

# NSW Government Response:

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Legislative Assembly Select Committee on the Residential  
Tenancies Amendment (Prohibiting No Grounds Evictions)  
Bill 2024

March 2025

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## Acknowledgement of Country

NSW Fair Trading acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.

We pay our respects to Elders past, present and emerging and acknowledge the Aboriginal and Torres Strait Islander people that contributed to the development of this Policy.

We advise this resource may contain images, or names of deceased persons in photographs or historical content.

*NSW Government Response: Legislative Assembly Select Committee on the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024*

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# Contents

<b>Introduction</b> .....	<b>1</b>
<b>Response to Recommendations</b> .....	<b>2</b>
Recommendation 1.....	2
Recommendation 2.....	2
Recommendation 3.....	3
Recommendation 4.....	4
Recommendation 5.....	4
Recommendation 6.....	5
Recommendation 7.....	5
Recommendation 8.....	6
Recommendation 9.....	6
Recommendation 10.....	7
Recommendation 11.....	7
Recommendation 12.....	8

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# Introduction

The NSW Government thanks the Legislative Assembly Select Committee on the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 for their report and recommendations on the Bill, released in September 2024.

The NSW Government supports the Committee's recommendations.

The Select Committee's findings focus on the impact of no grounds evictions on renters in NSW and the need to replace no grounds terminations under the *Residential Tenancies Act 2010* (the Act) with specific additional grounds for termination, supported by appropriate monitoring, compliance and data collection.

The NSW Government is committed to improving renting through modernising renting laws, increasing the quality and supply of rental housing, and providing support for renters and property providers to understand their rights and responsibilities.

In 2023, the Government appointed NSW's first Rental Commissioner, Ms Trina Jones. The Rental Commissioner works with stakeholders across the rental market to design and implement changes to improve renting in NSW.

The Government also made reform commitments to:

- close the loopholes in the existing ban on solicited rent bidding to include owners and third parties
- end 'no grounds' terminations for renters
- make it easier for renters to have pets in rental homes
- introduce new data protection requirements for renter's personal information, and
- implement a portable rental bond scheme.

With many people renting for longer, the Government is focused on ensuring the rental market offers security, quality, fairness and affordability.

The NSW Government's response to each recommendation of the Select Committee is addressed below.

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# Response to Recommendations

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## Recommendation 1

That the NSW Government urgently prohibit no grounds evictions, either by passing the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 or introducing a bill that would have the same effect.

### Supported.

The NSW Government's *Residential Tenancies Amendment Act 2024 (the Amendment Act)* was passed by the NSW Parliament on 24 October 2024.

The Amendment Act delivers on the NSW Government's commitment to introduce reforms that provide more stability for renters and certainty for landlords. The changes in the Amendment Act include:

- requiring a reasonable ground to end a lease – removing “no grounds” terminations
- making it easier for renters to keep pets
- limiting rent increases to once per year
- providing fee-free ways to pay rent, by ensuring renters can pay their rent by bank transfer or Centrepay
- ensuring renters cannot be asked to pay extra charges, including payments for background checks, when applying for a rental property.

Changes to rules for ending a tenancy, keeping pets and rent payment methods are expected to commence in the first half of 2025, following the development of new regulations. Changes to limit rent increases and prevent renters being charged for background checks and other charges commenced on 31 October 2024.

The NSW Government is also continuing to work on its other reform commitments and expects to deliver further reforms in 2025.

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## Recommendation 2

That the NSW Government prohibit no grounds evictions for both fixed term and periodic leases.

### Supported.

The NSW Government's Amendment Act requires landlords to provide a reason to end a tenancy agreement for both periodic and fixed term leases.

## Recommendation 3

That the NSW Government and/or NSW Parliament passes legislation to amend the Residential Tenancies Act 2010 (the Act) to include reasonable grounds on which a landlord may evict a tenant. The Government should consider limiting reasonable grounds to the following:

- The landlord or a person associated with the landlord intends to live in the residential premises.
- The landlord, having obtained all necessary permits and consents, plans to carry out significant renovations or repairs to the residential premises that will render the premises uninhabitable.
- The landlord, having obtained all necessary permits and consents, plans to change the use of the residential premises to a non-residential purpose.
- The residential premises are used and managed as transitional, affordable or purpose built housing and the tenant no longer meets relevant eligibility requirements.

### Supported.

The NSW Government's Amendment Act introduces reasonable grounds on which a landlord may terminate a residential tenancy agreement. These grounds are similar to those suggested by the Committee and are as follows:

- the landlord or their family intend to move into the property
- the property is being sold or offered for sale with vacant possession
- the property will undergo significant repairs or renovations, or the property will be demolished
- the property will no longer be used as a rental home
- the tenant is no longer eligible for transitional housing, student accommodation, affordable housing, employee or caretaker housing or the property is needed for key worker accommodation.

These new grounds are in addition to existing grounds on which a landlord can end a lease, such as where the renter has not paid their rent, has damaged the property or has otherwise breached the lease.

While the Committee did not support inclusion of a termination ground that a property will be offered for sale, this ground was strongly supported in consultation feedback. The ability to present a property for sale is an important reason why landlords wish to regain possession.

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## Recommendation 4

That the NSW Government consider introducing a range of measures to ensure compliance with no grounds evictions reform, including measures such as a temporary ban on reletting, an offence and penalty scheme and a register of landlords.

### Supported.

The NSW Government is committed to ensuring compliance with the new rules introduced by the Amendment Act.

The Amendment Act contains a range of measures to support compliance.

If the landlord wishes to end a lease using the new grounds, evidence will need to be provided with a termination notice. Penalties will be payable by landlords who provide false documentation or give a reason that is not genuine.

It will also be an offence for a landlord or landlord's agent to enter into a new tenancy agreement during a specified period after termination.

Significant penalties apply for these offences: 100 penalty units, or \$11,000, for an individual and 650 penalty units, or \$71,500, for businesses.

As part of ongoing evaluation of the effectiveness of measures to ensure awareness of and compliance with the new laws, the NSW Government will consider whether additional measures such as a landlord register are necessary.

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## Recommendation 5

That the NSW Government require landlords to provide evidence to tenants when issuing a termination notice and define what evidence is required when issuing a termination notice under each eviction ground.

### Supported.

The NSW Government's Amendment Act allows the regulations to require supporting documents or information to be given by a landlord when giving a termination notice. It is an offence for a landlord or landlord's agent to give false or misleading supporting documents or information when giving a termination notice.

The requirement to provide evidence will deter landlords or agents from using a termination ground that is not genuine, and will provide renters with confidence that the termination provisions are being used appropriately.

Under the Amendment Act, the Secretary is also required to collect data on the grounds used by landlords to give termination notices, including the evidence given by landlords.

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## Recommendation 6

That the NSW Government consider providing the NSW Civil and Administrative Tribunal with discretionary power to make termination orders and provide remedies such as compensation for tenants.

### Supported.

Under the Act, the NSW Civil and Administrative Tribunal has a discretion whether to make a termination order in some situations, such as where the tenant has breached the tenancy agreement. This is appropriate as a breach can be minor and can be remedied.

The Government considered the option of giving the Tribunal a discretion whether to make a termination order for the new termination grounds set out in the Amendment Act.

However, the Government decided that such a discretion would not align with the aim of the new laws, which is to provide stability and certainty for both parties about when a lease can be terminated. Therefore if the landlord can demonstrate that the reason for termination is genuine and is one of the valid reasons set out in the Amendment Act, the landlord will have certainty that they can regain possession of their property.

Under section 187(1)(d) of the Act, the Tribunal already has a general power to make an order for compensation in any proceedings under the Act.

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## Recommendation 7

That the NSW Government provide additional resources to NSW Fair Trading to ensure effective monitoring and compliance of the proposed reforms.

### Supported.

In June 2024, the NSW Government announced its plan to establish a Rental Taskforce within NSW Fair Trading to help deliver the Government's plan to create a fairer rental market.

The Government has invested \$8.4 million investment to establish the Rental Taskforce within NSW Fair Trading, with investigators and inspectors to support teams to ensure effective monitoring of and compliance with new and existing tenancy laws.

The Rental Commissioner, Ms Trina Jones, will lead the Rental Taskforce, which commenced in December 2024.

The NSW Rental Taskforce is a multi-disciplinary team with new and existing resources drawn from across NSW Fair Trading.

The Taskforce will educate the community about the new laws, engage with renters, and support landlords and agents to comply with the new requirements. It will also analyse activities and trends within the rental market and conduct compliance activities such as inspections, audits and blitzes to prevent and act on breaches of the law.



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## Recommendation 8

That the NSW Government monitor and evaluate the impact of no grounds evictions reforms, including on rental affordability and availability.

### **Supported.**

The NSW Government is committed to monitoring and evaluating the impact of its rental reforms.

The Amendment Act requires the Secretary to collect data on the grounds used by landlords to give termination notices and the evidence provided. The regulations can impose requirements on landlords and agents to give the Secretary the information required to exercise this function.

The Amendment Act also requires the Secretary to publish on the Department's website each year a summary of the data collected.

NSW Fair Trading and the Rental Commissioner will use the data provided, in combination with other internal and external data about rent levels, vacancy rates and the state of the rental market, to evaluate the impact of the reforms to require a valid reason to end a lease.

The Amendment Act also includes a requirement that the Act be reviewed five years after its commencement, in order to examine whether the policy objectives of the Act remain valid and if it continues to be appropriate for securing those objectives.

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## Recommendation 9

That the NSW Government consider tasking the NSW Rental Commissioner with developing a framework to facilitate good faith negotiation between landlords and tenants when a landlord is considering terminating a lease, including highlighting potential alternatives and remedies such as rent abatement or assistance with moving costs.

### **Supported.**

NSW Fair Trading and the Rental Commissioner will provide extensive information to landlords, agents and renters about the changes to require a landlord to have a valid reason to end a lease.

This information will include guidance about the different options that renters, agents and landlords can consider as an alternative to terminating the lease. For example, if the landlord proposes to terminate a lease because they intend to undertake renovations, an option may be to instead agree to a rent abatement while the renovations are carried out, and for the tenant to move back in when the renovations are complete.

As part of NSW Fair Trading's current role in providing advice and assistance to landlords and renters, NSW Fair Trading can provide advice about the alternatives to termination if landlords and renters are interested in these options.

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## Recommendation 10

That the NSW Government consider transitional arrangements for no grounds evictions reforms to mitigate unintended consequences.

### **Supported.**

The NSW Government considered possible transitional arrangements as part of the development of the Residential Tenancies Amendment Act 2024.

The Government considered that transitional provisions that prevent the use of no grounds evictions before the reforms come into effect would be unworkable and confusing for landlords, tenants and agents.

The transitional arrangements in the Act provide that termination notices issued before the new provisions commence continue to be governed by the laws that were in force when the termination notice was issued.

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## Recommendation 11

That the NSW Government conduct education campaigns to inform the community about no grounds evictions reform.

### **Supported.**

The changes in the Amendment Act are the most significant reforms to the NSW rental market in more than a decade.

NSW Fair Trading is developing a comprehensive education campaign to inform renters, landlords, real estate professionals and community members about the reforms.

The campaign will ensure all stakeholders understand their rights and obligations through targeted communications, live webinars, newsletters, and accessible resources in multiple languages.

The public can stay informed by visiting: <https://www.nsw.gov.au/departments-and-agencies/fair-trading/changes-to-rental-laws>

## Recommendation 12

That the NSW Government consider the collection of comprehensive end of tenancy data and make this data publicly available, including the end of tenancy survey results.

### **Supported.**

The NSW Government regularly collects and analyses a range of housing and tenancy data to inform the development of policy, legislation and targeted communications, as well as compliance and enforcement measures.

Since August 2021, NSW Fair Trading has collected data about why tenancies end, based on current NSW tenancy laws, through the end of tenancy survey. The end of tenancy survey asks every principal tenant and landlord or their nominated agent to complete a survey when a bond claim is finalised through the online bonds system. The rate of response for the end of tenancy survey is consistent at around 10-12% annually. Results of the survey are not representative of the NSW rental market as a whole, but can provide useful insights.

Further, the Amendment Act includes a requirement that the Secretary must collect data on the grounds used by landlords to give termination notices, including the evidence given by landlords, and that this data will be published annually.

NSW Fair Trading, the Rental Commissioner and the NSW Rental Taskforce will use the suite of data collected to monitor the impact of the Government's rental reforms.



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