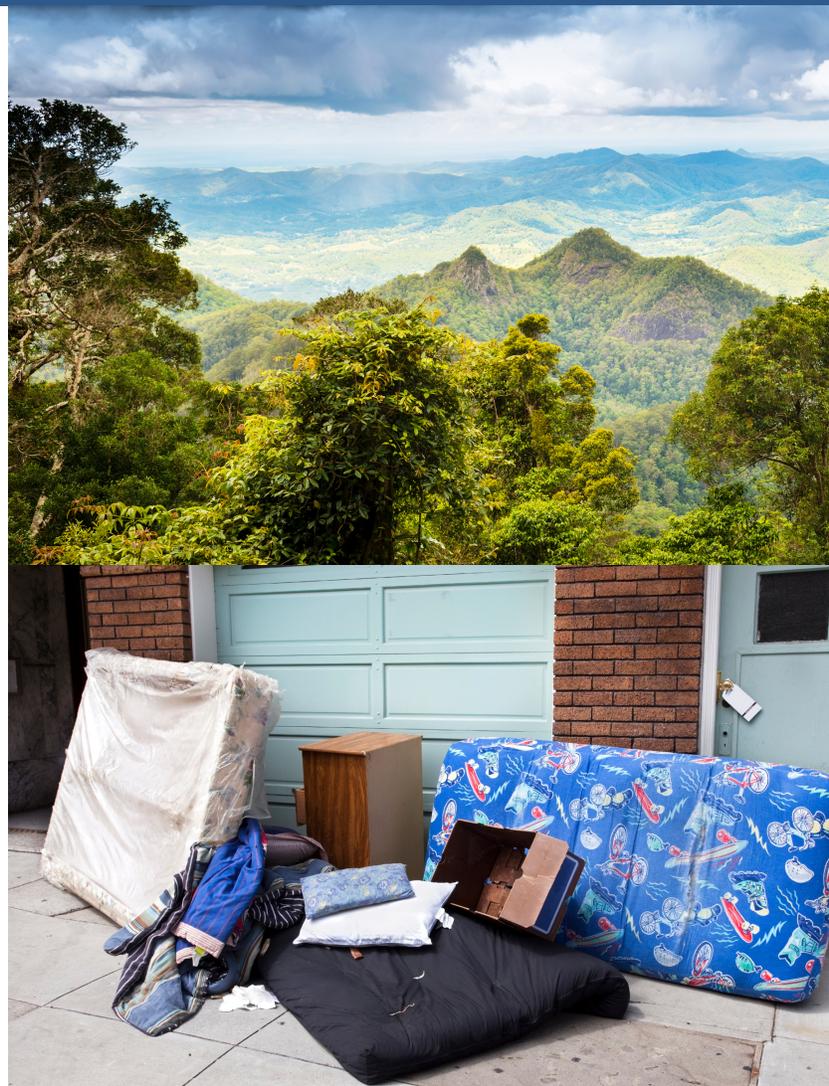


Out of the woods? How the QLD Government failed renters during Covid-19

better
renting

October 2020

Better Renting is a community of renters working together for stable, affordable, and healthy homes.



better renting

Daniels, Isaac. "Out of the woods? How the QLD Government failed renters during Covid-19"
Canberra: Better Renting, October 2020.

This report is available online at: www.betterrenting.org.au/qld_scorecard

The conclusions in the report reflect the views of Better Renting and should not be assumed to indicate the views of other organisations.

Find out more about Better Renting at www.betterrenting.org.au

“They messaged me via Snapchat and gave us a week and half to leave.”

- Renter with a snappy landlord, Queensland.

The Queensland (QLD) Government recently decided to end protections that it had provided to renters for Covid-19. This is a bold move considering that the pandemic and its fallout are far from over. As the threat of Covid-19 emerged, community organisations from across Australia called for urgent action from Australian governments to protect renters, proposing five measures for state and territory governments to implement. This report evaluates the QLD Government’s pandemic response against those measures, and it considers what the future holds for Queensland renters.

Introduction

A house is essential for safety, security, and wellbeing, especially during a nation-wide pandemic. The United Nations Special Rapporteur on the right to adequate housing has even called for a ban on all evictions.¹ The QLD Government’s approach to the private rental sector does not reflect this. The Covid-19 pandemic has exposed the serious shortcomings in that approach.

This report considers what the QLD Government has done in relation to each of the five measures proposed by community organisations for protecting renters.² These measures are:

1. *Stop no fault evictions & evictions where the tenant is in rent arrears (covering all tenants including occupants).*
2. *Support renters to terminate fixed-term agreements without penalty.*
3. *Binding arbitration where renters and landlords cannot reach agreement on a rent reduction .*
4. *A temporary freeze on any rent increases.*
5. *Direct financial support for renters who, after genuine rent reductions have been applied, would struggle to afford their rent.*

¹ United Nation Human Rights Special Procedures, Special Rapporteur on the right to adequate housing, Leilani Farha ‘COVID-19 Guidance Note: Prohibition of evictions’ (28 April 2020).

² <https://www.rentingandcoronavirus.com.au/>

The five measures	QLD rating	How other jurisdictions compare
Stop no fault evictions & evictions where the tenant is in rent arrears (covering all tenants including occupants).	Fail. Evictions are prohibited for failure to pay rent because of Covid-19, but a landlord can still evict for other reasons. In addition, new measures gave landlords additional grounds to terminate fixed-term leases.	Tasmania has implemented and subsequently extended comprehensive protections that protect all tenants.
Support renters to terminate fixed-term agreements without penalty.	Fail. Tenants can terminate fixed-term leases only in very limited circumstances.	In the ACT, impacted tenants can now terminate fixed-term tenancies with 3-week's notice.
Binding arbitration where renters and landlords cannot reach agreement on a rent reduction .	Pass. Renters can access binding arbitration to resolve rental reduction disputes.	Victoria offers fast-track dispute resolution services for tenants and landlords who cannot reach agreement.
A temporary freeze on any rent increases.	Fail. The Government has not protected renters from rent increases, allowing landlords to raise the rent during this crisis.	In South Australia, all renters were protected from rent increases.
Direct financial support for renters who, after genuine rent reductions have been applied, would struggle to afford their rent.	Pass. The Government's scheme provided only small (\$2000) and short-lived funds. Land tax relief is available to landlords.	In Victoria, when a rent reduction is in effect, the Government can pay up to \$3000 to the landlord to contribute to the tenant's rental payments.

Table 1: Evaluating the QLD Government policy response.

Stop evictions for rental arrears or evictions where the tenant is not at fault, covering all tenants including occupants.

“I asked for a rent reduction until Jobkeeper or Jobseeker payments came through. Three days later I was issued a notice to leave without cause.”
- Renter who was never late on a payment, Queensland.

What has the Government done?

The QLD Government provided temporary protection to Covid-19 affected renters when they could not pay rent. Positively, they included rooming accommodation under this protection, something few other states did.

What has the Government failed to do?

The protections above did not cover evictions for other reasons, such as where a person was not Covid-19 affected. The United Nations Special Rapporteur on the right to adequate housing urged an end to all evictions of anyone for any reason citing housing as a “frontline defense” against Covid-19.³ The QLD Government ignored this guidance, leaving many renters vulnerable to eviction during a pandemic.

The Government also expanded eviction grounds to allow landlords to terminate a fixed-term tenancy to sell the property. This action undermines housing as a protection against Covid-19. It suggests that the Government prioritised the property rights of investors over the safety and security of people who rent their homes.

Finally, the rental protections against evictions currently enjoyed were not extended beyond September, meaning the cliff edge is fast approaching for many renters.

What should the Government have done?

The Government has a responsibility to ensure nobody loses their home during a global pandemic. The protections in place should have been extended and expanded. Australia is still a long way from returning to normal, and the Government should recognise this and protect renters now.

³ United Nation Human Rights Special Procedures, Special Rapporteur on the right to adequate housing, Leilani Farha ‘COVID-19 Guidance Note: Prohibition of evictions’ (28 April 2020).

Supporting renters to terminate a rental contract that is no longer viable and is causing hardship, without being burdened with unfair debts or penalties.

What has the Government done?

The QLD Government allows renters to terminate a rental agreement where that agreement is causing hardship.

What has the Government failed to do?

Renters can terminate fixed-term leases only if they have less than \$5000 in the bank and have lost 75% of their income. They must also first proceed through dispute resolution. These criteria are too narrow and will prevent equitable outcomes during the Covid-19 pandemic. As a result, many renters could face rental stress and mounting debt to continue to live in their home. In contrast, landlords can go directly to the Tribunal to end an agreement on grounds of excessive hardship.

What should the Government do?

The QLD Government has provided some protection to renters who are in an untenable rental situation but the protections are much too narrow in their scope. More renters should be allowed to terminate fixed-term leases due to hardship, and the Government should have been more equitable in its treatment of renters affected by Covid-19.

A requirement for binding arbitration where tenants and landlords cannot reach agreement on a rent reduction. This arbitration should take into account the financial position of both tenants and lessors.

"I fear getting kicked out if I ask for a reduction. The protections are not strong."

- Queensland renter.

What has the Government done?

The QLD Government provides the option for binding arbitration where landlords would not agree to a rent reduction.

What has the Government failed to do?

The action taken by the QLD Government meets the threshold for action under the measure recommended. However, we note that QLD has a lower rate of rent reductions than other comparable states.⁴

"We asked for a rent reduction because I lost my job. We were told the landlords couldn't afford it. They had just returned from travelling Europe on a yacht..."

- Queensland renter.

What should the Government do?

The QLD Government should continue to strengthen dispute resolution systems and should aim to equalise the balance of power by ensuring that tenants organisations and similar groups are well funded and are able to provide education to renters on their rights.

⁴ Evans, Richard, Tom Rosewall, and Aaron Wong. "The Rental Market and COVID-19." Reserve Bank of Australia, 2020. Australia. <https://www.rba.gov.au/publications/bulletin/2020/sep/the-rental-market-and-covid-19.html>.

A temporary freeze on any rent increases.

"We asked for a rent reduction and instead got a new 12-month lease with an increased amount. We said we couldn't pay it and they demanded that we pay it, that we'd be going into arrears, and come September 'when you move out' we would have to pay them back."

- Olivia, Queensland renter.

What has the Government done?

The QLD Government failed to address rent increases, leaving open the possibility of financial strain on renters who are facing job loss and job insecurity. Despite negative inflation, the QLD Government has allowed landlords to keep increasing rents.

What has the Government failed to do?

The Government's failure to take action is glaring as the protection against evictions only covered tenants suffering hardship. This means that landlords are fully empowered to raise the rent during a time in which housing is a critical element of defense in the case of a virus outbreak. Renters not suffering hardship may be asked to pay more rent to pad landlord incomes. The United Nations Special Rapporteur on adequate housing called for an immediate freeze on rent increases until the pandemic and its aftermath have settled.⁵ The QLD Government has decided otherwise.

What should the Government do?

The QLD Government is responsible for protecting renters from homelessness or economic stress as a result of rent increases during an economic downturn. The Government's failure to protect renters against rent increases is prioritising profit over housing during a time when the country is only just beginning to recover from a pandemic.

⁵ United Nation Human Rights Special Procedures, Special Rapporteur on the right to adequate housing, Leilani Farha 'COVID-19 Guidance Note: Protecting Renters and Mortgage Payers' (28 April 2020).

Direct financial support for tenants who, after genuine rent reductions have been applied, would struggle to afford their rent.

"I lost my job, and I can only pay rent with Jobseeker. I'm not sure what I will do when that ends."

- Tara, Queensland renter.

What has the Government done?

Renters were able to apply for a grant of up to four weeks rent (\$2,000 maximum) if they were affected by Covid-19 and did not have other financial assistance.

What has the Government failed to do?

The application process for the grants ended on 27 April 2020. We are now in October, and Covid-19 is predicted to remain a threat to Australia for many more months to come.

What should the Government do?

The Government should implement a program aimed at long-term rent support. The current approach is disappointing and has not provided enough time or funding for Queensland renters who are affected by Covid-19.

"My work hasn't been affected, but my costs are increasing all the time. I am on the Disability Support Pension. I struggle to pay my bills."

- Queensland renter.

Conclusion

“It baffles me that property is somehow unaffected by the virus. As far as I am concerned, two homes is one more than enough.”

- Queensland renter.

People who rent deserve secure, stable and affordable homes - especially during a global pandemic. The QLD Government has not done enough to make this a reality. In this report, we review five basic measures that governments could take to protect renters, finding that the QLD Government succeeds at only two of the five.

Instead of supporting secure housing for renters, the QLD Government has focused on providing protections to property investors and upholding the current system that exploits renters and treats them as less deserving of protection than landlords. This is evident especially in the Government's recent decision to end their Covid-19 rental protections while extending protections for commercial tenancies.

We are not out of the woods yet, but the QLD Government has already decided that renters do not need security against eviction. The few protections renters did enjoy ended in September, and renters are not prepared for what comes next. The economic impacts of Covid-19 will now be borne by renters with minimal support from their Government.