COMMUNITY SUPPORT AND SERVICES COMMITTEE

Members present:
Ms CP McMillan MP—Chair
Dr A MacMahon MP
Mr JM Krause MP
Ms CL Lui MP (virtual)
Mr RCJ Skelton MP (virtual)
Mr MJ Hart MP (virtual)

Staff present:
Ms S Galbraith—Committee Secretary
Ms R Stacey—Assistant Committee Secretary

PUBLIC BRIEFING—INQUIRY INTO THE HOUSING LEGISLATION AMENDMENT BILL 2021

TRANSCRIPT OF PROCEEDINGS

MONDAY, 12 JULY 2021

Brisbane

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The committee met at 10.02 am.

CHAIR: I declare open the public briefing for the Community Support and Services Committee's inquiry into the Housing Legislation Amendment Bill 2021. I firstly would like to acknowledge the traditional custodians of the land on which we meet today and pay our respects to elders past, present and emerging. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander people, whose lands, winds and waters we all share.

On 18 June 2021 the Housing Legislation Amendment Bill 2021 was referred to the committee for examination, with a reporting date of 6 August 2021. My name is Corrine McMillan; I am the member for Mansfield and chair of the committee. With me here in parliament today are the member for Scenic Rim, Mr Jon Krause MP, and Dr Amy McMahon MP, the member for South Brisbane, who is substituting for Michael Berkman MP, the member for Maiwar. We are also joined via teleconference by Cynthia Lui MP, the member for Cook. Appearing today via videoconference are: Mr Robert Skelton MP, the member for Nicklin, and Mr Michael Hart MP, the member for Burleigh, who is substituting for Mr Stephen Bennett MP, the member for Burnett, who is usually the deputy chair.

The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of this parliament. The proceedings are being recorded by Hansard and broadcast live on the parliament's website. Media may be present and will be subject to the chair's discretion at all times. The media rules endorsed by the committee are available from committee staff if required. All those present today should note it is possible that you may be filmed or photographed during the proceedings by the media. Images may also appear on the parliament's website or social media pages. I ask everyone present to turn mobile phones off or to silent mode. Only the committee and invited officers may participate in the proceedings. As parliamentary proceedings under the standing orders, any person may be excluded from the hearing at the discretion of the chair or by order of the committee.

The purpose of today's briefing is to assist the committee with its examination of the Housing Legislation Amendment Bill. I remind committee members that officers are here to provide factual or technical information. Any questions seeking opinion about policy should be directed to the minister or left to debate on the floor of the House. I ask that any responses to questions taken on notice today be provided to the committee by 10 am on Monday, 19 July. The program for today has been published on the committee's webpage and there are hard copies available from committee staff.

HARVIE, Ms Kirstine, Executive Director, Strategic Policy and Legislation, Housing and Homelessness Services, Department of Communities, Housing and Digital Economy

MOORE, Ms Teresa, General Counsel, Legal Services, Department of Communities, Housing and Digital Economy

SAMMON, Mr Damian, Director, Legislation and Reform, Strategic Policy and Legislation, Housing and Homelessness Services, Department of Communities, Housing and Digital Economy

WOOLLEY, Ms Trish, Deputy Director-General, Housing and Homelessness Services, Department of Communities, Housing and Digital Economy

WRIGHT, Ms Ange, Director, Renting in Queensland, Strategic Policy and Legislation, Housing and Homelessness Services, Department of Communities, Housing and Digital Economy

CHAIR: I welcome representatives from the Department of Communities, Housing and Digital Economy who have been invited to brief our committee. I invite you to make an opening statement, after which committee members will have some questions for you.

Ms Woolley: I would also like to acknowledge the traditional owners of the land on which we meet today and pay my respects to eldest past, present and emerging. Then, if the committee agrees, Ms Teresa Moore, general counsel, will also provide an opening statement.

I thank the committee for the opportunity to provide a briefing on the Housing Legislation Amendment Bill 2021, which amends the Residential Tenancies and Rooming Accommodation Act 2008, or the RTRA Act, and the Retirement Villages Act 1999, or the RV Act. The amendments deliver on Queensland Housing Strategy 2017-2027 commitments to modernise housing legislation, better protect renters and property owners in the residential rental sector, and increase consumer confidence in retirement villages. The Housing Strategy provides important context for the reforms proposed in the bill, which support delivery of the confidence pillar—one of four pillars underpinning the Queensland government's actions across the housing continuum to improve Queenslanders' access to safe, secure and sustainable housing. Over a third of Queensland households rent, and renting is increasingly becoming a long-term housing option for many Queenslanders. Queensland's rental market relies on small private investors to provide much needed housing supply. These are typically mum-and-dad investors, with around three-quarters of Queensland investors owning one rental property and around 18 per cent having an interest in two rental properties.

In March 2020 rental property vacancy rates had tightened across almost every council or region in Queensland, with vacancy rates in most regions below 1.5 per cent. I note that a rental market is considered tight when the vacancy rate is below 2.5 per cent. The recent rise in net interstate migration to Queensland has contributed to these market conditions, with 9,800 additional residents in Queensland in the December 2020 quarter compared to 7,200 in the previous quarter and 6,900 in the December 2019 quarter. Cessation of the National Rental Affordability Scheme is also reducing the supply of affordable rental properties, with over 4,500 properties potentially transitioning from affordable to market rents over the next two financial years. Over time, supply constraints are expected to ease as new housing stock comes online. This has been driven by low interest rates and incentive programs increasing construction commencements for new dwellings.

It is important to consider the needs of both renters and property owners in these reforms to ensure that balanced protections and certainty are provided to both parties, as this will encourage ongoing supply and stability for renters and continued investment in the private housing market. Legislation must focus on the long term and be able to operate effectively across fluctuations in the housing market. That is why legislative reform is not the only action supporting Queenslanders to access safe, secure and affordable housing in the current market conditions.

The Queensland government has committed an historic $1.908 billion through the Queensland Housing and Homelessness Action Plan 2021-2025. It also established a $1 billion Housing Investment Fund. Returns from the Housing Investment Fund will be used to drive supply over the longer term. The action plan will deliver a pipeline of new social and affordable supply through the $1.813 billion Queensland Housing Investment Growth Initiative, which commits to construction commencements for 6,365 new social homes over the next four years starting from July 2021. This follows the delivery of the Housing Construction Jobs Program which, over the first four years of the Housing Strategy, delivered 2,480 new social housing commencements, including 1,681 completions.

While a vital component, increasing social and affordable housing supply is not the only solution to affordability issues and not the right solution for those who simply need extra help to access or sustain their tenancy in the private market. The Department of Communities, Housing and Digital Economy actively works with people to deliver a comprehensive range of housing assistance and support solutions across the housing continuum that are responsive to the urgency and priority of their needs, including head leasing properties from the private market and products to support people to access and sustain private housing.

In 2019-20 there were 220,547 forms of housing assistance provided to Queensland households or individuals, including: emergency housing, social housing, private market assistance and homelessness services. As at 30 June 2020, 44 per cent of households on the social housing register have been provided with housing assistance in the last two years, helping them to secure private housing as a safety net while they are on the housing register.

I would now like to outline the comprehensive processes undertaken to develop the stage 1 rental law reforms proposed in the bill. Stage 1 rental law reforms are the result of extensive consultation begun in 2018 by the former Minister for Housing and Public Works, Minister for Digital

Technology and Minister for Sport. Over 135,000 responses were received to the Open Doors to Renting Reform consultation in 2018, which helped identify priority issues for rental reform in Queensland. This consultation highlighted that renting is an important issue for the community and that stakeholders have diverse and often opposing views, both within and between different cohorts, about renting issues. The feedback emphasised that tenancy arrangements need to strike the right balance between renter and owner interests, but many respondents felt this balance was difficult to achieve and that often the other party was perceived to hold more power in the tenancy.

On 16 November 2019 the Queensland government released a Better Renting Future Reform Roadmap that set out a two-stage reform pathway to respond to the issues identified through the Open Doors consultation and a Better Renting Future—Safety, Security and Certainty: Consultation Regulatory Impact Statement (CRIS) to seek community feedback on detailed reform options to address stage 1 rental reform priorities.

Over 15,200 survey responses and a further 638 written submissions were received providing feedback from renters, property owners, property managers, sector organisations and the community about the renting options. While renters broadly supported the recommended options outlined in the CRIS, property owners and managers expressed significant concerns that the reforms would erode their rights and their control over the rental property, increase their investment risks and lead them to reconsider their ongoing investment in the private rental market.

In 2020 the Queensland government responded quickly to implement temporary regulatory measures to respond to the residential rental sector to manage COVID-19 impacts on residential leases. The COVID-19 response tested key stage 1 reform elements, including new grounds for owners to end tenancies and domestic and family violence protections. Feedback from the extensive consultation processes and learnings from implementing the COVID-19 response for residential tenancies informed the development of recommended reform measures to ensure they are proportionate and can withstand fluctuations in the market.

It was also necessary to ensure reform measures were compatible with protected human rights and their application under the Queensland Human Rights Act 2019, which commenced on 1 January 2020. Particular consideration was given to whether the expiry of the agreed term should be included as an approved ground for property owners to terminate fixed-term tenancy agreements. Feedback through consultation has demonstrated the strongly held and conflicting views across the sector on this issue. Renter advocates strongly assert that allowing property owners to terminate fixed-term agreements when the agreed term expires is the equivalent of owner initiated no-grounds terminations. These stakeholders consider that renters should be allowed to continue their tenancy arrangements unless they have breached the agreement or the owner needs to regain possession of the rental property for limited specified reasons. Property owners, managers and organisations representing their interests assert that removing owner initiated no-grounds terminations and not allowing the expiry of a fixed term as an approved termination would breach fundamental principles of contract law and substantially disadvantage property owners by providing renters a unilateral right to determine the duration of the tenancy arrangements, thereby preventing owners having influence over a material contractual term. Ms Moore will provide the committee with a more detailed overview of some of the considerations raised by the bill in relation to property rights, human rights and contract law. This includes consideration of the requirements of the Human Rights Act and fundamental legislative principles outlined in the Legislative Standards Act 1992.

An assessment of the human rights and policy implications was undertaken to brief the current Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts, appointed following the Queensland state election on 31 October 2020, and for consideration to determine a way forward. Further information and analysis about the final proposed reform measures is available in the Decision Regulatory Impact Statement published on the department's website. The outcome of this extensive and comprehensive process is the delivery of stage 1 rental reforms as provided for in the Housing Legislation Amendment Bill 2021.

The bill will amend the RTRA Act to: prevent property owner initiated no-grounds terminations and introduce an expanded suite of approved reasons for renters and property owners to end residential leases; prescribe minimum housing standards to ensure all Queenslanders and rental properties meet basic safety, security and functionality standards; make temporary protections, implemented during COVID-19, that allow renters experiencing domestic and family violence to end their interest in a residential lease quickly with limited liability for end-of-lease costs; encourage more pet-friendly rental properties by requiring property owners to only refuse pet requests on prescribed reasonable grounds within required time frames and allowing approval to be subject to reasonable

conditions; and establish a power to require parties to disclose information about the lease and rental property to ensure both parties have access to the information they need to make informed decisions about their tenancy arrangements.

Staged rental law reform implementation is provided for in the bill to allow time for the rental sector to prepare for these changes to commence and for the current exceptional conditions to normalise as investment incentives support new housing supply to enter the market.

I would now like to discuss the amendments to the Retirement Villages Act to exempt resident operated freehold retirement villages from mandatory buyback provisions. Following amendments made in 2019, retirement village operators are currently required to buy back an unsold freehold unit from a former resident 18 months after a resident terminates their right to reside in the village. Along with similar amendments made in 2017 applying to units held under lease or licensed tenure, this addressed one of the most significant consumer concerns about the retirement village model and has resulted in significant funds being returned to former retirement village residents and their families. When the mandatory exit entitlement laws were introduced in 2017, it was recognised that the impacts of this major change should be examined to ensure optimal policy settings. A requirement for an independent review of the payment time frames was built into the amendments.

In 2020 the review was conducted by an independent panel with expertise in gerontology, law and finance. The terms of reference required the panel to specifically look at the impact of the buyback laws on resident operated retirement villages. Given the concerns raised about the impact of these laws on resident operated retirement villages, the panel was asked to provide an interim report on these particular villages, which it did in September 2020. The panel provided its final report in November 2020. This final report is under consideration by government. Amendments in the bill relate only to the resident operated retirement villages which are the subject of the interim report.

Of the 329 retirement villages in Queensland, seven have been identified as possible resident operated retirement villages representing 610 units, or approximately two per cent of retirement villages in Queensland. There are an additional eight freehold-only villages and 12 with freehold/leasehold combinations which are not resident operated. The review panel's interim report recommended that resident operated retirement villages be exempted from the mandatory buyback requirements. The findings of the review panel were informed by targeted consultation with village operators and residents of the resident operated villages as well as families of residents, advisers and other key stakeholders in the retirement village sector. Over 100 residents from five resident operated villages engaged with the panel via consultation sessions, surveys or written submissions. Resident operated villages raised their concerns through the independent review, which found that the buyback requirements were causing concern and distress. The review panel also identified that there were fundamental differences between the arrangements for resident operated villages and other retirement villages which justified an exemption.

Last year, the government made an election commitment to exempt resident operated villages from mandatory buyback requirements. This commitment is also enshrined in the recently released Queensland Housing and Homelessness Action Plan 2021-2025. Accordingly, the bill will create a regulation-making power to exempt the mandatory buyback requirements for retirement villages listed by regulation. The bill includes a range of matters to be considered when deciding whether an exemption is appropriate for a particular retirement village. Following passage of the bill, retirement villages identified as likely to be resident operated will be contacted and provided support to gain an exemption. Then it is anticipated that a regulation will be made listing exempt retirement villages. I will now defer to Ms Moore to make an opening statement and then we are happy to take questions.

Ms Moore: My name is Teresa Moore. I am a general counsel for the Department of Communities, Housing and Digital Economy. As indicated by the deputy director-general, I will be providing the committee with an overview of some of those considerations raised by this bill in relation to property rights, human rights and contract law. The bill deals with changes to the regulatory regime for residential tenancy agreements and rooming accommodation agreements. These are contracts dealing with property.

By way of background, under the general law, a person is free to make his or her own bargain with another party and agree to the terms of the contract with that other party. Parliaments have the power to modify the general law, but there are a range of considerations which have to be addressed before parliament embarks on such modifications. The RTRA Act modifies some of the general law of property owners and renters. That act is, at its core, a tenants protection legislation and imposes detailed and prescriptive requirements in relation to residential tenancies and rooming accommodation.

It is not possible for property owners and renters to contract out of the RTRA Act provisions. While the RTRA Act alters the general law so as to protect tenants, the fundamental principles of the general contract and tenancy law remain. To the extent that the act does not restrict them, residential property owners and renters with legal capacity are able to agree to the terms of their tenancy agreements as between themselves.

The legal effect of a property owner renting their property to a renter is to grant a property interest to that renter, that interest being exclusive possession of the premises during the tenancy arrangement. The property owner retains a rightful possession of the land to revert back to them when the tenancy ends. A property owner and renter can agree to either a fixed-term agreement or a periodic agreement. A fixed-term agreement automatically converts to a periodic agreement at the end of the fixed term unless that agreement is ended, for example, by a property owner's notice to leave or a renter's notice of intention to leave. There is a general understanding in the community about what a fixed-term agreement means. When property owners and renters negotiate the term of a tenancy, they do so with that understanding of what a fixed term means with respect to exclusive possession of the property.

Currently under the RTRA Act, the property owner can require the renter to leave the rental property by the giving of a notice to leave without grounds. The property owner is required to provide at least two months notice for both a periodic and a fixed-term tenancy, but for a fixed-term tenancy the notice cannot take effect before the end of the fixed-term tenancy. Currently under the RTRA Act, the renter can end a periodic tenancy without grounds on two weeks notice. Property owners and renters are currently free to either enter into a periodic tenancy agreement that may be ended by the property owner at any time on at least two months notice or by the renter at any time on at least two weeks notice or enter into a fixed-term tenancy agreement that may be ended at the end of the fixed term subject to the property owner giving a notice to leave without grounds at least two months before the end of the fixed term or the renter giving a notice to leave without grounds at least two weeks before the end of the fixed term.

The bill removes property owners' without-grounds notice-to-leave provisions and lists the suite of approved grounds. Currently, as I said, the property owner can give a notice to leave without grounds and the property owner does not have to have any reason to end the tenancy. Under the bill, the property owner can only end the tenancy on specified grounds, those being that the fixed-term tenancy agreement is due to expire; the property is to be vacated to allow for redevelopment, demolition or significant repair or renovation; the property is subject to a change of use such as a change from long-term accommodation to holiday letting; the owner or their immediate family needs to move into the rental property; the rental property has been sold and vacant possession is required; and the property is to be vacated so that the lessor can prepare the property for sale. It is important to note that none of these approved grounds under the bill allow termination before the expiry of a fixed term.

It is also important to note that the bill does not have the effect of changing the current position that a fixed-term agreement can be ended at the expiry of the fixed term. Currently, the position is that the property owner can give a notice to leave without grounds at least two months before the expiry of the fixed term with the notice to take effect only upon the expiry of the fixed term. Under the bill, the property owner can give a notice to leave at least two months before the expiry of the fixed term, again with the notice to take effect only upon the expiry of the fixed term.

Under both the current RTRA Act provisions and the bill, the property owner can end the fixed-term tenancy at the expiry of the fixed term by giving a notice at least two months before the expiry date. The notice will be different; that is, under the current provisions of the act, it is a notice to leave without grounds, but under the bill it will be a notice to leave for end of fixed-term agreement. However, the notice period is the same and the effect is the same; that is, the property owner can elect to require the renter to vacate upon the expiry of the fixed-term agreement. There is no change to the contractual position or the property rights of property owners or renters arising from this proposed amendment. The legal status quo is maintained. This amendment has no effect on the current understanding of the parties as to the effect of the fixed-term agreement in regard to exclusive possession.

One of the key policy decisions that had to be made in relation to the bill was whether the grounds for ending a tenancy agreement would include the ground that the fixed term is due to expire. If the grounds did not include that the fixed term is due to expire, this would effectively remove the ability of a property owner and renter to agree to an effective fixed-term agreement. Instead, they could only agree to a fixed-term tenancy which could not be ended by the property owner upon the expiry of the fixed term unless specified grounds arose. If, for example, the renter unilaterally chose

to remain in the property at the end of the fixed term, the fixed-term agreement would automatically become a periodic tenancy that could only be ended on the other specified grounds, for example, if the property owner wished to move into the premises or needed to ready the premises for sale. This would significantly limit the property owner's right to recover possession of the premises upon the expiry of the fixed term.

The bill, as drafted, that is with the inclusion of the expiry of a fixed term as a ground for a property owner to serve a notice to leave, has a lesser impact on the existing property rights of the property owner and renter. The property owner and renter can still enter into an effective fixed-term agreement because the property owner can give a notice to leave upon the expiry of the fixed term. Moving to a position where the property owner cannot do so and cannot end the tenancy at the end of the fixed term would be a significant change to the existing law and would be at odds with property owners' and renters' current understanding of a fixed-term agreement and the certainty those agreements offer the parties with respect to the term of the arrangement and exclusive possession.

In the event of a proposed change to exclude the right of a property owner to require a renter to vacate because of the expiry of a fixed term, consideration would have to be given as to how that change would operate in relation to fixed-term agreements already on foot at the time of the change—that is, the transitional arrangements for agreements already struck by parties in good faith and with a mutual understanding of their respective legal rights when doing so.

In addition, property owners and renters would have to come to grips with an entirely different understanding of what 'fixed term' means when negotiating new fixed-term agreements subsequent to any such legislative change taking effect. Not recognising the end of a fixed-term tenancy would have the legal effect of depriving the owner of a right to possess the property again, investing that right in the renter, except in certain limited circumstances, without compensation for the deprivation of that right. Again, this would be a significant change to the existing tenancy and property law situation. It would also have the effect of undermining the concept of contractual obligations.

A lease is a contract. The owner and the renter will agree the terms of the renter's possession of the property and set it down in their contract. The effect of not recognising the end of the tenancy on the mutually agreed date is to give the renter a unilateral right to change the contract entered into by the parties, except in certain circumstances.

As the deputy director-general has indicated, the Queensland Human Rights Act 2019 commenced on 1 January 2020, imposing new processes for compliance with those human rights as set out in that act. These processes, in addition to the existing processes for assessing the proposed legislation, are consistent with fundamental legislative principles under the Legislative Standards Act.

The Human Rights Act contains provisions for scrutinising proposed legislation for whether it is compatible with the human rights in the Act. Section 38 of the Human Rights Act provides that the member of parliament introducing a bill must prepare and table a statement of compatibility that states whether, in the member's opinion, the bill is compatible with human rights and, if so, how it is compatible, and if, in the member's opinion, a part of the bill is not compatible with human rights, the nature and extent of that incompatibility.

Section 29 of the Human Rights Act requires the portfolio committee responsible for examining the bill to consider the bill and report to the parliament about whether the bill is not compatible with human rights, and consider the statement of compatibility tabled for the bill and report to the assembly about the statement.

The Human Rights Act provides that a statutory provision is compatible with human rights if it does not limit a human right or limits a human right only to the extent that is reasonable and demonstrably justifiable in accordance with section 13. This means that a statement of compatibility identifies any limitations on human rights and, for each limitation identified, assesses whether the limitation is reasonable and demonstrably justifiable in accordance with section 13.

The statement of compatibility addresses the human rights implications of the particular provisions of the bill under consideration. Its purpose does not extend to an examination of alternative policy options that may have been considered, nor a comparison of the human rights implications of each of those options. Section 13 of the Human Rights Act provides that a human right may be subject under law only to reasonable limits that can be demonstrably justified in a free and democratic society based on human dignity, equality and freedom and sets out seven factors that may be relevant for deciding whether a limit is reasonable and justifiable. Those seven factors are: the nature of the human right; the nature of the purpose of the limitation, including whether it is consistent with a free and democratic society based on human dignity, equality and freedom; the relationship between the limitation and its purpose, including whether the limitation helps to achieve the purpose; whether there

are any less restrictive and reasonably available ways to achieve the purpose; the importance of the purpose of the limitation; the importance of preserving the human right, taking into account the nature and extent of the limitation; and the balance between the importance of the provisions and the human rights.

The statement of compatibility is not required to address aspects of a bill that do not limit human rights or where rights are upheld or expanded. The purpose of the statement is to address compatibility with human rights where those rights have been limited. Under both the current RTRA Act provisions and the provisions of the bill, the property owner can end a fixed-term tenancy at the expiry of the fixed term by giving a notice to the renter at least two months before the expiry of that term. As there is no limiting impact on any party's human rights arising from this aspect of the bill, the statement of compatibility need not separately address that matter. The renter's rights are enhanced through removing the notice to leave without ground and replacing it with a list of specific grounds for termination. The statement of compatibility again does not address each of these factors in section 13 in relation to this change because the change expands rather than limits the renter's rights.

Section 24(2) of the Human Rights Act states that a person must not be arbitrarily deprived of their property. Arbitrary deprivation is the removal of a right that is not proportionate to the legitimate aim sought to be achieved. The fundamental rights of owners of land include the right to dispose of the land, control of all things in, on or over the land, and the power to carve out lesser estates in land such as leasehold interests. The test of whether something is arbitrary in the sense of not being proportionate is addressed by the factors in 13(2)(e) to (g) of the Human Rights Act, including whether the proposed limitation on human rights helps to achieve the identified purpose and whether there are any less restrictive and reasonably available ways to achieve the purpose.

If fixed-term tenancies are not to end on the date that has been mutually agreed by the owner and the renter, then the state would be deliberately depriving owners of the right to agree to a tenancy for a fixed period of time. It would have the effect of compelling an owner to give up their right to possession of their property to a renter for a period in the renter's discretion, except in certain circumstances.

CHAIR: Ms Moore, I ask that you table the remaining notes.

Ms Moore: Thank you.

CHAIR: Thank you, Ms Moore. We will start with a question from the acting deputy chair.

Mr KRAUSE: Thank you for your submission this morning. Chair, I note that I have been here 9½ years and that has to rate as the longest opening statement to any public hearing that I have ever attended as a committee member, at some 40 minutes.

To the issues at hand with the bill and particularly as it relates to the right to end fixed-term tenancies—and I am not sure who I should address the question to, but perhaps the deputy director-general—and firstly, in a bill that does not have much in it for people who own property, it is good to see that there is still a right to end a fixed term at the end of a fixed term. In relation to the other changes when it comes to the end of a fixed term and when things might roll over into a periodic tenancy, can you answer for me, please, whether there will be any possibility at all for owners of property to end a periodic tenancy, apart from those very set, prescribed grounds about selling the property or a family member moving in or undertaking renovations?

Ms Woolley: I might begin and then I might see whether one of my colleagues wants to go into more of the detail, if that works for the committee. The intention of these reforms is to support renters and property owners to be able to understand the ways in which tenancies might come to an end. It is about creating a sense of certainty in all of the arrangements contained within the Act, both for fixed-term leases and for periodic tenancies. The construct of the changes is to make that clear, to provide that certainty in all of the circumstances including providing for those reasons.

Mr KRAUSE: There are some limited grounds, aren't there, which have been introduced? There is no other possibility of ending a periodic tenancy, apart from on those specific grounds?

Ms Harvie: Those specific grounds, as well as the property owner can apply to QCAT to end an agreement on the grounds of serious breach; for example, if the premises have been used for illegal purpose or repeated breaches of by-laws or park rules.

Mr KRAUSE: But they already have those rights, I am sure, under the Residential Tenancies Act.

Ms Harvie: That is correct.

Mr KRAUSE: Just like they already have the right to end a fixed-term tenancy under the act at the moment. Nothing new has been introduced there. I have a series of questions here, Chair.

CHAIR: I am happy for you to finish that question, and then we will move around and come back to you.

Mr KRAUSE: I think it was mentioned in the submissions, but I want to clarify. Specific grounds have been introduced which limit the ability to end a periodic tenancy. There is this fiction being created that those limited grounds are also grounds to end a fixed-term tenancy when landlords can already do that at the end of a fixed term. Can those grounds be utilised to end a fixed-term tenancy before the end of a fixed term—renovation, selling the property, changing of use?

Ms Harvie: None of those disturb a fixed term.

Mr KRAUSE: Effectively, would the impact of that be that if there is a fixed-term tenancy in place a property owner will be prevented from selling a property?

Ms Harvie: The policy intent is that the property owner will always have to have an approved reason to end a tenancy, giving certainty to both sides. One of the reasons is—

Mr KRAUSE: That is not the question, though. The question is during a fixed term. You just said that there was no ability to end a fixed term for those reasons—selling, family moving in et cetera—during a fixed term.

Ms Harvie: None of them disturb a fixed-term agreement.

Mr KRAUSE: The property either cannot be sold or needs to be sold subject to that fixed-term tenancy?

Ms Harvie: That is right. That is correct. That is the intent of the bill.

Ms LUI: There are many situations where people become vulnerable, especially when it comes to housing. What are the impacts of existing tenancy agreements on vulnerable people such as those experiencing domestic and family violence?

Ms Woolley: The objective of these changes is to improve the tenancy protections, particularly for people escaping domestic and family violence, recognising that in those circumstances people need to be able to move quickly, safely and legally and not incur additional financial hardship. They specifically address those circumstances in the construct of this legislative framework. They also enable people to be better supported with security within their rental property and provide appropriate safeguards to prevent property owners from unreasonably bearing the costs of any of those immediate changes that are required. We have had an opportunity through the COVID-19 measures to see those provisions operating effectively within this framework. From talking with stakeholders of this sector and in fact in the work that the department does in supporting tenancies, we know that these things are really important in the construct of domestic and family violence.

CHAIR: Thank you, Ms Woolley. Thank you member for Cook. Member for Burleigh, do you have a question?

Mr HART: Chair, I have hundreds of questions but I suspect the government is not going to allow me to ask most of those.

CHAIR: I would love you to ask one question at this stage, member for Burleigh.

Mr HART: One question, Chair?

CHAIR: At this stage. We will come back to you.

Mr HART: In relation to retirement villages—the director-general may need to take this on notice—can the department tell me how many of these properties and residents took advantage of contacting the legal consultant in place, referred the matter to QCAT or changed their designation from a retirement village to not being a retirement village because of the legislation in 2019?

Mr Sammon: I understand what you are asking is how many retirement villages that were resident operated are going through the process of seeking to deregister as a village and then operate, for example, as a body corporate. We understand that there might be two in that process that are going through that. We do not know what the outcome of that process is, though, at this time.

Mr HART: And the rest of the question—the legal consultants, QCAT?

Mr Sammon: How many villages were contacted by the legal consultants? I think the consultants offered their services to all seven of the resident operated retirement villages. I am not aware, but I might be able to turn to a colleague who can tell me exactly how many of those villages availed themselves of that particular service.

Mr HART: That is my question.

Mr Sammon: I understand that six of those seven villages utilised that service.

Mr HART: Most of them. How many went to QCAT?

Mr Sammon: We do not know how many are going to QCAT for an application to seek an extension of time under the legislation as it stands. Villages that are seeking to deregister as retirement villages and operate as a body corporate might also make an application to QCAT to be able to discriminate on the basis of age to restrict entry to that particular place to people of retirement age, for example. I am not aware how many of those villages have pursued that option, but we believe that two are looking at that option to deregister.

Mr HART: Okay. I have plenty more questions, Chair, when you are ready.

CHAIR: Thank you, member for Burleigh. We will definitely come back to you.

Mr SKELTON: The bill proposes to introduce minimum housing standards and compliance mechanisms. What type of minimum standards are proposed?

Ms Woolley: The minimum housing standards are designed to ensure that rental accommodation is safe, secure and functional and to support tenants to enforce their existing tenancy rights to repairs and maintenance to ensure the property is clean, in good repair and habitable. It has been a guiding principle in developing those prescribed minimum standards that it would avoid duplicating existing regulatory requirements for residential buildings and that the standards that should apply to all housing belong in other regulatory schemes, so not duplicating existing requirements.

Ms Harvie: The standards are in two parts: safety and security standards, and reasonable functionality. In safety and security, the premises must be weatherproof and structurally sound. The fixtures and fittings, including electrical appliances, must be in good repair and must not be likely to cause injury to a person through their ordinary use. There must be locks on windows and doors and a functioning lock or latch fitted to all external windows and doors to secure the premises against unauthorised entry. That only applies to windows and doors that a person outside the premises or room could access without having to use a ladder. Premises must be free of vermin, damp and mould. Premises must have privacy coverings for windows in all rooms in which renters or residents are reasonably likely to expect privacy, for example bedrooms.

Under reasonable functionality, the premises must have adequate plumbing and drainage for the number of persons occupying the premises and be connected to a water supply service or other infrastructure that supplies hot and cold water suitable for drinking. The bathroom and toilet facilities must function as designed and must provide the user with privacy. A kitchen, if included, must include a functioning cooktop. A laundry, if included, must include the fixtures required to provide a functional laundry other than whitegoods.

Dr MacMAHON: Thank you to the panel for your detailed briefing. I note that there were some communications from the Human Rights Commissioner last week that seem to contradict some of the advice the department has put forward in the document and in the oral briefing today. How might that advice be incorporated into the work going forward? Also, with regard to the end of a fixed-term agreement, could you confirm that this is basically the maintenance of the status quo, in terms of what we have at the moment, just with the words 'no grounds' removed?

CHAIR: If we tackle the first question first, Ms Woolley?

Ms Woolley: In relation to the statement of the Human Rights Commission, we need to talk to the Human Rights Commission about that statement and the content of that. It is not really for this committee or for the department to comment on the nature of that statement. As we have outlined in the extensive opening statement, because of the nature of understanding property law, its intersect with the Humans Rights Act and fundamental legislative principles, we took the view that it was important to step through those matters in the opening statement. We wanted to take the committee through that consideration and advice. In that sense, the department, as Ms Moore has outlined, considered the human rights implications in terms of providing advice and informing the minister's consideration under the human rights statement of compatibility. As Ms Moore outlined, the role of the department and government is to provide advice in respect of this bill and these policy positions, which is what has been outlined in both the statement and the opening statement by Ms Moore.

CHAIR: And the second half of the question?

Ms Woolley: The second half of the question was about the material change. Again, Ms Moore talked about the implications of that in terms of property rights and what it means in a legal construct, which is important in understanding that as against human rights. In an earlier response we talked about creating a framework of certainty for both renters and property owners to understand the grounds on which a tenancy can come to an end and being able to codify that. That is something that

was very strongly communicated through the consultation process in the lead-up to the development of this bill—the need to have greater certainty in those arrangements. The bill seeks to make clearer the reasons and, including in that, end of a fixed term is a reason. It moves from a 'without grounds' construct to being able to think about the reasons for which a tenancy would come to an end with a level of certainty for both parties.

Dr MacMAHON: Essentially, would it be correct to say that what we have in legislation at the moment is maintained?

Ms Woolley: I think Ms Moore went through an examination of the position in the current legislation and what that means under the proposed changes and the change to those reasons for which a tenancy can end. I am happy to go through that in more detail if that is helpful.

Dr MacMAHON: It is just in relation to the end of a fixed-term agreement, so do not worry about the other reasons. The status quo, that you can end a fixed-term agreement at the end of a fixed term, is unchanged?

Ms Woolley: Yes, that is correct.

Mr KRAUSE: I want to go back to the issue of periodic tenancies. We spoke before about there being no ground to end a periodic tenancy apart from those specific grounds that are being inserted into the legislation. Isn't this effectively opening the door to perpetual leases for residential tenancies here in Queensland? Apart from those very limited exemptions—to sell a house, renovate a house et cetera—there is no way of ending a periodic tenancy.

CHAIR: We might just take the end of your question, being careful not to ask for an opinion. Ms Woolley, if you can just respond to the member's definitive question at the end rather than provide your opinion.

Ms Woolley: I am trying to work out the best way to answer the question. The construct of what is proposed recognises the operation of periodic tenancies as well as fixed-term tenancies, which are currently available under the legislation, so it continues to recognise the operation of those two things. It does not change them, but it offers greater clarity around the times in which those things will end. It does not change the nature of periodic tenancies.

Mr KRAUSE: It removes the ground for terminating a periodic tenancy, though.

Ms Woolley: It provides a series of reasons a periodic tenancy might end and it codifies that for both parties.

Mr KRAUSE: Unless those grounds exist, though, they cannot be ended. If a landholder does not want to sell a property, move a family member in or renovate the property, how else does a periodic tenancy end?

Ms Woolley: Through mutual agreement. We see that does operate within this environment—the private rental market—through the mutual agreement of both parties to bring that tenancy to an end.

Mr KRAUSE: May I move on to another issue, Chair?

CHAIR: We might move on to the member for Cook and we will come back to you.

Mr KRAUSE: Chair, there have been four questions about a very significant issue—

CHAIR: Member, I forgo my question and give it to you.

Mr KRAUSE: As there was a 40-minute introduction, Chair, it would be reasonable to have a few more questions.

CHAIR: Member for Cook.

Ms LUI: Just leading on from my first question, I was wondering what type of communication activities are planned in relation to people experiencing domestic and family violence. If the bill is passed, what type of communication activities are planned to ensure that those who may be experiencing domestic and family violence are aware of their rights?

Ms Woolley: Obviously, in the construct of the implementation of legislative changes there would be a number of things that would occur in terms of communication through both the department and the Residential Tenancies Authority. In particular, changes to domestic and family violence work have been undertaken with members of that sector—organisations that are first responders to domestic and family violence—so they are aware of these opportunities within the legislation and they can make anyone experiencing domestic and family violence aware of that. We would also envisage working with the REIQ, Tenants Queensland and other organisations to ensure people understand the changes and can make use of those if they find themselves in that situation.

Mr HART: Deputy Director-General, during the debate on the health bill in 2019 when those changes were made to the Retirement Villages Act I was the shadow minister for housing. I strenuously raised the issue that this change would have an adverse effect on retirement villages that were owned in a freehold way and managed by residents there. At the time, what did the department or government do to make sure that would not be the case?

Ms Woolley: I think, as is often the case with legislation, there are mechanisms put in place, as there was with these changes, to review the operation of particular changes, particularly if it is not entirely clear whether there will be any unforeseen circumstances or implications or industry issues with implementation. This bill had a review built into it. That review was focused on the operation of these provisions. It particularly allowed for an inquiry into this issue as it became apparent that it was an area that needed to be examined further. That is the outcome of the interim report, which has made recommendations around these changes.

Mr Sammon: The other thing to remember too, of course, is that under the legislation it was possible to seek an extension of time to make a buyback if it was going to cause undue hardship to the operators of the village, whether that was a resident operated village or otherwise. That existed in the legislation and was available to any retirement village.

Also, as you mentioned before in your earlier question, the government funded Queensland Resident Operated Retirement Villages Support Service provided what support was needed from a legal perspective to those particular villages to consider whether the dual regulation model they were existing in, both under the Body Corporate and Community Management Act and the Retirement Villages Act, was the best model for that village going forward and for those resident operated villages to make their own decisions about that. Of course, as the deputy director-general mentioned, the review capacity looked specifically at this particular issue. The interim report made that recommendation, which is in the text of this bill.

Mr HART: With all due respect, I warned at the time that this would have an adverse effect, and at least two villages have ceased operating because of this. Why has it taken the government two years to react to that?

CHAIR: Member, I think you may be asking for an opinion. Would you like to rephrase that question?

Mr HART: I will change the question completely. Legislation was put in place in 2019. What we are doing here undoes that legislation in particular. Why do we need a regulation and not legislation to undo the adverse impact of the government's legislation in 2019? Why is it regulation? Why are we not just repealing that legislation?

Mr Sammon: The amendments in this bill only apply to resident operated freehold retirement villages. They do not apply to other freehold villages that are operated by, for example, a commercial operator or not-for-profit operator. The amendments in the Health and Other Legislation Amendment Bill you referred to continue in general terms, but what has happened is that there has been the power to create an exemption included in this particular bill. The reason there needs to be a regulation made and the particular villages are not exempted in the bill itself is that they all operate in different ways to each other. There is no complete and universal set of circumstances in contracts and management structures that they each follow in the same way. They are all a little bit different to each other. That is why the regulation-making power that is going to be inserted into the Act by this bill provides for those key considerations.

Those key considerations were identified by the independent review panel in their independent report. The department conducted some analysis of that. For example, they recognised that, even though some resident operated villages do not expect a significant exit payment from a resident on departure, there may be a small administrative payment, so you could not then declare that all resident operated villages were villages that did not charge any fee upon exit. That is why there is this process of setting up this regulation-making power. It also recognises that a resident operated village may be onsold to a for-profit or not-for-profit organisation, and it may no longer be an appropriate village to have an exemption because of that important element of protecting residents and ensuring they get their exit payments in a timely way after they depart.

Mr HART: What happens to those two villages that are presently trying to deregister themselves as retirement villages? Are they able to withdraw that application?

Mr Sammon: That is a matter for them. If they seek to become an exempt resident operated retirement village, that is something the department would consider and provide advice to the minister about. It may be that, if they choose to go down that path, they could become an exempted resident operated retirement village.

Mr SKELTON: The bill proposes to support parties to reach agreement in relation to pets. Can you explain how this will work in practice? What happens in cases where parties are in disagreement; for example, the lessor believes that a pet could cause damage that could not be repaired within the cost of the bond and the tenant disagrees? Obviously I am looking at a situation where you have a small room in an apartment and they could potentially own a bull mastiff or something like that. How do we navigate that?

Ms Woolley: The objective in the proposed renting with pets reforms is to encourage more pet-friendly rental properties—to increase the overall supply and opportunity for people to have pets within rental properties—but, equally, to provide effective safeguards to protect property owners' interests.

Ms Harvie: The intent of the provisions in the bill is to promote better communication between property owners and tenants around the keeping of pets. Pet damage is not included in fair wear and tear, so that is a protective provision. Was the question about what happens if the parties are in dispute around the keeping of pets? Was that the second part of the question?

Mr SKELTON: Yes. Who makes the overall decision if they disagree? Everyone has their own interpretation.

Ms Harvie: They would go to QCAT to resolve that dispute. The tenant has to apply to the property owner in writing for the keeping of a pet. The property owner has a reasonable time to refuse or accept the keeping of that pet. It can only be on prescribed reasonable grounds that cannot be mitigated by reasonable conditions.

Mr SKELTON: I ask this question because my background is ex-Defence, and there is so much anecdotal knowledge about having pets for therapy. That being said, everyone has to be responsible and live within their means, so I just wanted to clarify that.

Dr MacMAHON: I have a question regarding the explanatory notes, which state—

The Queensland Government carefully considered stakeholder feedback and adjusted the recommended reform options to respond to concerns raised by stakeholders

Can you outline who those stakeholders were? They are not mentioned here. Which reforms were adjusted in response to their feedback?

Ms Wooley: As has been outlined in my opening statement but also in the written material provided to the committee, the overall process of consultation getting to the point of introducing this bill was extensive and went through various stages. Both the opening statement and the written material detail all of those steps so I was not going to go through every one of those steps. The final positions reflected in the bill, as we get to the back end of the process, were the result of the decision RIS process. That is also available on the department's website. It took into account stakeholder feedback to try to get the overall package to improve the protections for renters but also to safeguard property owners' rights within that. It involved also particular consultation with stakeholders in May this year, so across the spectrum of stakeholders, to circle back to what was put forward in the consultation RIS and then the process towards the decision RIS and, as Ms Moore has outlined and in my opening statement, to understand the implications of the Human Rights Act and considerations there.

Dr MacMAHON: Are you able to outline those stakeholders that were consulted in May?

Ms Harvie: I have a list.

CHAIR: If that list is too extensive you may choose to table that list.

Ms Woolley: Yes, I might do that.

Mr KRAUSE: Has the department considered the possibility that there will be a flight to fixed-term tenancies as a result of this legislation on the part of property owners in terms of only offering fixed-term tenancies rather than periodics to preserve their rights to end a tenancy at the end of a fixed term? Was there any consideration of that?

Ms Woolley: In terms of looking at the overall analysis across the consultation process and then leading into economic analysis and other considerations going into the Decision Regulatory Impact Statement process, consideration was given to the current state: how people are accessing the current legislative framework in terms of either fixed-term or periodic tenancies. My colleagues can correct me on the balance between the two. At the moment it is 75 per cent fixed term and 25 per cent periodic. We do not foresee these changes having an impact in terms of the analysis that has been done on that profile of the way people would behave within this system.

Mr KRAUSE: In relation to the periodic tenancies, there are some offence provisions behind the provisions about why a periodic tenancy can end: selling, renovations and so forth. If a property owner goes through the process of ending a tenancy to sell, is then unable to sell for whatever reason or is unable to do renovations due to builder shortages—you know the question I am going to ask.

Ms Woolley: I do.

Mr KRAUSE: Perhaps you do. There are restrictions on dealing with the property then for six months on the part of property owners. Does that not have the potential to actually take those properties out of the market for six months, further limiting supply to the rental market if for whatever reason the sale does not eventuate?

Ms Woolley: To be clear, and I will get Ms Wright or Ms Harvie to answer the question for me to get you the proper technical answer, you are asking about if somebody foreshadows that they are going to sell the property and therefore takes the property out of the market but then that process does not go through and the implications of that?

Mr KRAUSE: Exactly.

Ms Harvie: And that they are not permitted to relet the property within six months. There is a provision around reasonable excuse.

Mr KRAUSE: Don’t you have to go to QCAT or to a tribunal to exercise that right?

Ms Wright: It would be a defence if the person is prosecuted in relation to having listed the property before the six months had expired.

Mr KRAUSE: There is potential for prosecution if you end a tenancy and the sale does not eventuate?

Ms Wright: If a person challenges that it has been relisted within the time frame that is prohibited under the Act.

Mr KRAUSE: Who could challenge that?

Ms Wright: It would be the previous tenant or an advocate.

Mr KRAUSE: Did the government consult at all with financiers around these changes? In a previous question it was learned that a fixed-term tenancy will carry over if a property is sold. If there is a mortgagee in possession and they want to try to sell the property, that is obviously an additional risk for them. It may increase costs for those lenders. Was there any consultation with lenders in that regard because their rights are being limited as well?

Ms Woolley: I am not aware of specific consultation with lenders, though the consultation was a public consultation in terms of Open Doors to Renting Reforms and then further the consultation RIS and there was an ability for people to make submission through that process, and in consideration of the economic consequences and impact of the reforms that information is also documented as part of that process.

Ms LUI: In relation to the Retirement Villages Act, do you have any figures on the number of properties or residents currently impacted by the existing arrangements?

Mr Sammon: There are seven resident operated retirement villages. I will just turn up the numbers on how many actual units they provide. It might actually be mentioned in the submission that the department made to the committee that is on the website. My colleague has provided me with that information. It is 610 units all up of the retirement villages market in Queensland.

Ms LUI: That are currently impacted?

Mr Sammon: There are seven resident operated retirement villages and altogether those seven villages comprise of 610 units across those seven villages.

Mr HART: Following on from the deputy chair’s question, in the answer you said that a tenant or an advocate could take action against a landlord. Can you tell me who would be considered an advocate and what the actual process is? Is this going to QCAT, is it suing somebody or is it notifying police? What is the process?

Ms Wright: It would be the RTA. Apologies: that was my error previously. It would be the Residential Tenancies Authority that would prosecute an offence under those provisions under the act.

Mr HART: Somebody would make a complaint to the RTA?

Ms Wright: That is correct. Then the RTA would investigate it.

Mr HART: Is it the RTA that is making the decision ultimately, then?

Ms Wright: A tenant or an advocate would lodge the complaint with the RTA. The RTA would then investigate that and then a penalty infringement notice would be considered through the Magistrates Court.

Mr HART: You said that word 'advocate' again. Who would be considered an advocate?

Ms Wright: It might be somebody, for instance, like Tenants Queensland or the Queensland Statewide Tenants Advisory Service who would potentially raise a concern that a property had been relisted within the six-month prohibited period for a property to be listed if a notice to leave had been issued under one of new grounds that was covered by that offence.

Mr HART: You expect them to monitor that situation?

Ms Wright: That would be what would need to be required if the offence was to be established. Somebody would need to look at it and identify it as an issue and raise a complaint for the RTA to investigate.

Mr HART: It is only triggered if somebody has misrepresented the facts? Is that what you are saying?

Ms Wright: That is correct, yes—that they have essentially misused the notice to leave or the grounds in order to move the tenant on.

Mr HART: And it is the RTA that decides that before they reference QCAT?

Ms Wright: That is correct, yes. The RTA would investigate that complaint, and if they believe that there is the required circumstances for that offence to be brought to bear then there could be further action.

Ms Woolley: To be clear, anyone can make the complaint. There is no restriction on anyone being able to make the complaint. What Ms Wright is talking about is then the process of oversight of the legislation operationally and administratively where people bring issues and then the role of the Residential Tenancies Authority in responding to that.

Mr HART: Is the government satisfied that the RTA has enough staff for this sort of thing, Deputy Director-General?

CHAIR: Member, you might be asking for an opinion there. We might leave it there and call on the member for South Brisbane to ask the next question.

Dr MacMAHON: In the department's briefing and in particular the Deloitte report there is reference to the removal of minor modifications as no longer proposed as part of the phase 1 implementation. I am wondering why that was removed and if minor modifications will be considered in phase 2.

Ms Woolley: Minor modifications is something which will be considered as part of the later stage rental reforms. Feedback that was received by the department on the minor modifications reforms demonstrated that stakeholders had strongly held views about what was proposed in that and that also there were some considerations that are happening within the broader landscape nationally around things like disability accessibility and other requirements that might intersect with what was prescribed in respect of minor modifications. We know that it is an important issue that was raised through consultation and we know there are strongly held views by both property owners and renters in terms of what they would like to see in this. The undertaking is that further work will happen on this as part of the stage 2 rental reforms.

Mr SKELTON: The bill proposes a role for QCAT with regard to repairs et cetera. Has there been any work undertaken by the department to examine the impact of such applications on existing QCAT workloads and time frames for assessment and how it would manage?

Ms Woolley: There has been consultation with QCAT, as you would expect with the passage of any legislative amendments and proposals, to look at what the implications might be for QCAT. That is certainly something that has occurred in respect of these changes, to be able to ensure that people can cope with the change and people can receive decisions. Obviously part of the process is also about educating people about the changes and encouraging people to have conversations about their tenancy arrangements. Ms Harvie has pointed out that also in our explanatory notes there is a fair bit of detail about the work that has happened with QCAT and the Magistrates Court system and also body corporate just to look what the implications might be and to make sure that there is no increased workload that cannot be accommodated within these changes.

Mr KRAUSE: I want to talk about the reasonable excuse provision. The member for Burleigh talked about whether to go to QCAT or the RTA and that process. If an owner tries to end a periodic tenancy because they want to sell the property and then wants to relist it within a six-month period

after that because they have not been able to achieve their sale price, if the reasonable excuse provision is a defence, does that not open up the possibility that people are going to be arguing either at the RTA or in QCAT about what a reasonable price is for owners to sell their property at?

Ms Woolley: The mechanism that is in play is the same mechanism that would exist for wherever matters cannot be resolved between the two parties, so not just in relation to this matter but also other matters. There is a variety of circumstances where either the tenant or the property owner cannot agree, and there are processes for trying to deal with that which eventually can end in a process of dispute and go all the way through that. I do not have any more information about the nature of that. It is not something that I am aware of that would be a prevalent circumstance, so I cannot comment any further about whether that is a thing that would arise in relation to these changes, but there is a process to deal with them should parties not be able to agree.

Mr KRAUSE: You mentioned at the end of your 40-minute introduction presentation investment incentives for people to invest in residential properties for letting in Queensland. It was at the very end of your presentation. What are they?

Ms Woolley: Member, you asked me about the budget package and the measures that—

Mr KRAUSE: It was almost at the very end of your opening statement. What investment incentives are there, in this bill or otherwise, for people to invest in the rental market?

Ms Woolley: I think the context in which I made those comments was about ensuring that the balance of the changes does not dissuade people from continuing to have investment in the private market for properties that form part of the housing supply, and obviously the conditions of the market currently in Queensland and nationally, but particularly in Queensland due to interstate migration, land availability and a range of factors, mean that a variety of mechanisms are needed to ensure that there is adequate supply and that we do not make changes within that system that would affect those supply outcomes, whether that is investment in social and affordable housing that might stimulate new options or whether it is just the flow-through of other properties coming online from other incentives of government.

Mr HART: Following on from the deputy chair's question, during the initial consultation on rental changes, a lot of people told me that if the government changed the rules they would be selling their properties. Can you tell me whether the regulatory impact statement looked at the possibility of people disposing of their rental properties and, if so, what was the outcome? Can you point the committee to that response in the RIS?

Ms Woolley: The decision RIS does pull together all of the analysis including the economic analysis provided by Deloitte that looked particularly at the overall impact of the reforms, and to ensure a balance in terms of creating a level of certainty, but also protecting the supply of housing within the market and considering those factors that you have pointed to. I might see if Ms Harvie wants to add any additional comments.

Ms Harvie: Just to add exactly what you said, Ms Woolley, that the Deloitte analysis looked at impact on supply, affordability and rents and found a negligible impact overall as a consequence of these reforms, using a user-costs methodology.

Mr HART: So nobody is going to sell because of these reforms?

Ms Harvie: A negligible impact as a result of these reforms set out in the decision RIS.

Dr MacMAHON: With regard to the end of fixed-term agreements, does the department have any data on how many residential tenancies are not renewed at the end of their term, even when a tenant wishes to stay and there have not been any breaches?

Ms Woolley: I am not aware of us having any particular data. We have access to broad information that the Residential Tenancies Authority administers, but not in relation to specific agreements and the nature of how those agreements end or the circumstances that sit behind each of those agreements.

Ms Harvie: We are developing and monitoring an evaluation framework for the implementation of these reforms. That is high on our agenda. We are collecting information about the grounds on which tenancies are ended and then determining if future action is needed.

Dr MacMAHON: Do you have any modelling existing already around how these changes might impact on people leaving or entering tenancies?

Ms Harvie: We have that economic impact analysis I referred to earlier.

CHAIR: Is that in your briefing, the economic impact analysis?

Ms Harvie: It is published on the department's website. It was relied upon in the decision RIS.

CHAIR: Member for South Brisbane, are you happy to access that?

Dr MacMAHON: Yes, thank you.

Mr KRAUSE: You said there was a 75-25 split between fixed and periodic. I would make a suggestion that there may be some increase in the number of fixed tenancies after these reforms are passed by the House as it is the only way to preserve a right to properly deal with a property on the part of an owner. Has there been any consideration as to, if a tenant needs to leave a property, the impact there might be on break costs for those fixed-term leases that are entered into? Will tenants be liable for breaking a fixed-term lease if they need to leave?

Ms Woolley: I ask Ms Wright to respond to that.

Mr KRAUSE: Is there any change around it, too?

Ms Wright: Currently, if tenants seek to end a fixed-term lease early they may be required to pay or compensate the lessor for reasonable reletting costs until they are able to relet the property, and there is not proposed to be any change to that requirement under the bill.

Mr KRAUSE: In terms of Family Court orders as well in relation to dealing with property, does this bill have any provision for addressing the situation where, say, a couple is divorced and they have an investment property which needs to be sold to deal with the Family Court orders? If there is a fixed-term tenancy in place which means it cannot be sold readily, is there any provision in this bill for dealing with situations like that?

Ms Woolley: Let me just ask.

CHAIR: If you cannot afford a response to the member for Scenic Rim, you can take that on notice.

Ms Wright: The current Act allows for parties to apply for a lease to be terminated if they are experiencing excessive hardship, so in those circumstances there would be the ability for the parties to seek an order from the tribunal for the tenancy to be terminated on the grounds of excessive hardship.

Mr KRAUSE: So they have to go to a tribunal to be able to sell the property to fulfil a Family Court order?

Ms Wright: In order to end the tenancy, that would be what is required, yes.

Mr KRAUSE: Sounds complicated.

CHAIR: Thank you for your time today. I am conscious that we have gone over time in light of the extended briefing at the start. I do not recall there were any questions to be taken on notice. That concludes this public briefing. On behalf of the committee, I would like to thank you for your attendance today. My thanks to the department and all of the departmental officials. Thank you to Hansard for your support and your work today. A transcript of these proceedings will be available on the committee's webpage in due course. I declare this public briefing closed.

The committee adjourned at 11.39 am.