



National Affordable Housing Providers Ltd.

TO: Committee Secretary, Community Support and Services Committee
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RE: Submission on the Housing Legislation Bill 2021 and the Residential Tenancies and Rooming Accommodation (Tenant's Rights) and Other Legislation Bill 2021

This submission has been approved by the NAHP Board of Directors.

The National Affordable Housing Providers (NAHP) appreciates this opportunity to comment on the two tenancy reform bills under consideration: The Housing Legislation Amendment Bill 2021 (HLA) and the Residential Tenancies and Rooming Accommodation (Tenants Rights) and Other Legislation Amendment Bill 2021 (RTRAA).

NAHP is the representative peak body representing NRAS Approved Participants' collective interests to deliver affordable housing across Australia. Our members hold responsibility for delivering over 11,000 NRAS properties, housing in excess of 20,000 low income tenants, and include Queensland's largest NRAS providers. NAHP members are a mix of not for profit housing organisations, commercial and ASX listed entities, representing the broad interests of companies engaged in providing private, affordable housing in Australia, including NRAS and other State and Federal Government initiatives.

Our submission focuses on an HLA bill provision that impacts NRAS providers and their ability to remain compliant with NRAS regulations while adhering to these regulations. An amendment in the Residential Tenancies and Rooming Accommodation Bill also has implications for vulnerable NRAS tenants and housing providers. The submission details our concerns with these amendments.

- Removing the 'without grounds' notice creates a significant problem for NRAS dwelling owners and Approved Participants, i.e. the entities who hold the NRAS incentives. We recognise that Section 290 of the RTRAA does allow for a notice to leave if the tenant's entitlement under an affordable housing scheme ends. However, that regulation does not cover situations where tenants refuse to provide the required documentation to assess their ongoing eligibility under the Scheme. Specifically, tenants are required annually to provide documentation of income and household composition. Tenants are advised of this obligation when they apply for NRAS housing and are further advised in writing that it is required for assessment each year.

The list of approved reasons for issuing a notice to leave in the revised Section 290 does not address this common scenario. In the absence of a 'without grounds' clause to give the notice to leave, NRAS providers and owners have no mechanism to remove an ineligible tenant. An ineligible tenant in an NRAS property breaches NRAS regulations and results in the loss of the subsidy to the provider or owner. One outcome from this scenario is the withdrawal of the property from the Scheme, reducing the limited amount of stock in the affordable housing sector. A second unwanted outcome is that the owner/housing provider will not receive the NRAS incentive while the ineligible tenant remains in the dwelling. This results in an ineligible tenant continues to occupy the dwelling, denying an eligible tenant accommodation in an affordable home.

NAHP recommends that another condition be added in Section 290 that a notice to leave can be given if the tenant, within one month of the due date, does not submit sufficient documentation to substantiate their ongoing eligibility to participate in an affordable housing program. This provision would provide assurances to current and future affordable housing investors and providers that only eligible households will tenant affordable housing properties.

- The proposed new Section 57B (1) of the RTRAA includes a provision to prohibit the lessor from requesting *'a statement from the prospective tenant's financial institution account from which information about daily transactions has not been redacted'*. Bank statements are often used as a form of income verification by tenants to establish their NRAS eligibility. NRAS providers frequently request them during the application process and in ongoing eligibility assessments. While wage slips and Centrelink statements are standard verification documents, other sources of income are difficult to document. Financial contributions from family and payments via private child support arrangements are also verified using bank statements.

In the absence of sufficient income documentation, an NRAS provider will be unable to process an application if they are not confident they have a complete picture of an applicant's income status. The risk of approving a tenant who is subsequently found ineligible is high as it is a serious NRAS breach that jeopardises the Approved Participant's entitlement to the NRAS incentive. The same risk and breach ramifications apply in ongoing income assessments where income verification is essential to determining eligibility. Like the undesirable outcome noted above, this could preclude otherwise eligible tenants from being placed (or remaining) in the NRAS dwelling.

NAHP recommends that Section 57B (1)(d) be amended in line with 57B (1)(e):

'a statement from a prospective tenant's financial institution account from which information about daily transactions has not be redacted, other than if the information is required to assess the prospective tenant's eligibility for a social housing service or NRAS'.