size and scope of the problem? What are the objectives of government action?

## What is the nature, size and scope of the problem?

More than one in three households rent in Queensland. As of 30 June 2024, the Residential Tenancies Authority (RTA) held 622,928 rental bonds, with 95.2 per cent of the bonds for houses, flats or townhouses, 3.9 per cent for rooming accommodation and 0.9 per cent for moveable dwellings. Based on bonds held, 76.6 per cent of dwellings are managed by real estate agents, 11 per cent by providers, 9.8 per cent by self-managing owners, 1.4 per cent by community housing providers and 0.4 per cent by moveable park owners.1

Many Queenslanders expect to rent for longer or be life-long renters, with one-third of renters in Australia having lived in the private rental market for more than 10 years.<sup>2</sup> Renting is increasingly a long-term housing solution for many Queenslanders who are looking for a safe, secure and sustainable home. However, the high turnover of rental properties means applying for new rentals and entering into a different rental agreement is a frequent experience for many. The RTA 2023–24 Annual Report highlights this turnover, noting the median tenancy length was 18.3 months for a unit and 20.8 months for a house. This means a 40-year-old who started renting at 22 could have lived in approximately 11 different rental properties. As renting solidifies as a long-term housing solution for many, 4 navigating multiple rental applications and rental agreements throughout one's life will likely become a reality for many Queenslanders.

<sup>1</sup> RTA 2023-2024 Annual report

<sup>&</sup>lt;sup>2</sup> . Stone, T. Burke, K. Hulse, and L. Ralston, 2013. *Long-term private rental in a changing Australian private rental sector*, Final Report No.209, AHURI. https://www.ahuri.edu.au/research/final-reports/209

<sup>3</sup> Coates, B, Moloney, J 2023. How to tackle the rental crisis; Submission to the Senate Standing Committees on Community Affairs. Grattan Institute.

<sup>&</sup>lt;sup>4</sup> Baker, E et al, 2024. Planning for a two-tenure future. Final Report 431, AHURI. https://www.ahuri.edu.au/research/final-reports/431

Balancing the needs of renters with those of property owners is critical to ensuring a fair and functional rental market. Renters require stability, affordability, and security in their housing arrangements, while property owners need confidence in the market and assurance that their investments are protected. Achieving this balance requires clear and equitable policies that support renters in accessing housing while also encouraging property owners to maintain and invest in rental properties. By addressing the needs of both groups, Queensland can foster a well-functioning rental market.

The policy intent of the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act) is to establish a framework for managing tenancy arrangements in Queensland, including the rights and responsibilities of parties and the content and operation of rental agreements.

The Residential Tenancies and Rooming Accommodation Regulation 2009 (Regulation) came into effect on 5 June 2009 to support the implementation and operation of the Act.

The RTRA Act and Regulation help parties manage their agreements with minimal intervention from Government. They provide the blueprint for good practice in tenancy management and the RTA and other government agencies supports the parties by providing them with the forms, resources and guidance materials to manage the agreement themselves.

Under section 54 of the *Statutory Instruments Act 1992* (SIA), subordinate legislation automatically expires after 10 years unless it is exempted from expiry. The Regulation was exempted from expiry from 2020 under section 56A(6)(a) of the SIA on the grounds the RTRA Act has been subject to review since 2018.

The review of the RTRA Act resulted in amendments to the Act through the Housing Legislation Amendment Act 2021, the Local Government Electoral and Other Legislation (Expenditure Caps) Amendment Act 2023, and the Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Act 2024 (RTRAOLA Act). The Regulation was subsequently amended to reflect policy implemented by the amendments to the RTRA Act. The final tranche of reforms under the RTRAOLA Act commenced on 1 May 2025, completing the RTRA Act review.

A sunset review of the Regulation has been undertaken which involved seeking stakeholder feedback to evaluate its continuing need, effectiveness and efficiency.

The policy intent of the Regulation is to support the implementation and operation of the RTRA Act by prescribing specific detail about the process for entering into a rental agreement and the obligations of parties to a rental agreement. This includes prescribing:

- standard terms and required details for rental agreements
- information that can be requested from rental applicants in the rental application form
- a restricted way of submitting a rental application form
- the maximum fee for sale of caravans
- values and periods for storing abandoned goods
- water efficiency requirements
- · house rules for rooming accommodation
- period for repeated breaches
- approved reasons for listing renters on tenancy databases
- minimum housing standards, and
- supporting evidence for domestic and family violence.

On 28 April 2025, a consultation paper on the sunset review of the Regulation (consultation paper) was sent to targeted stakeholders, including peak bodies representing renters, property owners, managers and key sectors such as caravan parks, student accommodation and residential services.

Informed by stakeholder feedback, the sunset review concluded there is an ongoing need for the Regulation, and it is generally operating efficiently and effectively. Some updates are necessary to ensure fees and values remain relevant and some improvements could be made to enhance the Regulation's effectiveness and clarity.

A detailed analysis of each of the main elements of the Regulation is included in the sections below.

## Proposed changes to the Regulation

The proposed changes to the Regulation include:

- clarifying 'good repair' by including an example in the minimum housing standards
- clarifying residents' rights in relation to quiet enjoyment in the house rules
- prescribing emergency contact details for renters in the required details for rental agreements
- updating the market values for abandoned goods and amend the storage period for an abandoned caravan and its contents
- removing the term State authority
- removing redundant transitional provisions: and
- updating the fee for sale or attempted sale of caravans.

The Regulation also amends the State Penalties Enforcement Regulation 2014 (SPE Regulation) to address a drafting error in the RTRAOLA Act that omitted an offence from the SPE Regulation without reinserting it with a higher penalty unit.

## **Objectives of Government Action**

The objectives of government action are to:

- ensure there is an ongoing regulatory framework in place that supports the Residential Tenancies and Rooming Accommodation Act 2008
- meet the sunset requirements of the Statutory Instruments Act 1992 for the Regulation.

#### What options were considered?

#### Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

## Option 2 – remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with updates and clarifications.

## What are the impacts?

The impacts of the Regulation overall are analysed in this section. A detailed analysis of the impact of the main elements of the Regulation are in relevant sections below.

Quantifying the impact of the proposed Regulation is inherently challenging due to the complexity of the rental market, hindering the ability to establish direct and reliable correlation between policy changes and their quantitative impacts. Where possible, direct costs have been calculated using the best available public data, including the RTA Annual Report, industry and research reports, and departmental monitoring data. However, it's often impossible to estimate the number of renters or property owners impacted by a specific provision or to find available data to quantify the impact. In some cases, we can estimate direct costs related to the expiry of the Regulation but not its remaking. This is due to data availability and the difficulty in establishing direct correlations, particularly for provisions in place since the Regulation was first made in 2009, or longer, as is the case for standard tenancy terms which were introduced in 1998.

The only exception to this is the direct costs associated with remaking the Minimum Housing Standards (MHS). For these provisions assumptions from Deloitte's economic analysis of the Stage 1 reforms were used to estimate of the impacts for properties entering the rental market that may not be compliant with MHS.

Therefore, the direct costs for the recommended option of remaking the Regulation have only been able to be calculated for MHS and qualitative analysis was used for the other provisions.

Despite these limitations, quantitative analysis and qualitative analysis (encompassing stakeholder consultation, external research and case studies) suggest that there will be an overall net benefit associated with making the Regulation. For example, allowing the Regulation to expire without replacement would mean there are no approved reasons for former renters to be listed on a tenancy

database. This would mean that property owners and managers would not be able to list defaulting tenants on a tenancy database as the RTRA Act establishes that a person can only be listed if there is a reason prescribed under a regulation. This would disadvantage Queensland property owners and managers as all other Australian states and territories can list defaulting tenants and not doing so would increase the risk for future property owners and managers when assessing rental applicants on the basis of limited information.

## Option 1 – 2009 Regulation expires (base case)

The first option involves allowing the Regulation to expire on the 31 August 2025 without replacement. Non regulatory measures such as self-regulation and education would support implementation of the RTRA Act.

The option to allow the Regulation to expire is not recommended because of the unacceptable risks and consequences that would arise, including:

- without prescribed standard terms, rental agreements could be non-compliant with the RTRA Act, increasing potential for disputes and disadvantage and increasing uncertainty
- renters could not be listed on a tenancy database even if QCAT has made an order to terminate the agreement due to the renter's objectionable behaviour or repeated breaches
- minimum housing standards would no longer be prescribed, meaning older, poorer quality houses<sup>5</sup>
  that enter the rental market do not have to meet standards related to safety, security and functionality.
  This would disproportionately affect vulnerable low-income renters, who frequently depend on the
  affordability of lower quality housing
- renters would not be able to end their tenancy interest as the RTRA Act requires them to provide supporting evidence of domestic and family violence prescribed by the Regulation
- property owners would no longer be required to store abandoned goods. While this could reduce some of the costs of storage for property owners, renters would be disadvantaged as they would not have the opportunity to recover their personal items left at the rental premises at the end of an agreement
- property owners would no longer be able to seek the following information from rental applicants such
  as, their date of birth, the number of intended occupants and the number of occupants under 18 years
  of age, the number and type of pets, the number of vehicles intended to park on the premises, details
  about the applicant's ability to pay rent, which could significantly frustrate the rental application
  process for all parties.

## Impact on property owners and property managers

The expiration of the Regulation could introduce uncertainty and instability into the rental market, potentially affecting investor confidence. A decline in investment in Queensland's rental market could subsequently reduce the supply of rental properties, with broader implications for the community. While this might facilitate entry for some first-home buyers, the significant proportion of Queenslanders who rent (one-third), including seniors, low-income households, families with children and people with disabilities, highlights the importance of maintaining an adequate supply of affordable rental properties to meet demand.

Expiration of the Regulation may lead to increased costs for property owners and managers, who might incur legal expenses to develop rental agreements that comply with the RTRA Act. Property owners may also be unable to recoup expenses, for example, owners currently leasing individually metered properties would no longer be able to pass on full water consumption costs to renters if water efficiency requirements are no longer prescribed, increasing their operational costs. While some increased costs could be recouped through rent increases when market conditions allow, not all additional expenses could be recovered at the time incurred as the RTRA Act limits rent increases to once a year. In undersupplied markets it may be possible for property owners to pass on more of their costs to renters in the form of higher rents. However, in competitive markets property owners' ability to raise rents is constrained by what consumers in the market will tolerate.

The current Regulation enables property owners or property managers to list renters on tenancy databases for approved reasons. If the Regulation ceases, property owners and property managers

<sup>&</sup>lt;sup>5</sup> Lyrian, D. et al 2024. A national roadmap for improving the building quality of Australian housing stock. AHURI report no. 426 https://www.ahuri.edu.au/research/final-reports/426

would not be able to list a renter, even if QCAT has made an order to terminate their agreement or the renter does not pay after QCAT makes an order requiring the renter to pay an amount owing. Database listings could not be updated and investment risks for property owners would increase. This may cause some property owners to choose to sell their investment properties, further placing pressure on the private rental market. Furthermore, Queensland would not be aligned with the model provisions for residential tenancy databases adopted by the Ministerial Council on Consumer Affairs for national consistency in the regulation of tenancy databases.

The RTRA Act restricts the information that can be collected in the rental application form to information prescribed in the RTRA Act or information prescribed by regulation. If the Regulation expires, property owners and managers would not be able to request from applicants any information prescribed in the Regulation, such as date of birth, occupant numbers, pets of vehicles, potentially limiting their ability to assess applicants' suitability and risk profile. For example, tenancy database checks would be unable to be undertaken without a person's date of birth.

Without the detail provided by the Regulation non-compliance with the RTRA Act may increase due to a lack of clarity and reduce the sector's ability to self-administer the RTRA Act's requirements. By not prescribing the obligations under the RTRA Act, Queensland Civil and Administrative Tribunal (QCAT) would not be able to enforce the laws effectively. It could potentially lead to a rise in informal and formal disputes and tribunal hearings to determine whether a rental agreement has been breached by either the renter or property owner. For property owners, the likely increase in disputes would also increase costs to access legal advice and representation to understand, meet and enforce their rights and obligations.

Property owners may experience a reduction in some costs upon the Regulation's expiration. For example, they would no longer be required to store abandoned goods for prescribed periods, eliminating associated storage costs. They could also, potentially, sell or dispose of abandoned property of any value and would rely on common law, rather than tenancy law, for guidance potentially increasing their risk. Additionally, the market, rather than regulation, would limit fees for the sale or proposed sale of a caravan, potentially increasing profit margins.

## Impact on renters and applicants

The expiration of the Regulation would present several risks for renters and applicants, primarily concerning increased uncertainty, instability, and potential disadvantage within the rental market. It could also result in increased costs to access legal advice and other representation to understand and enforce their rights.

The absence of nominating a restricted way of submitting a rental application could subject renters to higher costs, particularly if they are applying for multiple properties in a tight rental market.

Without prescribed minimum housing standards, there would be a lack of clarity about what basic safety, security and functionality standards must be met by all rental housing in Queensland. The sector would need to rely on obligations in the RTRA Act for the property to be fit to live in, in good repair and not in breach of any laws about health or safety, which would require people to understand and enforce their rights through dispute resolution processes including QCAT. This would disproportionately impact vulnerable renters, who are unable to afford better housing and may be compelled to reside in properties that are not safe, secure or functional.

Additionally, vulnerable renters who abandon goods or moveable dwellings due to circumstances such as domestic and family violence (DFV), imprisonment, or hospitalisation will lose the opportunity to reclaim their possessions if the Regulation expires and is not re-established. For owners of moveable dwellings, this could result in the loss of not only their belongings but also their housing.

#### Impact on government

If the Regulation was not remade, it would result in increased costs and resource demands for the Queensland Government. The absence of the Regulation's prescribed requirements would likely lead to a rise in disputes between parties to rental agreements and an increased demand for services such as Queensland Statewide Tenant Advice and Referral Service (QSTARS) for representation and support requiring additional Government funding. This would also place additional pressure on the RTA and QCAT to conciliate and resolve a heightened caseload, potentially delaying resolution times and impacting service delivery. Consequently, both agencies would require increased funding, staffing, and

other resources. Furthermore, if the standard terms are not prescribed, the RTA and QCAT would need to examine every term of an agreement, as opposed to only non-standard terms, which would add cost and lengthy delays to handling disputes.

The expiration of the Regulation could exacerbate challenges in the private rental market. For example, without approved reasons for listing individuals on tenancy databases, rental property owners may choose to sell their investment property, reducing supply in the private rental market and increasing reliance on social housing.

The increased reliance on social housing would place further strain on an already limited supply, requiring significant investment to expand capacity and meet demand. Additionally, the social and economic costs associated with housing insecurity, such as impacts on health, education, and employment outcomes, would likely rise, creating broader implications for government expenditure and community wellbeing. It would also result in more rental housing that does not meet basic safety, security and functionality standards.

In summary, allowing the Regulation to expire would not only increase operational and financial burdens on key government agencies but also result in inefficiencies in the rental market that could result in greater demand for and reliance on social housing and associated support systems such as QSTARS and community legal centres.

## Option 2 - Remake with amendments (recommended option)

This option involves remaking the Regulation with updates to fees and values and making modernising and clarifying changes.

This option would ensure the continuity of protection, and clarity of requirements for renters, rental property owners and property managers in the Queensland rental sector. It would continue to support the RTRA Act in balancing the rights and responsibilities for all parties, creating a stable and well-functioning rental market.

In addition to updates, modernising and clarifying changes, this option reduces the prescribed storage period for abandoned caravans from 3 months to 2 months, which would result in caravan park owners saving on the costs of storing abandoned caravans. However, this also reduces the time available for renters who own the caravan to reclaim their property. It is difficult to estimate the value of an abandoned caravan, and the Caravan Parks Association Queensland (CPAQ) note in their feedback to the consultation paper that many abandoned caravans do not have much value, and the scrap parts value ranges from \$2,000 and \$4,500. However, the personal value of caravans and their contents are difficult to calculate due to the sentimental value they may hold for an individual, as well as potentially being the individual's major asset and former place of residence.

The prescribed period for storing an abandoned caravan in other states and territories is less than 2 months.

The RTA would prepare and deliver education about the remade Regulation, and as the development of resources and provision of education services on Queensland's rental laws is part of the RTA's legislated functions, these do not need to be costed. There are also negligible costs to the government to remake the legislation as policy development and drafting legislation is a key administrative function of government.

#### Who was consulted?

On 28 April 2025, a consultation paper on the sunset review was sent to 22 stakeholders for feedback. Submissions were received from:

- Real Estate Institute of Queensland (REIQ)
- Tenants Queensland (TQ)
- Property Owner Association of Queensland (POAQ)
- Stacey Holt Real Estate Excellence
- Queensland Council of Social Services (QCOSS)
- Caravan Parks Association of Queensland (CPAQ)

- Queensland Independent Disability Advocacy Network (QIDAN)
- Council on the Ageing Queensland (COTA)
- Strata Community Association Queensland (SCAQ)
- Australian Resident Accommodation Managers' Association (ARAMA)

Overall, all stakeholders support retaining the Regulation, remaking many provisions with no change, its existing structure and the schedules of standard terms.

Some stakeholders suggested changes for which there is no head of power under the RTRA Act to include. This feedback will be recorded and analysed by the department for future policy consideration.

Some stakeholders held divergent views on some proposed amendments. The proposed amendments strike an appropriate balance between the rights of property owners and renters.

## What is the recommended option and why?

Option 2. It is recommended that the Regulation be remade with amendments.

Remaking the Regulation will have net benefits for renters, property owners or property managers that outweigh any costs. It benefits both renters and property owners by providing clarity and consistency. It is also likely to reduce time-consuming, expensive and upsetting disputes going to the RTA or QCAT about rental agreements and minimise the need for parties to incur additional legal costs to understand, meet and enforce their tenancy rights and obligations.

While it is recognised that some specific provisions may impose costs on property owners (for example abandoned goods), and others may impose costs on renters (for example, additional information for the rental application form) overall, the benefits of the Regulation for parties outweigh the costs.

The costs associated with remaking the Regulation are negligible for government and any costs are justifiable to ensure Queensland's rental laws are balanced and fair.

#### Standard and replacement terms

## What is the nature, size and scope of the problem? What are the objectives of government action?

#### RTRA Act and Regulation

The RTRA Act provides that a Regulation may prescribe standard terms for inclusions in rental agreements (residential tenancy agreement, moveable dwelling agreement, rooming accommodation agreement and state housing agreement) and replacement terms for a community housing provider tenancy agreement. The RTRA Act requires that renters are provided with written details about the property owner's and/or manager's name and address for service. All costs for preparing the written agreement must be met by the property owner or manager.

The standard terms and required details for rental agreements, including names, addresses and contact details of renters, property owners, managers and emergency contacts, are contained in Schedules 1 to 5 and are updated as required to ensure consistency with any amendments to the RTRA Act or other relevant legislation.

## Analysis

The Poverty Inquiry in the mid-1970s highlighted the significant power imbalance between property owners and renters. It challenged the prevailing assumption that renters possessed equal bargaining power, an assumption that suggested market forces would naturally lead to fair and legal rental agreements. The Inquiry found that in practice renters had minimal ability to negotiate lease terms that

protected their interests. Instead, they were often compelled to accept any agreement simply to secure housing. <sup>6</sup>

The Residential Tenancies Act 1994 was Queensland's initial attempt to rebalance power between renters and property owners. However, just 12 months after its introduction, the RTA Board's review, "Rules for Renting in Queensland," revealed a critical flaw: a proliferation of diverse residential rental agreements. This lack of standardisation led to significant ambiguity and uncertainty for both renters and property owners, particularly disadvantaging renters. For instance, ambiguous lease terms regarding repair and maintenance obligations often left renters struggling to ensure necessary property upkeep. This issue was also starkly highlighted in the Poverty Inquiry, which found renters enduring unsafe and unsuitable living conditions in poorly maintained properties. To address this, the RTA Board recommended, and the Residential Tenancies Amendment Regulation 1998 subsequently introduced, prescribed standard terms.

The Regulation plays an important role in Queensland's rental market by mandating standard terms for all rental agreements. These terms are regularly updated to align with amendments to the RTRA Act, guaranteeing their continued relevance and legal accuracy The Regulation provides certainty to all parties in the rental sector by better assigning and clarifying risks. Certainty, security and a balance of rights and responsibilities between tenants and owners can provide for a well-functioning, and efficient private rental market in Queensland – where everyone benefits.

The RTA provides a series of approved rental agreement forms (for general tenancies, moveable dwelling and rooming accommodation agreements) based on these prescribed standard terms. The forms are freely available for download on the RTA's website, eliminating cost as a barrier to use.

Furthermore, industry organisations like the REIQ, POAQ, and CPAQ enhance efficiency by customising approved forms for their members. The RTA also collaborates with property management software providers to integrate the standard terms directly into their systems. This comprehensive approach ensures uniformity and compliance among all stakeholders, from individual renters and property owners to large industry players.

New South Wales, Victoria and South Australia rental laws prescribe a standard form agreement that include standard terms. Tasmania, Australian Capital Territory and Northern Territory's rental laws do not prescribe standard terms or a prescribed form, although all jurisdictions have committed to *A Better Deal for Renters* reforms which includes a prescribed form.

## What options were considered?

## Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

## Option 2 - remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with minor changes and clarifications.

## What are the impacts?

## Option 1 - Regulation expires

If the Regulation was to expire, and there were no prescribed standard and replacement terms there would be a potential increase in legal costs, administrative obligations for owners and managers to develop their own agreements and less certainty for renters that their rental agreement is compliant.

<sup>&</sup>lt;sup>6</sup> Bradbrook, A.J. (1998). Residential tenancies Law – the second Stage of Reforms, Sydney Law Review 17, 20(3),

https://classic.austlii.edu.au/au/journals/SydLawRw/1998/17.html

<sup>&</sup>lt;sup>7</sup> Bradbrook, A.J. (1998). Residential tenancies Law – the second Stage of Reforms, *Sydney Law Review 17, 20*(3), https://classic.austlii.edu.au/au/journals/SydLawRw/1998/17.html

There would continue to be a requirement under the RTRA Act for agreements to be in writing and to include information such as the date of the last rent increase for the premises. The agreement would still have terms (special terms) that would be required to be consistent with the Act.

Without the standard and replacement terms, all parties—individual renters, self-managing property owners, industry organisations and government—would face an increase in the costs and complexities associated with ensuring compliance with the RTRA Act. It may necessitate increased reliance on legal advice, result in time-consuming contract negotiations, and impose significant new administrative burdens, fundamentally altering the ease and security of entering into rental agreements across the state.

While it is difficult to anticipate how the industry would respond to the absence of standard terms, it is assumed that some industry organisations would seek legal advice to develop rental agreements for their members, more property managers who are not currently members of industry organisations would join an organisation to gain access to rental agreements that comply with the RTRA Act, and self-managing lessors may consider it necessary to engage a property manager to manage their rental property. These costs are set out in detail below.

It is anticipated that industry organisations representing property managers and real estate franchises would develop rental agreement terms for use by members and that these organisations would require legal advice to produce a template for the standard terms to include in rental agreements for their members. It is estimated that at least two hours are needed to meet with a lawyer to develop an agreement and the average fee for legal services in Queensland starts from \$300 per hour.8 It is assumed it would take roughly eight hours to write a rental agreement. The hourly wage labour costs for one staff member to meet with a lawyer and develop the agreement is \$85.17.9 Assuming these values, it would cost \$3,272, for one industry organisation to produce a template rental agreement.

After the initial cost to develop a standardised rental agreement, it would need to be reviewed in subsequent years to ensure they remain compliant with any legislative changes. It is estimated industry organisations would require on average three hours to review agreements and three hours for legal advice on an annual basis, to ensure the agreements are relevant, accurate and incorporate any legislative changes to rental laws or other legislative obligations such as fire safety, building code amendments or privacy laws. The estimated labour and legal costs for real estate corporations including property management software companies to review the standard terms is estimated to be \$1,161.45 per year for the next 10 years, based on six hours legal review and advice per year. This is based on an annual review to confirm compliance and update templates.

It is anticipated that additional real estate agents may choose to become members of an industry organisation to gain access to a rental agreement that complies with the RTRA Act. This would result in an increase in costs for those agents, as the annual membership fee for an industry association is \$1,198 per year for accredited agency membership as well as membership costs for property management software from approximately \$390 per year.

For this calculation, it is assumed all real estate organisations and licensed residential letting corporations would join an industry organisation for professional support and advice, including access to rental agreements. In 2023-2024 there were 8,460 licenced real estate organisations and 912 licensed residential letting corporations in Queensland. For the real estate agents, assuming half of these organisations are already members of REIQ, the remaining 4,230 organisations may choose to join, for a total yearly cost of \$5,067,540, which assumes that all real estate agents provide property management services.

The REIQ, however, does not deal with all parts of the sector covered by the RTRA Act, for example the REIQ generally does not represent rooming accommodation providers or managers, such as residential services or purpose-built student accommodation. Other property managers, providers and self-managing lessors may join industry organisations such as the Property Owners Association of Queensland, Australian Resident Accommodation Managers Association (ARAMA) or Strata Community Association Qld to seek standard form agreements produced for members.

<sup>&</sup>lt;sup>9</sup> Includes on costs, see Commonwealth Regulatory Measurement Framework 2024.

For this calculation, it is assumed that the 912 licensed reletting organisations would join an organisation like ARAMA which charges \$1100 per annum for the corporate membership. Assuming half of the licensed reletting organisations already have membership to an industry organisation, it would cost \$501,600 per year for the other 456 licensed reletting organisations to join. This is likely to be an underestimation because the calculation cannot provide accurate figures for the entire sector. The estimated total cost for the sector to join industry organisations such as REIQ or ARAMA is \$5,569,140 per year.

87.6 per cent of rental properties are managed by real estate agents and property managers/providers, and 9.8 per cent are self-managed by property owners. Self-managing property owners would be particularly adversely affected by the removal of the standard terms, with their costs of managing rental properties increasing due to the need to prepare written agreements and maintain awareness of rental law changes across a smaller client base. For this reason, they may instead decide to engage a property manager. Property managers charge property owners on average 9 per cent of the weekly rent as commission.<sup>10</sup>

The RTA 2023-2024 Annual Report states 225,394 new bonds were lodged that financial year. With 9.8 per cent of dwellings self-managed, approximately 22,088 rental agreements would be transferred from self-managing lessors to property managers. This assumes that there is one self-managing lessor per rental agreement / bond held which may result in an overestimation of costs. In April 2025, the average weekly rent for a rental property in Queensland was \$580. For one self-managing lessor the weekly cost for property management fees is \$56.84 or \$2955.68 per year. Based on these figures and assumptions, it is estimated that in total (previously) self-managing lessors of Queensland rental properties would spend \$1,255,481.92 per week or \$65,285,059.84 per year on property manager fees.

Property management software companies such as RealBiz and Redrock, would also have increased administrative costs if the standard terms are removed as they would need to seek independent legal advice to produce updated agreements.

While it is anticipated that industry organisations would seek to ensure their lease agreements are compliant, it is also likely that not all would choose to pay for legal advice to ensure compliance with the RTRA Act. As a result, renters may unknowingly sign rental agreements that are non-compliant and unenforceable. Also, not remaking the standardised terms would expose renters to potential risks of not understanding or being confused by terms that vary between agreements prepared by different property management organisations or owners. Without clear, consistent standard terms, it may be difficult for renters to understand their rights and obligations.

For vulnerable renters the option to pursue legal advice might not be reasonable for financial reasons, and while Legal Aid is available to those who are eligible, in a tight rental market there may be insufficient time to seek and receive legal advice before securing housing.

Due to inconsistent terms in rental agreements, additional renters may need to seek advice from QSTARS. In the 2023-2024 QSTARS annual report, 7 per cent, or 1,698 renters, sought support for issues related to tenancy agreements. It is assumed that this number would increase if the Regulation expired and there was less clarity about renter rights and whether the terms of their rental agreements were valid and legal. While it is difficult to estimate the increase in demand on QSTARS services, if the number of renters seeking support about rental agreements triples, then 5,094 renters would seek support. If it takes 4 hours for QSTARS staff to respond to renters' enquiries and assuming wage labour time of \$85.17 per hour, it would cost an additional \$1,735,423.92 of labour costs.

Finally, the absence of prescribed standardised terms in the Regulation would increase administrative, service and compliance costs for the RTA. The RTA may be required to review individual rental agreements with varying provisions before providing advice or undertaking an investigation. There would also be an increase in dispute resolution costs to RTA and more matters may progress to QCAT which would need to determine if the terms are compliant with the RTRA Act before an order can be made about

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<sup>&</sup>lt;sup>10</sup> Property Management Fees - [2025 Update, By City]

any alleged breaches. This would contribute to lengthy and complex hearings and place higher demands on staff and resources, and increased costs to both government agencies.

## Option 2 - remake Regulation with amendments (recommended option)

Under option 2 the Regulation is remade, including prescribing the standard terms for all rental agreements. This option would ensure a consistent foundation for all rental agreements. With consistency across all rental agreements, and the certainty that rental agreements are compliant with the RTRA Act, renters, property owners and property managers can confidently enter into agreements.

Remaking the Regulation would avoid costs to the rental sector because the standard terms would be prescribed, and the RTA would continue to provide a compliant rental agreement template for download and use for no charge. As development of resources to support implementation of the RTRA Act is part of the RTA's legislated functions, preparing and updating rental agreement forms does not need to be costed.

Additionally, property owners, industry organisations and renters avoid the potential legal costs associated with ensuring rental agreements comply with the RTRA Act, and real estate agents or self-managing lessors may avoid the cost of joining an industry organisation or using property managers as outlined under Option 1. Furthermore, costs to the government to provide additional funding to support renters would also be avoided. Remaking the Regulation and the prescribed terms fosters stability and fairness across the sector.

Prescribing standard terms that form the foundation of rental agreements in Queensland fosters stability and fairness within the rental sector. The absence of this safeguard could lead to inconsistent practices across the sector, destabilising the rental market, and collecting additional personal information than is necessary for the agreement. Minor amendments to clarify what personal information, such as names, addresses, contact details and emergency contact details, can be requested helps ensure the rights of both parties are upheld throughout the term of the agreement.

## Who was consulted?

Stakeholders were supported on the consultation paper and all support remaking the Regulation with prescribed standard terms. Some stakeholders requested changes to the standard terms that would not be consistent with the *Legislative Standards Act 1992* and were therefore not included.

In January 2025 consultation was undertaken to inform the additional information to be prescribed for the rental application form. Submissions were received from REIQ, TQ, POAQ, Real Estate Excellence, CPAQ, QCOSS, Queensland Disability Network (QDN), Community Housing Industry Association (CHIA), Strata Community Association Qld (SCAQ) and REA Group.

Property owners and managers advocated for collecting emergency contact details on the rental application form. This information is more appropriately requested when a rental agreement is entered into with a renter, rather than at application stage when some applicants may not be successful. Following the consultation, the RTA included emergency contact details in the general tenancy agreement and rooming accommodation agreement forms.

#### What is the recommended option and why?

Option 2. It is recommended that the Regulation be remade, including the prescribed standard and replacement terms for all rental agreement types.

Prescribing the standard terms in the Regulation reduces costs for property managers, property owners, renters (as increased costs from property owners and property managers would be passed on to renters) and government.

Any costs for government to remake the Regulation are outweighed by the net benefit of having a consistent foundation for all rental agreements, ensuring all parties can confidently enter into agreements knowing they are compliant with the RTRA Act. Remaking the Regulation reduces the risk of disputes and

the need for additional resourcing which would be required for RTA and QSTARS if standard terms were not remade.

It is recommended that the required details for rental agreements be amended to include renters' emergency contact details as an additional field in rental agreements. Given that the RTA's general tenancy agreement and rooming accommodation agreement already collects this information, the addition is unlikely to create additional burden and no appreciable cost to the sector.

## Rental applications

# What is the nature, size and scope of the problem? What are the objectives of government action?

## RTRA Act and Regulation

The RTRA Act provides that if a rental property owner or property manager deem it necessary for a rental applicant to formally apply for a rental premises, the required application form must be used. Under these provisions the required application form is an approved form that requests essential information such as the applicant's: name and contact details, details of previous rental agreements, current employment, income, referees, intended term of the agreement and any other prescribed information.

The Regulation prescribes information for the required application form including financial ability to pay rent if the applicant cannot provide employment or income details, number of occupants and occupants under the age of 18, number and type of pets and vehicles.

The RTRA Act also provides that a rental property owner or property manager must nominate at least 2 ways for an applicant to submit a rental application, and at least one of the ways must not be a restricted way. A restricted way for submitting a rental application includes a way prescribed by regulation to be a restricted way.

The Regulation prescribes that a way that requires a prospective renter to pay an amount in relation to submitting a rental application is a restricted way.

## Analysis

Renter advocates in Australia are increasingly concerned about the extensive personal information requested in rental applications, often exceeding what's necessary to assess a renter's ability to afford and care for a property, which can create a further barrier for a person to access housing. This issue, highlighted by a 2023 Commonwealth Senate inquiry and a CHOICE survey, reveals applicants can be pressured to disclose sensitive details like marital status, medical records, and social media accounts. This demand for irrelevant data causes significant discomfort and raises ethical concerns about potential bias, as systemic inequalities can lead to discrimination against marginalised groups. The rise of third-party platforms further complicates this, as they use algorithms to analyse both financial and personal factors, leading to concerns about algorithmic bias, lack of transparency, and risks to data security. Additionally, the third-party platforms may create barriers to use by charging renters for background checks or may be inaccessible for renters with poor digital literacy. Nevertheless, property owners and property managers need sufficient information to assess applicant suitability to rent a property based on their ability to pay rent and meet their tenancy obligations.

In 2025, amendments to the RTRA Act strengthened privacy protections for renters and made the rental application process fairer and easier by limiting the information property managers and owners can request from renters to only that contained in the RTRA Act or prescribed by Regulation. The Residential Tenancies and Rooming Accommodation Amendment Regulation 2025 supported the RTRA Act by prescribing additional information that can be requested in a rental form application and that renters must be offered a fee-free way to submit a rental application.

## Additional information

The Regulation prescribes the following information that can be requested by the rental application form:

- applicant date of birth
- total number of occupants and occupants under the age of 18

- number and type of pets
- number and type of vehicles
- financial ability to pay rent if applicant cannot provide details about their current employment or income.

#### Submitting a rental application

Under the RTRA Act, property managers and owners need to nominate at least two ways to submit a rental application, including one method that is not a restricted way. A restricted way is a way that involves a third-party platform, or a way prescribed by regulation to be a restricted way.

The Regulation prescribes that a restricted way is a way that requires an applicant to pay an amount.

This provision reflects that since it is a property manager or owner's decision to require a background check, it is not appropriate for a renter to bear this cost. Similarly, it is not appropriate for renters to be required to pay a fee to submit a rental application. Although the rental sector has advised property managers do not pass on these costs to applicants, the CHOICE report indicates there are some property managers and third-party platforms that are, reporting up to 25 per cent of Australian renters surveyed paid for a tenancy check in the past. Although the survey was of 1020 renter respondents across all states and territories, the report does not indicate if the sample was representative which limits the generalisability of these findings. Noting the limitations to this data, the results are nevertheless indicative that some renters are paying for background reports when applying for a rental premises and could be paying for multiple applications, increasing the cost for applicants.

## What options were considered?

## Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

# Option 2 – remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with administrative changes and clarifications.

## What are the impacts?

## Option 1 - Regulation expires (base case)

This option would support applicants who report that they face discrimination under the current application process (e.g. because of their age, pet, or having a large family) to more easily secure a rental property. As the additional information prescribed by the Regulation could not be requested in the application process in this option, these matters would not influence suitability assessments.

However, not having information about date of birth, occupants, pets and vehicles may impact the ability to undertake a suitability assessment and adequately assess risks. For example:

- a property manager or owner may be unable to lawfully conduct a tenancy database check
- the size of the property may not be suitable for large households and may result in increased wear and tear or non-compliance with minimum housing standards
- the number of residents (rooming accommodation) may result in legislative non-compliance.

Also under this option, applicants who are not currently employed or receiving income, such as self-funded retirees, may wrongly assume they could not provide information about their financial ability to pay rent, as the information would not be requested on the application form, resulting in their applications being deprioritised. This would limit their opportunities and perpetuate inequity in access to rental accommodation. Although a property manager or owner can request up to two documents about an applicant's financial ability to pay rent, applicants may be unaware of this if not prescribed for inclusion on the rental application form.

Allowing the Regulation to expire would increase costs for rental applicants. This may create stress and financial burden for applicants. According to a CHOICE report, some rental platforms encourage applicants to pay for their own background check (e.g. ranging from \$19.95 to \$29.95<sup>18</sup>). Assuming 25 per

cent of applicants paid an application related charge of \$19.95, the cost to renters per year (based on one applicant per 225,394 new bond lodgements during 2023–24) would be approximately \$1,124,153. Considering the average household consists of two adult renters who would both need to apply the application related charge would be \$2,248,306 per year. The cost could be higher if unsuccessful rental applicants also paid for the background checks or tenancies were for shorter terms. Although there is limited data available on how many applications are submitted per rental application, based on an assumption of 10 applications per rental property, the cost to renters would be approximately \$11,241,526 over a 12-month period.

The rental sector has recently undergone a significant change process including changes to business systems to comply with the limits on information that can be requested from rental applicants. Not having information prescribed by Regulation that can be requested in a rental application form would create further instability for the rental sector and require it to change practices and update business systems again within a short period of time.

# Option 2 – remake Regulation with amendments (recommended option)

This option would deliver consistency and certainty for the rental sector by continuing with the rental law changes which have applied since 1 May 2025.

This option enables property managers and owners to request information relating to date of birth, occupants, pets, vehicles and financial ability to pay rent and would continue to set clear parameters on the scope of personal information applicants are required to provide.

Some applicants may consider this could result in hidden bias or discriminatory practices by a property manager or owner; however, it is necessary to support verification of an applicant's identity and suitability as part of risk assessment. While there may be some additional costs for renters (i.e. completing additional fields for date of birth, pets and vehicles may take an extra minute or two), this option balances this cost with the increased efficiency and veracity of the rental application process.

Additionally, under this option, all applicants would be protected from application fees or charges as they must be provided a way to submit an application that does not require payment. This would help ease avoidable cost of living pressures experienced by applicants, many of whom are submitting multiple applications within short succession and reduce financial barriers to access rental housing.

Based on the assumptions identified in Option 1, this option would benefit renters should they choose the fee-free application method, through avoided costs of approximately \$1,124,153 over a 12-month period. Based on an assumption of 10 applications per rental property, the avoided costs to renters would be approximately \$11,241,526 over a 12 month period.

Under this option, property management or third-party platform businesses which determine that a background check or other fee is required would bear this cost. Notably, section 59 of the RTRA Act restricts the reasons for which a property manager or owner can take an amount from an applicant or renter, and this does not include rental applications. Furthermore, the costs associated with undertaking a tenancy database check may already be factored into the property management service costs agreed between the rental property owner and manager.

#### Who was consulted?

In 2023, the department sought community and stakeholder feedback on the *Stage 2 Rental Law Reform Options Paper*. Property owners identified the need for sufficient information about applicants to assess and manage their investment risk by choosing the most suitable applicant to rent their property. This includes assessing an applicant's ability to meet their tenancy obligations (particularly to pay rent and look after the rental property). Applicants sought assurance that the information they are asked to provide in an application is relevant and appropriate to assess their suitability for the rental property and is only used for this purpose.<sup>11</sup>

<sup>&</sup>lt;sup>11</sup> Queensland Government, Stage 2 Rental reform: Options paper, May 2023 (p 18)

On 8 January 2025, a consultation paper was sent to key rental sector and third-party platform stakeholders for feedback about any additional information that should be requested from applicants and providing a fee-free application method. Overall, industry stakeholders generally sought the ability to request additional information, while renter advocacy groups were concerned about privacy and discriminatory practices against rental applicants. All stakeholders supported prescribing that a restricted way for submitting a rental application is a way that requires payment.

## What is the recommended option and why?

Option 2. It is recommended that the Regulation is remade, with no amendments to the prescribed information for the rental application form, or to a restricted way for submitting a rental application.

The prescribed information strikes an appropriate balance which ensures property managers and owners have sufficient information to undertake a suitability assessment while continuing to limit the amount of information requested from applicants.

While this option imposes costs on rental applicants by enabling property managers and owners to request additional information from them in the rental application form, it benefits property owners and property managers as they avoid costs associated with having to request the information at the rental agreement stage which would occur if Option 1 was adopted. Furthermore, the overall benefit to all parties that this option provides in delivering certainty about the information that can be requested in a rental application form and the avoided cost for property managers of having to change business systems, outweighs the cost on rental applicants.

Option 2 avoids costs for renters of approximately \$11,241,526 over a 12 month period by ensuring applicants are provided at least one fee-free way to submit a rental application. Compared to the base case, the requirement to provide a fee-free way to pay rent may increase the administrative burden for some property owners/managers initially, however the overall benefit to renters justifies this provision because it will help to ease cost of living pressures experienced by applicants, many of whom are submitting multiple applications within short succession, and to reduce financial barriers to access rental housing.

## **Minimum Housing Standards (MHS)**

## What is the nature, size and scope of the problem? What are the objectives of government action?

#### RTRA Act

The RTRA Act provides that a Regulation can prescribe minimum housing standards (MHS) for residential premises let, or to be let, under a residential tenancy agreement (including moveable dwelling agreement) and premises in which rooming accommodation is, or is to be, provided.

The prescribed MHS in the Regulation include that rental properties must:

- be weatherproof and structurally sound
- be in good repair, including fixtures and fittings
- have functioning locks or latches on external doors and windows
- free from vermin, damp and mould
- include curtains or other window coverings to provide privacy
- have adequate plumbing and drainage and be connected to hot and cold water that is suitable for drinking
- provide privacy in bathroom areas and have flushable toilets
- · have a functioning cook-top, if a kitchen is provided and
- include the necessary fixtures for a functional laundry, if laundry facilities are provided.

MHS supplement existing minimum building standards and rental law requirements to provide consumer protections and rights. The RTRA Act establishes an obligation for property owners to ensure the rental property and inclusions are fit to live in, in good repair and are not in breach of any laws about health and safety and, at the start of the tenancy ensure the property and inclusions are clean. The property owner must continue to maintain the premises in this way throughout the term of the agreement. Prescribing

these standards ensures a consistent standard of rental properties and improves the access of renters to safe, secure and functional housing and clarify other obligations under the RTRA Act.

#### Analysis

Safe, secure and functional housing is a foundation for connected and resilient communities. Houses that are in good repair, functional and safe to live in promote the wellbeing of renters. During the 2018 *Open Doors to Renting Reform* consultation, property condition was a major topic for stakeholders with repairs and maintenance issues frequently discussed by renters and property managers or owners. Over 60 per cent of respondents to a snap poll agreed that they had seen a rental property with serious safety problems, like a broken lock, rotting stairs or deck, or malfunctioning or missing smoke alarms. Further feedback during the Open Doors consultation showed 17 per cent of renters reported their property condition as "Poor - needs repair or maintenance for health and safety e.g. mould, broken locks, structural issues". The 2018 report *Disrupted: The consumer experience of renting in Australia*, (the Disrupted report) found that 42 per cent of Queensland's rental households needed repairs. Speaking specifically of their current rental property, renters reported problems with locks, doors or windows (35%), pest infestation (30%), and leaks or flooding (25%). This data indicated that there was a high percentage of rental households being affected by a serious quality or maintenance issues, which could be addressed, in part, through MHS.

During the Open Doors consultation, minimum standards to address health and safety issues were generally supported by all stakeholder groups. Research has also documented the historically poor quality of many Australian rental properties and underscores the need for MHS alongside robust compliance and enforcement mechanisms to protect renters.<sup>16,17</sup>

As part of the Stage 1 rental law changes, MHS were prescribed in 2021, with a three-year phased introduction to allow rental property owners sufficient time to comply. Since 1 September 2024, MHS has applied to all rental properties to ensure safe, secure, and functional housing for Queensland renters. By setting these standards, the Regulation aims to improve housing quality, support independent living, and promote the wellbeing of renters. 20

In 2023, National Cabinet committed to *A Better Deal for Renters* and to phase in minimum quality standards for rental properties (for example, stovetop in good working order, hot and cold running water).<sup>21</sup> Minimum standards for rental properties are prescribed in legislation in New South Wales, Victoria, South Australia, Tasmania and Australian Capital Territory. Western Australia and Northen Territory do not have prescribed MHS for rental properties.

## What options were considered?

## Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

## Option 2 – remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with administrative changes and clarifications.

<sup>&</sup>lt;sup>12</sup> Daniel, L., Baker, E., Beer, A., & Bentley, R., 2023, Australian rental housing standards: institutional shifts to reprioritize the housing-health nexus. *Regional Studies, Regional Science*, 10(1), 461-470, accessed from https://doi.org/10.1080/21681376.2023.2190406

<sup>&</sup>lt;sup>13</sup> 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.

<sup>-</sup> needs repair or maintenance for health & safety.

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

15 Ibid. p. 12.

<sup>&</sup>lt;sup>16</sup> Lyrian, D. et al 2024. A national roadmap for improving the building quality of Australian housing stock. AHURI report no. 426 https://www.ahuri.edu.au/research/final-reports/426

<sup>&</sup>lt;sup>17</sup> Daniel, L., Baker, E., Beer, A., & Bentley, R., 2023, Australian rental housing standards: institutional shifts to reprioritize the housing-health nexus. *Regional Studies, Regional Science*, 10(1), 461-470, accessed from https://doi.org/10.1080/21681376.2023.2190406

<sup>&</sup>lt;sup>18</sup> Older Australians, Housing and living arrangements - Australian Institute of Health and Welfare (aihw.gov.au)

<sup>&</sup>lt;sup>19</sup> Disability, Ageing and Carers, Australia: Summary of Findings, 2022 | Australian Bureau of Statistics (abs.gov.au)

<sup>&</sup>lt;sup>20</sup> Daniel, L., Baker, E., Beer, A., & Bentley, R., 2023, Australian rental housing standards: institutional shifts to reprioritize the housing-health nexus. *Regional Studies, Regional Science*, 10(1), 461-470, accessed from https://doi.org/10.1080/21681376.2023.2190406

<sup>&</sup>lt;sup>21</sup> Australian Government. Appendix 2 – A better deal for renters.

 $https://www.aph.gov.au/Parliamentary\_Business/Committees/Senate/Community\_Affairs/Worseningrental crisis/Final\_Report/Appendix\_2\_-\_A\_Better\_Deal\_for\_Renters$ 

## What are the impacts?

## Option 1 - Regulation expires (base case)

Under this option, if the Regulation is not remade, the prescribed MHS would cease. While all current rental properties are required to be compliant with prescribed MHS, rental properties coming onto the rental market may not be compliant.

If the Regulation is not remade, renters risk living in a rental property that would not be compliant with MHS and may be of poor quality, potentially increasing their risk of illness or injury. Renters may have increased living costs resulting from poor property conditions or properties that are unsuitable for their requirements but are more affordable due to the property's age or condition. Furthermore, more disputes between renters and property owners or managers about repairs and maintenance may occur. The 2018 Disrupted report<sup>23</sup> and recent AHURI research on the quality of Australian housing stock indicated a fear of retaliatory action when upholding rights to seek repairs.

Property owners may have increased costs if they are unaware of repair and maintenance issues related to MHS, that may worsen over time leading to their property becoming devalued. Where residential properties do not meet current legislative health, safety or building requirements, there are increasing risks for injury, illness or fatalities for renters and increasing liability risks for rental property owners. Property owners may seek to increase rent to cover repairs and maintenance,<sup>24</sup> however their capacity to pass on costs through higher rents is dictated by market conditions and the RTRA Act prevents rent from being increased to meet MHS obligations.

Without prescribed MHS, property managers may have to negotiate unclear expectations between renters and property owners about the condition of a rental premises. As under the RTRA Act emergency repairs include prescribed MHS, property managers may also be restricted in their ability to ensure the safety and health of renters where the costs of building rectification are high, and a property owner is unwilling to authorise the expenditure. Without prescribed MHS, property managers and renters are less able to negotiate basic repairs and maintenance with property owners.

## Option 2 – remake Regulation with amendments (recommended option)

Under Option 2, the Regulation is remade including prescribed MHS. Continuing to prescribe MHS helps to ensure that property owners and managers offer rental properties that are safe, secure and functional. Minimum standards clarify renter rights and property owner obligations about a basic standard of housing, improve negotiation between renters and property owners about condition of the property and any repairs or maintenance required, and support property managers in managing housing stock and providing advice to property owners.

Property owners may choose to increase the rent and pass on increased maintenance costs, where permitted under the RTRA Act, however these costs may be mitigated by property owners as repairs are tax deductible, and the property value is retained or potentially increased. Property owners may benefit from earlier identification of repair and maintenance issues which could prevent further damage requiring more expensive remediation if left unrectified. This is an avoided cost of potential major structural damage or costly repairs.

The costs of remaking the Regulation with prescribed MHS would apply mainly to rental properties entering the rental market. It is mainly older properties that may need remedy to ensure compliance with MHS, as. new builds entering the rental market would have to meet higher building standards to achieve certification under the Building Regulation 2021.

<sup>24</sup> Ibid

<sup>&</sup>lt;sup>22</sup> General trends observed from the Australian Housing Conditions Dataset (available at <a href="https://architecture.adelaide.edu.au/sites/default/files/docs/AHCD">https://architecture.adelaide.edu.au/sites/default/files/docs/AHCD</a> 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.

<sup>&</sup>lt;sup>23</sup> Choice (National Shelter & The National Association of Tenant Organisations), Disrupted: The consumer experience of renting in Australia, available at <a href="https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf">https://tenantsqld.org.au/wp-content/uploads/2018/12/Disrupted-2018-Report-by-CHOICE-National-Shelter-and-NATO-1.pdf</a>, 2018, pp.4-5; Queensland Department of Housing and Public Works, Open Doors to Renting Reform Consultation Final Report, 2018, p.75.

The 2021 Deloitte report regarding economic impacts of Stage 1 rental law changes noted there would be an increase in maintenance for some rental properties to reach MHS, however many would already be compliant. The report estimated that the properties that would require maintenance to reach MHS would range from 3.5 per cent to 8 per cent of rental properties and estimated that the average compliance cost per property to meet MHS was between \$1,160 and \$2,470.<sup>25</sup> Taking into consideration an average inflation rate of 4.1 per cent from 2021-2024,<sup>26</sup> the average compliance cost per property for MHS is estimated to range between \$1,258 and \$2,783 per year.

It is unknown how many rental properties enter the Queensland rental market each year, however the Australian Bureau of Statistics *Lending Indicators* seasonally adjusted data for Queensland, states that there were 9,466 new loan commitments for investors purchasing existing dwellings for the March quarter in 2025. Assuming 3.5 to 8 per cent would require maintenance, there would be approximately 331 to 757 properties requiring maintenance, which would cost between \$416,398 and \$2,106,731 per year. This would translate in a minimal impact to those rental property owners who are incentivised to undertake general repairs and maintenance when needed to maintain their asset and prevent it from further deterioration.

The Deloitte report argued that the impact on rental property owners in meeting MHS was small compared to the fluctuations in the property market driven by supply and demand conditions. Rental property owners with houses below minimum standards may be unable to maximise their rental income as a property that does not meet MHS has a reduced value and appeal to renters.

#### Who was consulted?

MHS was part of Stage 1 rental law reforms that were included in the *Open Doors to Rental Reform* consultation undertaken in 2018.

Community feedback on Stage 1 rental law changes, including MHS, is outlined in the 2021 Decision Regulatory Impact Statement. This feedback demonstrated all stakeholders supported the MHS focused on basic safety, security and functionality. Industry stakeholders did not support amenity standards.

As the MHS were introduced under the *Housing Legislation Amendment Act 2021*, they were not a focus of the sunset review and stakeholder feedback on them was not sought. However, all stakeholders generally indicated the Regulation was efficient and effective and supported it being remade.

## What is the recommended option and why?

Option 2. It is recommended that the Regulation is remade, with the current prescribed MHS.

While a minority of property owners may incur costs to comply with prescribed MHS, estimated between \$416,498 and \$2,106,731 across the sector per year, most properties would already comply, and continuing to prescribe MHS would incentivise rental property owners to undertake general repairs and maintenance as an expected ongoing cost associated with owning a property.

However, prescribing MHS avoids costs associated with interpreting property owner obligations under the RTRA Act to ensure the premises are fit to live in, in good repair, and not in breach of any laws about health and safety.

Maintaining existing prescribed MHS would also generate substantial cost savings across government through increased health benefits including renter wellbeing and physical safety derived from residing in a safe, secure and functional property.

Benefits to the community, government and sector of prescribed MHS outweigh any potential costs incurred by rental property owners in complying with existing standards.

<sup>&</sup>lt;sup>25</sup> Deloitte (2021). Updated economic analysis of Queensland residential renting reforms, Department of Communities, Housing and Digital Economy.

<sup>&</sup>lt;sup>26</sup> Australia Inflation Rate (1960-2024).

## Approved reasons for listing on a tenancy database

## What is the nature, size and scope of the problem? What are the objectives of government action?

#### RTRA Act and Regulation

The RTRA Act restricts a person from listing personal information on a tenancy database unless certain criteria are met, including that it is consistent with a reason prescribed under a regulation for listing information.

The Regulation prescribes the approved reasons that a person can be listed on a tenancy database, which include unpaid rent; amount owing under a conciliation agreement or tribunal order or abandonment; objectionable behaviour; and repeated breaches.

#### Analysis

Residential tenancy databases are privately-owned electronic databases that store and share information about a person's tenancy history. Many property managers subscribe to at least one tenancy database and use them to screen rental applicants by checking if applicants are listed. Listings are considered to 'blacklist' renters, making it difficult to secure a rental property.

Queensland has regulated tenancy databases since 2003 and was the first Australian jurisdiction to do so following community concerns about their use and operation. Notably, in 2002 the Guthrie Report<sup>27</sup> and Lavarch report<sup>28</sup> emphasised the problems with unregulated databases, including concerns about inappropriate listings regardless of whether the listing is accurate, complete and up to date due to the negative consequences for renters' future housing prospects.

In December 2010, the Ministerial Council on Consumer Affairs formally adopted a set of model provisions for the regulation of tenancy databases (model provisions), aimed at developing nationally uniform legislation, and therefore consistency, in the regulation of tenancy databases. In 2013 Queensland was the first jurisdiction to prescribe in legislation approved reasons for listing renters on a tenancy database and Queensland's legislation was used as the basis for establishing the model provisions.

The provisions around tenancy databases were further strengthened by the *Housing Legislation (Building Better Futures) Amendment Act 2017* and Queensland's Residential Tenancies and Rooming Accommodation (Tenancy Databases) Amendment Regulation 2016, which came into effect on 1 July 2016. Among other changes, these amendments required listings to be removed after three years. This ensures fairness and aligns Queensland's tenancy database regulations with national minimum standards.

Evidence from recent RTA Annual Reports indicates that alleged offences related to tenancy database listings are minimal. For instance, investigations into such offences accounted for only 0.5 per cent of cases in 2023–2024 and 0.6 per cent in 2022–2023. However, a report from the University of Queensland (UQ) and Tenants Queensland (TQ) that surveyed 35 staff from TQ highlighted various challenges they encounter when supporting clients with tenancy database issues. The most prominent problems reported by clients included: unlawful entries (25%), the misuse of databases for intimidation or threats (18.8%), unfair listings (12.5%), the use of listings as a form of retaliation or punishment (12.5%), and insufficient regulation or oversight of listings (12.5%).<sup>29</sup> The UQ/TQ data is a non-representative sample and reflects a small cohort of Queensland renters that require TQ support and can't be generalised across the entire Queensland renter population. Researchers highlight that renters deemed to be 'high risk' by property owners or managers experiencing vulnerability not just because they have been listed, but also due to the social, economic and personal struggles and incapacities were contributing factors to the original listing on a database.<sup>30</sup> Taken together, the data indicates that provisions to ensure renters can only be listed for

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<sup>&</sup>lt;sup>27</sup> Guthre, F. 2002. *Recommended Queensland Strategy regarding Tenancy databases*. Residential Tenancies Authority Queensland.

<sup>&</sup>lt;sup>28</sup> Lavarch, L. 2002. Report of special government backbench committee to inquire into the operation of tenancy databases. Queensland Government. Accessed 13 June 2025 from https://www.parliament.qld.gov.au/Work-of-the-Assembly/Tabled-Papers/docs/5002t3474/5002t3474.pdf

<sup>&</sup>lt;sup>29</sup> Woodfield, H., Marler, G., and Leggett, E. 2023. *Review of Queensland's Tenancy Database Legislation*. The University of Queensland. Access 3 July 2025 from https://law.uq.edu.au/files/94228/UQPBC\_TQ\_Report\_Tenancy%20Database%20Legislation.pdf

<sup>&</sup>lt;sup>30</sup> Short, R., et al 2003. *Tenancy databases: risk minimisation and outcomes*. AHURI report no 31. https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI\_Final\_Report\_No31\_Tenancy\_databases\_risk\_minimisation\_and\_outcomes.pdf

approved reasons is required to protect all Queensland renters and provide clarity for property owners and tenancy database operators about what constitutes an 'approved reason' for a listing.

Tenancy database companies operating in Queensland may be based in other Australian states and territories, or offshore. Therefore, tenancy databases are regulated across all Australian states and territories to maintain consistency in their use and oversight. The Regulation aligns with the model provisions by prescribing approved reasons for database listings, ensuring that renters can dispute unfair or inappropriate listings. This harmonisation not only supports a consistent regulatory framework but also reinforces renters' rights while respecting the legitimate interests of property owners in protecting their investments. By balancing these rights, the Regulation fosters fairness and accountability in the use of tenancy databases.

## What options were considered?

# Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

## Option 2 – remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with administrative changes and clarifications, if required.

## What are the impacts?

## Option 1 - Regulation expires (base case)

Under this option, the expiration of the Regulation would result in no defined approved reasons for listing renters on tenancy databases. This lack of prescription would mean that property owners and property managers are unable to list renters for a reason such as unpaid rent; amount owing after abandonment, conciliation agreement or tribunal order; or objectionable behaviour or repeated breaches where a tribunal has made an order terminating the agreement. The inability to list defaulting renters on a tenancy database listing could increase distrust and affect relationships between renters and property owners.

Without the Regulation, property managers and property owners' risk of entering into an agreement with a renter who has a history of defaulting is greatly increased.

It is difficult to quantify the impact of not being able to list defaulting renters on a tenancy database and the potential impacts this would have due to the complexity of housing markets. However, the absence of approved reasons for tenancy database listings would greatly increase risks for property owners and their ability to screen rental applicants. This may cause some investors to choose to divest, impacting on supply in the rental market, further reducing the vacancy rate and exacerbating pressures in the rental market.

## Option 2 – remake Regulation with amendments (recommended option)

Under this option, remaking the RTRA Regulation would provide clarity and consistency for property owners, property managers, and renters by ensuring the rules about listings that have been operating since 2008 continue.

By continuing to prescribe provisions that define approved reasons for listing renters, the Regulation would uphold fairness in the private rental market. This is difficult to quantify due to a lack of data about the number of tenancy listings. However, the approved reasons provide an important safeguard and check for property owners and the risk of detrimental consequences such as damage to rental properties or unpaid rent is reduced if the Regulation is remade.

Remaking the Regulation would ensure property owners continue to have the opportunity to list a renter on a tenancy database, which would help protect other property owners from renters who may have a history of not paying or damaging rental properties.

The continuation of the Regulation would minimise the likelihood of disputes arising from unclear or inconsistent practices. This would reduce the burden on the RTA and QCAT, saving time and resources for all stakeholders with better self-regulation.

Continuation of the Regulation would promote confidence in the rental market by maintaining consistent and predictable reasons for listing on a tenancy database that allow defaulting renters to be listed for substantiated reasons. As tenancy databases operate nationally, remaking the Regulation and the approved reasons ensures Queensland rental law is consistent with the model provisions, allowing renters to move around Australia and share the same level of protections against unfair, incorrect or trivial listings.

#### Who was consulted?

Stakeholders were invited to provide feedback on the sunset review consultation paper including the effectiveness and relevance of the approved reasons for listing on a tenancy database.

Most stakeholders supported no change, although some suggested extending the reasons a renter could be listed on a database. Retaining and remaking the Regulation without change would ensure Queensland maintains consistency with model provisions and balances parties' interests.

## What is the recommended option and why?

Option 2. It is recommended that the Regulation is remade, including the approved reasons for listing on a tenancy database. It is proposed to remake these provisions without amendment to ensure the Regulation is consistent with the model provisions.

These provisions balance the right of property owners to protect their investment and the right of renters to be listed according to reasonable, fair and transparent criteria.

Not having prescribed approved reasons for listing on tenancy databases increases risks for rental property owners, which may cause some to divest, reducing supply and increasing pressures in the rental market.

## House rules

## What is the nature, size and scope of the problem? What are the objectives of government action?

## RTRA Act and Regulation

The RTRA Act provides that house rules can be made for rooming accommodation premises about the use, enjoyment, control or management of the rental premises. These rules may be prescribed by regulation, or providers may make rules about matters listed in the RTRA Act, if they are consistent with any prescribed house rules and the provider's obligations and resident's rights under the RTRA Act.

The Regulation's prescribed house rules include rules about residents' and guests' behaviour, maintenance of rooms, common areas, guests, access to residents' rooms, door locks and keys, and animals.

## Analysis

The 1997 review of the *Residential Tenancies Act 1994* outlined that the house rules were prescribed to ensure the smooth running of communal living arrangements and recommended that clear and simple house rules were necessary to protect the interests of renters and providers due to the communal nature of the living environment and the impact of one renter's behaviour on other residents.

The Regulation establishes prescribed house rules for rooming accommodation. Rooming accommodation is where a resident rents a room and shares facilities with other residents. It makes up 3.6 per cent of dwelling types in Queensland and from March 2024 to March 2025, 21,378 rooming accommodation bonds were lodged with the RTA.

Common types of rooming accommodation are boarding houses, residential services (including supported accommodation) and off-campus student accommodation.

The quality of rooming accommodation can vary greatly, from modern purpose built off-campus student accommodation to boarding houses and supported accommodation that accommodate some of Queensland's most vulnerable<sup>31</sup>. For people struggling to find affordable accommodation or required care, cheaper boarding houses and supported accommodation services can be their only option outside of homelessness or not receiving needed care. Congregate living environments accommodate people with often complex needs and can create challenging living conditions, with residents reporting feeling unsafe or being exposed to, or experiencing, substance abuse and violence, as noted in the report on the Inquiry into the provision and regulation of supported accommodation in Queensland.<sup>32</sup>

House rules are required to be displayed in a rooming accommodation facility. House rules operate similarly to body corporate by-laws in that they are considered part of the rooming agreement, meaning that failure to comply with the house rules can constitute a breach of that agreement. This could result in homelessness for vulnerable renters because a provider is authorised under the RTRA Act to evict using reasonable force in the presence of a Queensland police officer for a serious breach of an agreement.

The RTRA Act outlines what house rules can be made about, while the Regulation provides prescribed rules that apply along with any additional house rules made by the provider. Less than 1 per cent of alleged offences investigated by RTA in 2023-24 referred to providers not displaying a copy of the house rules on the premises.

Prescribing house rules protects the privacy and quiet enjoyment for residents and ensures a balance between each resident's rights and their responsibilities towards other residents. In this way, they establish the foundations required for respectful cohabitation.

Victoria, New South Wales, South Australia and Tasmania's laws do not prescribe house rules but enable rooming house operators to make house rules which must be provided to residents. Australian Capital Territory's laws provide that a provider must include information about any occupancy rules in an occupancy agreement. In Victoria and South Australia, a resident may apply to the Tribunal for an order if they consider a house rule to be unreasonable. Tasmania's laws provide that house rules are to state matters such as the following: if meals are to be provided, the times that they are available; any restrictions on access by visitors; any rules relating to access to bathroom and shower facilities; any restrictions on the consumption of alcohol. Western Australia's and Northern Territory's laws are silent on house rules.

## What options were considered?

# Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

## Option 2 - remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with administrative changes and clarifications.

# What are the impacts?

## Option 1 - Regulation expires (base case)

Under this option, if there are no prescribed house rules, rooming accommodation providers may be compelled to develop their own on specific matters.

Developing individual house rules could be challenging for smaller providers with limited resources or expertise in drafting rules that comply with the RTRA Act. Some providers may implement house rules that are unclear, overly restrictive, fail to adequately address key aspects of communal living or be

<sup>&</sup>lt;sup>31</sup> Goodman et al 2013. *The experience of marginal rental housing in Australia*. Final report no. 210.

<sup>32</sup> Report No. 44, 57th Parliament - Inquiry into the provision and regulation of supported accommodation in Queensland

inconsistent with the RTRA Act. This could negatively impact residents' rights as they would be less informed about their rights and obligations which would impact their ability to enjoy safe and fair living conditions.

Between March 2024 and March 2025, 21,378 rooming accommodation bonds were lodged with the RTA. 73 per cent (or 15,726) of these bonds were lodged by student accommodation providers, including off and on campus; 19 per cent (or 3,959) by boarding houses; 5 per cent (or 1,050) by private dwellings, i.e., rooms where an owner also lives; and 3 per cent (or 643) by supported accommodation.<sup>33</sup>

Based on data provided by the RTA, there are 949 student accommodation providers, and 19 supported accommodation members from Supported Accommodation Providers Association of Queensland (SAPAQ). It is unknown how many providers of other forms of rooming accommodation there are, such as private dwellings or boarding houses.

There are 94 large student accommodation providers, including 16 members of the Property Council of Australia (PCA), such as Scape, Iglu or Unilodge, and 855 small providers, which are individual providers with less than 10 active tenancies.<sup>34</sup> These 855 small providers are either private dwellings or boarding houses offering student accommodation. The PCA is the only peak body representing student accommodation providers.

It is estimated that 1 hour is needed for a staff member to meet with a lawyer to develop a house rule at an hourly rate of is \$85.17.<sup>35</sup>. It is assumed it would take roughly two hours for a lawyer to develop house rules at \$300 per hour<sup>36</sup> rate. Therefore the estimated one-off cost for a provider to develop house rules is \$685.17.

It is anticipated that the larger student accommodation providers would join PCA or another member organisation who would develop and provide house rules to its members. It is also assumed that half of the smaller providers would engage a lawyer to develop their house rules. However, as the prescribed house rules are not complex, it is also anticipated that half of the smaller providers would choose not to join an organisation or engage a lawyer. Based on this, it is anticipated that the cost of not prescribing house rules for student accommodation providers would amount to \$293,937.93 for the first year after the Regulation expires. Similarly, it is assumed that SAPAQ would develop house rules for use by its members which would cost \$685.17 for the first year after the Regulation expires. Therefore, the total cost for providers of rooming accommodation is estimated to be \$294,623.10 for the first year that there are no prescribed house rules.

It is assumed that the house rules prepared by a lawyer would need to be reviewed once a year to ensure they are still compliant with the RTRA Act. It is estimated this will also require half an hour for a staff member to brief the lawyer, and therefore, using the same hourly rates, cost \$342.59 per year. For student accommodation providers and SAPAQ this would cost \$147,313.70 in total each year for the next 10 years.

Adding to the above costs, the potential lack of clear guidelines could lead to an increase in disputes between providers and residents. Residents may challenge the fairness or enforceability of house rules, potentially leading to more dispute resolution requests made to the RTA and cases being brought before QCAT. As house rules are terms of a rooming accommodation agreement, residents could also be at risk of immediate evictions for breaching an unlawful house rule, leading to potential homelessness.

Rooming accommodation often houses vulnerable individuals, including those experiencing financial hardship or at greater risk of homelessness. The absence of clear, consistent house rules could exacerbate challenges for these residents, potentially leading to housing instability or unresolved disputes. The RTA and QCAT, for example, cannot assist in disputes between co-residents and can only deal with disputes between the provider and renter(s).

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<sup>&</sup>lt;sup>33</sup> RTA (2025). Bond statistics on rooming accommodation until March 2025.

<sup>&</sup>lt;sup>34</sup> RTA (2025). Number of student accommodation active tenancies held by managing party as of May 2025.

<sup>35</sup> Includes on costs, see Commonwealth Regulatory Measurement Framework 2024.

<sup>36</sup> lawpath.com.au

## Option 2 – remake Regulation with amendments (recommended option)

If the Regulation is remade, the provisions relating to prescribed house rules would continue to apply. Remaking the Regulation would maintain consistent house rules for managing communal living arrangements across Queensland and does not prevent providers from making additional house rules if they are compliant with the RTRA Act.

The prescribed house rules do not impose costs on residents or providers as they reflect existing requirements under the Act.

Continuation of house rules would provide clarity and certainty for both providers and residents about the expectations and standards for behaviour in rooming accommodation and may avoid costs associated with disputes, saving time and resources for all parties.

The prescribed house rules are designed to balance the rights and responsibilities of providers and residents. Remaking the Regulation would ensure that house rules remain reasonable and enforceable. This is particularly important as rooming accommodation often houses vulnerable individuals, including those experiencing financial hardship or homelessness. Continuing to prescribe house rules provides a safeguard for these residents by ensuring they are subject to fair and reasonable rules that promote safe and harmonious living conditions.

#### Who was consulted?

In feedback received on the consultation paper, all stakeholders supported retaining the house rules in the Regulation except for one organisation who suggested house rules should be determined by providers. Prescribing house rules in the Regulation does not prevent individual organisations from developing their own house rules specific to their accommodation, if the rules are consistent with the RTRA Act.

Some organisations suggested changes to the prescribed house rules to replace "working dog" with "assistance animal", include specific provisions about age and disability, recognise body corporate bylaws or expand existing rules and obligations to include quiet enjoyment, peace, comfort and privacy. Some suggestions would require an Act amendment and so were out of scope for the review. Most stakeholders supported retaining the house rules without amendment.

## What is the recommended option and why?

Option 2. It is recommended that the Regulation is remade to include the prescribed house rules with minor changes.

The house rules ensure that the rights and responsibilities of parties to rooming accommodation agreements are available and visible in rooming accommodation, ensuring transparency and certainty and avoid costs associated with disputes.

Compared to allowing the Regulation to expire, this option avoids costs for the sector associated with developing their own rules, which would be \$295,308.27 for the first year, and \$147,656.29 per year in the next ten years. As these estimated costs comprise 76 per cent of all rooming accommodation bonds and it is not known how many providers of other types of rooming accommodation there are, this is an underestimate of the avoided cost.

Therefore, the greatest net benefit is to retain the house rules. It is proposed to change the title of house rule number 5 from "Access to residents' rooms" to "Quiet enjoyment" and include: "the provider must take reasonable steps to ensure residents have quiet enjoyment of the resident's room and common areas." This is already a requirement under the RTRA Act and helps clarify that residents' rights to quiet enjoyment applies to the resident's room and common areas.

Any costs associated with amending the prescribed house rules are negligible, as the only identified cost is associated with printing a new copy of the house rules for display in common areas, which is minor.

The option to remake the Regulation with minor amendments to House Rules to clarify obligations represents the greatest cost-benefit to a vulnerable sector.

## Supporting evidence for domestic and family violence

# What is the nature, size and scope of the problem? What are the objectives of government action?

#### RTRA Act and Regulation

The RTRA Act gives renters experiencing domestic and family violence (DFV) a right to end their interest in a rental agreement. Renters must give the property owner or manager a notice ending their interest in the rental agreement supported by evidence prescribed by regulation. The requirement to provide evidence to support a renter's notice ending their interest in a rental agreement due to DFV protects property owners' interests by preventing misuse or abuse of the right by renters not experiencing DFV. The Regulation prescribes a list of evidence that may be provided to support a renter's notice ending their interest in a rental agreement, including an order or notice under the *Domestic and Family Violence Protection Act 2012*, an injunction under the *Family Law Act 1975* (Cwlth) or a report in an approved form by a health practitioner.

Providing various forms of evidence allows renters experiencing DFV to substantiate their circumstances even if they have not been issued documentation from a court or law enforcement agency, such as a protection order or a police protection notice. This enables renters experiencing DFV to take immediate action and access options available to them under the Act.

#### Analysis

DFV is a major concern in Australia. According to the Domestic and Family Violence Prevention Strategy 2016-2026, one in six Australian women and one in 19 Australian men have experienced physical abuse at the hands of a current or former partner. In 2023-2024, 27,857 domestic violence orders (DVO) were initiated in Queensland, yet this is an underestimation of the prevalence of DFV because people experiencing DFV do not always seek a DVO, for a variety of reasons. DFV also needs to be viewed through an intersectional lens, with Aboriginal and Torres Strait Islander women 31 times more likely to be hospitalised due to family-violence related assaults, women with a disability twice as likely to experience sexual abuse than a woman without disability and 1 in 3 women from culturally and linguistically diverse communities have reported experience of DFV.

People experiencing DFV, especially women with children, often rely on the private rental market or social housing when escaping violence<sup>37</sup>. Key barriers to leave a violent household for renters experiencing DFV are the financial costs of ending or breaking a lease, damage to the property and the negative impact on their rental history.<sup>38</sup> The RTA's 2023-2024 Annual Report documented a 44 per cent increase in calls from renters experiencing DFV. According to departmental monitoring data, there have been 622 tenancies ended by a sole renter for DFV, with 36 RTA disputes lodged by property owners or managers and 3 with QCAT since the provision began.

The RTRA Act supports renters experiencing DFV. It enables them to terminate a lease without incurring end-of-lease costs other than for one week's notice, ensures they are not held liable for damage caused by the perpetrator's violence, and allows them to access their share of the rental bond. The Regulation prescribes a list of supporting evidence of domestic and family violence. These provisions allow renters experiencing DFV to substantiate their circumstances quickly by accessing appropriate authorities such as a doctor, a social worker or an Aboriginal and Torres Strait Islander medical service worker to complete the approved form. Renters experiencing DFV may face financial or legal barriers to provide evidence such as protective orders, and this evidence may not be able to be obtained quickly to enable the renter to end their tenancy interest.

The requirement to provide supporting evidence ensures property owners are protected from misuse of the right to end the renter's interest in a rental agreement due to DFV. Providing the right under the Act to end a tenancy interest early, exposes owners of rental properties to financial risks including lost rent and

<sup>37</sup> Housing outcomes after domestic and family violence

<sup>38</sup> impact-of-tenancy-laws-on-women-and-children-escaping-violence.pdf

other costs. The Regulation addresses this in a balanced way by allowing DFV experts, including health practitioners, to provide supporting evidence.

Under the RTRA Act, property owners may also apply to QCAT for an order to set aside a notice ending a renter's interest in a rental agreement, and in making an order, QCAT must have regard to whether supporting evidence (prescribed by regulation) was provided to the property owner.

These provisions were developed in response to contemporary challenges and reflect current best practices and legislative priorities. As they were introduced under the *Housing Legislation Amendment Act 2021*, they were not a focus of the sunset review consultation paper.

## What options were considered?

## Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

## Option 2 – remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with administrative changes and clarifications.

## What are the impacts?

#### Option 1 - Regulation expires (base case)

Failing to prescribe supporting evidence would frustrate the renter's right to end a tenancy interest due to DFV. Under this option, renters would be unable to end their interest in a tenancy quickly and with limited liability on grounds of DFV. Instead, renters experiencing DFV would need to use other grounds under the RTRA Act to end the rental agreement, at higher cost, or default on their agreement. This exposes people experiencing DFV to increased risks, including financial and safety, particularly where the perpetrator is also listed on the tenancy agreement, recognising that women and children are most likely to experience DFV and are at greatest risk when leaving a DFV perpetrator.

Property owners may also face increased risk of damage to the property if the rental agreement cannot be ended quickly and may be unaware of the risks their renter is facing.

It is difficult to estimate how many renters would be disadvantaged if this provision and the Regulation should expire. Departmental data reveals a significant trend: since September 2021, 622 tenancies for sole renters have ended, and concurrently, 1,169 applications for bond refunds related to domestic and family violence (DFV) (Form 4a) have been processed. These figures likely underestimate the full impact of removing the provision. The departmental monitoring data only reflects renters who have utilised the provision, failing to capture those experiencing DFV who would lose the opportunity to end their tenancy due to DFV, noting approximately 1 in 6 Australian women and 1 in 19 Australian men have experienced violence form a current or former partner.<sup>39</sup>

Whether a renter has provided supporting evidence to a property owner is an easily quantifiable consideration for QCAT when considering an application to set aside a tenancy interest. If the Regulation was to expire and supporting evidence not prescribed, it would make determinations by QCAT for these applications more complex which would increase costs for QCAT.

## Option 2 – remake Regulation with amendments (recommended option)

Remaking the Regulation would ensure that individuals renting properties who are experiencing DFV can end their tenancy early quickly, by substantiating their circumstances, including from appropriate professional sources, such as medical practitioners, social workers, or Aboriginal and Torres Strait Islander health service providers.

<sup>&</sup>lt;sup>39</sup> Queensland Government. Not now, not ever. Domestic and Family Violence Prevention Strategy. <u>Domestic and Family Violence Prevention Strategy 2016-2026</u>

Allowing a renter to end their tenancy due to DFV may support avoided physical and mental health impacts for renters of ongoing DFV and avoided costs for government for DFV associated support and health services.

The provision is efficient and effective in providing flexibility in the supporting evidence required, which is particularly beneficial for renters who may face financial or legal barriers in obtaining a protection order through the justice system or a police protection notice, while also providing a safeguard for rental property owners.

By requiring renters to provide supporting evidence of their need to end a tenancy interest due to DFV, property owners benefit from avoided costs associated with potential misuse of the provision by renters.

Prescribing supporting evidence reduces costs for QCAT, as it provides a clear matter that QCAT must have regard to when deciding whether to make an order to set aside a notice ending a renter's interest in a rental agreement.

#### Who was consulted?

The Queensland Government engaged the Institute for Social Science Research at the University of Queensland and ARTD Consultants to conduct a post implementation review of the COVID-19 Regulation, which prescribed supporting evidence for a renter to provide to a property owner or manager with a *Notice of Intention to Leave* due to DFV. Consultation with stakeholders was completed for the review and feedback received was that the DFV provisions helped remove barriers for people experiencing DFV to end their interests in a tenancy. However, they noted areas for improvement such as providing sufficient documentation to demonstrate eligibility and navigate the complex service delivery landscape. These reasons were also noted in the 2021 Decision Regulatory Impact Statement, and it was recommended that the prescribed supporting documentation be prescribed in the Regulation.

#### What is the recommended option and why?

Option 2. It is recommended that the Regulation is remade, retaining the provision on supporting evidence.

This option limits the exposure of property owners to the risk of misuse of the provisions in the Act that allow a renter to end their tenancy interest without end of lease costs. It therefore helps limit costs for property owners.

The prescribed list of supporting evidence is efficient and effective and provides a practical pathway for renters experiencing DFV to end their interest in a rental agreement and leave quickly.

Without prescribed supporting evidence, a renter may be unclear about their requirements and continue to stay in a rental property and be exposed to violence impacting on their physical and mental health and potentially placing their life in danger. Rental premises may also be more likely to be damaged, increasing costs for property owners.

Remaking the Regulation with prescribed supporting evidence represents the greatest net benefit to Queensland as it doesn't incur any additional costs for either party and maintains the status quo.

## Prescribed period for repeated breaches

# What is the nature, size and scope of the problem? What are the objectives of government action?

## RTRA Act and Regulation

The RTRA Act establishes that a property owner or renter can make an urgent application to a tribunal for a termination order if:

- the property owner has already given the renter two notices to remedy breach of a particular provision
  of the Act, or the renter has given the property owner two notices to remedy breach, and each notice
  relates to a separate breach for the same behaviour
- the renter or property owner remedied each breach within the required period, and
- the renter or property owner commits a further breach of that provision, and

all three breaches occur within the period prescribed by regulation.

The Regulation establishes a prescribed period (12 months) within which three repeated breaches must have occurred (and been rectified) before a party can take action to end the agreement on the grounds of repeated breaches.

## Analysis

The prescribed period for repeated breaches disincentivises repeated undesirable behaviour and provides approved grounds for a party to make an urgent application to QCAT for an order to terminate the rental agreement.

Defining repeated breaches as previously remedied breaches that occur within a defined period helps identify patterns of persistent, undesirable behaviour. Not limiting the period would make it harder to determine if a pattern of persistent, undesirable behaviours has been demonstrated and may disadvantage parties in longer term tenancies. The Regulation establishes 12 months as the prescribed period.

No other Australian jurisdiction prescribes a period for repeated breaches before a termination order can be sought.

Only repeated breaches of certain provisions can lead to tenancy termination, and applications must be made to QCAT to determine whether the agreement should be ended. These safeguards prevent termination for trivial matters.

Data on the effectiveness of this provision is limited. QCAT considers ending a tenancy for repeated breaches as an urgent tenancy dispute. In 2023-2024 QCAT received 5,147 urgent applications, however the data does not specify how many of these were for termination on the ground of repeated breaches. Two stakeholders noted in feedback received on the consultation paper that this provision is seldom activated as problematic tenancies may have been ended for other reasons.

## What options were considered?

## Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

## Option 2 – remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with administrative changes and clarifications.

## What are the impacts?

#### Option 1 – Regulation expires (base case)

If the Regulation was to expire, there would be no period set for repeated breaches. It would effectively remove the ground for which a renter, property owner or manager could seek a termination of lease notice for repeated breaches of the agreement. This would restrict options for renters, property owners or managers who are repeatedly experiencing undesirable behaviour, despite a cycle of issuing a notice of breach for problem behaviour. Without the option to seek a tribunal order to terminate a tenancy on grounds of a repeated breach within a defined period, property managers and owners may lose their confidence to invest. They would have to use other grounds to end a tenancy (such as end of fixed term) which may take longer and cause the relationship to continue, creating unnecessary stress for the parties.

For the renter, without a period for repeated breaches they would not be able to seek to end a tenancy where the behaviour of the owner or manager is problematic through repeated remedied breaches for the same behaviour. QCAT must make the order which means an impartial adjudicator is considering the application and the circumstances before deciding whether the agreement should be terminated.

Under this option, costs for QCAT may be reduced, as there would no applications for a termination order on the basis of repeated breaches.

#### Option 2 – remake Regulation with amendments (recommended option)

If the Regulation is remade, the period for repeated breaches would remain at 12 months, providing a framework for renters, property managers and property owners to determine when another party have made three remedied breaches for the same behaviour, and have the rental agreement terminated.

This balances the rights of both parties as it allows both renters and property owners a reasonable opportunity to take action to terminate the agreement if the other party demonstrates a pattern of undesirable behaviour.

A prescribed period is necessary to achieve a fairer rental market for both renters and property owners. Not including a prescribed timeframe within which repeated breaches occur would remove the option for both renters and property owners to seek to end an agreement where one party was regularly not meeting their obligations under the rental agreement and then remedying the breach.

Changes to the prescribed period would have negative impacts on renters, property owners and managers. For example, reducing the prescribed period from 12 months to 6 months would be beneficial to the party who is breaching the agreement, as rental agreements are generally 12 months and there is less time for multiple breaches to occur within. Conversely, extending the period beyond 12 months would disadvantage the breaching party who could have a rental agreement terminated for repeated breaches over a longer period.

The current provision is balanced as either party can take action to seek to end the agreement where the behaviour of the other party is making the continuation of the rental agreement untenable and the prescribed period for repeated breaches is the same for both renters and property owners and managers. Including a period is necessary to provide protections for parties to an agreement and provides an appropriate balance of rights in the rental relationship.

#### Who was consulted?

In the feedback to the sunset review consultation paper, most stakeholders except for two, supported no change to the existing 12 month prescribed period. It was recognised that the 12-month period aligns with the average length of a rental agreement. One supported an increase to the prescribed period to 18 months, and another supported the prescribed period be reduced to 6 months.

Most of the stakeholders during consultation agreed that the 12-month period was adequate to protect the rights of both renters and property owners.

## What is the recommended option and why?

Option 2. It is recommended that the Regulation be remade, with the prescribed period for repeated breaches to remain at 12 months.

While it is difficult to quantity the impact, the qualitative evidence suggest that remaking the regulation provides benefits for the sector by ensuring clarity and allowing difficult tenancies to be terminated following a QCAT order.

The period applies equally to renters and property owners and does not provide an advantage to one party over the other in ending an otherwise interminable rental arrangement due to the actions of the other.

While this option continues to impose costs on government (through applications to QCAT) it outweighs the cost of allowing the Regulation to expire and renters and property owners not having the opportunity to end a difficult tenancy.

## Prescribed values and periods for abandoned goods

## What is the nature, size and scope of the problem? What are the objectives of government action?

#### RTRA Act and Regulation

The RTRA Act outlines requirements for dealing with goods and documents left behind in rental premises, including general tenancies and rooming accommodation. The RTRA Act allows a regulation to prescribe

an amount for the market value of the goods and a required storage period to determine what action should be taken for goods and documents left behind in rental premises, depending on their value. The RTRA Act establishes a separate process for handling personal documents and money.

The Regulation prescribes values for belongings left behind by renters and required storage periods. It also prescribes a separate storage period and value for an abandoned caravan and its contents. Under the Act, a renter must reimburse the property owner for any storage costs before they can reclaim their possessions, and the property owner can claim storage costs from any rental bond held. For any compensatory claims above the bond amount, an application can be made to the tribunal.

#### General tenancy agreements

The Regulation prescribes \$1500 as the value for goods left on premises for general tenancy agreements and that the storage period for goods left on premises is:

- three months for a caravan and its contents
- one month for other goods.

## Rooming accommodation

The Regulation prescribes an amount for the market value of the goods and requires that goods above the market value must be stored for 28 days. Goods less than the prescribed market value may be sold or disposed of. This section also allows a provider who reasonably believes the market value of the goods to be less than an amount prescribed by regulation to donate the property to charity instead of selling it if unclaimed.

The prescribed values for property left on rooming accommodation premises are:

- \$150 (or less) the goods may be sold or disposed of for rooming accommodation agreements
- \$600 (or less) the goods may be donated to charity if they have not been reclaimed after the 28-day storage period.

#### Analysis

Abandoned goods is an important issue to both renters and property owners. Renters may have abandoned the rental property for many reasons, including but not limited to unexpected hospitalisation, escaping DFV or imprisonment.

The storage and disposal of goods left behind can be a burden to property owners if there are no clear quidelines about what to do with them, and how long the must be stored to all renters to reclaim them.

There is a financial incentive to property owners and managers to *not* store abandoned goods of any value. While a renter remains liable for any storage costs if they reclaim the property, there are costs associated with moving the goods out of the property and finding and paying for storage.

While there may be different reasons that a renter abandons a rental property, they may have had to leave quickly and for reasons beyond their control, limiting their ability to take their goods with them. For vulnerable renters who have few possessions, or whose abandoned caravan is their primary residence, the ability to reclaim these items is an important right.

The prescribed values and periods for abandoned goods are intended to provide clarity in process and establish a reasonable period for renters to reclaim their personal items or valuable goods before they are disposed of or sold; and to limit the property owner's liability and obligations in case the renter does not return to reclaim their goods.

The current costs are borne primarily by property owners who must pay for storage costs for items, or park owners who must store caravans for up to 3 months, before seeking reimbursement using the RTRA Act and Regulation processes. This may be that the renter claims their goods within the prescribed period and pays the storage costs, or the property owner or manager seeks reimbursement of storage costs through the sale of abandoned goods and/or rental bond. Depending on the type of goods abandoned and the size of storage required, property owners may not recoup the entire amount of expenditure. The cost for renting from Storage King half a garage (9m²) or a full garage (18m²) would cost \$359 or \$599 respectively per month.

The RTA reports that for 2023-2024, 0.7 per cent of alleged offences investigated were how goods and documents left behind on a premises had been handled. Publicly available RTA annual reports from 2018-19 until 2022-2023 do not report any disputes or investigations of alleged offences about goods and documents left behind. This suggests that disputes about abandoned goods are very rare or not often reported.

The prescribed amounts and periods have not been updated since 2009 and are not aligned with inflation.

The required period for storing abandoned goods varies across Australian jurisdictions:

- New South Wales—14 days for goods valued less than \$1,000, 28 days for goods valued between \$1,000 to \$20,000, and goods valued over \$20,000 can only be disposed of with a Tribunal order
- Australian Capital Territory—3 months for personal effects, 7 days for goods of no value, an
  abandoned vehicle that is not a mobile home can be disposed of immediately, 1 month for low value
  goods, 3 months for high value goods, and a manufactured or mobile home may be disposed of after
  14 days with a Tribunal order
- Victoria—14 days for goods and caravans
- South Australia—2 days if the value of the goods is less than the cost of storage, and 7 days for higher value goods
- Western Australia— 2 days if the value of the goods is less than the cost of storage, and 60 days for higher value goods
- Northern Territory—at least 30 days for valuable abandoned goods
- Tasmania—an order to dispose of goods valued over \$300 is required.

## What options were considered?

## Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

## Option 2 – remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with administrative changes and clarifications, particularly to update the value of goods to reflect inflation.

## What are the impacts?

## Option 1 - Regulation expires (base case)

If the Regulation were to expire, property managers and owners would be able to dispose or sell goods of any value left behind on the premises.

Without a prescribed period, renters who unexpectedly leave their goods or caravan behind may not be able to reclaim them, which may come at personal and financial cost to renters, particularly if the goods were left behind at the end of a tenancy for reasons beyond their control.

For property owners and property managers, this option avoids costs associated with moving abandoned goods, and finding and paying for storage until the goods are claimed by the renter or the prescribed period concludes, however this comes at the cost of renters.

# Option 2 – remake Regulation with amendments (recommended option)

Option 2 involves remaking the Regulation, with the prescribed values and storage periods for abandoned goods.

Property owners and providers would be required to store abandoned goods that are worth more than the prescribed value, for the relevant prescribed period. This would result in renters that abandoned their rental property at the end of a tenancy, perhaps for reasons beyond their control, having an opportunity to

retrieve their personal property. It also imposes costs on property owners associated with moving and storing the abandoned goods.

As the values in the Regulation have not been updated since 2009, it is proposed that they are updated in the remade Regulation.

According to the Reserve Bank of Australia's inflation calculator at www.rba.gov.au/calculator/, the total change in cost between 2009 and 2024 is 48.5 per cent, at an average annual inflation rate of 2.7 per cent. Using this formula as a basis, and incorporating a degree of long-term relevance, it is proposed to update the market values of abandoned goods to:

- \$250 (or less) the goods may be sold or disposed of for rooming accommodation agreements
- \$900 (or less) the goods may be donated to charity if they have not been reclaimed after the 28-day storage period for rooming accommodation agreements
- above \$2,500 goods must be stored for 1 month for general tenancies.

While there is no data on how many caravans are reclaimed within the existing three-month period, it is proposed to reduce the required storage period of a caravan and its contents from three to two months. This change reflects that abandoned caravans are substantial in size, are often in a dilapidated condition and structurally unsound, such that any attempt to move them results in collapse or damage or is not attempted due to exposure to legal risk. As a result, the site cannot be relet impacting on the park owner and other potential renters when rental vacancies are low and demand for long-term sites is high.

Two months is considered a balance between the property owner's right to relet a site, and the moveable dwelling owners right to reclaim their caravan, noting that the renter's caravan is a significant asset and is generally the person's principal place of residence.

QCAT data shows that in 2024-2025, there were 83 hearings for the sale or disposal of goods abandoned on premises and 5 hearings for review of abandoned goods order. The RTA's 2023/24 Annual Report advises that 0.9 per cent of bonds held are for moveable dwellings and 0.4 per cent of managing parties for bonds held are moveable dwelling park managers. This equates to 5606 bonds lodged are for moveable dwelling and 2492 are managed by moveable park dwelling managers (based on 622,928 total bonds held). The average rent for a site for a moveable dwelling in Queensland is estimated to be \$235 per week, based on an environmental scan of rent prices. If a caravan is abandoned and the park owner stores it for three months, this will cost them \$2,820 per site. By reducing the storage period, the cost would decrease by \$980 to \$1,880 per week.

Additionally, there is the cost of moving an abandoned caravan at the end of the storage period. Some of this cost may be replaced by selling the caravan as is, or for spare parts/ scrap metal. It is not known how many caravans are abandoned per year across Queensland, therefore statewide total costs for park owners cannot be estimated.

## Who was consulted?

Feedback on the sunset review consultation paper showed that all stakeholders support updating the values of abandoned goods using a consumer price index (CPI) calculator to determine the change in value of goods between 2009 and 2024. One stakeholder suggested increasing the amount for abandoned goods for general tenancy agreements above that amount, suggesting that storage costs have increased at a higher rate than CPI since 2009.

One stakeholder suggested that the Regulation should include a specific value for abandoned caravans and their contents, given the higher costs and practical implications of storing a caravan. They suggested it should be twice the prescribed value of abandoned goods for general tenancy agreements.

Most stakeholders support no change to prescribed storage periods for abandoned goods; however, one stakeholder suggested that the required storage period should change from 3 months to 28 days due to the costs to park owners to store a caravan for 3 months.

#### What is the recommended option and why?

Option 2. It is recommended that the Regulation be remade, with the following updates to the prescribed values and storage for abandoned goods:

- increase the prescribed values of abandoned goods for rental agreements based on accumulative increases to CPI since 2009
- prescribe a value of \$5,000 for abandoned caravans and their contents
- reduce the prescribed storage period for caravans from 3 to 2 months to strike an appropriate balance between the needs of caravan park owners and renters who have abandoned their caravans.

Increasing prescribed values in line with cumulative CPI reduces the costs for property owners to manage and store abandoned goods. At the same time, it increases costs for renters who are more likely to need to purchase replacement goods, if belongings left behind have less value than that prescribed and are disposed of.

Continuing to prescribe minimum storage periods and market values, balances property owner's cost of storage with a renter's right to access the belongings they left behind at the end of a tenancy.

This option provides the greatest net benefit for renters and property owners.

## Fees for the sale, or attempted sale of a caravan

## What is the nature, size and scope of the problem? What are the objectives of government action?

## RTRA Act and Regulation

The RTRA Act provides that a property owner of a moveable dwelling premises (a park owner), in supplying a service to sell or attempt to sell a caravan, must not charge the moveable dwelling (caravan) owner a fee greater than an amount prescribed by regulation.

An agreement between a caravan owner and park owner to sell a caravan is separate to their rental agreement.

The Regulation prescribes the fee for the sale or attempted sale of a caravan. The fee was prescribed by the Residential Tenancies Regulation 1995. The same fee was prescribed by the Manufactured Homes (Residential Parks) Regulation 2003 (MH Regulation) for the sale of manufactured homes and retained in the updated Manufactured Homes (Residential Parks) Regulation 2017.

#### Analysis

The existing fees and commission on sales of caravans were consistent with the *Property Agent and Motor Dealers Act 2000* (PAMD Act). They were not included in the replacement *Property Occupations Act 2014* which now allows agents to negotiate commission amounts with clients.

The fee in the existing Regulation is broadly consistent with that in the Manufactured Homes (Residential Parks) Regulation 2017 for the sale of manufactured homes. In residential parks, real estate agents can be used to sell a manufactured home at whatever price they negotiate, however manufactured homeowners are heavily incentivised to use the park owner as their seller due to the park owner's expertise, sales facilities, and involvement in consenting to the incoming buyer entering the park. Manufactured homes are typically sold on site in the park, are impractical to move, and derive a significant proportion of their value from their location in the residential park. Certain statutory protections such as the buyback and site rent reduction scheme will also only apply where the park owner has had an opportunity to sell. These create significant imbalances in market power between park owners and other selling options which necessitate reasonable limitations on park owner sales commissions to prevent this market power from being misused.

Caravan park owners also have the advantage of having the expertise in selling caravans in their own park. It is also difficult for caravan owners to engage a real estate agent to sell the caravan in situ, as it may require the park owner's permission for ongoing entry into the caravan park by real estate agents to show the caravan to potential purchasers, and the park owner would need to agree the terms for continued rent of the site within the park if the caravan is unable to be relocated by the new owner. While similar to selling manufactured homes in residential parks, caravans differ in that they are generally

moveable, cost substantially less than manufactured homes to purchase, and the purchaser may choose to relocate the caravan from the park.

For market power reasons, it is important to have a limit on sales commissions, while allowing the parties to negotiate the percentage below that amount.

The existing Regulation prescribes the following fee for the sale or attempted sale of a caravan:

- if the sale price is not more than \$18,000, 5 per cent of the sale price
- if the sale price is more than \$18,000, \$952.70 plus 2.5 per cent of the part of the sale price over \$18,000.

The fee has been incrementally updated over the years in accordance with the Government indexation rate in 2019, 2020, and 2021, however, the sale price that determines the fee has not been updated since 2009.

## What options were considered?

## Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

#### Option 2 – remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with administrative changes and clarifications.

## What are the impacts?

## Option 1 - Regulation expires (base case)

Under this option caravan park owners would have the discretion to impose unlimited fees for the sale or attempted sale of caravans. This could lead to inconsistencies in how fees are applied across different parks, potentially creating financial uncertainty for caravan owners who have reduced options for selling their asset. Residents who wish to sell their caravans may face higher or unexpected costs, which could discourage sales or reduce the financial return they receive from selling their property.

The absence of a regulated fee structure might also lead to disputes between residents and park operators, particularly if fees are perceived as unreasonable or unfair. This could result in an increased number of complaints or legal challenges, placing additional strain on dispute resolution mechanisms.

For caravan park owners, this option might provide greater flexibility in setting fees, which could help recover costs associated with facilitating sales. However, this flexibility may need to be balanced against the potential reputational risks of being seen as imposing excessive charges on residents who may be vulnerable, however it may also encourage park owners to seek a higher sales figure for the owner of the caravan.

This option has higher financial costs for renters and does not provide renters with safeguards from excessive fees.

## Option 2 – remake Regulation with amendments (recommended option)

Remaking the Regulation to include provisions about fees for the sale or attempted sale of a caravan, while potentially imposing costs on park owners, could have other positive and stabilising impacts for both park owners and residents.

Remaking the regulation would provide clarity and consistency regarding the fees that can be charged. This would benefit caravan owners by ensuring they are not subject to arbitrary or excessive charges when selling or attempting to sell their caravans. A clear regulatory framework would also reduce the likelihood of disputes between residents and park operators, as both parties would have a shared understanding of their rights and obligations.

For residents, this stability could encourage greater confidence in their ability to sell their caravans without facing unexpected financial barriers as the commission is a known cost. It also encourages the park owner to seek the highest sale price, so their amount of commission is maximised. This is particularly important for individuals who rely on the sale of their caravan as a key financial asset, such as retirees or those transitioning to other housing arrangements.

From the perspective of caravan park owners, remaking the Regulation would provide a clear legal basis for charging fees, ensuring they can recover reasonable costs associated with facilitating sales within that commission price. This could include administrative costs, advertising, or other services provided to assist with the sale process. By formalising these arrangements, operators could avoid reputational risks associated with perceptions of unfair practices and caravan owners would be able to negotiate an agreed fee ahead of the sale.

Overall, the benefits of this option outweigh the potential costs for caravan park owners associated with foregone revenue.

#### Who was consulted?

Feedback on the sunset review consultation paper indicated that most stakeholders agreed the provision is effective and should remain in the Regulation. Most stakeholders supported removing the threshold amount and moving to a flat rate commission, however some differed on what the commission rate should be. The proposed commission rate seeks to balance these views and is broadly consistent with the existing rate.

## What is the recommended option and why?

Option 2. It is recommended that the Regulation be remade and for the tiered approach and monetary threshold to be removed in place of a simplified flat commission rate of up to 4 per cent of the sale price of the caravan.

The benefits of prescribing a fee, outweigh the potential costs for caravan park owners associated with foregone revenue.

This option provides certainty that the commission a renter must pay is capped, which would help vulnerable renters transition to alternative housing arrangements.

## Water efficiency requirements

## What is the nature, size and scope of the problem? What are the objectives of government action?

## RTRA Act and Regulation

The RTRA Act allows owners of rental premises that are not moveable dwelling premises to pass on full water consumption charges to tenants if the property is individually metered, the tenancy agreement provides for these charges to be passed on, and the premises meets water efficiency requirements prescribed by regulation. There are no similar provisions for rooming accommodation premises, which are unlikely to have separate water meters for individual rooms.

The RTRA Act provides that an owner must pay all fixed costs associated with water supply. If the premises are individually metered but not water efficient, the property owner must pay all reasonable water consumption costs but may charge the tenant for any amounts above 'reasonable' usage—if the parties agree on the reasonable amount and it is documented in the rental agreement.

The Regulation prescribes the water efficiency requirements that allow a property owner to pass on full water consumption charges to a renter for an individually metered rental property.

The Regulation defines water efficiency requirements by maximum water volume for toilets and flow rates for shower heads and cold-water taps. For toilets, the maximum water volume is 6.5L for a full flush and 3.5L for a half flush, and for shower heads and taps, the maximum flow rate is 9L a minute. These requirements were established prior to the implementation of standard Water Efficiency Labelling and

Standards (WELS) ratings under the *Commonwealth Water Efficiency Labelling and Standards Act 2005*. The formulas in the Regulation are equivalent to a 3-star WELS rating.

#### Analysis

Allowing property owners to pass on charges for full water consumption on individually metered properties ensures that property owners do not have to cover the whole cost of tenants' water usage. However, the 1997 review into the RTA Act highlighted that while tenants can determine their water usage, and have a responsibility to maintain the premises, they have little control over the installation of water conserving equipment provided as a fixture to the property. The inclusion of water efficiency requirements and allowing a property owner to pass full costs on to tenants when fixtures are water efficient, ensures that tenants can manage their water usage with the support of appropriate water efficient equipment.

In practice, the prescribed water efficiency requirements support cost recovery mechanisms for property owners against a cost which they have little control (that is, tenants' water consumption). According to the RTA Annual Report<sup>40</sup> 2023-2024, 13.3 per cent of property owners' or property managers' claims against a rental bond refund were for water charges, making it the third most common claim (behind, cleaning at 21.4 per cent for cleaning and repairs at 15.5 per cent). Disputes over water charges are proportionally rare, with only 1.3 per cent of RTA conciliated disputes in 2023-2024 concerning water charges. Historical trends indicate similar stability, with disputes at 1.7 per cent in 2020-2021,<sup>41</sup> 1.3 per cent in 2021-2022<sup>42</sup> and 1.2 per cent in 2022-2023.<sup>43</sup>

Victoria, New South Wales and South Australia's rental laws require taps, toilets and showerheads to be a minimum of 3-star WELS, which the requirement in the Regulation is equivalent to. New South Wales and South Australia's laws also require all taps to be leak free at the start of a tenancy and after upgrades and repairs.

## What options were considered?

#### Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

## Option 2 – remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with administrative changes and clarifications.

## What are the impacts?

# Option 1 - Regulation expires (base case)

If the Regulation were to expire, property owners would not be able to pass on full water consumption charges to tenants because they would not be able to establish that the individually metered rental property met the water efficiency requirements. This means that property owners may increase the rents for these properties to recover the cost of water consumption charges if market conditions permit. It would also result in there being less incentive to install water efficient devices, which assist tenants in managing their water usage.

According to Urban Utilities, the average cost of water in Brisbane in 2024 was \$3.45 per kilolitre of water used<sup>44</sup>. Assuming the average Brisbane household consumes 160 kilolitres per year<sup>45</sup>, a property owner would no longer be able to pass on the annual \$552 water usage costs. Therefore, property owners who currently pass on water usage costs would have an average increase of costs from the expiry of the Regulation of \$552 per annum. If market conditions permit, they may pass this cost onto the tenants through an increase in rent.

<sup>&</sup>lt;sup>40</sup> RTA-Annual-Report-2023-24.pdf

<sup>41</sup> RTA-Annual-Report-2020-21-Full-Report.pdf

<sup>42</sup> RTA-Annual-Report-2021-22-Full-Report.pdf

<sup>&</sup>lt;sup>43</sup> RTA-Annual-Report-2022-23.pdf

<sup>44 &</sup>lt;u>Prices and charges 2024 - 2025</u>

<sup>45</sup> Average Water Bills in Brisbane | Brisbane Northside Plumbing

This option would result in increased costs for property owners and tenants may continue to be subject to these costs without the benefit of water efficient fixtures if property owners pass the costs on to tenants in the form of higher rent. This option would not support water conservation or reduce demand for water supply as property owners of rental premises entering the rental market would be less likely to install water efficient fixtures.

## Option 2 – remake Regulation with amendments (recommended option)

Remaking the Regulation and prescribing the water efficiency requirements ensures that the rental premises is water efficient and provides tenants with appropriate fixtures to enable them to better manage their water consumption. This supports water conservation and reduces costs for government associated with building infrastructure in response to increased demand for water. The Regulation provides property owners with clear criteria on water efficiency requirements, allowing them to certify compliance on the RTA *Entry Condition Report* and thereby pass on full water usage charges to tenants, if the premises is individually metered.

Remaking the Regulation will impose costs on renters, as they will have to pay water consumption charges if the rental premises meets the water efficiency requirements, is individually metered and the rental agreement requires them to pay water consumption charges. The provision benefits property owners by allowing them to transfer water consumption charges to tenants.

## Who was consulted?

The consultation paper invited feedback from stakeholders on the efficiency and relevance of the water efficiency requirements. Feedback indicated that the provisions are operating efficiently and effectively.

## What is the recommended option and why?

Option 2. It is recommended that the Regulation be remade, including the water efficiency requirements without any amendments.

Based on the qualitative evidence, this option has the greatest net benefit to Queensland. While allowing tenants to be charged for water use, it reduces costs for property owners who may pass these costs on to tenants in the form of higher rents, depending on market conditions. It also contributes to water conservation and therefore reduces risks of water scarcity and costs to government associated with building new infrastructure to respond to increasing demand for drinking water.

#### Other provisions

#### What is the nature, size and scope of the problem? What are the objectives of government action?

Related to a family member:

The RTRA Act provides that interests must be disclosed by either a director of the Residential Tenancies Authority (RTA), or an employee of the Residential Tenancies Employing Office (RTEO) if they have an interest or a person related to them has an interest in a matter being decided.

The Regulation defines 'related' for the purposes of sections 478(1)(a), 478(3), and 518(1)(a) as a person who:

- is or has been their spouse
- is their child
- is entirely or substantially dependent on them and their affairs so closely connected that a benefit derived by the person could pass to the RTA director or employee.

These provisions are unique to Queensland as other states and territories regulate their tenancy law through a government agency rather than a statutory body with a Board of Directors.

Agent standing in for a property owner:

Property owners may not be able to attend QCAT hearings for many reasons, including they live interstate, or they prefer that the property manager who manages the property on their behalf to attend. The RTRA Act provides that if a property owner has an agent who is authorised to stand in their place in a

proceeding prescribed under a regulation, the property owner or agent must give the renter the agent's name and address for service.

The Regulation provides that any application a property owner or renter may make to a tribunal is a prescribed proceeding.

Other jurisdictions differ in their approach to allowing an agent to stand in the place of a property owner when appearing before a Court or Tribunal as outlined below:

- in South Australia and Western Australia, property owners are allowed to be represented by an agent at proceedings before the relevant Court or Tribunal
- in New South Wales, Northern Territory and Tasmania, property owners require the Court or Tribunal's permission to be represented by an agent at proceedings.
- in Victoria, property owners require the Tribunal's permission or agreement from the other party, to be represented by a person who holds a legal qualification or has had experience as an advocate in similar proceedings.
- in the Australian Capital Territory, a property owner may be represented by a lawyer or someone else.

## Commencement of Acts requirement:

The RTRA Act provides that new requirements under the Act will commence on a day prescribed by Regulation. Section 33 of the Regulation prescribes days for commencement of these provisions respectively, as 1 July 2010, 1 July 2010 and 1 January 2010. Section 33 is no longer relevant as it relates to reforms which commenced 15 years ago. Stakeholders were asked to identify unintended consequences if the section was omitted, and none were identified.

#### Dictionary:

Schedule 7 Dictionary contains definitions to assist with interpretation of the Regulation. It defines terms for: general tenancy agreement, information statement, moveable dwelling agreement, relevant agreement, relevant tenant, rooming accommodation information, State authority, State tenancy agreement, and tenancy agreement.

Except for the Australian Capital Territory, other jurisdictions' tenancy regulations do not include a Dictionary.

In relation to the term 'State authority', the Office of the Queensland Parliamentary Counsel has advised that the RTRA Act and Regulation references to 'State as lessor' is broad enough and sufficient to cover any instance where the State is the lessor and that the term State authority is unnecessary.

#### Penalty infringement notices:

The RTRAOLA Act increased the penalty units for section 77 of the RTRA Act to 40 penalty units. The RTRAOLA Act omitted section 77 from the SPE Regulation's schedule of penalty infringement notices without reinserting it to reflect the higher penalty unit. Issuing a penalty infringement notice provides an alternative to a court process which may incur a greater penalty or sentencing outcome. There is a compelling public interest in proscribing conduct through penalty infringement notices to amend behaviour quickly and efficiently than through court processes.

## What options were considered?

## Option 1 - Regulation expires (base case)

This option involves "no intervention" – that is, allow the Regulation to expire without replacement, and replace with non-regulatory measures, such as increased education and self-regulation.

## Option 2 – remake Regulation with amendments (recommended option)

This option involves remaking the Regulation with administrative changes and clarifications, including amending the State Penalties and Enforcement Regulation 2014 to reinsert an offence provision and corresponding penalty infringement units.

## What are the impacts?

# Option 1 - Regulation expires (base case)

Under option 1, if the Regulation is allowed to expire there would be the following impacts:

- there would not be clarity in relation to what is meant by 'related' to an RTA director or employee, making it difficult for RTA board members and RTEO employees to declare their, or family members' interest in an issue. Without clear definitions to ensure transparent process, there is the potential for conflict of interests to arise and subsequent legal action or undermining of the objectivity of the RTA board and RTEO employees, increasing costs for government. However, costs associated with administrative processes related to RTA board members and RTEO employees declaring members interest in an issue would be reduced for the RTA.
- it would not be clear when an agent can stand in for a property owner, undermining clear and transparent processes in matters related to QCAT, increasing costs for property owners, particularly if they cannot be present for a tribunal hearing, and government.
- the 'commencement of Acts' would no longer be prescribed. As the commencement of Acts is a redundant provision, the expiry of the Regulation would have no impact.
- the dictionary provides the definition for key terms in the Regulation to ensure the document can be understood and terms correctly interpreted. As the dictionary is specific to the Regulation, there would be no impact if the Regulation expired.

## Option 2 – remake Regulation with amendments (recommended option)

Under this option, if the Regulation were remade then there would be the following impacts:

- the definitions of 'related' would be retained as currently prescribed in the Regulation, creating
  administrative costs for the RTA but providing clarity and a transparent process for RTA board
  members and RTEO employees to determine if they need to declare a conflict of interest.
- an agent would continue to be allowed to stand in for a property owner at a tribunal proceeding, ensuring property owners are represented at these proceedings and the tribunal can proceed to hear and decide on a matter.
- the commencement of RTRA Act section 33 would be removed because the provision is redundant.
- schedule 1 of the State Penalties Enforcement Regulation 2014 (SPE Regulation) would be amended to include a penalty infringement notice (PIN) fine for breaching section 77 of the Act. This would enhance protections for residents of rooming accommodation.

This option will incur negligible costs to the government to remake the Regulation.

## Who was consulted?

Feedback on the sunset review consultation paper, indicated that:

- stakeholders have no concerns with the provision 'related to a board member', and one stakeholder advised the provision continues to be relevant.
- in relation to agent standing in for the property manager, most stakeholders did not raise concerns
  with this provision and supported that it be remade as is. One suggested that the provision should be
  expanded, but this would require an RTRA Act amendment and so was out of scope and another
  raised other concerns related to the RTRA Act.
- stakeholders support removing section 33 regarding the Commencement of Acts and did not identify any unintended consequences.
- most stakeholders were not concerned about removing 'State Authority'.

The proposal to introduce a penalty infringement notice for non-compliance with section 77 of the RTRA Act was considered as part of the RTRAOLA Act and has been endorsed by the Department of Justice.

## What is the recommended option and why?

Option 2. It is recommended that the Regulation:

- is remade with the "Related to a board member" and "standing in for a property owner" provisions as, while they may impose some administrative costs on the RTA, the provisions are efficient and effective and provide clarity for when conflicts of interest must be declared
- amends the SPE Regulation, as this will improve efficiencies in providing an alternative to a court process to amend behaviour

does not include section 33 or 'State Authority' to improve efficiency and effectiveness.

# Impact assessment

As noted in the first section, quantifying the impact of the proposed Regulation is challenging due to market complexities, making it difficult to directly correlate policy changes with quantitative outcomes. Consequently, direct cost calculations are limited to the MHS Other provisions are assessed using qualitative analysis, as data to undertake an impact assessment is largely unavailable or difficult to link directly to the Regulation's effects.

## All proposals - complete:

	First full year	First 10 years**
<u>Direct costs – Compliance costs*</u>	\$416, 398 (low case scenario – MHS)	\$3,1,29,328 (low case scenario – MHS)
	\$2,106,731 (high case scenario – MHS)	\$15,832,573 (high case scenario – MHS)
<u>Direct costs – Government costs</u>	<u>Negligible</u>	<u>Negligible</u>

<sup>\*</sup> The direct costs calculator tool (available at) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. \*\*Agency to note where a longer or different timeframe may be more appropriate.

# Signed

Director-General
Department of Housing and Public Works

Date: 17/07/2025

Minister for Housing and Public Works and Minister

for Youth

Date: 18/07/2025

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