10 April 2024

Committee Secretary
Housing, Big Build and Manufacturing Committee
Parliament House
George Street
Brisbane Qld 4000

Email: hbbmc@parliament.qld.gov.au

Dear Committee,

RE: RESIDENTIAL TENANCIES AND ROOMING ACCOMMODATION AND OTHER LEGISLATION AMENDMENT BILL 2024

The Real Estate Institute of Queensland (**REIQ**) welcomes the opportunity to provide our views on the *Residential Tenancies And Rooming Accommodation And Other Legislation Amendment Bill 2024* (the **RTRAOLA Bill**) introduced by the Minister for Housing, Local Government and Planning and Minister for Public Works on 21 March 2024.

Stage 2 Rental Law Reforms

Queensland is currently in the grips of an unprecedented rental housing crisis. Housing supply and affordability are at critically low levels.

Data shows that current housing market conditions have been materially impacted by a declining supply of affordable housing. As a result, an alarming volume of Queenslanders have become homeless or are facing homelessness.

In 2022 and 2023, Queensland consistently broke its own rental market vacancy rate records and has experienced the tightest rental market in history with below 1.0% vacancy rate across the State in the December quarter of 2023, with some markets currently as low as 0.1%[1].

As the peak body, the REIQ represents thousands of real estate professionals who facilitate and manage the vast majority of residential tenancy relationships in Queensland. This role enables us to gather unique insights and information directly from those who deal with both parties in a rental relationship.

Although we support some of the proposed measures in the RTRAOLA Bill, there are a number of proposed changes we are opposed to and as outlined in this Submission, we have identified a series of drafting errors and omissions that must be urgently addressed.

[1] REIQ Residential Vacancy Report, December 2023

The proposals that are of key concern are outlined below:

1. The introduction of a fine of $7,742 for the property manager or lessor, if a tenant makes the decision to unlawfully pay more than 4 weeks' rent in advance;

2. To attach the rent increase frequency limit of 12 months to the **property** instead of a tenancy agreement, to apply retrospectively to tenancy agreements already in effect.

3. To prohibit lessors and property managers from asking if a prospective tenant has a pet or dependents in their tenancy application.

4. To prohibit the lessor and property manager from undertaking standard verification of a tenant's history, suitability and ability to meet financial obligations under a tenancy agreement.

5. To effectively prohibit a lessor or property manager from advertising a property for let or sale with current photos, unless the property is vacant.

6. To require a property manager to destroy records several years earlier than the statute of limitations expires for professional negligence claims.

7. To allow a tenant to not pay for water consumption if their tenancy ends during a billing period.

8. To allow a lessor or property manager to charge a tenant more for reletting costs than is currently permitted.

9. To allow a new tenant to demand a copy of the last tenant's agreement and rental ledger (redacted) be given to the new tenant within 14 days, breaching the *Legislative Standards Act*, privacy laws and the doctrine of privity of contract.

10. To introduce rent control measures which have proven to be a failure in other economies all over the world.

11. To permit the lessor or property manager to send a social media message to a tenant in relation to a bond claim instead of their address for service.

12. To permit prospective applicants to physically attend an agency to have their identification verified and prohibit property managers from keeping records unless a tenant consents.

13. To not have any transitional provisions in relation to maximum bond limits, service charges and water consumption charges or frequency of entry limits.

The REIQ urges the Committee to carefully consider the feedback provided in this Submission. Significant amendments must be made to the RTRAOLA Bill to ensure the proposed laws are fair, balanced and practically feasible.

Despite assertions in the explanatory notes that the Department of Housing undertook consultation, many of the provisions significantly depart from the Department of Housing's Options Paper for Stage 2 Rental Law Reforms issued in May 2023. The RTRAOLA Bill was **not** provided to stakeholders for review and feedback prior to being introduced into Parliament.

These proposals have not been properly tested with stakeholders, and critical errors and omissions have been made in the drafting. Some of the proposals are impractical and will simply not work in practice. Additionally, many of the proposed changes will not provide any relief to tenants, as intended.

The REIQ understands that laws must be reviewed and modernised to reflect changing conditions and community expectations. We support tenant protections and rights being enshrined in residential tenancies legislation. However, the rights of lessors, commercial realities, and risk of owning a residential property must not be overlooked.

This is the last and only opportunity for stakeholders to be consulted and for these significant issues to be resolved. If the RTRAOLA Bill passes without substantial amendment, the REIQ is seriously concerned about the ramifications and negative consequences that will arise.

CPD for Property Agents in Queensland

The REIQ welcomes the introduction of a CPD regime for property agents in Queensland in line with other jurisdictions.

For almost a decade, the REIQ has strongly advocated for a state-wide regime of CPD as a condition of holding and renewing a real estate licence or registration in Queensland. Since the election of the current Government, the REIQ has regularly and consistently discussed this issue with the appointed Attorney-General and Minister.

It has been a core position of the REIQ that introducing CPD for property agents in Queensland will ensure all real estate professionals can deliver the highest level of service to clients and consumers and will enhance the integrity of the profession in Queensland.

We agree that for many consumers buying and selling property can be amongst the most significant financial transactions and commitments they make in their lifetime, and this should be handled with the knowledge, skill and competence that such position of trust entails.

Subject to our comments herein, the REIQ is supportive of the CPD regime being introduced by the Government.

Please note this Submission is not confidential and may be published or publicly disclosed.

We would be pleased to discuss any of the matters raised further and invite you to contact Ms Katrina Beavon, General Counsel and Company Secretary of the REIQ at kbeavon@reiq.com.au or on 3249 7303.

Yours Sincerely

Antonia Mercorella
Chief Executive Officer

RESIDENTIAL TENANCIES AND ROOMING ACCOMMODATION AND OTHER LEGISLATION AMENDMENT BILL 2024

Submission to the Housing, Big Build and Manufacturing Committee

Contents

The Real Estate Institute of Queensland (REIQ)

The REIQ is the peak body representing real estate professionals across Queensland. As the State's most trusted and influential advocate for real estate business interests and private property investor rights for more than 105 years, the REIQ remains committed to ensuring the highest levels of professionalism and good governance are achieved through regulatory compliance and the advancement of best practice standards of professional conduct.

The REIQ's enduring purpose is to lead a sustainable industry which continues to make significant contributions to the Queensland economy and to strengthen conditions for those working within the industry. Above all, the peak body aims to:

- Make important contributions to government legislation and policy settings;
- Advocate for balanced regulations for the benefit of all stakeholders;
- Provide industry-leading training for real estate professionals;
- Deliver timely, innovative and market-driven education programs;
- Promote risk management and increase professional competence;
- Implement effective and compliant professional standards; and,
- Contribute to substantial industry research and development.

Membership and customer representation includes over 30,000 property professionals. This includes principal licensees, salespeople, property managers, auctioneers, business brokers, buyers' agents, residential complex managers, and commercial and industrial agents in Queensland.

Collectively, Queensland's real estate sector directly employs over 50,000 people, and according to the forward estimates, is one of the top contributors to State tax each year generating an estimated $8 billion per year.

WE HELP MORE THAN OUR MEMBERS

The REIQ's vision statement, for the real estate profession, extends our support and expertise beyond our membership to the broader real estate profession and community. We believe everyone should be able to make educated, informed decisions about buying, selling or renting property and business in Queensland.

1. RENTAL LAW REFORMS

Private property owners house approximately 95% of the rental population of Queensland, being over 1.5 million persons[2].

The RTRAOLA Bill marks the fifth reform to rental laws in Queensland within as many years. Lessors and property managers are fatigued by the constant legislative reform designed to diminish the basic contractual rights of lessors and increase compliance requirements. No other sector has endured this level of legislative reform onslaught.

The proposals in the RTRAOLA Bill seek to introduce more stringent and prejudicial rental law reforms that further constrain a lessor's control over their property.

Concerningly, some of the proposals will carry significant unintended consequences due to poor drafting and the failure of the Department to undertake consultation on many of the proposed changes.

Law reform that materially prejudices lessors may lead to an increase in the cost of renting. If lessors are required to meet more onerous requirements and absorb greater financial risk, rents are likely to increase to help absorb the additional costs burden created by the changes.

The real estate community in Queensland have 'had enough' and this is evidenced by the overwhelming feedback that is received by the REIQ.

The REIQ sets out our position in relation to each of the proposed changes to the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld) (**RTRA Act**). We note where we refer to our position on changes that impact residential tenancies, we also share the same position for the equivalent provisions that impact rooming accommodation.

[2] Australian Bureau of Statistics Census 2021

1.1 AMENDMENTS COMMENCING ON ASSENT (Part 2, Div 2)

1.1.1 Rent bidding

Section	Item	Application
57A	Offer of residential tenancy must disclose particular information	A person is prohibited from accepting an offer of an amount of rent that is more than the fixed amount stated in an advertisement for the premises.
87	Rent in advance	A person is prohibited from accepting more than the specified maximum amount of rent in advance, being: • 2 weeks rent for a periodic agreement or a moveable dwelling agreement; or • 4 weeks rent for another agreement (previously 1 month).

Existing requirements

Despite the Government's messaging to the contrary, it is currently the law in Queensland under ss 57A and 87 of the RTRA Act that a lessor or lessor's agent cannot invite or solicit:

- rent that is higher than the listed price; or
- rent paid in advance that is greater than the statutory maximum.

Tenants will occasionally offer to pay more rent, or a sum of rent in advance for a premises, in order to make their application appear more attractive or to supplement a poor rental history. It is our experience that in most cases, the quality of a tenant's application is more important to a lessor than the amount the tenant is willing to pay.

We are seeing this conduct emerge amongst tenancy applicants due to the tight rental conditions.

Rent control interference in private markets

The proposed changes to ss 57A and 87 are a form of rent control.

The Government has itself admitted that rent controls do not provide long-term rental affordability in private markets. This practice has been tried and tested around the world and has consistently failed in similar economies. Please see the REIQ's submission in relation to the adverse impact of rent controls.

The explanatory notes state that the extent to which these provisions depart from fundamental legislative principles is justified in order to ensure that tenants are not disadvantaged in the private rental market, particularly in an environment where there are low vacancy rates, high rent costs and considerable competition for rental properties.

We do not agree, however, that it is appropriate to reactively introduce laws that only suit one type of market. Accommodating a market where demand exceeds supply poses significant risk of potentially exacerbating underlying issues rather than resolving them. When vacancy rates are high, the Government does not intervene with legislative measures in favour of the lessor.

Flexibility

These provisions will reduce the flexibility afforded to tenants when making an application for a tenancy. Many tenants choose to pay a lump sum of rent in advance because it suits their financial circumstances.

A common example being where a marriage or relationship breaks down and a property is sold. One of the applicants may not have a strong employment record (for example a stay-at-home parent) but wishes to offer a lump sum payment to secure a rental. Tenants may also prefer to pay a lump sum of rent in advance where their employment type means they do not have a consistent income (such as contractors). This will not be possible under the proposed changes and a tenant will only be able to rely on their employment/income and rental history to successfully secure a tenancy.

Another example is where prospective tenants are moving interstate. In our experience, a lessor will generally favour local applications to interstate applications, as they may appear to be a higher risk. Interstate applicants may therefore find it more difficult to secure a rental property.

Sometimes a tenant will negotiate a higher rent in exchange for the lessor making an improvement to a property (such as installing air-conditioning or providing lawn maintenance for the tenant). If a tenant is unable to negotiate a higher rent amount than advertised for improvements, a lessor will be less likely to agree to the improvements or additional services.

Major drafting error – s 87(1)(b)

Section 87(1)(b) has been amended to prohibit the acceptance of rent paid **monthly** in advance. Under the proposed changes, a tenant will only be able to pay rent up to **4 weeks** in advance.

We do not understand the basis for this change, nor do we believe there is any evidence that this change is warranted. Concerningly, this change will eliminate flexible rent payments for many tenants in Queensland that choose to pay rent monthly in advance.

Although this may seem to be a minor change, it presents many challenges and ultimately disadvantages the many tenants that choose to pay monthly.

Many tenants choose to pay their rent monthly to align with their pay schedules. If they are only permitted to pay a maximum of 4 weeks rent, this will create circumstances where the tenant may find themselves in arrears for 4-5 days while they are awaiting their next pay.

Monthly rent payments are also common for international students where their parents tend to pay monthly to reduce the costs of making international bank transfers. It is also prevalent where a company holds a headlease for its employees, for example the Department of Education or companies that employ FIFO workers. Under these changes, they will no longer have the right to pay rent monthly in advance.

The use of customer relationship management (CRM) software will also be impacted by these changes. Typically, CRMs will allow a property manager to designate if a tenant is paying weekly, fortnightly or monthly.

In most cases, tenants are in control of how much money they wish to pay for rent. This raises an additional problem.

If the tenant chooses to pay an amount that is greater than 4 weeks, either intentionally or not, then we presume the property manager will need to refund the balance to the tenant to avoid being in breach of s 87 and liable for a fine of 50 penalty units. Even a mere rounding up of a few dollars can see property managers liable for significant financial penalties. In our view, it is unjust to penalise one party for an unlawful action taken by another party, outside of the first party's control.

Property managers will need to monitor hundreds of rent payments daily to ensure that they are acting quickly on any rent payment refunds. This creates an enormous administrative burden for the property management sector, noting the collection of rent is currently largely automated.

Given this change does nothing except take away a tenant's flexibility for the payment of rent and impose unjustifiable penalties on property managers, we strongly oppose the amendment to s 87(1)(b).

Recommendations

1. That the rent caps proposed under ss 57A and 87 are removed from the Bill.
2. Alternatively to (1), that the amount of rent that can be paid in advance specified under s87(1)(b) is reverted back to 1 month.

1.1.2 Rent increases

Section	Item	Application
61	Written agreements required	A written tenancy agreement must include the date the rent was last increased for the premises.
91	Rent increases	A written notice of a rent increase must disclose the date of the last rent increase for the premises.
93	Minimum period before rent can be increased	A lessor or agent must not increase the rent for the premises less than 12 months after the day of the last rent increase for the premises.
93A	Evidence of last rent increase	A tenant may request in writing that a lessor or agent provide them with evidence of the day that the rent was last increased. Examples of evidence include: • a copy of a previous tenancy agreement; • a written rent increase notice; or • a copy of the rent ledger for the premises. The lessor or agent must provide evidence within 14 days and any personal information must be de-identified.

93B	Tribunal order about rent increase	A lessor can apply to QCAT for an order permitting the lessor to increase rent by a stated amount if the lessor would be caused undue hardship by not being permitted to raise the rent within the 12-month period.

Drafting errors – s 93(2)

We foresee many disputes arising over the poor wording of s 93(2). The only way to decipher the intention of this subsection is with the explanatory notes. Given it is a simple concept to be communicated, it is not necessary to create such a convoluted provision.

Attaching rent increase frequency limit to the premises

Subsection 93(2A) provides that the 12-month period applies even if the last rent increase for the residential premises related to a different residential tenancy agreement, including a residential tenancy agreement entered into by a previous owner of the premises.

It is evident that these proposals have been designed to rectify the negative consequences which arose from the ill-considered and poorly implemented rent increase frequency limit changes that were introduced by the Government and passed on the same day without consultation on 18 April 2023.

The REIQ swiftly raised concerns both publicly and privately with the Minister for Housing in relation to the foreseeable adverse consequences of the laws, however, this advice was unfortunately ignored. Our concern arose from the retrospective nature of the transitional provisions introduced which invalidated the terms of tenancy agreements already in effect at the time the laws were passed.

Many parties did not know what to do or their legal position if the terms of their tenancy agreement were voided. Lessors were not given time to plan or budget for the changes which retrospectively impacted their tenancies. This caused a number of lessors to choose not to renew tenancies, on the basis of previously agreed terms being deemed invalid.

Although we understand the intention is to prevent tenancies being ended for the purpose of increasing rent for a property, this change is not only unnecessary, but is legally and practically problematic for a number of reasons:

- the attachment of a private contractual tenancy obligation to a property as an encumbrance in Queensland is unprecedented and has potentially significant legal ramifications;
- the changes will impact how property is bought and sold in Queensland;
- lessors will be less likely to agree to 6-month tenancies, decreasing the availability of flexible arrangements for tenants in Queensland;
- lessors may charge higher rents from the commencement to offset the increase in costs; and
- some lessors may be less likely to carry out improvements to their properties and the quality of properties offered will be lower (as evidenced by examples of rent controls around the world – see Part 1.1.1).

We have previously written about the foreseeable consequences of attaching rent increase frequency limits to the property, here: REIQ's Submission – Ensuring the Annual Rent Increase Frequency Limit if Effective

The damage caused by last years' retrospective rent increase frequency limit law is done and cannot be reversed.

If this change proceeds as proposed, it will only cause further instability. This amendment is no longer warranted. It is now understood and accepted that rent can only be increased once per 12-month period. Notably, the median length of tenancies in Queensland is presently 22 months, which is the longest median length period for the past five years in Queensland[3].

Major drafting error - evidence of last rent increase s 93A

The REIQ is concerned by the addition of s 93A which permits a tenant to demand evidence of when the last rent increase occurred for a property to be provided by the lessor, including by obtaining a redacted copy of the last tenancy agreement and rental ledger.

Pursuant to the changes, it will be a requirement under s 61(2)(c) that the date the rent was last increased for the premises shall be stipulated in the Form 18a General Tenancy Agreement. It is stated that the policy objective of s 61(2)(c) is to make it easier for new tenants to know when rent was last increased for the property they are renting. This policy objective is achieved by inserting the date of the last rent increase in the Form 18a General Tenancy Agreement.

Section 93A goes further to require the lessor to give evidence proving the date they have provided in the Form 18a is true. This requirement is unnecessary, inappropriate and undermines the lessor's right to be treated fairly and impartially under the law.

We submit that the Government's departure from fundamental legislative principles under s 93A is not justified as the policy objective is already achieved in s 61(2)(c). Further, making s 93A an offence provision also departs from the intended policy objective and cannot be justified.

This provision defies procedural fairness by requiring the lessor to supply evidence that they have not committed a breach of the law where no allegation of wrongdoing is made. Essentially, the onus will be placed on the lessor to prove they are innocent. Such requirement does not align with the fundamental principles of the Australian legal system and inherent presumption of innocence.

Additionally, the requirement to provide a copy of the previous tenant's agreement, in our view, may defy the doctrine of privity of contract. A new tenant should not be privy to the terms of a former tenant's tenancy agreement.

Legislation must have sufficient regard to the rights and liberties of individuals. The only purpose of s 93A appears to be to punish the lessor.

We submit that s 93A is not consistent with fundamental legislative principles under the *Legislative Standards Act 1992* and cannot be justified as the policy objective is already achieved under another provision.

[3] RTA Annual Report 2022/23

If there is a legitimate claim of wrongdoing; if the tenant does not believe the disclosed date of the last increase is true, then the tenant has the right to make a complaint with the RTA. The RTA is then the proper body to investigate and request evidence from the lessor. It is highly inappropriate that the responsibility to administer and enforce the RTRA Act is being placed on the tenant under this provision.

Additionally, the types of evidence suggested under s 93A are highly inappropriate. A lessor or property manager should never provide a copy of a previous tenant's agreement or rental ledger to another person, even if attempts to redact personal information are made. Not everyone has the technical skills required to properly redact documents or understand what items should be redacted or left as 'evidence'. This will also create a significant administrative burden for property managers.

Right to apply to QCAT

In circumstances where the Government proceeds with attaching the rent increase frequency limit to a **property** and not the tenancy agreement, we support an express ability for a lessor to apply to QCAT to increase rent within a minimum period if it would cause undue hardship. Circumstances giving rise to a justified increase may also include:

- the different financial arrangements of a new owner who has acquired the property from a previous owner who charged under market rent due to their own personal circumstances;
- if the owner has made changes to the rental property such as improvements and renovations, such as installing air-conditioning or heating; and
- if the owner intends to provide inclusions or additional services to the tenant, such as lawn maintenance.

However, subsection 93B(4) provides that the tribunal must, when deciding the application, have regard to any representation made by a tenant under the residential tenancy agreement about the proposed rent increase and the likely effect on the affordability of the premises and the tenant's ability to continue to pay the rent for the premises.

The inclusion of subsection (4) makes the intention and effect of section 93B **redundant**.

It is difficult to see that any tenant would agree to a rent increase, even if they could afford the rent increase proposed. The provision may as well not exist.

In our view, it is appropriate that a lessor must supply sufficient evidence to satisfy QCAT that the grounds for undue hardship (or other circumstances) are met and to make an order granting the rent increase.

Recommendations

3. That the rent increase frequency limit of 12 months continues to attach to the tenancy, not the property and the changes to s 93 are removed.

4. That s 93A be removed. The Government should educate tenants that if they suspect the date disclosed for the last rent increase for the property is false, then they can report this to the RTA for investigation.

5. Alternatively to (4), that the evidence under s 93A be limited to a copy of the last rent increase notice given to the last tenant (redacted).

6. That s 93B(4) is removed and QCAT retains discretion to determine an order to increase rent based on the evidence supplied by the lessor to prove that undue hardship will be caused if rent cannot be increased.

1.1.3 Third party bond products

Section	Item	Application
138	Payment to rental bond supplier	Where an amount is owing to the Department of Housing due to a bond loan, the RTA will first pay the department of housing, and if there is any remaining bond, it is paid to the contributor. This ensures that where a tenant has used a commercial bond product, that the bond is not first paid to the commercial bond supplier before it is paid to a contributor.

The REIQ is generally supportive of this provision, however, the drafting could be improved to make the application of the section clearer.

The explanation and commentary given by members of the Government have made it seem as though a provision would be included to generally allow the use of third party bond products for all tenants. The amendments of s 138 appear to only relate to bond loans provided by the Department of Housing.

Additionally, the REIQ was of the understanding that the Government was investigating innovative bond solutions, such as bond insurance products, that would allow a tenant to secure their obligations without having to pay a cash bond. Unfortunately, there does not seem to be any amendments proposed that would support this.

Enabling a tenant to use a third party bond product will benefit tenants that cannot afford to pay their bond upfront, without diminishing the rights of the lessor.

Recommendations

7. That s 138 be clarified and broadened to allow any tenant to use a third party bond product.

1.1.4 Portable Bond Scheme

Section	Item	Application
155A	Transfer of rental bond	The RTA will be able to transfer all or a part of the rental bond for one residential tenancy agreement or rooming accommodation agreement as the rental bond for another new agreement in the circumstances to be prescribed by regulation.

Little detail is known about the operational characteristics of the proposed portable bond scheme. The head of power contained in this provision will expire 2 years after it commences.

In our view, the only acceptable way a portable bond scheme can operate in Queensland, is if both the lessor and tenant give their consent to the portion of bond which shall be assigned/transferred with the RTA to the new tenancy.

Under current tenancy laws, if a tenant moves to another rental property, their bond can already be transferred to their new rental address if the property manager/owner agrees and there is no change to the bond amount or property manager/owner.

The explanatory notes state that a portable bond scheme will lessen the financial burden on tenants when moving from one rental property to another, by allowing the transfer of the rental bond between properties.

It is difficult to see the rationale for this reform given the lack of evidence supporting its basis.

Data shows us that on average, it takes the RTA 0.6 days to process bonds in Queensland and 2-3 days to pay out a bond refund. Out of the 214,432 bond refunds processed by the RTA in FY22/23, 14,769 bond dispute resolution requests were made, representing just 6%. We provide more detail on this point below in *Part 1.2.3 Bonds to be substantiated*.

If it is proposed that a tenant will be able to transfer their bond to a new property before the lessor is able to make a claim for any money owing, such as for rental arrears or property damage, then the portable bond scheme **will not work.**

Unintended consequences

The purpose of the bond is to secure the tenant's obligations under the tenancy agreement. The two primary claims on a bond are:

a) for unpaid rent; and
b) property damage.

If a tenant is able to remove their bond without any protection for the lessor, then any claim will essentially become a small debt. It is highly improbable that a lessor will be able to recover a debt of that size from the tenant, especially if they cannot be located or if they do not own any assets. Introducing such requirement will make taking a bond redundant and will remove any security a lessor has.

As noted in the explanatory notes, a portable bond scheme has been proposed in New South Wales and Victoria but has not been established. It is not presently known if it is possible to create a model that works.

The two (2) year expiry unfortunately means this scheme is very unlikely to come into fruition. It is likely to take at least that amount of time to establish the Regulation and for the RTA to build the infrastructure needed to facilitate the scheme.

We are supportive the Government's initiative to expand eligibility for private rental products, including bond loans and rental grants which will provide financial assistance to tenants that are struggling to pay for a bond upfront.

Recommendations

8. That the Government postpones the introduction of a portable bond scheme until the operational and legal aspects have been properly considered and we can draw on the experiences of the other States to ensure it is carried out successfully in Queensland.

1.1.5 Modifications for Accessibility, Safety & Security

Section	Item	Application
209B	Attaching fixtures or making structural changes for safety, security or accessibility	The tenant will be permitted to attach fixtures and make structural changes to residential premises that are necessary for a tenant's safety, security or accessibility, provided that same is attached or made in the circumstances and in accordance with any requirements prescribed by the regulation.

The REIQ is supportive of changes being made to assist tenants with installing necessary ***minor*** modifications to a property for the strict purpose of accessibility, safety and security.

We agree that a balanced framework can be achieved that ensures the property owner retains control over the process and has essential requirements met, while still assisting the tenant to have minor modifications carried out that they need for accessibility, safety and security purposes.

As a proactive measure in July 2022, the REIQ and Queensland Disability Network (**QDN**) hosted a roundtable with a number of key stakeholders. The purpose of the roundtable was to formulate a central idea of what the regulation should encompass.

The REIQ and QDN developed a joint Framework for Home Accessibility and Safety Modifications for acceptable minor modification regulation for residential properties in Queensland.

The Framework:

- defines minor and complex modifications;
- includes a detailed Matrix for Home Accessibility and Safety Modifications;
- provides criteria that dictates when consent/approval or notification is appropriate; and
- includes important considerations such as who will carry out works, insurance and risk considerations and whether an occupation therapist should be consulted.

It is our view that by following this proposed framework, balance between the parties' rights can be achieved.

See **Annexure A** for the Criteria Extract and link to the full Framework.

Recommendation

9. That the Department of Housing continue to work with the REIQ and QDN on our joint Framework for adoption in regulation.

1.1.6 New entry ground for rooming accommodation

Section	Item	Application
259	Entry after giving notice	A new ground of entry allows a provider to access a resident's room with 24 hours' notice to install, maintain or replace a smoke alarm. This ground of entry replicates an existing ground of entry for residential tenancies.

The REIQ supports the addition of this new entry ground for rooming accommodation.

1.1.7 Domestic and family violence termination grounds – confidentiality

Section	Item	Application
308I	Confidentiality	The lessor and property manager will need to keep confidential 'relevant information' instead of just the evidence supporting the tenant's application for termination. 'Relevant information' is defined as evidence supporting the notice ending tenancy interest or personal information about a tenant who gives the lessor a notice ending tenancy interest, including information that the tenant intends to vacate the premises.

The REIQ supports the expansion of the confidentiality requirement for a tenant's application to terminate a tenancy on the grounds of domestic and family violence. This provision clarifies what information a property manager can provide to remaining cotenants.

1.1.8 Code of conduct

Section	Item	Application
519A	Code of conduct	A regulation may prescribe a code of conduct applying to the conduct of lessors, providers, agents, tenants and residents. The code may not be inconsistent with a provision of the *Agents Financial Administration Act 2014* or the *Property Occupations Act 2014.*

The REIQ is supportive of a code of conduct being introduced to govern behaviour and conduct in tenancy relationships in Queensland. We welcome the opportunity to work with the Government on the prospective code of conduct.

It is our view that the rental code of conduct, as it applies to property managers, should reflect the industry best practice set out in the REIQ's Best Practice Guidelines.

Launched in March 2023, the Best Practice Guidelines are a free comprehensive guide for anyone working in the Queensland real estate profession, including property managers.

Developed in consultation with the relevant governing authorities and industry leaders, the guidelines aim to enhance a real estate professional's ability to perform professionally and reputably. They are designed to increase the accountability, professionalism and integrity of the industry.

The REIQ often receives feedback that the Best Practice Guidelines have been adopted by agencies and in just over 12 months, the webpage has been accessed around 14,000 times.

Chapter 1 sets out requirements that all real estate professionals should adhere to, based on industry best practice as well as legal requirements under the *Property Occupations Act 2014* (Qld) (**PO Act**).

Examples:

- act ethically, fairly and honestly when dealing with all parties; and
- not make false or misleading representations or statements about properties or engage in any conduct which is likely to mislead or deceive.

Chapter 4 sets out requirements that property managers should comply with, both under the PO Act and the RTRA Act.

Examples:

- keeping informed of statutory obligations and requirements under the RTRA Act and PO Act and regulations;
- holding a valid appointment to act on behalf of the lessor;
- not requiring a prospective tenant to purchase goods or services from the property manager or their client as a condition to enter the Form 18a;
- not discriminating against a prospective tenant on the basis of their race, ethnicity, gender, sexual orientation, family make-up or religion or any other basis in accordance with anti-discrimination laws;

- not requiring a tenant to pay rent in advance more than the amounts prescribed under the RTRA Act;
- providing a response to tenants within a reasonable time of receiving communication, a notice or correspondence, and to act courteously and professionally in all communications.

Code of conduct for tenants and lessors

The REIQ welcomes a code of conduct to apply to both tenants and lessors. Although we will have other opportunities to discuss the details, the REIQ will advocate for the following requirements:

- a tenant must not physically or verbally abuse a property manager for carrying out their obligations under the RTRA Act or PO Act;
- a tenant must comply with their obligations under the Form 18a General Tenancy Agreement including not to damage the premises;
- a lessor must provide instructions to their agent in a timely manner when requested; and
- a lessor must act in a timely manner with respect to requests for repairs and maintenance.

1.1.9 Transitional provisions

Section	Item	Application
578	Existing agreements not required to include date of last rent increase	A residential tenancy agreement or rooming accommodation agreement entered into before commencement is not required to include the day the rent was last increased for the premises.
579	Rent increases before the commencement relevant to working out 12-month period – s 93	For the purpose of working out the 12-month period under section 93(1), a reference in new section 93 to a rent increase for the residential premises includes a reference to a rent increase that happened before commencement.
580	Rent increases before the commencement relevant to working out 12-month period – s 105B	For the purpose of working out the 12-month period under section 105B(1), a reference in new section 105B to a rent increase for the resident's room includes a reference to a rent increase that happened before commencement.
581	Payment of rental bond after dispute resolution process and application dismissed by tribunal	The amended section 136E will apply to rental bonds held by the RTA where an application is made to QCAT prior to the commencement of the section, and subsequently dismissed by the tribunal.

Major drafting error – s 579 and 580

Sections 579 and 580 provide that a rent increase will be calculated from rent increases that occur before the commencement of ss 93(1) and 105B(1). This means that the rent increase frequency limit attaching to the property, will apply retrospectively.

We strongly oppose the retrospective nature of these provisions, and once again, warn the Government against introducing laws that do not allow a lessor time to plan and budget for the changes.

As noted above in Part 1.1.2, there were severe consequences felt by tenants caused by the retrospective nature of the 18 April 2023 rent increase frequency limit laws. This mistake of the Government must not be repeated.

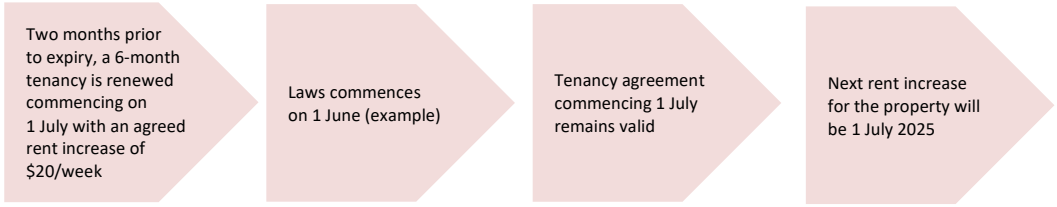
We foresee the same issues arising whereby tenancies that have already been renewed, but commence after the commencement date of the laws, will be voided. The terms of hundreds, if not thousands of tenancy agreements will become void overnight. This will greatly impact the stability of the rental market.

Instability and financial ramifications can be avoided by removing the retrospectivity in these provisions.

Rent increases calculated under ss 93(1) and 105B(1) should be calculated from the **next** scheduled rent increase after the commencement of the provisions.

Example - Tenancy Renewal

Laws that do not operate retrospectively -



Recommendation

10. That ss 579 and 580 are amended so that the new rent increase frequency limit provisions do not operate retrospectively.

1.2 AMENDMENTS COMMENCING BY PROCLAMATION (Part 2, Div 3)

1.2.1 Tenancy Application

Section	Item	Application
57B	Application for residential tenancy	If a lessor or their agent requires a prospective tenant to apply for a residential tenancy, the prospective tenant may only be required to apply using the approved application form.
57C	Request for information for application	A lessor or their agent may request information about a prospective tenant if it relates to the information outlined in section 57B(4), or comprises no more than two documents about each of the following: (i) documents verifying the identity of the prospective tenant; (ii) documents about the prospective tenant's ability to pay rent; (iii) documents about the suitability of the prospective tenant for the residential tenancy.
57D	Verification of identity for application	A prospective tenant may provide documents to verify their identity by either providing a copy of the original identity document or allowing the lessor or agent to sight or access the original document. If an original document is sighted by the lessor or their agent, the lessor or agent must not keep a copy of the original document without the tenant's consent.

Approved form tenancy application

The REIQ supports an approved form of a tenancy application being developed on the basis that the information to be collected will ensure a lessor can be satisfied that:

- the tenant will be able to meet their financial obligations under the tenancy agreement; and
- the tenant will be able to meet their obligations to take care of the property.

Feedback from our membership supports the introduction of a uniform prescribed tenancy application form.

Information that can be requested

Subsection 57B(4) provides that the approved form may only request information about:

a) the name and contact details of the prospective tenant;
b) details of any previous residential tenancy agreements or rooming accommodation agreements;
c) the prospective tenant's current employment;
d) details about the prospective tenant's income;
e) referees for the prospective tenant;
f) the intended term of the tenancy;
g) any other information prescribed by regulation.

Unfortunately, this list does not include several pieces of critical information.

The REIQ's best practice position is to request the following information:

- the tenant's personal information (name, address, contact details, date of birth, vehicle registration detail);
- what dependents the tenant has and who the approved occupants are;
- if the tenant is a smoker or has any pets;
- details of the past 2-3 rental properties occupied by the tenant including contact details for the previous agent/lessor;
- employment details, government assistance details, student details;
- personal references;
- 100 points of identification with at least one form of photo identification;
- proof of income – the last 2 pay slips of the tenant, Centrelink statement or tax return (if self-employed); and
- confirmation of whether the tenant has previously been party to a dispute relating to rental bond.

These items are necessary to confirm that the tenant has the ability to meet their financial obligations under the tenancy agreement and to comply with their legal obligation to take care of the property.

Some of the information relating to pets, smoking, approved occupants, vehicle details, is essential as the suitability of the tenant for the specific type of property must be considered.

For example:

- The lessor must know at the start of the tenancy, if the tenant has a pet that will be kept on the premises. Special terms will need to be included to protect the rights of the lessor under s184 of the RTRA Act. Additionally, if the lot is in a community titles scheme, body corporate approval will need to be sought in advance of the tenant bringing the pet onto the premises.

- If the tenant has more than one vehicle and there is only capacity for one vehicle to be parked.

- if the tenant has 4 children and is applying for a 1-bedroom property, then the lessor or property manager would be inadvertently placing the lessor in breach of the minimum housing standards, which requires a property to have adequate plumbing and drainage for the number of occupants.

New subsection 57C(2) provides that a lessor or their agent must not request information from a prospective tenant about:

a) legal action taken by the prospective tenant, including dispute resolution or matters considered by the tribunal;
b) a notice to remedy breach given to the prospective tenant by a lessor or a provider;
c) a notice to remedy breach given by the prospective tenant to a lessor or provider;
d) the prospective tenant's history in relation to rental bonds, including any claim on a rental bond; or
e) statements of credit accounts or bank accounts belonging to the prospective tenant detailing transactions.

A lessor or property manager should not be prohibited from asking a former lessor or property manager if the tenant previously breached the tenancy agreement. They cannot assess the suitability of the applicant if they are not able to access this essential information. When assessing the suitability of an applicant, past conduct is fair and reasonable due diligence.

It is also necessary for a lessor or property manager to obtain financial statements from a tenant to verify that they have financial capacity to meet their obligations under the tenancy.

If this is not assessed, the tenant may be placed in financial hardship if they are accepted, and the lessor may incur risk and costs if the tenant cannot meet their financial obligations. Current employment status is not the best indication as to whether the tenant has the financial means to meet obligations under a tenancy agreement.

The lessor's insurance may also be invalidated if it cannot be demonstrated that reasonable checks were undertaken to ensure the tenant was suitable for the tenancy.

Consideration must also be given to insurance and an agent's requirement to act in the best interests of client. The agent has a fiduciary obligation to their client under the PO Act.

If a claim is made against the lessor under their insurance, confirmation of what steps the property manager undertook is vital evidence. Similarly, if a claim is made against the lessors' agent, this evidence is essential for their professional indemnity insurer and the Office of Fair Trading.

A lessor should be permitted to conduct reasonable due diligence to confirm the applicants ability to meet their rental payments and other financial obligations under the tenancy agreement.

Method of submitting the application

Subsection 57B(5) provides that the lessor or their agent must nominate a choice of two ways for the prospective tenant to submit the approved application form. At least one of the nominated ways must not be a restricted way for submitting an application.

A "Restricted way" is defined as:

a) a way that involves the prospective tenant using an online platform to give personal information to a person other than the lessor who collects the information on behalf of the lessor, other than a real estate agent;
b) another way prescribed by regulation to be a restricted way.

It is our understanding that these provisions mean that one of the two ways cannot be an online third-party platform. The other ways would likely be an online form provided directly from the real estate agency or a manual form. We foresee most tenants choosing to keep using third party platforms, the benefits of which include an ability to track tenancy applications and to only complete information and upload documents once which can be used for multiple applications.

Allowing applications to be provided manually will also improve accessibility for persons who are not able to use online platforms or applications.

Verification of Identity

It is not possible or practical for an agent to sight the identification of every person that applies for a tenancy. This would involve hundreds of individuals going to a physical office for verification of identity each week. Individuals applying for rental properties in different towns or interstate would not be able to be identified without outlaying the cost of travelling.

Additionally, the tenant's licence details are needed to complete a search of tenancy databases, an important step required to verify the suitability of a tenant.

Property managers must be permitted to keep a copy of the successful tenants licence securely on file, under the same conditions as the tenant's other personal information. If the property manager keeps the licence securely stored and destroys it at the appropriate time, then there is no risk to the tenant. There is a great risk to the lessor and property manager however, if they are not permitted to keep a copy of the tenant's identification on file.

As noted above, this will be essential evidence if a claim of professional negligence is made against the property manager.

If there is a change of property manager or change of owner of the property, then how can they verify that the previous lessor or property manager has identified the tenant if no record of the tenant's identification can be kept.

Until such time that the Government produces a verification of identity tool that small businesses can use in place of keeping records of tenant identification, it will be highly impractical and generate a great amount of risk for the property manager if they are not permitted to retain a copy of the tenant's identification.

Recommendations

11. That s 57B(4) include:

    (a) a provision to allow a property manager or lessor to obtain information about a prospective tenant's pet as part of their application;

    (b) a provision allowing a property manager or lessor to request information that is relevant to the type of property, features of the property, requirements under council regulations and their decision to approve the tenant for the property based on the suitability of the tenant;

12. That the limitations on information that can be requested under s 57C(2) be removed.

13. That the lessor or property manager is not prohibited from taking a copy of an applicant's licence which must be securely stored and destroyed in accordance with s 457E.

1.2.2 Fee-free rent payment methods

Section	Item	Application
83	How rent is to be paid	The lessor or their agent must ensure the tenancy agreement provides for at least two ways of paying rent, and that at least one of those ways does not incur a cost to the tenant (other than bank fees or other account fees usually payable by the tenant) and is reasonably available to the tenant.
84	Changes to way rent to be paid by agreement	If, after signing a tenancy agreement, the lessor or tenant give the other party a written notice proposing to change the way in which rent is to be paid and the other party agrees in writing, the rent must be paid in the manner set out by the written agreement.
84A	Changes to way rent to be paid – no agreement	If a lessor or their agent proposes to change the way rent is to be paid during the agreement and the tenant does not agree, the lessor or agent must provide the tenant with a written notice that provides a choice of at least two other ways to pay rent, including a way that does not incur a cost to the tenant (other than bank fees or other account fees usually payable by the tenant) and is reasonably available to the tenant. The tenant must pay rent in one of the ways set out in the written notice from the day that is 14 days after the tenant is given the notice.
84B	Tenant must be advised of associated costs and benefits	The lessor or their agent must advise the tenant in writing of any costs associated with paying rent of which the tenant would not reasonably be aware and that the lessor or agent knows or could reasonably be expected to find out. The lessor or their agent must declare any financial benefit that the lessor or agent would receive from a way of paying rent.

'Fee-free' payment methods do not exist in residential tenancies. A party will always be responsible for paying a fee for using a payment service. This is reflective of modern daily life where fees are payable when services are used for convenience.

If the tenant pays by depositing cash or direct deposit into the property manager's trust account, the property manager will incur substantial fees from their bank. These fees will be passed back to the lessor who will then pass on the costs to the tenant. Additionally, the risk of human error, and fraud, when paying this way is much greater.

If a tenant uses the wrong payment reference, it gets lost in hundreds of payments received on the same day and a property manager needs to manually locate the payment. If the property manager is managing several hundred properties, it is very difficult to locate who has made a payment if there is an incorrect description or reference. The time delay in receipting rent payments causes systems to recognise those tenants as being in rent arrears.

Third-party rent payment platforms are the preferred method by both tenants and property managers, even though they incur a fee per transaction of usually between $0.50 - $5.

The REIQ encourages lessors and property managers to ensure if they do include a third-party rent payment method as a method of payment of rent in the General Tenancy Agreement, that they are selecting a reputable provider with appropriate fees.

There are many other benefits associated with the use of third-party rent payment platforms, including:

(a) Security

Third-party rent payment platforms generally offer a greater level of security to the parties as payment details are secure.

This is important where bank account details are exchanged for rent payment and by keeping information securely within a platform, parties are less likely to be susceptible to cyber-crime and fraudulent requests over email, for example, to change bank account details. Using the platform can ultimately protect the tenant from losing money.

(b) Tracking payments

Funds can be tracked more easily to ensure that any amount includes the proper reference information so it can be receipted and accounted for by the property manager, as required by law. Given that an agency may receive hundreds of payments each week, it is important for funds to include proper reference information.

(c) Reducing missed payments and rent arrears

By setting up direct debiting within third-party rent payment platforms, a tenant is less likely to miss a rent payment, pay rent late and fall into arrears. There are industry reports showing that such methods have assisted tenants in managing rent payments resulting in a reduction of the number of tenants in rent arrears and the quantity of arrears.

(d) Other payments

Third-party rent payment platforms can also provide a convenient method for the lessor or property manager to receive payment of other amounts required under the tenancy such as the bond payment, water or other invoiced payments. This method is more expedient for both the property manager and tenant and is used with the tenants permission.

Diminishing the use of third-party platforms goes against the policy objective of protecting the tenant's personal information.

1.2.3 Bonds to be substantiated

Section	Item	Application
136AA	Evidence of claim on rental bond to be given to tenant or resident	A lessor, provider or their agent will need to provide a tenant or resident with evidence supporting any claim on all or part of the rental bond when an application is made to the RTA for payment of a rental bond that directs that payment be made to the lessor or provider. The evidence must be provided to the tenant or resident within 14 days of the lessor, provider or their agent making the claim to the RTA.

The REIQ strongly opposes the time frames set under s 136AA. Bond refunds will be significantly and unnecessarily delayed under these proposed changes.

It is already the case in Queensland, that if a bond claim is disputed by a tenant, or if a tenant claims a full bond and the property manager is required to dispute the claim, the property manager must provide evidence to substantiate the amount they claim the lessor is entitled to. The RTA will often request this early in the dispute resolution process.

The explanatory notes state that s 136AA puts the onus on lessors, providers, and their agents to prove claims, rather than '*requiring a tenant or resident to disprove claims against their rental bond*'. This statement is false – a tenant has never been required to disprove a claim.

If a lessor or property manager cannot demonstrate the amount incurred by the lessor and their entitlement to compensation under the tenancy agreement, QCAT will not allow the claim on the bond. There are numerous QCAT decisions that evidences this effective process[4].

Operation of bond refunds in Queensland

The factual data indicates that:

- the overwhelming majority of rental bonds are returned without issue;
- statutory protections already in place are highly effective for tenants in Queensland, if utilised; and
- one of the most common causes for delay of rental bond return arises from a tenant making a claim for the bond prematurely before the tenancy ends.

Although we do not deny that bond refund delays do occur, the issue of bonds being delayed to the extent that legislative reform is needed is, in our view, grossly overstated by some parties. The data supports our position.

The RTA Annual Report 2022/23 provides valuable insight into the efficacy of the rental bond refund process in Queensland. For the 2022/23 period, bond refunds were processed within 0.6 days on average. The RTA notes that on average a tenant will receive a refund within 2-3 days of the RTA receiving the bond refund request.

A total of 622,164 bonds were held by the RTA in the 2022/23 financial year, with 214,432 bond refunds being processed. In the same year, a total of 14,769 bond dispute resolution requests were received, representing only 6% of all bond refunds.

[4] Lane & Mares v Niedzel Pty Ltd t/as Across Country Real Estate and Livestock [2023] QCATA 115
Peng v Nguyen [2020] QCAT 19
Mian Prestige Real Estate t/as Ray White Runaway Bay v Alikhan [2010] QCAT 453
North South Real Estate & Anor v Kavvadas [2017] QCAT 306
Dunn v Warwick [2018] QCATA 115
Williams v Oziris Pty Ltd [2012] QCATA 244
Chang and Anor v Moyer [2013] QCAT 70
Mooney and Anor v Peterson and Anor [2012] QCAT 116
Blue Fox Property Group Pty Ltd & Ors v Gledhill & Anor [2023] QCAT 349
Rose v RMR Enterprises Pty Ltd t/as Beaudesert Properties & Anor [2013] QCAT 647
Noffke v Oceanside Management Pty Ltd t/as Broadwater Apartments [2017] QCA 156
Stone & Ors v Briggs & Anor [2015] QCAT 139

If parties reach early agreement on how the bond will be paid out, the bond refund can be fast-tracked and, in some circumstances, paid out automatically. In most cases, arguably 94% of cases, this process is effective and allows tenants to receive a fast bond refund.

Unfortunately, there are some common circumstances where a bond release is unnecessarily delayed as a result of the parties' own actions and failure to properly follow the bond claim process.

Bond being claimed prematurely

If a tenant makes a claim on the full rental bond through the RTA before their tenancy has ended or before the property manager has completed the exit inspection (as required within three business days under s 66 of the RTRA Act), this can cause an undue delay to the release of the tenant's bond. Prematurely claiming the bond can make the process more difficult for both parties than it may have otherwise been.

If tenants are better educated or if communication can be improved from the RTA platform so that the tenant is not prematurely claiming the bond, we expect the volume of disputes would be significantly reduced and overall tenant satisfaction would improve. We recommend this issue is investigated with the RTA to determine how prevalent it is and its connection with the volume of bond disputes escalated to the RTA and QCAT.

A middle step in the RTA bond claim process may be considered whereby if a tenant starts the process, the RTA should confirm with the lessor or property manager that the tenancy has ended before processing the bond claim. This step could also impose a requirement for the lessor or property manager to respond within 1-2 business days to ensure the step doesn't delay the bond claim process, appreciating the need for the tenant to promptly receive a refund of the bond, or part thereof, that they are entitled to.

Full bond being held up for partial release

The second most prominent reason why a bond refund may be delayed is where an entire bond needs to be held up with the RTA while a claim on part of the bond is being finalised. In this scenario, a bond release may be delayed because:

- the lessor or property manager is not able to confirm the amount they will need to claim until they incur the costs of repair, ie. the repair works have been carried out; or

- the lessor or property manager is aware of the approximate amount in dispute but has not finalised a release of the part of the bond that is not disputed.

If the lessor or property manager does not know what amount they need to claim on a bond, for example if they are awaiting a quote on repairs, they may have no choice but to hold up the entire bond until the costs have been incurred.

If a property manager does not claim the correct amount and proceeds with a partial release in the meantime and the costs are higher than anticipated, the lessor will be responsible for the costs and their property manager may be in breach of their professional duties and obligations to the lessor. This would be most relevant in circumstances where extensive repair work or cleaning is needed (outside the scope of fair wear and tear or a lessor obligation under the RTRA Act).

We believe that the second reason noted above can be addressed through community education. Given the statistics released by the RTA, we do not believe this is a prevalent issue and it does not warrant statutory reform.

The simplest way that a tenant can guarantee the expedient release of their full bond is to ensure rent is paid up to date and notify the property manager of any damage caused to the property well before the end of the tenancy. If repairs can be finalised before the end of the tenancy, there will be no need to wait for quotes after the end of the tenancy.

Timeframe to respond

Fourteen days is not sufficient time in circumstances where a lessor or property manager must arrange for quotes to repair damages caused to the property.

For example, it is reported to the REIQ by our membership that in regional areas it can take a month to get tradespersons to attend a property to quote for damage and repairs. In Brisbane, it can take more than 3 weeks to get some trades, such as a plasterer, to attend a property.

We foresee this will lead to quotes being given without the relevant tradesperson having the opportunity to access the property and assess the damage and repair works required. This may lead to excessive costs being claimed, ultimately disadvantaging the tenant.

Where there is no damage to the property, as noted above, the data shows that lessors or property managers do not delay in taking the steps needed to expediently release a tenant's bond. If all parties sign a refund request, the bond can be paid out within hours. If one party claims a bond refund without agreement from the other party, the other party has 14 days to dispute the claim otherwise the RTA will payout in accordance with the requesting party's refund request.

A lessor should not lose their security on the basis that they were not able to obtain information within this period of time, for reasons outside of their control.

We suggest a timeframe of 28 days would be more appropriate to accommodate for those circumstances where the time it takes to obtain the evidence is outside of the control of the lessor or property manager.

Otherwise, the timeframe could be attached to the receipt of the quote. For example, the lessor or property manager must provide the quote or invoice to the tenant within 7 days of receipt from the relevant contractor.

It is also important to note that these circumstances would be entirely avoidable if the tenant complies with their legal obligations under the tenancy agreement and RTRA Act to notify the lessor or property manager of damages promptly and return the property to the same condition as when the tenant took possession. If a tenancy is ending, the tenant will have at least 2 months' notice to be able to address any repairs that are needed through the appropriate channels. It may be a better policy position to promote tenant education on this issue than to unfairly constrain lessors.

Reasonable efforts of contact

Subsection 136AA(4) provides that this obligation to supply evidence does not apply if the lessor, provider or their agent has been unable to contact the tenant or resident after making reasonable efforts.

Subsection 136AA(5) sets out that reasonable efforts, includes:

a) attempting to contact the tenant or resident by telephone, including text message, or by email or private message on a social media platform;
b) attempting to contact an emergency contact listed on the agreement.

We do not see any rational basis for why a lessor or property manager would need to make "contact" with the tenant in relation to the supply of evidence. The information should be provided to the tenant at their address for service, which may be an email address, or the agreed method of contact.

Most members of the community would consider it to be inappropriate for a lessor or property manager to send information to a tenant via a social media message or to contact the tenant's emergency contact.

The RTA will have a current contact or forwarding address for the tenant, as is necessary to complete the bond refund.

The concept of a lessor needing to make 'contact' does not make sense and is not consistent with any provision requiring the giving of information from one party to the other under the RTRA Act.

Recommendations

14. That the Government provide better education to tenants in relation to the bond claim process and guidance on how to ensure the bond will be refunded in full.

15. That the changes to s 136AA be removed.

16. Alternatively, that:

    a) The timeframe to provide evidence of a bond claim under s 136AA(3) is extended to 28 days from the date of the bond claim or 7 days from the date the quotation or invoice is received; and

    b) section 136AA(4) is amended so that the lessor is taken to have provided the evidence if sent to the tenant's last known address for service or another address/email address provided by the RTA.

1.2.4 Maximum bond limit

Section	Item	Application
146	Payments above maximum amount	The current exceptions to the maximum bond limit that can be charged will be removed. This means that the maximum bond that can be charged as prescribed by regulation will apply for all tenancies regardless of the weekly rent payable.

By removing the weekly rent thresholds, the maximum bond that can be charged for a tenancy will be:

- 4 weeks' rent for general tenancies and rooming accommodation
- 2 weeks' rent for moveable dwellings

This will apply regardless of the amount of weekly rent payable.

Increasing thresholds

The thresholds were introduced because it is accepted that greater security is needed for properties of higher value, that are larger in size and with higher quality fixtures and fittings. These properties cost more to clean and maintain. Four weeks' rent is not sufficient to secure the obligations of the tenant for properties that are greater in size and valued at the higher end of the market.

The $700 threshold, we agree, is outdated.

We suggest the threshold is increased to $1,500 rent per week, which is consistent with most insurance policy thresholds.

Increasing this threshold will still ensure most tenancies are captured by the maximum bond limitation of 4 weeks' rent. It is more likely that persons renting above this threshold will have the means to be able to afford providing a higher bond as security.

Additional bond by mutual agreement

It is often reported to the REIQ from our membership that the amount of bond taken is often insufficient to cover unpaid rent and damages caused by tenants at the end of their tenancies.

Lessors commonly absorb costs incurred by the tenant failing to pay rent or seriously damaging their property and are required to seek compensation against a tenant in QCAT for an amount above the bond.

It is commonly reported that tenants will stop paying rent several weeks before the end of their tenancy with the intention that rent for this period would be deducted from their bond return.

The problem with this common practice is that by doing so, the tenant significantly reduces the amount left to cover repairs, cleaning and other obligations under their tenancy agreement.

As a result, if the lessor wishes to seek compensation for the amount they incur from the tenant failing to meet their obligations under the tenancy agreement, they must make a claim for compensation in QCAT.

It may be an appropriate measure to allow for parties to negotiate and agree to a higher amount of bond being taken, being reasonable for the type of property, features and inclusions.

Additionally, we consider it is appropriate to permit the lessor or property manager to take a higher bond where there is an additional risk to the property, such as if a pet is permitted at the property or if an alteration under s 208 is agreed to (we provide further detail on this point in Part 2.2.8 of this Submission).

Where a change to a property carries a greater risk to the property and a potentially a higher cost of repair than what the bond affords, the lessor should be entitled to request same as a condition of consent.

For example, in Western Australia, a maximum amount of $260 may be charged for a pet bond, irrespective of the number of pets being allowed[5]. In Victoria, a lessor is able to request an additional bond if a tenant requests a modification to the property[6].

If a tenant pays rent until the end of their tenancy agreement, as agreed to under the terms of their tenancy, then they are far more likely to receive a full bond refund. If they ensure the property is taken care of (save for fair wear and tear) and returned in the same condition as at the start of the tenancy, then they are far more likely to receive a full bond refund.

These critical factors are often overlooked when bond disputes arise. Again, the REIQ calls on the Government to provide greater community education about meeting tenant obligations under tenancy agreements so that a full bond refund can be given after the expiry of a tenancy.

Recommendation

17. Instead of removing the threshold under s 146(3), increase it to $1,500 rent per week.

18. Amend s 146(1) to allow parties to negotiate and agree to a higher amount of bond being taken, being reasonable for the type of property, features and inclusions.

19. Amend s 146 to permit the lessor or property manager to take a higher bond where there is an additional risk to the property, such as if a pet is permitted at the property or if an alteration under s 208 is agreed.

[5] Department of Energy, Mines, Industry Regulation and Safety, Pet bonds (May 2022)
[6] *Residential Tenancies Act 1997* (Vic) s34

1.2.5 Service and water consumption charges

Section	Item	Application
165	General service charges for premises other than moveable dwelling premises	If the tenant is required to pay an amount for outgoings that is charged by the relevant supply authority for the quantity of the thing, service or facility supplied to the premises, the lessor will be required to give the tenant a copy of the documents about the amount charged by the relevant supply authority within 4 weeks after the lessor receives the documents. If the tenant does not receive the copy of the documents, the tenant is not required to pay an amount for the outgoings.
166	Water service charges for premises other than moveable dwelling premises	If the tenant is required to pay an amount for water consumption charges, the lessor must give the tenant a copy of the documents about the amount charged by the relevant water supplier within 4 weeks after the lessor receives the documents. If the tenant does not receive the copy of the documents, the tenant is not required to pay an amount for the water service charges.

Addressing the problem

Although we agree that utility charges should be expediently passed on to the tenant, this is not always possible for a property manager due to circumstances outside of their control.

Depending on the agency that manages the property and preferences of the lessor, utility bills will either be received and paid by the lessor and passed on to the property manager to invoice the tenant, or, received by the property manager to pass on to the tenant to pay.

Many property managers have implemented systems to ensure that all utility bills are provided automatically to the tenants. Property managers will also typically diarise critical dates that relate to the payment of invoices. Lessors that are self-managed will generally not use such systems.

Where a tenant receives a bill late, this is usually due to circumstances such as the bills being overlooked in a lessor's mail or email, or details for the payee not being kept up to date with local governments or utility providers. This can be easily rectified with community education and better system management promoted by the Government.

Exception

Otherwise, an exception may be appropriate if a lessor or property manager can provide reasons why they weren't not able to provide the documents to the tenant within the applicable period. For example, if the bill was sent to the wrong address or was never received from the service provider.

The tenant should not be released from their obligation to pay for services and water consumption on the basis of the lessor or property manager not being provided with the accounts within a reasonable time.

Major drafting error - water consumption charges at the beginning and end of tenancy

The proposed changes ignore the practical realities of invoicing for water consumption charges.

Under the proposed changes to s 166(7), the *document* that is given to the tenant **must** be a document **issued by** a water service provider. Therefore, invoices raised by the property manager for the tenants water consumption at the beginning and end of the tenancy will be **excluded**.

It is very uncommon for the end date of a tenancy to coincide with a billing period. At the end of the tenancy, the property manager will usually arrange for a water meter reading either by the property manager or the tenant, and will use the meter reading and the average daily use provided in the last billing period to calculate the water consumption for the period that is outstanding (from the date of the last billing period to the last date of the tenancy).

The property manager will then issue an invoice for this amount. This is a fair and legal practice to ensure the tenant can pay the water consumption expediently.

Similarly, the tenant will only pay for water consumption from the beginning date of the tenancy until the first bill as calculated by the property manager, apportioning the bill on the basis of the average daily use and water meter reading.

At the beginning of the tenancy, the tenant would receive a bill including water consumption for the last tenant for the period from the start of the billing period until the date before the tenancy commenced.

At the end of the tenancy, this means that tenants **will not be** required to pay for water consumption for the period between the last billing period to the date the tenancy ends, unless the bill is received in the last 4 weeks of the tenancy.

In some local governments in Queensland, water is billed through the local government and is charged biannually. For example, a tenant in Toowoomba could be excused from paying for their water consumption charges of up to 6 months. The lessor would have to bear this cost (as there is a reasonable argument under s166(2)(a) that the new tenant would not have to).

Some properties, such as duplexes, also have a one boundary meter and separate flow sub-meters. Only the boundary meter is invoiced and the flow sub-meters are read with the invoice apportioned respectively by the property manager. These provisions would make it impossible for a lessor or property manager to charge water consumption for properties that are separately metered by flow sub-meters.

For the reasons stated above, this provision requires urgent amendments.

Recommendation

20. That a 'document' which must be provided to the tenant under s 166(7) not exclude invoices issued by the lessor's property manager for water consumption at the beginning and end of a tenancy.

21. That the timeframe under ss 165 and 166 should be extended to a reasonable period of 8 weeks.

22. That an exception be inserted whereby the tenant will still be responsible for the costs of the outgoings and water consumption if the lessor or property manager provides reasons why they have not been able to provide a copy of the documents within the prescribed timeframe and those reasons are outside of the control of the lessor or property manager.

1.2.6 Entry notice period

Section	Item	Application
193(c)(ii)	Notice of Entry	The required notice period for entry by a lessor or lessor's agent other than for general inspections will increase from 24 hours to 48 hours.

This change will increase entry notice periods for:

- routine repairs and maintenance;
- inspection to check if repairs have been completed;
- to install or check smoke alarms;
- to install or check safety switches;
- to show prospective buyers or tenants the property;
- for a valuation;
- suspected abandonment; or
- inspection to check if the tenant has remedied a significant breach.

We do not oppose this change. In most cases, a property manager will provide a tenant with several days, if not weeks, of notice in advance. The property manager will usually schedule their inspections and repair works at least a week in advance and will notify the tenant at the time that tradespersons are booked. It is the REIQ's best practice recommendation adopted by many property managers, to work with the tenant on a time and date this is mutually suitable.

The REIQ often receives reports of tenants not allowing tradespersons to enter premises, regardless of how much notice is given. If the tenant refuses entry, the property manager's only recourse is to apply to the RTA for dispute resolution. If that process is not successful, the property manager then needs to apply to QCAT for an order to amend the rules of entry. This can be a highly burdensome process for a property manager, particularly when the entry relates to repairs and maintenance that are needed to keep the property in a good condition.

Just as there is a penalty under s 202 of the RTRA Act for a lessor or property manager who enters a premises unlawfully, we consider it is appropriate for a tenant to incur a penalty for unlawfully refusing entry to a lessor or property manager.

Recommendation

23. To insert a new provision requiring a tenant to allow access to a property when the rules of entry have been complied with, including a penalty for failing to give lawful access to the lessor or property manager.

1.2.7 Frequency of entry

Section	Item	Application
195A	When lessor or lessor's agent may enter—notice to leave or notice of intention to leave given	When a tenant has issued a notice of intention to leave or the lessor has issued a notice to leave, the lessor or their agent will not be permitted to enter the premises more than twice in a 7-day period.

We foresee many practical challenges arising from this provision, ultimately causing far greater harm to the tenant than any perceived benefit.

Example scenarios

<u>If the property is being sold and a Notice to Leave is issued</u>

The limitation will prevent the lessor, property manager or the lessor's sales agent from conducting inspections with prospective buyers and from giving access required in accordance with the terms of a contract of sale (such as valuation, building and pest inspection, pre-settlement inspections).

<u>If the tenant is breaking lease</u>

The tenant will be responsible for paying rent until the premises is relet. If the lessor or the property manager is not permitted to allow inspections when requested, then this will significantly hinder the reletting of the property, potentially leading the tenant to pay for more weeks of rent than would otherwise be necessary.

Some may argue that two inspections should be sufficient given the current low vacancy rates. This position is shortsighted however, as the laws should not only be made to suit one type of market and if the same laws apply in a rental market with high vacancy rates, then reletting the property could take much longer.

Exception

It is an oversight that s 195A does not include an exception on the basis that the parties mutually agree to more than two entries. If the parties agree, this will arguably constitute a breach of tenancy law as it will be contracting outside of the act. This means the tenant or lessor will not get a choice or have any flexibility.

If repairs and maintenance are needed that will take more than two days to complete, this will need to be postponed until after the tenant vacates.

Entry for buyers under a contract of sale

In the consultation Stage 2 Rental Reforms Options Paper issued in May 2023, it was proposed to add an entry ground to allow a buyer to enter the premises to do certain acts required under a contract of sale. This ground was welcomed by the REIQ, however, has not been included in the RTRAOLA Bill.

If a lessor is contractually obligated to allow a buyer entry on or before particular dates, this should be permitted regardless of when the last entry occurred.

Recommendation

24. That s 195A is removed from the RTRAOLA Bill.

25. Alternatively:

    (a) that the frequency of entry per 7-day period is increased to 3 entries; and

    (b) s 195A includes an exception whereby the parties can mutually agree to more than two entries.

26. A new entry ground is inserted to allow a lessor to give access to a buyer for any inspection they are entitled to under a Contract of Sale.

1.2.8 Alterations to fixtures and structural changes

Section	Item	Application
207	Process for approval to attach fixtures or make structural changes – body corporate approval	The tenant may, on the approved form, request to install a fixture or make a structural change to the premises. The lessor must decide within 28 days whether to approve or refuse the request, and advise the tenant of the lessor's decision. If the lessor approves the request, they must state that their approval is subject to the agreement of the body corporate and the lessor must forward the request to the body corporate within the same 28-day timeframe. The lessor must advise the tenant as

		soon as reasonably practicable of the body corporate's decision about the request. If the body corporate approves the request the tenant may attach the fixture or make the structural change in accordance with the lessor's agreement, and subject to any conditions of the agreement given by the lessor.
208	Process for approval to attach fixtures and make structural changes – lessor approval	A tenant may, on the approved form, request the lessor's approval to attach a fixture or make a structural change at the premises. The lessor must respond to the request within 28 days (or a longer period if both parties agree) and either approve or refuse the request. The lessor may agree subject to conditions. The lessor must not act unreasonably in refusing the tenant's request. A tenant may attach the fixture or make the structural change to the premises in accordance with the lessor's agreement. The tenant may also attach the fixture or make the structural change in accordance with an order of the tribunal.
209	Agreement about fixtures and structural changes	An agreement to attach fixtures or make structural changes to the premises must be in writing, describe the nature of the fixture or change, and include any conditions of the agreement, including: • maintenance obligations if the fixture is attached by the tenant • whether the tenant may remove the fixture; • when and how removal may be performed; • any obligation for the tenant to repair damage caused to the premises or to compensate the lessor for the lessor's reasonable costs of repairing the damage in removing the fixture; • if removal by the tenant is not allowed, any obligation of the lessor to compensate the tenant for any improvement the fixture makes to the premises.
209A	Attaching fixture or making structural change without lessor's agreement	If the tenant attaches a fixture or makes a structural change without the lessor's consent or in a way that is inconsistent with the lessor's agreement, the lessor may waive the breach and treat the fixture or change as an improvement to the premises instead of taking action for non-compliance with the tenancy agreement.
209C	Tribunal order about attaching fixtures or making structural changes	A tenant may apply to the tribunal for an order about the attachment of a fixture or making of a structural change if the lessor does not approve a tenant's request. The tribunal may make any order that it considers appropriate about the attachment of the fixture or making of the structural change. In deciding the order the tribunal may have regard to: a) the potential for the fixture or structural change to improve the safety, security and accessibility of the premises for the tenant; b) the likelihood that the fixture or structural change can be removed at the end of the tenancy, or the premises can be restored to the condition the premises were in at the beginning of the tenancy; c) whether the proposed fixture or structural change would add value to the premises and whether the lessor may

		treat the fixture or structural change as an improvement to the premises; d) whether building approvals are required for the proposed fixture or structural change; e) whether the proposed fixture or structural change would need to be installed by a qualified tradesperson; f) if the premises are part of a body corporate scheme— whether body corporate approval is required for the fixture or for the structural change to be made; g) for a proposed structural change – the extent to which the proposed structural change will modify the premises; h) any other matter the tribunal considers relevant.

Personalisation changes

In the explanatory notes, it is stated that these changes clarify the process for tenants to request personalisation changes. This is not true however, as ss 207 – 209 relate to ***alterations for attaching fixtures and structural changes***. By way of example, the scope of the changes may include:

- removing walls, widening walkways;
- installing electrical fixtures and appliances (air conditioning, ceiling fans, ovens, dishwashers);
- installing shelving and built-in furniture;
- changing flooring;
- changing plumbing and electrical hardware; or
- changing window furnishings that are fixed to the property.

Other changes for personalisation that don't involve structural changes or attaching fixtures, is rightfully not captured by this section. These changes would include painting walls and hanging photos, posters and artwork.

Through our initial Stakeholder consultation with the property management sector in 2023, it was reported that in most cases, a lessor will agree to minor personalisation changes requested by a tenant. Provided that a tenant takes care of their property and agrees to reasonable conditions, such as making good any changes at the end of their tenancy, lessors will generally agree to minor personalisation changes. This is especially true where the tenant has a good history at the property and is a long-term tenant. We do not consider that there is any substantial basis to legislate a process for 'personalisation changes'.

Approval conditions

We support the broad nature of the conditions which a lessor can impose on their approval.

We suggest this is expanded to include a requirement that the tenant engages suitably qualified tradespersons nominated by the lessor to carry out the structural change. Such changes will impact the structural integrity of the property and the lessor's insurance. The lessor (or their insurer) should be permitted to nominate a suitable tradesperson that is qualified and insured to carry out any structural changes or attachment of fixtures where the lay person should not do such work themselves.

The lessor should also be entitled to request an additional bond be provided by the tenant as security. It is probable that some tenants will underestimate the costs associated with restoring an alteration (which in some cases, will be greater than the costs of carrying out the alteration). A tenant will need to plan and budget for the cost of removal in addition to all of the other costs incurred with moving property. The lessor needs security in case the tenant is unable to afford to restore the alteration.

Right to refuse

The REIQ supports the protection of the lessor's right to refuse the attachment of a fixture or structural change under ss 207 and 208. We also welcome the consideration given to the impact of alterations when the property is a lot in a community titles scheme and is subject to body corporate approval. We are pleased to see community title schemes being recognised in tenancy laws.

Timeframe to respond

The REIQ does not support the introduction of a blanket time restriction for the provision of the lessor's response to the tenant's request for alterations.

Given that this section anticipates structural changes, it is likely that the lessor would require more time than 28 days to obtain the information necessary to consider the tenant's request.

The REIQ believes the timeframe should be reasonable and proportionate to the nature of the request. There will be many circumstances where 28 days is insufficient, for example:

- some requests will need an assessment from a structural engineer or architect (moving walls, windows, external structures);
- a building approval may be required from the local authority;
- if there is asbestos at the property, a suitable professional will need to inspect the asbestos;
- trades in regional communities are difficult to access with the current labour shortages;
- if materials that must be removed or damaged are difficult to replace (such as tiles), it will take time to locate a suitable replacement material; or
- specialist contractors and consultants.

Recommendation

27. That the timeframes under ss 207 and 208 be reasonable and proportionate to the nature of the tenant's request.

28. That s 209(2) is expanded to allow an agreement about a structural change or attachment of fixture whereby the lessor can require the tenant to engage a suitably qualified tradesperson nominated by the lessor to carry out the structural change or attachment of fixture.

1.2.9 Reletting costs

Section	Item	Application
357A	Reletting costs	The amount of reasonable costs will be capped, where a tenant terminates a lease before the end of a fixed term and other than in a way permitted under the RTRA Act. Where the fixed term of a lease is three years or less, the reletting costs are the lesser of: • an amount of rent equal to the rent that would be payable by the tenant between the tenant handing over vacant possession of the premises and the date a new agreement commences after the premises are relet, or; • four week's rent if less than 25 per cent of the agreed term has expired; • three week's rent if more than 25 per cent and less than 50 per cent of the agreed term has expired; • two week's rent if between 50 per cent and 75 per cent of the agreed term has expired; • one week's rent if more than 75 per cent of the agreed term has expired. Where the fixed term of a lease is more than three years, the reletting costs are the lesser of: • an amount of rent equal to the rent that would be payable by the tenant between the tenant handing over vacant possession of the premises and the date a new agreement commences after the premises are relet, or; • one month's rent for every 12-month period remaining on the agreement, up to a maximum amount equal to 6 month's rent.
420(3)	Orders about breach of agreements	An order for compensation made by QCAT in favour of a lessor relating to reletting of the premises must not be more than the reletting costs under new section 357A(3).
421	Matters to which tribunal must have regard for orders for compensation	In making an order for compensation in favour of a lessor or provider, the tribunal must have regard to whether the lessor or provider has met their duty to mitigate loss or expense.

Major drafting errors

The amendments proposed to ss 357A, 420 and 421 confuse the concept of reletting costs and a lessor's entitlement to compensation for rent. We foresee many disputes arising over the interpretation of these provisions and recommend significant amendments to these provisions before the RTRAOLA Bill is passed.

Current costs associated with breaking a lease

When a tenant breaches the terms of their tenancy agreement by vacating without grounds permitted under the RTRA Act, the lessor is entitled to compensation for:

- their reasonable reletting costs (usually 1 weeks' rent plus GST)
- reasonable advertising costs; and
- compensation for loss of rent from the date the tenant vacates to the date the property is relet (or the tenancy expires).

For a property that rents at $550 per week, the reletting costs alone would be around $750 (for the reletting fee and advertising costs). The lessor would be entitled to this plus compensation for loss of rent.

Presently, it is usual practice that QCAT will not grant compensation for reasonable advertising costs or reletting costs if the tenant breaks lease within 6-8 weeks of their tenancy ending.

Compensation may also be sought for other amounts the lessor is entitled to under the tenancy agreement. For example, for cleaning or the repair of damage caused by the tenant (on the basis of standard term 37 of the Form 18a General Tenancy Agreement).

Under the RTRA Act, there are several important statutory protections available for tenants:

- the lessor is required to mitigate the losses associated with the break lease;
- if the tenant is experiencing excessive hardship (such as serious financial or health issues) they may seek an order requesting an early release;
- if the tenant is terminating under domestic and family violence grounds, they are not responsible for any reletting costs;
- if they believe reletting costs charged are unreasonable, they can make an application for review; and
- QCAT will not allow a claim of compensation from the lessor if they do not agree the costs are reasonable, or if the lessor did not take steps to mitigate the tenant's costs.

Additionally, when considering such matters, QCAT will take a conservative approach and require a very high level of evidence that the lessor has taken steps to mitigate the tenant's costs. For example, property managers must demonstrate:

- that they have undertaken all efforts to mitigate the costs;
- what steps were taken to re-advertise the property quickly;
- the comparative market analysis;
- number of enquiries received and responded to;
- viewings facilitated; and
- applications received and processed.

Generally in practice, property managers will do all things necessary to expediently relet the property and the time it takes to find a replacement tenant can vary depending on factors such as the location, condition and rental price of the property, and the demand for rental properties in the area. Notwithstanding this, the tenant is still protected and QCAT decisions are discretionary depending on what member is presiding over the matter.

Proposed formula

The proposed formula and changes to ss 357A, 420(3) and 421 are drafted poorly and two possible interpretations can be taken. We believe it is intended that the costs calculated under s357A are to represent just the 'reletting costs' and do not impact the lessor's right to claim compensation for rent loss.

A separate interpretation may however be taken, that these provisions intend to amalgamate the concept of compensation for rent loss and reletting fees, providing that the lessor may only charge one fee representing both, in accordance with the formula. Urgent clarification is required in this respect.

Both interpretations are explained below.

Reletting fees payable in addition to compensation for rent loss

In our view, s 357A is interpreted to mean that the reletting costs payable by the tenant are separate to the lessor's right to claim compensation for rent loss.

We do not understand the basis for this change however, as by our calculations, the lessor will be entitled to charge more for reletting fees than they charge now.

Example 1: Current reletting costs

Reletting cost (1 weeks rent)	$550
Advertising costs	$200
Total reletting fees	**$750**

Example 2: break lease for tenancy under 3 years

- Rent is $550 per week
- Tenancy is renewed for 12 months
- Tenant breaks lease with 8 months (40 weeks) left

Rent payable between vacate date and date premises relet	If property relet 2 weeks later - $1,100.00
Between 25-50% remaining – 3 week's rent	$1,500.00
Total reletting fees (lesser amount)	**$1,100**

Example 3 - tenancy over 3 years

- Rent is $550 per week
- Tenancy is 5 years in length
- Tenant breaks lease in year 2, with 3 years left

Amount equal to 1 month's rent per year remaining	$2,383 x 3 = $7,149
Rent payable between vacate date and date premises relet	If property relet 2 weeks later - $1,100
Total reletting fees (lesser amount)	**$1,100**

In both scenarios, the lessor would be entitled to charge reletting costs far greater than they are entitled to under the current provisions.

Amalgamation of rent loss and reletting fees

If it is intended that reletting fees and rent loss be amalgamated into one 'reletting cost', this is not clear. Arguably, under s 420 (and other relevant provisions) a lessor can still seek compensation for rent loss as this is not a cost associated with 'reletting' but compensation relating to the tenant's legal obligation to pay rent under the tenancy agreement.

These formulas do not work across different types of markets. In a rental market with low vacancy rates, such as we are currently experiencing, the rent between the vacate date and date the property is relet will almost always be the lower amount. The only scenario where it won't be lower, is if the break lease occurs at the end of the tenancy and it takes the lessor or property manager several weeks to relet the property after the tenant has vacated.

Therefore, the lessor or property manager will only be able to recover the loss of rent. The actual reletting costs associated are omitted. This is highly problematic as this means the lessor will incur the re-advertising costs and reletting costs. This is unacceptable given the tenant is the party who is breaching their legal obligations. Under any other consumer contract, a defaulting party is liable for costs and damages that are incurred as a result of their own breach.

Keeping reletting costs and compensation for rent loss separate

It is our view that the most legally sound position is to keep compensation for rent loss and reletting costs separate.

Changes to s 420 need to be considered to ensure this is clearly stipulated in the legislation and to remove any ambiguity in interpretation of s 357A. We propose the following amendments:

> *(3) An order under subsection (1)(e) in favour of a lessor in relation to the costs associated with reletting of premises must not be made for an amount that is more than the reletting costs*

Formula for reletting costs

The REIQ consistently receives feedback that property managers will pro-rata reletting costs already and if a tenancy is near its end and will not charge the full costs that the lessor is entitled to. The current system is fair, reasonable and works.

If a pro-rata formula is going to be considered, the one currently set out in s357A is not the solution. This increases the costs to the tenant by, in some cases, almost double. In any event, we do not support any capping of reletting fees.

If the Government intends to regulate reletting costs in the manner proposed – which we do not support - we recommend more extensive research is conducted to determine what level of reletting costs are presently charged to the tenant and on what scale.

It should be remembered however, that by breaking lease, a tenant is breaching a legally binding contract with the lessor. The lessor does not have the same rights if they wanted to end a lease early. Imposing reletting costs can be modest compared to realistic consequences for contract breaches.

Recommendation

29. That no changes are made to ss 357A, 420 and 421(3) and that the current fair and reasonable process for reletting costs is upheld.

30. Alternatively:

    (a) section 420(3) is amended to clarify that the calculation of reletting costs under s 357A are separate to any other claim of compensation a lessor may have under the tenancy agreement including for loss of rent; and

    (b) a simpler formula is utilised for calculating pro-rata reletting costs.

1.2.10 Personal Information

Section	Item	Application
457	Definitions for ch 9	'Personal information' is defined as: a) information or an opinion about an identified individual, or an individual who is reasonably identifiable, whether the information or opinion is true or not, and whether the information or opinion is recorded in a material form or not; and b) photos or images of the individual's personal possessions or standard of living.
457D	Requirements about collecting personal information	A person collecting personal information about a person in relation to a tenancy agreement may collect the information only for the purposes of assessing the suitability of an applicant as a tenant or resident for the agreement, or if the information relates to the management of the premises or rental premises. Photographs taken of the rental property during inspection are information relating to the management of the premises or rental premises.
457E	Requirements about collected information	A lessor, provider, or agent must ensure that information collected under section 457D is stored in a secure way and accessed only for the purposes of assessing the suitability of an applicant as a tenant or resident for the agreement, or for the purposes of management of the premises or rental premises. Any information collected must be destroyed in a secure way for: • an applicant who does not become a tenant or resident, within three months after the application was made, or;

		• a tenant or resident, within three years after the end of the residential tenancy agreement or rooming accommodation agreement.

The REIQ supports increased regulation in relation to the collection, storage and disposal of personal information for tenancies in Queensland.

Subject to our comments below, we agree that ss 457D and 457E provide clear and reasonable obligations. We believe this will significantly improve the practices of third-party platforms used to take tenancy applications.

The REIQ has long advocated for clear statutory guidance about how information from tenants should be collected and stored by property managers, given the current conflicting requirements under the different legislative instruments applicable to the real estate sector including under the PO Act and Regulation, RTRA Act and *Agents Financial Administration Act 2014* (**AFA Act**).

Additionally, the *Privacy Act 1988* (**Privacy Act**) may not apply to many agencies if they fall under the $3 million threshold. The REIQ's best practice recommendation is for agencies to take actions to comply with the Privacy Act even if they are exempt. In 2023, the REIQ released a comprehensive Cyber Resilience Toolkit created in partnership with cyber industry experts, designed for real estate professionals outlining best practices for cyber security and resilience for real estate agencies.

Photographs of the tenant's possessions and standard of living

Although we appreciate the intention of including '*photographs or images of a tenant's personal possessions or standard of living*' in the definition of personal information under s 457, this provision in combination with s 457D will make it impossible for photographs to be taken and used to advertise a property to relet at the end of the tenancy or to sell.

We agree that photographs should be securely stored and disposed of, however the law should not prohibit property managers from using photographs containing belongings of the tenant in advertisements. Belongings that identify the tenant should obviously be excluded, however, this provision goes a step further and classifies all of the tenant's belongings as personal information.

It is highly inappropriate to suggest that a tenant should be removing all of their belongings in order for photos to be taken. It is also illegal for an agent to advertise a property with old photos that do not represent the current state of the property. Under the proposed laws, lessors and property managers' would be constrained to advertise a property without internal photographs or with photographs that are limited in what can be shown. This will disadvantage prospective tenants and prospective buyers, as they will be unable to see what the property looks like before inspecting in person. Where an in-person inspection is not possible, this will mean that the prospective tenant or buyer will need to solely rely on the advertisement wording and information provided by the lessor or property manager.

We recommend the below amendment to s 457:

> *(b)photographs or images of the individual's personal possessions or standard of living, that would reasonably identify that individual*

The REIQ has also long advocated for s 203 to also be amended for this same reason. Under s 203, a photo or other image of the premises in an advertisement must not show something belonging to the tenant without their written consent. We propose this section is also amended to allow photos or images to show possessions where those possessions do not identify the tenant or show valuable belongings.

In Victoria, a tenant can object to the taking of photos or videos if they would:

- directly identify the tenant or someone else living at the premises
- reveal sensitive information about the tenant or someone else living at the premises
- show something that is valuable that would increase the risk of theft to the premises; and
- it would be unreasonable to expect the tenant to remove or conceal such an item.

The REIQ considers this approach to be more reasonable and would support similar requirements being introduced in Queensland.

Timeframe to store information

Under s 457E(2)(c), it is proposed that a property manager will need to destroy a tenant's personal information within 3 years after the end of the tenancy.

This timeframe is inconsistent with other statutory requirements:

- s15 of the PO Act requires a principal licensee to keep each document the licensee is required to keep in a secure, orderly and accessible way and for at least five (5) years;
- under s26 of the Agents Financial Administration Regulation 2014, records must be kept for five (5) years for all trust account transactions;
- generally, the relevant provisions of the RTRA Act require tenancy documentation to be retained for a period of at least one year after the agreement ends;
- under the Limitations of Actions Act 1974 (LAA), a party has the following time limits to commence actions:
    - tort or contract without personal injury (for example, breach of Form 6 terms, property damage or economic loss) – 6 years from the date on which the cause of action arose (s 10 LAA);
    - rent recovery – 6 years from the date on which the arrears became due (s 25 LAA); and
    - land recovery – 12 years from the date on which the cause of action accrued (s 13 LAA).

The REIQ best practice recommendation is to store information for a period of **seven (7) years**.

This will ensure property managers have records evidencing how they fulfilled their obligations should a party (a lessor or a tenant) later make a claim of professional negligence, breach of contract or breach of the law. If they are unable to produce these records, the property manager will be at a much higher risk of being uninsured or unable to defend a claim against them.

The proposed timeframe of 3 years is problematic and constitutes a violation of procedural fairness. The Government should not mandate that a party destroy evidence they need to defend themselves within the statute of limitations for a claim to be made against them.

Records can also assist a tenant with a future claim against the lessor as most insurers require such evidence to uphold their policies. Additionally, a three-year time frame will limit a property manager's ability to provide a reference for a former tenant in cases where a tenant hasn't rented for a few years (eg. sale of property, marriage or family breakdown).

Recommendations

31. That the s 457 definition of '*personal information*' is amended to allow photographs containing a tenant's belongings (that do not identify the tenant) to be used in advertising a property.

32. The timeframe for a lessor or property manager to securely store personal information be increased to 7 years from the end of the tenancy to which the information relates.

1.2.11 Transitional provisions

Section	Item	Application
582	Existing applications for residential tenancies and rooming accommodation	An application for a residential tenancy agreement made but not decided before commencement does not need to use the approved tenancy application form.
583	Application of amendments about payment of rent – existing residential tenancy agreements	The fee-free rent payment method provisions do not apply in relation to a residential tenancy agreement entered into before commencement of these provisions. However new section 84B will apply to a residential tenancy agreement entered into before commencement if the lessor, agent or tenant proposes to change the way rent is paid under the agreement.
584	Application of changes about payment of rent – existing rooming accommodation agreements	The fee-free rent payment provisions do not apply in relation to a rooming accommodation agreement entered into before commencement of these provisions. However, new section 99B will apply to a rooming accommodation agreement entered into before commencement if the provider, agent or resident proposes to change the way rent is paid under the agreement.
585	Evidence supporting claim on rental bond not required for certain rental bonds	The requirement to substantiate bonds will not apply to claims or dispute resolution requests on bonds during the transition period if the rental bond was paid to the RTA before commencement of the provision. The transition period is defined as the period starting on commencement and ending 12 months after commencement.
586	Existing residential tenancy agreements including term about	If a residential tenancy agreement entered into before commencement of the provision contained a term requiring a tenant to pay the lessor reasonable costs incurred in reletting the

	releting costs	premises and that term complied with former section 357A, the term is taken to comply with new section 357A.
587	Existing rooming accommodation agreements including term about releting costs	If a rooming accommodation agreement entered into before commencement of the provision contained a term requiring a resident to pay the provider reasonable costs incurred in releting the rental premises and that term complied with former section 396A(1), the term is taken to comply with new section 396A(1).
588	Transitional regulation making power	A regulation may prescribe transitional or savings provisions about any matter necessary to achieve the transition from the operation of this Act as in force before its amendment by the amending Act to the operation of this Act as in force from the commencement, and for which this Act does not make provision or sufficient provision.

The following transitional provisions must be inserted, to ensure parties obligations and rights are clear once the laws come into effect:

Maximum bond limit – s 146

If a residential tenancy agreement or rooming accommodation agreement entered into before commencement of the provision, contains a term requiring bond to be paid that exceeds 4 week's rent and that term complied with former s 146, the term should be taken to comply with new s 146.

Service and water consumption charges – ss 165 and 166

If the proposed amendments to ss 165 and 166 are not removed, then the provisions should not apply in relation to a tenancy agreement entered into before commencement of these provisions. If a transitional provision is not included, then potentially a tenant will not be responsible for pay for a substantial amount of water consumed at the property depending on when the tenancy commenced or ends in relation to a utility provider's billing period.

Frequency of entry – s 195A

Section 195A should only apply in circumstances where a Notice to Leave or Notice of Intention to Leave is issued after the commencement of the provision. It should not apply retrospectively where a Notice to Leave or Notice of Intention to Leave has already been issued before commencement of s 195A.

Recommendation

33. Transitional provisions are inserted for ss 146, 165, 166 and 195A.

2. AMENDMENT OF BODY CORPORATE AND COMMUNITY MANAGEMENT ACT 1997

The REIQ supports the procedural amendments proposed to the *Body Corporate and Community Management Act 1997* (Qld) (**BCCM Act**).

These changes:

- clarify that a residential tenancy will terminate on the date of settlement of a scheme that is terminated; and
- sets out a process for a facilitator to give a tenant notice that a scheme has been terminated, that the tenancy agreement will terminate on the settlement day, and that the tenant will be required to give vacant possession.

Grounds to end tenancy

It is our reading of these provisions that a new ground is created at law, whereby a tenancy can be ended if a scheme is terminated.

However, there have not been any amendments to the RTRA Act under the RTRAOLA Bill to reflect this new ground to end a tenancy.

A brief note has been inserted in s 277 referring to the BCCM Act, however, this is not sufficient to establish the ground under the RTRA Act.

We submit a new subsection to s 277 should be inserted in lieu of the note:

> *(h) the residential tenancy agreement is terminated under s 458(2) of the Body Corporate and Community Management Act 1997 (Qld).*

Recommendation

34. A new ground to end a tenancy should be inserted in s 277 to align with the termination grounds under the *Body Corporate and Community Management Act 1997 (Qld)*.

3. CONTINUING PROFESSIONAL DEVELOPMENT FOR PROPERTY AGENTS IN QUEENSLAND (Part 3 Div 2 & 4)

For almost a decade, the REIQ has strongly advocated for a state-wide regime of continuing professional development (CPD) as a condition of holding and renewing a real estate licence or registration in Queensland. Since the election of the current Government, the REIQ has regularly and consistently discussed this issue with the appointed Minister and Attorney-General.

We welcome the introduction of a CPD regime in the RTRAOLA Bill.

The REIQ strongly believes CPD would be beneficial to the real estate profession and the Queensland public in the following ways:

- compulsory CPD will enable real estate practitioners to maintain and enhance the professionalism of the service they provide by ensuring that they are up to date with their knowledge of existing laws;
- it will improve and increase awareness of regulatory and compliance obligations resulting in fewer errors committed by practitioners, and therefore a reduction in disciplinary proceedings;
- it will lead to an increase in consumer satisfaction, as experienced in other States;
- it will give consumers greater confidence in the sector;
- it will reduce the number of claims made against The Claim Fund established under the AFA Act;
- it will result in fewer professional indemnity claims that currently cost the Queensland community millions of dollars each and every year;
- it will bring Queensland into line with the other Australian States and Territories that have already established a CPD program or are in the process of doing so; and
- it will enhance the standard of professionalism amongst real estate professionals.

For the above reasons, the REIQ is firmly supportive of a CPD regime being introduced by the Government, on the basis that the proposed structure is relevant, effective and fit for purpose.

3.1 CPD requirements

We support the requirement for property agents in Queensland to undertake CPD requirements for each CPD year. We agree that CPD requirements approved by the Office of Fair Trading (**OFT**) should be published on its website.

CPD Requirements

We understand from the explanatory notes, the CPD regime will be operationalised through an administrative framework developed and applied by the chief executive, with support and advice from an Advisory Panel comprised of key stakeholders (including the REIQ).

Subject to consultation with the Advisory Panel when it is established, it is intended the initial CPD requirements will be for property agents to complete two CPD sessions each year, consisting of:

- one session derived from the national property services training package; and
- one session from a list approved by the chief executive.

The REIQ recommends an express provision in the PO Act (or Regulations) stipulating the minimum number of CPD sessions, points or hours that must be obtained each CPD year.

The REIQ would also like to see a stronger commitment to establish the advisory panel and engage with key stakeholders.

The REIQ recommends an express provision establishing the independent advisory panel of approved stakeholders to be included to futureproof the legislation and ensure that CPD requirements will be informed by industry stakeholders.

It is imperative to the success of the CPD regime, that the CPD requirements are relevant, appropriate and effective each year. If there is a change of Government or change of mandate within the current Government, then the REIQ does not want to see these important long-awaited legislative reforms diluted. Our key concern is that CPD requirements may vary substantially from year to year, depending on the Government of the day.

As a member of the advisory panel, the REIQ will also advocate for the inclusion of a range of CPD activities to ensure each sector of the real estate industry receives the benefit of professional development. For example, the REIQ will advocate for CPD activities specifically tailored for business brokers, buyer's agents, auctioneers, commercial agents, residential sales and property management.

CPD Year

The definition of a CPD year in (a) is unclear:

a) a period of 12 months ending on the day before an anniversary of the date the licence was first issued; or
b) a period approved by the chief executive under section 92E

We suggest making this clearer with the following edits:

a period of 12 months commencing on the date the licence was first issued and each anniversary of that date during the period of the licence ~~ending on the day before an anniversary of the date the licence was first issued~~

3.2 Exceptions

The REIQ does not oppose the limited exceptions applicable for:

- the first year that an individual holds a licence or registration;
- if the property agent's licence or registration has been deactivated for the majority of a year;
- a licensee in relation to a limited property licence; or
- a licensee who is an entity mentioned in part 2, div 9, subdivision 3 of the PO Act.

We do foresee some ambiguity arising over the phrase '*majority of the year*'. The insertion of a definition, or clearer and more definitive wording, would relieve any ambiguity in this regard.

3.3 Renewals

The REIQ supports the renewal process whereby a property agent will need to provide a statement confirming that they have completed all CPD requirements for the preceding years that they have held their licence or registration, when make an application to renew their licence or registration with the OFT.

Where a property agent has not completed the CPD requirements for a particular year, the property agent will need to show evidence of '*exceptional circumstances*' applying.

It is noted in the explanatory notes, that a definition for exceptional circumstances will not be included because it is not considered appropriate as it would be too limiting. It is noted that the chief executive needs flexibility to exempt persons from CPD requirements if the particular circumstances warrant such exemption.

The REIQ suggests at a minimum, the OFT should publish guidance on its website as to what circumstances may be considered exceptional, in the interest of fairness and transparency.

3.4 CPD record keeping

We support the CPD record keeping provisions which stipulate that property agents must keep a record of what CPD activities have been undertaken and retain these records for a period of 5 years after the relevant CPD year. If the property agent fails to comply with keeping a record or retaining a record, a maximum of 10 penalty units will be apply for each contravention (equal to $1,548.00).

It may even be considered if a higher penalty is appropriate to deter non-compliance.

3.5 Commencement

It is proposed that the Bill commence 12 months after the date of assent. The REIQ is supportive of the commencement period as 12 months will be sufficient time:

- for the OFT to create the infrastructure to administer the regime,
- to establish the advisory panel and take consultation on the first CPD requirements; and
- for the REIQ to educate and prepare the real estate industry for the implementation of the regime.

3.6 Transitional Provisions

We do not oppose the transitional provisions. Once the laws come into effect, property agents will need to comply with the CPD requirements from the start of the next CPD year for their licence or registration certificate. This is a straightforward concept and we do not foresee any issues arising.

Recommendation

35. That an express provision in the PO Act (or Regulations) is inserted to stipulate the number of CPD sessions, points or hours that must be obtained each CPD year.

36. That an express provision establishing the independent advisory panel of approved stakeholders be included to futureproof the legislation and ensure that CPD requirements will be informed by industry stakeholders.'

37. That the definition of a CPD year be clarified.

4. STAGE 1 RENTAL LAW REFORMS

The *Housing Legislation Amendment Act 2021* (**Stage 1 Rental Law Reforms**) was implemented in Queensland over three phases:

- on 20 October 2021, initial provisions came into effect including those relating to domestic and family violence;
- on 1 October 2022, the majority of changes came into effect including those relating to pets, ending tenancies, repairs and maintenance and retaliation; and
- the remaining provisions relating to minimum housing standards came into effect on 1 September 2023 for new and renewed tenancies, and will come into effect on 1 September 2024 for all tenancies.

Since the commencement of Stage 1 of the rental law reforms, the REIQ has noted areas of improvement that can be included as part of the Stage 2 rental law reforms.

(1) Time frame for pet request – lots in a community titles scheme

Under the RTRA Act, if a lessor does not provide a response to a tenant's request to keep a pet at the premises within 14 days, then the lessor is automatically deemed to have approved the request. If a request is deemed approved, reasonable conditions of approval cannot be imposed.

For lots in community titles schemes (such as units, townhouses, apartments), the lessor **cannot** provide approval without seeking approval from the body corporate, if same is a requirement under the body corporate by-laws.

Under applicable legislation, body corporates are permitted to take up to 6 weeks to respond to a lot owners request for such approval. Although this timeframe may change as prescribed under regulation under the *Body Corporate and Community Management and Other Legislation Amendment Act 2023*, it is not likely going to be consistent with the 14-day timeframe under the RTRA Act.

We recommend the Department of Housing and Department of Justice and Attorney-General determine a consistent timeframe that can apply for both tenancy laws and body corporate laws. This will be the last opportunity to make this change, given reform is currently occurring for both legislative instruments.

(2) Repair Orders

It would be beneficial for a register of Repair Orders made by QCAT to be made available to the public. Tenants could search properties to confirm if an outstanding Repair Order is attached to a particular property, as could property managers when accepting new appointments to manage rental premises. Currently, Repair Orders are not publicly accessible.

Recommendations

38. That a consistent time frame for a lessor's response to a tenant's pet request be implemented between the RTRA Act and BCCM Act.

39. That the Government produces a public register of Repair Orders made by QCAT.

5. RECOMMENDATIONS

As outlined in this Submission, the REIQ is highly concerned by the evident practical challenges and foreseeable consequences arising from a number of the rental law reforms within the RTRAOLA Bill.

The REIQ urges the Committee to carefully consider the feedback provided in this Submission. Significant amendments must be made to the RTRAOLA Bill to ensure the proposed laws are fair, balanced and practically feasible.

The REIQ's recommendations set out in this Submission are outlined below:

1. That the rent caps proposed under ss 57A and 87 are removed from the Bill.

2. Alternatively to (1), that the amount of rent that can be paid in advance specified under s87(1)(b) is reverted back to 1 month.

3. That the rent increase frequency limit of 12 months continues to attach to the tenancy, not the property and the changes to s 93 are removed.

4. That s 93A be removed. The Government should educate tenants that if they suspect the date disclosed for the last rent increase for the property is false, then they can report this to the RTA for investigation.

5. Alternatively to (4), that the evidence under s 93A be limited to a copy of the last rent increase notice given to the last tenant (redacted).

6. That s 93B(4) is removed and QCAT retains discretion to determine an order to increase rent based on the evidence supplied by the lessor to prove that undue hardship will be caused if rent cannot be increased.

7. That s 138 be clarified and broadened to allow any tenant to use a third party bond product.

8. That the Government postpones the introduction of a portable bond scheme until the operational and legal aspects have been properly considered and we can draw on the experiences of the other States to ensure it is carried out successfully in Queensland.

9. That the Department of Housing continue to work with the REIQ and QDN on our joint Framework for adoption in regulation.

10. That ss 579 and 580 are amended so that the new rent increase frequency limit provisions do not operate retrospectively.

11. That s 57B(4) include:

    (a) a provision to allow a property manager or lessor to obtain information about a prospective tenant's pet as part of their application;

(b) a provision allowing a property manager or lessor to request information that is relevant to the type of property, features of the property, requirements under council regulations and their decision to approve the tenant for the property based on the suitability of the tenant;

12. That the limitations on information that can be requested under s 57C(2) be removed.

13. That the lessor or property manager is not prohibited from taking a copy of an applicant's licence which must be securely stored and destroyed in accordance with s 457E.

14. That the Government provide better education to tenants in relation to the bond claim process and guidance on how to ensure the bond will be refunded in full.

15. That the changes to s 136AA be removed.

16. Alternatively to (15), that:

    a) The timeframe to provide evidence of a bond claim under s 136AA(3) is extended to 28 days from the date of the bond claim or 7 days from the date the quotation or invoice is received; and

    b) section 136AA(4) is amended so that the lessor is taken to have provided the evidence if sent to the tenant's last known address for service or another address/email address provided by the RTA.

17. Instead of removing the threshold under s 146(3), increase it to $1,500 rent per week.

18. Amend s 146(1) to allow parties to negotiate and agree to a higher amount of bond being taken, being reasonable for the type of property, features and inclusions.

19. Amend s 146 to permit the lessor or property manager to take a higher bond where there is an additional risk to the property, such as if a pet is permitted at the property or if an alteration under s 208 is agreed.

20. That a 'document' which must be provided to the tenant under s 166(7) not exclude invoices issued by the lessor's property manager for water consumption at the beginning and end of a tenancy.

21. That the timeframe under ss 165 and 166 should be extended to a reasonable period of 8 weeks.

22. That an exception be inserted whereby the tenant will still be responsible for the costs of the outgoings and water consumption if the lessor or property manager provides reasons why they have not been able to provide a copy of the documents within the prescribed timeframe and those reasons are outside of the control of the lessor or property manager.

23. To insert a new provision requiring a tenant to allow access to a property when the rules of entry have been complied with, including a penalty for failing to give lawful access to the lessor or property manager.

24. That s 195A is removed from the RTRAOLA Bill.

25. Alternatively to (24):

    (a) that the frequency of entry per 7-day period is increased to 3 entries; and

    (b) s 195A includes an exception whereby the parties can mutually agree to more than two entries.

26. A new entry ground is inserted to allow a lessor to give access to a buyer for any inspection they are entitled to under a Contract of Sale.

27. That the timeframes under ss 207 and 208 be reasonable and proportionate to the nature of the tenant's request.

28. That s 209(2) is expanded to allow an agreement about a structural change or attachment of fixture whereby the lessor can require the tenant to engage a suitably qualified tradesperson nominated by the lessor to carry out the structural change or attachment of fixture.

29. That no changes are made to ss 357A, 420 and 421(3) and that the current fair and reasonable process for reletting costs is upheld.

30. Alternatively to (29):

    (a) section 420(3) is amended to clarify that the calculation of reletting costs under s 357A are separate to any other claim of compensation a lessor may have under the tenancy agreement including for loss of rent; and

    (b) a simpler formula is utilised for calculating pro-rata reletting costs.

31. That the s 457 definition of '*personal information*' is amended to allow photographs containing a tenant's belongings (that do not identify the tenant) to be used in advertising a property.

32. The timeframe for a lessor or property manager to securely store personal information be increased to 7 years from the end of the tenancy to which the information relates.

33. Transitional provisions are inserted for ss 146, 165, 166 and 195A.

34. A new ground to end a tenancy should be inserted in s 277 to align with the termination grounds under the *Body Corporate and Community Management Act 1997 (Qld)*.

35. That an express provision in the PO Act (or Regulations) is inserted to stipulate the number of CPD sessions, points or hours that must be obtained each CPD year.

36. That an express provision establishing the independent advisory panel of approved stakeholders be included to futureproof the legislation and ensure that CPD requirements will be informed by industry stakeholders.

37. That the definition of a *CPD year* be clarified.

38. That a consistent time frame for a lessor's response to a tenant's pet request be implemented between the RTRA Act and BCCM Act.

39. That the Government produces a public register of Repair Orders made by QCAT.

Annexure A

REIQ & QDN Minor Modifications
Criteria Extract

The full Framework can be seen here: [Framework for Home Accessibility and Safety Modifications](#).

The following table outlines the relevant criteria and process applicable to a proposed minor modification to a property:

	Minor Modifications		Major Modifications
Criteria	**Category 1**	**Category 2**	**Category 3**
Portability	Can be taken with you to the next property	May interact with structure but can be removed	Is structural in nature
Installation/ Removal	Can be installed/removed by tenant	may require require a handyman or tradesperson to complete without material damage to the property Removal: make good obligations are to be complied with	Requires appropriately licensed/qualified tradesperson and/or health practictitioner to complete
Structural	Does not involve structural changes	Involves level of change to non-structural items	Involves structural change
Risk	Can be installed by tenant without professional input Low impact to property during installation and make good obligations	Professional input may be required 1. Tradesperson 2. Health Professional	Professional input is required 1. Tradesperson 2. Health Professional Prescribed Evidence required**
Decision Making/Approval	No approval needed	Request is made by the tenant (prescribed form). The owner can only be refused on prescribed grounds* or approved with prescribed conditions Response required within 7 business days. • An ability for a PM to request an extension for another 7 business days with substantiated reason for extension • If no response – refer to RTA Committee Urgent Approval – response provided with 2 business days – Urgent application	Approval required – assessed on a case by case basis

*Category 2	
Prescribed Grounds for Refusal	**Prescribed Conditions for Approval**
1. Property is being sold; 2. modification likely to cause material damage to the property or inclusions that could not practicably be repaired for a cost that is less than the amount of the rental bond for the premises; 3. modification could not practicably be restored back to its original standard or appearance; 4. the tenant has not agreed to the reasonable conditions proposed by the lessor for approval to modify the property; 5. modification would contravene a law; 6. modification would contravene body-corporate by-law applying to the property; 7. modification would cause potential health issues to future occupants or owner.	1. Subject to Body Corporate approval; 2. Modifications to be performed by a specified tradesperson; 3. Costs to be borne by the tenants; 4. Make good obligations – costs to be borne by the tenants or as agreed otherwise (Note: to be dealt with on a case by case basis).
Category 3 **Prescribed Evidence	Provided by Prescribed Expert (e.g. NDIS/OT/GP/Applicable Specialist)