

Impact Analysis Statement

Summary IAS

Details

Lead department	Department of Housing and Public Works
Name of the proposal	<i>Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Regulation 2025</i>
Submission type	Summary IAS
Title of related legislative or regulatory instrument	<i>Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Act 2024, Residential Tenancies and Rooming Accommodation Regulation 2009 and State Penalties and Enforcement Regulation 2014</i>
Date of issue	February 2025

Proposal type	Details
Minor and machinery in nature	<p><u>State Penalties and Enforcement Regulation 2014</u></p> <p>The <i>Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Act 2024</i> (RTRAOLA Act) amends the <i>Residential Tenancies and Rooming Accommodation Act 2008</i> (RTRA Act) to strengthen privacy protections for renters and make the rental application process fairer and easier. This includes inserting the following offence provisions:</p> <ul style="list-style-type: none"> • Sections 57B(3) and 76D(2) - property managers and owners must use the required application form (20 penalty units) • Sections 57C(1) and 76D(1) - property managers and owners must only request certain information about an applicant (20 penalty units) • Sections 57C(2) and 76D(2) - property managers and owners must not request certain information about an applicant (20 penalty units) • Sections 57D(1) and 76E(1) – property managers and owners must not keep a copy of an original identify document without a renter’s consent (20 penalty units). <p>The <i>Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Regulation 2025</i> (Amendment Regulation) amends the <i>State Penalties and Enforcement Regulation 2014</i> (SPER) to enable the Residential Tenancies Authority (RTA) to issue penalty infringement notices (PINs) for these eight offence provisions.</p> <p>The proposed amendment to SPER does not introduce any new regulation or compliance costs for the RTA. There may be cost savings resulting from the RTA not needing to take suspected breaches to court. The amendments also do not introduce any policy changes.</p> <p>The Department of Housing and Public Works considers that the proposed amendments are machinery in nature, have negligible impacts on</p>

	<p>businesses, community or government and that no further impact analysis is required.</p> <p>Residential Tenancies and Rooming Accommodation Regulation 2009 – standard terms</p> <p>The RTRAOLA Act amends the RTRA Act to clarify the process for renters and property owners to agree to attaching fixtures and making structural changes to a rental property, and require that a property owner must declare any financial benefit the property owner or property manager may receive if the renter uses a particular way to pay rent.</p> <p>The Amendment Regulation amends the Residential Tenancies and Rooming Accommodation Regulation 2009 (RTRA Regulation) schedules 1-4 to update and align standard terms for tenancy agreements with the RTRA Act amendments and update a reference to a clause.</p> <p>The proposed amendment to the RTRA Regulation does not introduce any new regulation or any policy changes.</p> <p>The Department of Housing and Public Works considers that the proposed amendments are machinery in nature, have negligible impacts on businesses, community or government and that no further impact analysis is required.</p>
--	--

For all other proposals

<p>What is the nature, size and scope of the problem? What are the objectives of government action?</p>
<p><u>Nature, size and scope of the problem</u></p> <p>In Queensland more than one in three households rent. Applying for a new rental property is often a recurring experience for many renters due to high turnover of rental properties.¹ The Australian Housing and Urban Research Institute (AHURI) suggests that up to a quarter of investors in Australia may sell a rental property just one year after purchasing it or inheriting it². Additionally, high turnover of rental properties can be attributed to life events for renters such as job relocations. According to the Residential Tenancy Authority (RTA) 2023–24 annual report, the median tenancy length was 18.3 months for a unit and 20.8 months for a house in 2023–24. This could mean that a 40-year-old renter who has been renting since they were 22 has lived in approximately 11 different rental properties. As renting becomes a long-term housing solution for many,³ applying for multiple properties throughout one’s life will likely become a reality for many Queenslanders. Additionally, Queensland’s current tight rental market means many renters apply for multiple properties before successfully securing a home.</p> <p>Consultation with key stakeholders in the rental sector, correspondence, media articles and the December 2024 SQM Research showing the vacancy rate in Queensland is 1.14 per cent, suggest that multiple applicants apply for each advertised rental property. Applicants are generally assessed based on their ability to pay and care for the property. To make these risk assessments, property owners and managers need to collect relevant information to determine which of the applicants is the most suitable for the property.</p>

¹ Coates, B, Moloney, J 2023. *How to tackle the rental crisis; Submission to the Senate Standing Committees on Community Affairs*. Grattan Institute.

² AHURI, 2017. *Do long-term residential leases result in long-term tenancies?* <https://www.ahuri.edu.au/analysis/brief/do-long-term-residential-leases-result-long-term-tenancies>. Accessed January 2025.

³ Baker, E et al, 2024. *Planning for a two-tenure future*. Final Report 431, AHURI.

Renter advocates have expressed growing concerns about the type and volume of personal information required in rental applications. In 2023, the Commonwealth Senate Standing Committee on Community Affairs conducted an Inquiry into the worsening rental crisis in Australia, uncovering that many applicants are compelled to provide excessive personal information that goes beyond what is necessary to assess their ability to afford and care for a property. Examples of such information include proof of marital status, car registration, medical records, social media accounts and information about lifestyle and relationships.⁴ Similar concerns have been raised in Queensland, as well as concerns about providing rental history, employment history, and income sources. In a 2023 CHOICE survey of 1020 Australian renters and 502 landlords, 60 per cent of renters expressed concerns about the level of private information demanded during the application process. Over half of these renters also reported confusion about why such data was requested.⁵

The CHOICE survey and submissions to the Inquiry demonstrate the demand for irrelevant information creates significant discomfort for renters, who may feel pressured to disclose personal details simply to secure a rental property. This is especially problematic in a tight rental market, where renters are already dealing with the stress of making time to view rental listings, writing multiple applications and receiving rejections. Furthermore, the collection of irrelevant data raises ethical concerns. The Senate Committee heard that the collection of irrelevant information increases the risk of decision making about a preferred applicant being influenced by prejudice.⁶ Similar concerns were raised in a recent AHURI report *Understanding discrimination effects in private rental housing*, which found that property managers and owners can make biased decisions about the most suitable rental applicant drawing on common assumptions depicting certain groups as risky applicants. These biases are based in systemic inequalities that often intersect, such as age, race, income. For example, single mothers are stereotyped as less financially stable or reliable renters and are overlooked in rental applications.⁷ While the report notes that the difference between selection and discrimination can be subtle and difficult to detect, the range of information collected through pre-tenancy checks and conditions raises concerns about how marginalised groups can be excluded from the private rental market on grounds unrelated to their capacity to pay rent or take care of the rental premises.⁸

The growing use of third-party platforms exacerbates renter concerns. These platforms analyse extensive data and use sophisticated algorithms to evaluate both financial and personal factors, aiming to streamline applicant selection. These technologies not only assess financial data but also scrutinise character, lifestyle, and personal history to gauge an applicant's suitability. Some third-party providers claim to offer more detailed assessments to help identify the best applicants faster⁹, and may require applicants to pay a fee for background checks and expedited assessments.

As these platforms become more sophisticated, they can analyse vast amounts of data with greater algorithmic precision to decide who is a suitable applicant.¹⁰ However, this is dependent on the accuracy of available data informing the analysis. As noted by researchers at the University of Technology Sydney, it is difficult for a rental applicant to find out how the algorithm rated them and what information was used, making it difficult to challenge the decision and seek redress.¹¹ These researchers point out, for example, that an applicant would not know how information about their welfare status was used by the algorithm to determine their suitability and welfare status is not covered under the *Anti-Discrimination Act 1991*. As such, the potential for algorithmic bias and its impact on renters' access to housing is becoming a more pressing concern. The increasing use of third-party platforms for rental applications also has risks related to data storage, security, and the misuse of personal information.

While the Commonwealth *Privacy Act 1988* (Commonwealth Privacy Act) regulates the collection, use, storage and disclosure of personal information, this legislation applies only to organisations with an annual turnover of more than \$3 million. It also does not apply to self-managing owners, and it has limited

⁴ Commonwealth Senate Standing Committee on Community Affairs, *The worsening rental crisis: Final report*, December 2023, [2.34, 2.35]

⁵ CHOICE, 2023. Report: The price renters pay to use Rent Tech. <https://www.choice.com.au/consumer-advocacy/policy/policy-submissions/2023/april/renttech-report>.

⁶ Commonwealth Senate Standing Committee on Community Affairs, *The worsening rental crisis: Final report*, December 2023, [2.45]

⁷ AHURI report page 19

⁸ Ibid.

⁹ Przhedetsky L, 2024, Mediating access: unpacking the role of algorithms in digital tenancy application technologies, *Information, Communication & Society* vol 2, pp. 1826-1842.

¹⁰ Ibid.

¹¹ Ibid.

application to third-party providers. In Queensland, the *Information Privacy Act 2009* regulates how Queensland Government agencies collect, store, use and disclose personal information. As it applies only to Government agencies, only social housing residents are afforded privacy protections.

As the rental market in Queensland continues to evolve, it is critical to strike a balance between ensuring that property owners and managers can make informed decisions about an applicant's suitability for a rental property, with protecting renters' privacy.

Current environment

National Cabinet agreed to *A Better Deal for Renters* (ABDR) to harmonise and strengthen renters' rights throughout Australia across nine priorities. The priorities include prescribing a rental application form; requiring that personal information is collected, stored, used and disposed of appropriately; and specifying information not allowed to be collected from a tenant or more generally (ABDR 7(i), (ii) and (iv)).¹²

From 1 May 2025, the RTRA Act will strengthen privacy protections for renters and make the rental application process fairer and easier by:

- restricting the information that may be requested in a rental application form to the applicant's contact details, rental history, current employment and income, referees, intended tenancy term and other information prescribed by regulation (required application form)
- allow property managers and owners to request information via the application form, and no more than two documents relating to verifying identity; financial ability to pay rent; and suitability for the rental property
- prohibit requesting information about an applicant in relation to legal action they have taken, notices to remedy breach given by or to them, their rental bond history, and credit or bank account statements detailing their transactions
- requiring that prospective renters be provided with at least two ways in which an application can be made, one of which must not be a restricted way, which is a way that involves an applicant giving information to a person other than the property manager, or a way prescribed by regulation.
- allowing identity documents to be sighted, with copies kept only if consent is given
- requiring that renter's personal information is securely stored, and disposed of within three months of an unsuccessful rental application or within seven years after a tenancy ends.

Problem identification

Information that can be requested from applicants

The RTRA Act reforms commencing on 1 May 2025 will limit the information property managers and owners can request from renters to only that contained in the Act.

As part of consultation on the Stage 2 rental reforms, property owners identified the need for sufficient information about applicants to assess and manage their investment risk by choosing the most suitable applicant to rent their property. This includes assessing an applicant's ability to meet their tenancy obligations (particularly to pay rent and look after the rental property). Applicant's sought assurance that the information they are asked to provide in an application is relevant and appropriate to assess their suitability for the rental property and is only used for this purpose.¹³

While the RTRA Act reforms will reduce discrimination when assessing applications, they will also result in costs to property managers and self-managing owners who may need to request additional information from an applicant after their application has been assessed, at which point the applicant may be found to be unsuitable for the property.

Industry has advised that the practicalities and timeframes associated with assessing multiple rental applications makes it difficult to request additional information once a successful applicant has been identified, and that this could result in frustration and time delays which impacts all parties.

¹² National Cabinet, *A better deal for renters*, 16 August 2023, [Attachment 2]

¹³ Queensland Government, *Stage 2 Rental reform: Options paper*, May 2023 (p 18)

Estimated costs of status quo (additional information is not prescribed by regulation)

Based on RTA reporting that 87.6 per cent of all rental properties are managed by property managers, (approximately 197,445 of 225,394 new bonds lodged in 2023–24)¹⁴, the estimated cost to the sector over a 12-month period is \$8,407,208. This figure is based on an assumption that a property manager would spend 30 minutes requesting and reviewing additional information necessary for assessing suitability, at a cost of \$42.58¹⁵. The 2023-24 figures are a suitable estimate for new rental bonds in the next 12 months as this measure is quite stable based on the five-year average of 238,027 new bond lodgements.

If it is determined the prospective renter is not suitable for the property, a property manager may need to undertake this exercise again and this cost would be higher. It is possible that costs incurred by the sector may result in increased property management fees to property owners, and therefore unintentional impacts on renters.

Self-managing owners may also need to go through the same process. The estimated costs for self-managing owners over a 12-month period is \$408,628 (based on 9.8 per cent (22,088) of all bonds lodged being managed by self-managing owners¹⁶ and non-labour work costs of \$18.50 for 30 minutes¹⁷). If the prospective renter is unsuccessful, this cost would be higher.

Based on 225,394 bonds lodged during 2023–24, the estimated cost for renters to provide this information over a 12-month period is \$4,169,789 (based on 30 minutes of their time at non-work labour costs). Renters may also be frustrated by having to provide further information after their application has been assessed which results in them not securing the property.

The total estimated cost is \$12,985,625 over 12 months.

It is also anticipated applicants may voluntarily provide information they think may improve their chances of securing a property. This may result in inequities between applicants who choose to provide further information and those who do not. It may also result in applicants providing more personal information than is reasonably necessary which is contrary to the intent of the required application form.

Submitting a rental application

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

This legislative amendment responds to concerns raised by renters during consultation about being pressured to use third-party platforms to submit applications.

While section 59 of the RTRA Act restricts the charges and fees that can be taken from applicants by a property manager or owner to a key deposit, holding deposit, rental bond and rent, the department has heard reports of applicants being required to pay application fees on third party platforms (who are not captured under s59) or incur costs for background checks when they apply for a rental property.

According to a CHOICE report, some rental platforms encourage applicants to pay for their own background check (e.g. ranging from \$19.95 to \$29.95¹⁸). The platforms indicate to applicants their chances of a successful application will improve by including a background check. Some also recommend applicants purchase additional options or memberships (e.g. \$19.95 to \$29.95 for three months) for additional information such as how many people may be viewing a property or have applied prior to their application. Although applicants can choose to not have this information, in a tight rental market, this information may seem worthwhile, adding unnecessary costs for renters. The CHOICE report indicates that up to 25 per cent of Australian renters surveyed paid for a tenancy check in the past.¹⁹

Although the survey was of 1020 renter respondents across all states and territories, the report does not indicate if the sample was representative which limits the generalisability of these findings. Noting the

¹⁴ RTA. (2024). Annual Report 2023-2024. <https://www.rta.qld.gov.au/sites/default/files/2024-09/RTA-Annual-Report-2023-24.pdf>. Accessed 30 January 2025.

¹⁵ Australian Government Office of Impact Analysis, 2024. *Regulatory Burden Measurement Framework*. <https://oia.pmc.gov.au/resources/guidance-assessing-impacts/regulatory-burden-measurement-framework>. Accessed January 2025

¹⁶ RTA. (2024). Annual Report 2023-2024. <https://www.rta.qld.gov.au/sites/default/files/2024-09/RTA-Annual-Report-2023-24.pdf>. Accessed 30 January 2025.

¹⁷ Australian Government Office of Impact Analysis, 2024. *Regulatory Burden Measurement Framework*. <https://oia.pmc.gov.au/resources/guidance-assessing-impacts/regulatory-burden-measurement-framework>. Accessed January 2025

¹⁸ CHOICE, 2023. *Report: The price renters pay to use Rent Tech*. <https://www.choice.com.au/consumer-advocacy/policy/policy-submissions/2023/april/renttech-report>.

¹⁹ CHOICE, 2023. *Report: The price renters pay to use Rent Tech*. <https://www.choice.com.au/consumer-advocacy/policy/policy-submissions/2023/april/renttech-report>.

limitations to this data, the results are nevertheless indicative that some renters are paying for background reports when applying for a rental application.

Estimated costs of status quo (restricted way not prescribed by regulation)

Assuming 25 per cent of applicants paid an application related charge of \$19.95, the cost to renters per year (based on one applicant per 225,394 new bond lodgements during 2023–24) would be approximately \$1,124,153. The cost could be higher if unsuccessful rental applicants also paid for the background checks. Although there is limited data available on how many applications are submitted per rental application, based on an assumption of 10 applications per rental property, the cost to renters would be approximately \$11,241,526 over a 12-month period.

This practice can create financial barriers, particularly in a competitive market where applicants may submit multiple applications in a short period. It may also be passing costs on to applicants for conducting searches that a property manager or owner has determined are required and may already be factored into the property management services costs agreed between the rental property owner and manager. Stage 2 rental reform consultation also identified the payment of application fees creates space for further discrimination in the rental market.²⁰

Objectives of government action

There are two key objectives of government action. Firstly, Government action is necessary to ensure property managers and owners have sufficient information to assess an applicant's suitability for a rental property, without increasing risks to rental applicants from unnecessary or irrelevant requests for personal information that potentially could be misused.

Secondly, government action is necessary to ensure rental applicants have a choice to submit an application that does not incur any associated costs.

Information that can be requested from applicants

The department has considered and consulted on additional information that may reasonably be required by rental property owners and managers to inform suitability assessment and decision-making. Through this consultation the following information has been identified as necessary to determine applicant suitability:

- applicant date of birth
- total number of occupants and occupants under the age of 18
- number and type of pets
- number and type of vehicles
- financial ability to pay rent if applicant cannot provide details about their current employment or income.

Efficiencies may be achieved for property managers and owners if further personal information could be collected by the required application form, as this would assist with preparing the rental agreement and in tenancy management. For example, some stakeholders suggested information such as emergency contact details, relationships between applicants, car and pet registration details and smoking status could be collected as part of the application process. However, requiring this information at the application stage may go beyond what is necessary to assess suitability. An alternative approach is collecting the details relevant to tenancy management after an applicant has been approved and the rental agreement is being prepared, ensuring only relevant information is gathered at each stage of the process.

Date of birth

An applicant's date of birth is necessary to support identity verification and to enable a property manager to lawfully conduct tenancy database searches.

While new sections 57D and 76E provide for identity verification, there is no specific requirement for identity documents to include date of birth, and applicants have an option to provide identity documents for sighting only.

²⁰ Queensland Government, Stage 2 Rental law reform: Options paper, May 2023 (p 21).

Information about occupants

Rental agreements must include the number of allowed occupants, for example residential tenancy agreements specify the number of persons allowed to reside at the premises and rooming accommodation agreements specify the number of persons allowed to reside in the room, and at the rental premises.

The *Building Act 1975* (Building Act) in conjunction with the Queensland Development Code (QDC) prescribe occupancy limits for some types of rooming accommodation. For example, residential service buildings must ensure that occupancy levels do not exceed the maximum specified in the QDC Mandatory Part (MP) 5.7 (Residential Services Building Standard). Similarly, rooming accommodation that houses six or more residents are defined as budget accommodation and must comply with occupancy limits set by both the QDC MP 5.7 and QDC MP 2.1 (Fire Safety in Budget Accommodation Buildings).

Failure by a residential service provider to adhere to these occupancy limits may jeopardise their registration as a residential service under the *Residential Services (Accreditation) Act 2002* (RSA Act). Loss of registration or compliance action taken against a provider may prevent a residential service from continuing to operate, potentially necessitating the relocation of residents to alternative accommodations. Similarly, failure by a provider operating rooming accommodation such as student accommodation, which is exempt from registration under the RSA Act, may result in compliance action under the Building Act.

Rooming accommodation is also regulated under the planning framework. For example, Schedule 6 of the Planning Regulation 2017 does not allow local governments to require development approval for rooming accommodation that has no more than five bedrooms and occupied by no more than five occupants. If the rooming accommodation exceeds these limits, the provider may be required to apply for a development approval and comply with upgraded building and fire safety regulations. Some local governments also regulate rooming accommodation through their planning schemes. If they do not meet occupant limits, they risk non-compliance with the planning scheme.

For general tenancies, there are no explicit laws or regulations establishing maximum occupancy limits. However, real estate guidelines commonly recommend one person or couple per bedroom, with flexibility for families, generally allowing two to three children per bedroom.

The Housing Suitability standard (HOSD) modelled off the internationally recognised Canadian National Occupancy Standard (CNOS), offers additional guidance for determining appropriate housing arrangements. These standards suggest no more than two persons per bedroom and account for considerations such as age, gender, and household composition. For instance, children under five years of different sexes may share a bedroom, while single household members over 18 years old are entitled to their own bedroom.

The minimum housing standards prescribed under Schedule 5A of the RTRA Regulation includes a provision that plumbing and drainage must be adequate for the number of persons occupying the premises. While no standard formula for calculating adequacy exists, the sanitary facilities calculator used by the Australian Building Codes Board provides a baseline for ensuring sufficient amenities.

The existence of these standards and calculators indicates that occupancy numbers in residential properties is a key consideration for the comfort and safety of occupants.

Information about pets

Rental agreements must include the number and type of pets approved by the property owner to be kept at the premises, or for rooming accommodation, in the renter's room.

The RTRA Act provides a framework to support renters and property owners reach agreement about the keeping of pets in rental properties. The framework requires renters to have property owner consent to keep a pet but limits the owner's discretion to refuse pet requests to prescribed reasonable grounds that cannot be overcome by reasonable conditions agreed with the renter. Body-corporate approval to keep a pet may be required.

Grounds for refusing pets under s184E of RTRA Act include circumstances such as lack of appropriate fencing or open space; unacceptable risk to health and safety; likely to result in damage that could not practically be repaired for a cost less than the rental bond for the premises; and keeping a pet would contravene a law, park or house rules, body corporate by-law, or license arrangements.

Under the RTRA Regulation, rental agreements must include the type and number of pets approved by the property owner to be kept at the property and can also include any relevant special terms such as whether the pet can be kept inside or outside the house or if pest treatment or carpet cleaning will be required at the end of the tenancy.

The RTRA Act requires successful applicants to be provided body corporate by-laws, park rules or special conditions (which may be about pets) that apply to the premises with the rental agreement. Some of this information can also be disclosed to prospective applicants before they apply, such as body-corporate by-laws and park rules, but this is not mandatory under the RTRA Act.

Information about vehicles

There is no requirement for rental agreements to include information about vehicles. However, some rental properties may have limited or no parking, body corporate by-laws, park rules, or local council regulations regarding parking and shared spaces. For example, rooming accommodation or multi-unit complexes may have limited parking spaces or specific restrictions on vehicle storage such as one carpark bay per unit. Some properties may also have vehicle weight, size or type requirements.

The RTRA Act requires successful applicants to be provided body corporate by-laws, park rules or special conditions (which may be about vehicles) that apply to the premises with the rental agreement. This information can also be disclosed to prospective applicants however it is not mandatory under the RTRA Act.

Financial ability to pay rent

New sections 57C(1)(b)(ii) and 76D(1)(b)(iii) allow property managers and owners to request up to two documents about an applicant's financial capacity to pay rent, however this information is separate from the required application form. The absence of explicit fields on the application form to capture alternative means of financial capacity may limit an applicant's ability to provide relevant details when they do not have current employment or meet conventional income or employment criteria.

Other information

There may be circumstances in which other information is necessary to assess a rental application. For example, some rental property owners provide accommodation for specific cohorts, such as student accommodation, women's, men's or LGBTIQ+ only accommodation, and over 55s accommodation.

Sections 57C and 76D allow property managers and owners to request up to two documents about an applicant's suitability for the rental property. This could include documents such as student ID. Government action is not necessary to meet any additional suitability requirements needed for these different accommodation types.

Other jurisdictions

Victoria regulates the information applicants must not be asked to provide when applying for a rental property, similar to new sections 57C(2) and 76D(2) of the RTRA Act, and prescribes an information statement relating to anti-discrimination that must be included in a rental application form. Victoria also provides a non-mandatory rental application form which requests information from applicants such as applicants date of birth; number and ages of dependents and previous employment. It also requires property owners (under Victoria's legislated disclosure framework) to disclose information about the rental property, such as whether the premises is subject to any owner's corporation rules and requires that these must be attached to the application form.

South Australia prohibits property managers and owners from requesting prescribed information from an applicant. This includes information such as vehicle registration number; pet microchip number; and information about employment, other than a payslip or document confirming employment.

New South Wales currently has best practice guidance recommending that only minimal information is collected from applicants, in line with the Australian Privacy Principles (enshrined in the Commonwealth Privacy Act). However, the guidance does not detail the type of information that can be requested, and leaves this to the property manager or owner to determine.

Northern Territory prescribes that a landlord can only ask an applicant for certain classes of information or documents approved by the Commissioner of Tenancies to support an application for a tenancy. Information proving identity, financial capacity to pay rent and evidence the renter will maintain the

property must be provided as part of the application. Approved information that may be requested includes the applicant's contact details; current address; legal age (for the purpose of entering into an agreement); eligibility for specific housing if applicable; previous landlord and contact details, referee contacts, number of occupants (including number of children under 18), if they have pets; and emergency contact.

Submitting a rental application

As it is a property manager or owner decision to require a background check, it is not appropriate for a renter to bear this cost. Similarly, it is not appropriate for renters to pay a fee to submit a rental application. Although the rental sector has advised property managers do not pass on these costs to applicants, the CHOICE report indicates there are some property managers and third-party platforms that are.

Sections 83 and 98 of the RTRA Act ensure renters are provided at least two ways to pay rent, including at least one fee-free method. This reform commenced on 30 September 2024 to help ease cost of living pressures and make fees and charges fairer. A similar policy approach may be considered for rental applications to ensure that applicants are not burdened with additional costs when seeking housing.

Other jurisdictions

New South Wales and the Northern Territory restrict the fees that can be passed on to applicants. NSW has also proposed amendments to prohibit the charging of fees to submit an application or for a background check.

South Australia prohibits third-party platforms from charging applicants a fee for higher ratings to reduce discrimination during the assessment process.

What options were considered?

Information that can be requested from applicants

Options considered include:

1. Maintain the status quo (RTRA Act amendments commencing 1 May 2025 only).
2. Non-mandatory guidance.
3. Amend the RTRA Regulation to prescribe additional information about date of birth, occupants, pets, vehicles and financial ability to pay rent for the required application form.

Option 1: Maintain the status quo

Under this option, the required application form would not request information from applicants about date of birth, occupants, pets and vehicles. The application form would also not include a field relating to financial ability to pay rent if applicant cannot provide details about their current employment or income. Instead, applicants would be reliant on a property manager or owner requesting up to two documents about their financial ability to pay rent under new s57C or s76D.

Applicants would be assessed based on the information provided, and information about occupants and pets would be disclosed by the successful applicant when providing information for the rental agreement (date of birth and details about vehicles are not included in a rental agreement). Date of birth may be disclosed as part of identity verification, however there would be no specific requirement for identity documents to include date of birth.

Applicants could provide any additional information they think may help their application.

Option 2: Non-mandatory guidance

Under this option, the required application form would not request information from applicants about date of birth, occupants, pets, vehicles and financial ability to pay rent if the applicant cannot provide details about their current employment or income.

Non-mandatory guidance for property managers, owners and renters would be prepared by the RTA to supplement the application form, and form part of the RTA's and sector led education activities.

Guidance would include:

- the types of information that property managers and owners can lawfully disclose to an applicant before making an application. This could include body-corporate by-laws or park rules about pets or parking. Unlawful information would be stating that pets are not allowed
- the types of information applicants should consider, or request from the property manager or owner, to be able to determine their compatibility with the rental property before applying
- that applicants without current employment or income can provide up to two documents about their financial ability to pay rent
- the circumstances in which property managers and owners can request up to two documents about an applicant's suitability for the property, e.g. student identification
- that at least one identity document should include date of birth to enable lawful searches to be accurately conducted.

Option 3: Amend the RTRA Regulation to prescribe additional information about date of birth, occupants, pets, vehicles and financial ability to pay rent for the required application form

This option involves amending the RTRA Regulation to allow the following additional information to be requested by the required application form:

- applicant date of birth, for the purpose of lawfully conducted tenancy database searches
- total number of occupants intending to reside in the premises, and number of occupants under 18 years of age
- number and type of pet/s intended to be kept at the premises
- number and type of vehicle/s intended to be kept on the premises
- details about financial ability to pay rent for applicants who cannot provide employment or income details.

It also involves including on the application form a non-mandatory section for property managers and owners with fields about the property's suitability for a pet and any parking or smoking restrictions. The application form would also include guidance relevant fields, including the types of information or documents that can be requested in relation to financial ability to pay rent.

Submitting a rental application

Options considered include:

1. Maintain the status quo
2. Non-mandatory guidance
3. Amend the RTRA Regulation to prescribe that a restricted way to submit an application is one that requires an applicant to pay a fee.

Option 1: Maintain the status Quo

Under this option applicants would have at least two choices to submit a rental application, however there is no requirement for a fee-free option.

Option 2: Non-mandatory guidance

This option would include preparing non-mandatory guidance for property managers and owners to supplement the application form. The guidance would recommend that property managers and owners provide a way for applicants to submit an application with no cost to the applicant.

This guidance would be prepared by the RTA and form part of the RTA's and sector led education activities.

Option 3: Amend the RTRA Regulation to prescribe that a restricted way to submit an application is one that requires an applicant to pay a fee.

This option would include amending the RTRA Regulation to prescribe that a restricted way for submitting an application is a way that requires an applicant to pay an amount in relation to submitting the application, such as an application fee or cost to conduct a background check.

What are the impacts?

Information that can be requested from applicants

Option 1: Maintain the status quo

This option would remove potential biases when assessing applications, enabling applicants who report that they face discrimination under the current application process (e.g. because of their age, pet, or having a large family) to more easily secure a rental property.

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

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

Also under this option, applicants who are not currently employed or receiving income may feel their application would not be treated fairly, or wrongly assume they are ineligible to apply, limiting their opportunities and perpetuating inequity in access to rental accommodation. Although a property manager or owner can request up to two documents about an applicant's financial ability to pay rent under the new provisions, this lacks clarity, particularly for applicants who may not be aware of the legislation.

The costs associated with having to request additional information from a successful applicant (as described under the problem identification) will remain, resulting in an inefficient process and potentially frustrating experience for both parties.

Option 2: Non-mandatory guidance

Non-mandatory guidance may encourage property managers and owners to provide information in the rental advertisement or during an inspection that lets an applicant know about any property requirements e.g. smoking, pet or parking restrictions. As property managers and owners currently prepare advertisements specific to a rental property, it is not expected that this option would result in any substantive additional costs.

Non-mandatory guidance may result in a reduced number of unsuitable applicants applying for a rental property. It may also help applicants without typical employment and income be aware they can provide information about their financial ability to pay the rent.

However, voluntary uptake of guidance would likely result in inconsistent practices and there may be no material net benefit given this information would still be required to determine suitability when preparing the rental agreement. It is anticipated that this option would reduce but not remove the costs relating to requesting additional information described in the problem identification.

The RTA would be responsible for preparing the guidance and delivering education, which could be used by the sector and renter advocacy groups. As this option is material that supports the RTRA Act reforms, there is no additional cost to the RTA. The costs to the RTA for delivering education related to the RTRAOLA Act amendments have already been considered as part of the Stage 2 rental reforms and is part of the RTA's legislated functions. As such, these do not need to be costed.

Option 3: Amend the RTRA Regulation to prescribe additional information about date of birth, occupants, pets, vehicles and financial ability to pay rent for the required application form

This option enables property managers and owners to request information relating to date of birth, occupants, pets, vehicles and financial ability to pay rent and would:

- set clear parameters on the scope of personal information applicants are required to provide, and what is necessary to consider suitability, for example:
 - the applicant's date of birth, for the purpose of identity verification and undertaking a tenancy database check
 - occupant details, limited to number of intended occupants, including number of occupants under 18 years of age. Suitability assessment would not include ages or relationship with applicant
 - pet details, limited to number and type. Suitability assessment would not include breed, age, registration details etc
 - vehicle details, limited to number and type of vehicles intended to be parked on the premises (e.g. motor vehicle, boats, caravans, trailers). Suitability assessment would not include total number of vehicles owned by applicant, models, registration numbers etc.
- allow property managers and owners to make an informed decision about whether an applicant is suitable for the property without having to request this information after an application has been assessed. This would provide an estimated avoided cost of \$8,815,836 over 12 months (see problem identification for calculation of the estimated cost for the rental sector and self-managing owners to request additional information)
- reduce circumstances in which applicants may feel they need to provide further information to improve their chance of being successful
- provide certainty for applicants not currently employed or receiving income to be able to submit an application.

Some applicants may consider this could result in bias or discriminatory practices by a property manager or owner. While there may be some additional costs for renters compared to the required application form under the status quo (i.e. completing additional fields for date of birth, pets and vehicles may take an extra minute or two), this option balances the amount of personal information requested from renters with the increased efficiency of the rental application process.

The regulation amendment will commence on 1 May 2025 to coincide with the RTRA Act reform that requires property owners and property managers to use the required application form, allowing the sector to prepare for the RTRA Act reform and the RTRA Regulation amendment at the same time. Therefore, there are no anticipated additional implementation costs for the RTA or the sector as these were costed as part of the RTRAOLA Act reforms.

Submitting a rental application

Option 1: Status Quo

The status quo does not adequately safeguard applicants from having a fee-free way to submit an application. This may create stress and financial burden for applicants.

There is no impact for property managers or owners under this option.

Option 2: Non-mandatory guidance

Non-mandatory guidance may encourage property managers to ensure they provide at least one fee-free way to submit an application. However, as uptake of guidance is voluntary, the potential for some applicants to not have a fee-free way remains.

As the RTA's functions include providing information and educational services, this option would not result in any additional costs to the sector.

Option 3: Amend the RTRA Regulation to prescribe that a restricted way to submit an application is one that requires an applicant to pay a fee.

Under this option, all applicants must be provided a fee-free way to submit an application. This would help ease cost of living pressures experienced by applicants, many of whom are submitting multiple applications within short succession.

Although the sector advised through consultation that these costs are not being passed onto applicants, this option would clearly establish the government's position relating to fairer fees and charges and make certain that a fee-free application option is made available to applicants.

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

Under this option, property management or third-party platform businesses which determine that a background check or other fee is required would bear this cost. Notably, section 59 of the RTRA Act restricts the amounts a property manager or owner can pass on to applicants; and these costs may already be factored into the property management service costs agreed between the rental property owner and manager.

All stakeholders supported prescribing that a restricted way for submitting a rental application is a way that requires payment. This option also aligns Queensland with other jurisdictions in delivering best practice renter protections.

Who was consulted?

On 8 January 2025, a consultation paper was sent to key rental sector and third-party platform stakeholders for their feedback about any additional information that should be requested from applicants and a providing a fee-free application method. Submissions closed on 23 January 2025.

Submissions were received from:

- Real Estate Institute of Queensland (REIQ)
- Tenants Queensland (TQ)
- Queensland Disability Network (QDN)
- Community Housing Industry Association (CHIA)
- Property Owner Association of Queensland (POAQ)
- Strata Community Association Qld (SCAQ)
- Stacey Holt Real Estate Excellence
- QCOSS (Queensland Council of Social Services)
- Caravan Parks Association of Queensland (CPAQ)
- REA Group.

Meetings were also held with REIQ, POAQ, CPAQ, TQ and REA Group

Overall, industry stakeholders generally requested additional information, while renter advocacy groups were concerned about privacy and discriminatory practices:

- date of birth: All stakeholders supported including applicant's date of birth for identity verification and conducting tenancy database checks
- occupants: Renter advocacy groups held concerns that including information about number and age of occupants and their relationship to the applicant may lead to discrimination against people with a disability, larger families and applicants who are renting in a group, while property owner and industry groups consider household composition to be relevant and some suggested that additional occupant information should be prescribed. The proposed amendment balances these views by limiting the additional information to the total number of occupants and number of occupants under 18 years of age
- pets: Renter advocacy groups oppose requesting any information about pets as it may lead to discrimination, while industry groups consider pet information (including breed) relevant. Two stakeholders suggested additional pet information such as registration details and whether a pet will be kept inside or outside should be prescribed. The proposed amendment balances the interests of property owners and applicants by ensuring relevant information, being type and number of pets, is requested. Some stakeholders also suggested property owners also have a responsibility to disclose to applicants whether the property is suitable for a pet before an application is submitted. This will be incorporated into a non-mandatory part of the form for property owner completion. This approach allows applicants to be informed of any restrictions associated with the property and will result in less unsuitable applicants applying for the rental property, reducing screening burden for property managers
- vehicles: Renter and property owner advocacy groups consider that any parking restrictions should be disclosed to applicants prior to the application process, and one tenancy advocacy group questioned the relevance of requesting this information. Industry stakeholders consider information about number, type, make and model to be relevant for properties with a body corporate or where there is limited

parking on the premises and registration details are also relevant. The proposed amendment balances the interests of property owners and applicants by ensuring relevant information (number and type of vehicles to be kept on the rental property) is available. Whether the property has any vehicle restrictions will be incorporated into a non-mandatory part of the form for property owner completion. This approach allows applicants to be informed of any parking restrictions associated with the property and will result in less unsuitable applicants applying for the property, reducing the screening burden

- financial ability to pay, if the applicant cannot provide details about their current employment or income: renter advocacy groups suggested requesting additional information about employment history and income source to assess financial ability to pay is unnecessary and that the current information prescribed in the RTRAOLA Act in relation to income is adequate. Industry stakeholders supported including employment history and income source. While the RTRAOLA Act already provides for income details to be requested by the application form, income refers to returns that come in periodically from one's work, property, business, etc. It therefore does not include payments in the form of gifts (e.g. parents paying the rent), savings or windfall earnings. Therefore, the proposed amendment allows an applicant to provide details about their financial ability to pay, if they cannot provide details about their current employment or income. This will reduce potential discrimination against applicants who do not have current employment or traditional income.

All stakeholders supported prescribing that a restricted way for submitting a rental application is a way that requires payment.

The RTA has also been consulted and support the proposed amendments.

What is the recommended option and why?

Information that can be requested from applicants

Option 3 'Amend the RTRA Regulation to prescribe additional information about date of birth, occupants, pets, vehicles and financial ability to pay rent for the required application form' is the preferred approach. This option strikes an appropriate balance which ensures property managers and owners have sufficient information to undertake a suitability assessment while reducing the amount of information overall that is currently requested from applicants.

There are no foreseeable additional cost implications for property managers and owners resulting from the regulation amendment. The additional fields in the form under the regulation amendment are unlikely to create additional burden to the sector given this information is currently being collected. This option also benefits property owners and property managers as they will avoid costs associated with having to request further information from an applicant subsequent to the application form which would occur under the status quo.

Submitting a rental application

Option 3 'Amend the RTRA Regulation to prescribe that a restricted way to submit an application is one that requires an applicant to pay a fee' is the preferred approach. This option provides certainty that applicants are provided at least one fee-free way to submit a rental application, which will help ease cost of living pressures experienced by applicants, many of whom are submitting multiple applications within short succession. All stakeholders supported this approach.

Impact assessment

	First full year	First 10 years**
Direct costs – Compliance costs*	Nil	Nil
Direct costs – Government costs	Nil	Nil

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

Signed

Mark Cridland
 Director-General
 Department of Housing and Public Works

Date: 20 / 2 / 2025

Sam O'Connor MP
 Minister for Housing and Public Works
 and Minister for Youth

Date: 22 / 2 / 2025