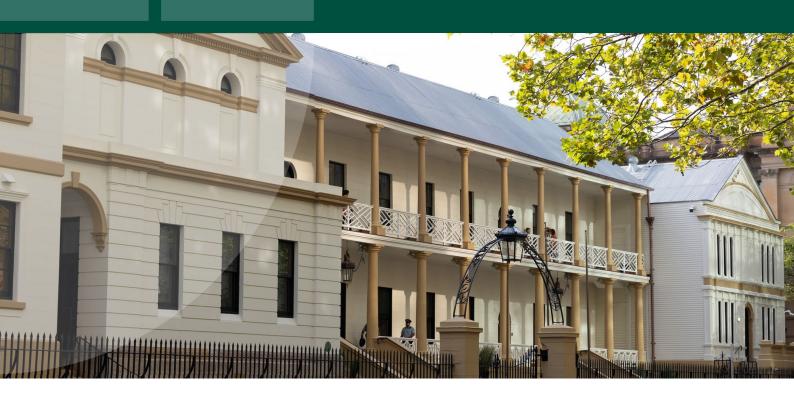
Select Committee on the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024



LEGISLATIVE ASSEMBLY

Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024



Report 1/58 - September 2024

New South Wales Parliamentary Library cataloguing-in-publication data:



A catalogue record for this book is available from the National Library of Australia

ISBN: 978-1-925214-50-5

The motto of the coat of arms for the state of New South Wales is "Orta recens quam pura nites". It is written in Latin and means "newly risen, how brightly you shine".

Contents

Membership	iv
Chair's foreword	v
Findings and recommendations	_viii
Chapter One – Background	1
The Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 - Overview	/1
No grounds evictions	4
Chapter Two – Impact of no grounds evictions	9
Chapter Three – Reasonable grounds to terminate a lease	22
Reasonable grounds to terminate a lease	25
Eviction notice periods	34
Chapter Four – Evidence, compliance and other considerations	36
Compliance options	37
Implementing no grounds eviction reform	46
Appendix One – Terms of reference	50
Appendix Two – Conduct of inquiry	51
Appendix Three – Online survey	52
Analysis of responses	52
Appendix Four – NSW Rental Commissioner's survey results	58
Appendix Five – List of submissions	61
Appendix Six – Witnesses	63
Appendix Seven – Extract of minutes	65

Membership

Chair Ms Jenny Leong MP

Deputy Chair Ms Donna Davis MP

Members Mr Clayton Barr MP

Ms Trish Doyle MP Mr Tim James MP

Contact details Legislative Assembly Select Committee on the Residential

Tenancies Amendment (Prohibiting No Grounds Evictions)

Bill 2024

Parliament House 6 Macquarie Street SYDNEY NSW 2000

Telephone 02 9230 2601

E-mail <u>nogroundsevictionsbill@parliament.nsw.gov.au</u>

Website https://www.parliament.nsw.gov.au/committees

Chair's foreword

"No-grounds reform will benefit all renters, but will not equally disadvantage all landlords. It is the retaliators, the discriminators and the incompetent landlords who will suffer a detriment from losing their ability to take termination proceedings without specifying the grounds and justifying their case. No-grounds reform is not zero-sum."

- Chris Martin, UNSW City Futures Research Centre

"There is one reform the Government can support that can materially improve the lives of the third of Sydneysiders who rent for the better immediately, and that is to end nogrounds evictions in full."

- Committee for Sydney

Across New South Wales, more and more people are renting and for longer than ever. The number of renting households in New South Wales grew by 17.5 per cent between 2016 and 2021 and more than a third of all New South Wales households—over two million people—rent. It is an increasingly common tenure type, but also one of the least stable, and the negative impact of this instability on individuals, families, communities and their health and wellbeing, as well as the risks to our state, cannot be ignored.

Currently, renters in New South Wales can be evicted from their home for no reason. Data suggests that more than 28,000 people are evicted arbitrarily each year across the state, the equivalent of 1 every 18 minutes. During this inquiry the Committee heard clear evidence from multiple stakeholders that every renter in New South Wales, regardless of whether they are actually issued an eviction without grounds, lives with fear and uncertainty because they know that at any time they could open their inbox or letterbox to find an eviction notice due to no fault of their own.

This Select Committee was established in May 2024 to inquire into a Greens Private Members Bill that I introduced in early 2024 with the aim of putting pressure on the NSW Labor Government to act on their election commitment to end no-grounds evictions. Before debate on this Bill concluded, the NSW Labor Government moved to refer the Bill to an inquiry which enabled public debate and consideration of issues in this reform.

On 28 July 2024, the weekend before the first public hearing of the inquiry, the NSW Government announced their planned reform to end no grounds evictions, including setting out a timeline for the legislation to be introduced in the September sittings. This followed commitments ahead of the 2019 state election by both the then-NSW Coalition Government and the NSW Labor Opposition to end no grounds evictions for at least some lease types. Ending no grounds evictions for all residential leases has been a long-held priority of the NSW Greens and has been the focus of a concerted community campaign for decades.

The government's announcement was welcomed by a broad range of stakeholders, and the Committee heard strong support for the reform and Greens Private Members' Bill from inquiry

participants including tenant and housing organisations, academics, legal centres, Domestic Violence NSW, NSW Council of Social Service and the Committee for Sydney. This mirrors the evidence presented by the NSW Rental Commissioner who undertook a comprehensive consultation process initiated by the NSW Government in July 2023.

Throughout the inquiry, the Committee was persuaded by evidence that ending no grounds evictions is the paramount reform for ensuring rental security and empowering renters to exercise their other rights under the *Residential Tenancies Act 2010*.

The ongoing possibility of arbitrary eviction undermines any efforts to increase supply or make the cost of housing more affordable. It also has disproportionate effects on those already struggling with other challenges, including disability, health and wellbeing, discrimination, domestic violence and poverty.

Older renters and people living with disability, for whom moving house is particularly challenging, face heightened risk of substandard living conditions as they are too afraid to request repairs, lest they be unfairly evicted. Similarly, renters who identify as First Nations or who face other forms of social, cultural, or economic disadvantage are at the whim of those who seek to discriminate when deciding whether to continue a tenancy. And the cyclical nature of domestic violence often means that survivors who have fled unsafe homes are put at risk of returning to unsafe living environments if they are faced with an eviction notice in an overheated rental market.

Ending no grounds evictions is not just a housing reform: it is also a reform that will improve the safety, security, health, wellbeing and financial security of the two million renters in New South Wales. It is for this reason that this report is unequivocal in its recommendation that no grounds evictions must be ended for all tenancy types.

Historically, rental reform has been a highly contested landscape in which some heavily invested stakeholder groups hold deeply entrenched, often conflicting views and significant financial interests.

This report closely examines the arguments advanced by these different stakeholder groups and ultimately concludes that while some may wish to present this as an issue with two sides, those so-called 'sides' are not equal: the human right to a secure home necessarily outweighs any claims to unrestricted use of an investment. Housing needs to be for people, not for profit.

In conclusion, I would like to thank the many, many people who have participated in this inquiry as well as those who have worked tirelessly for years to make renters' rights a priority.

This reform has been a long time coming, and has only come into fruition following decades of campaigning, advocacy and public pressure from many groups. I thank these groups for their principled position and action to advocate for renters, even when it was not politically popular to do so.

I thank also the Committee members for their contribution to this inquiry. And, on behalf of the whole Committee, I wish to express our appreciation to the Committee staff for their research, support and guidance.

It is very much my hope that this inquiry has helped to guide the government's planned legislation to end no grounds evictions, will provide a valuable resource for all MPs in considering and debating this reform, and ensure that this very welcome ban is comprehensive and delivered by the end of this year for the renters of New South Wales.

Ms Jenny Leong MP

Monson Por
Newson

Findings and recommendations

Finding 19
There was strong support amongst inquiry participants for the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024.
Finding 29
No grounds evictions have an unfair impact on tenants' housing stability and security as tenants who face the threat of a no grounds eviction can be reluctant to assert their rights.
Finding 39
Landlords could use no grounds evictions to unfairly increase rents and bypass their obligations under the rental law to provide reasonable repairs.
Finding 49
There is limited data on end of tenancies in New South Wales and a reliance on opt-in surveys, academic analysis and proxy data such as rental property advertising.
Finding 59
While real figures of no grounds evictions are difficult to obtain, the threat of a no grounds eviction impacts all tenants.
Recommendation 122
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.
Recommendation 222
That the NSW Government prohibit no grounds evictions for both fixed term and periodic leases.
Recommendation 325
That the NSW Government and/or NSW Parliament passes legislation to amend the <i>Residential Tenancies Act 2010</i> 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 purposebuilt housing and the tenant no longer meets relevant eligibility requirements. Finding 6 26 Section 86 of the Residential Tenancies Act 2010 currently provides that a landlord may issue a termination notice on the ground of sale of residential premises with vacant possession. Section 86 does not apply to landlords who wish to have the property vacant to facilitate the sales process. 34 The NSW Government announced a proposal to increase the notice period from 60 to 90 days for an eviction on reasonable grounds, and some stakeholders encouraged the notice period to be increased to 120 days. Recommendation 4 36 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. Recommendation 5 37 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. 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. Recommendation 7 46 That the NSW Government provide additional resources to NSW Fair Trading to ensure effective monitoring and compliance of the proposed reforms. Recommendation 8 _____ 46 That the NSW Government monitor and evaluate the impact of no grounds evictions reforms, including on rental affordability and availability. 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. Recommendation 10 _____ That the NSW Government consider transitional arrangements for no grounds evictions

reforms to mitigate unintended consequences.

Recommendation 11	47
That the NSW Government conduct education campaigns to inform the cogrounds evictions reform.	mmunity about no
Recommendation 12	48
That the NSW Government consider the collection of comprehensive end make this data publicly available, including the end of tenancy survey resu	•

Chapter One – Background

Chapter summary

This chapter provides an overview of the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 and outlines the context in which the bill was reviewed. This includes the announcement by the NSW Government about the timeline and detail on plans to deliver on election commitment to end no grounds evictions.

This chapter also provides an overview of no grounds evictions, including a comparison of no grounds eviction policies in comparable Australian and overseas jurisdictions.

The Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 - Overview

Summary

The bill would end no grounds evictions for both fixed term and periodic leases by removing the right of a landlord to end a lease without grounds and specifying the grounds on which a lease may be terminated. This section outlines the objectives and key provisions of the bill and provides some background to this inquiry.

Objectives and key provisions of the Bill

- 1.1 The Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 (the bill) is a private members' bill introduced by the Member for Newtown, Ms Jenny Leong MP, on 8 February 2024. The bill's objectives are to:
 - Remove the right of a landlord to terminate a lease without grounds.
 - Specify the grounds on which a lease may be terminated.
 - Make it an offence for a landlords to fail to ensure residential premises are used in accordance with the ground on which the termination order was made.
 - Enable NSW Civil and Administrative Tribunal (NCAT) to make orders where a residential premise was not used in accordance with the ground on which the lease was terminated.
- 1.2 The bill would amend sections 84 and 85 of the *Residential Tenancies Act 2010* (the RT Act) which give landlords the right to terminate a fixed term or periodic agreement without reasons. The bill also proposes to prescribe a list of genuine grounds on which landlords could terminate a fixed term or periodic agreement including:
 - The landlord or a person associated with the landlord, such as a family member intends to live in the property.

- The landlord intends to carry out renovations or repairs that will make the
 premises uninhabitable for at least four weeks and they have the necessary
 permits to carry out the works.
- The premises will be used in a way that makes it incompatible with residential purposes for at least six months.
- Other grounds prescribed by regulations.¹
- 1.3 Additionally, the bill proposes several compliance measures to ensure landlords terminate leases based on prescribed reasonable grounds. These measures include offence provisions, compensation for tenants and NCAT orders.²
- 1.4 Detailed analysis of bill provisions can be found in Chapter Three.

The bill does not affect other existing grounds to terminate a lease

- 1.5 It is important to note that a no grounds eviction is not the only way that a landlord can evict a tenant. Reform to remove no grounds evictions will not change existing grounds in the RT Act.
- 1.6 Under the RT Act, a landlord may terminate a lease and evict a tenant if the tenant:
 - Breaches the lease.3
 - Does not pay rent or other charges.⁴
 - Damages the property.⁵
 - Uses the premises for an illegal purpose.⁶
- 1.7 Additionally, a landlord may terminate a lease if the property has been sold and they are required to give vacant possession, 7 or if continuing the tenancy would cause undue hardship for a landlord.8
- 1.8 Reform to end no grounds evictions would not affect the existing termination grounds outlined above.

Referral of the bill to the Select Committee and conduct of inquiry

1.9 On 16 May 2024, the Legislative Assembly passed a motion establishing the Select Committee on the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 to inquire into and report on the bill by 20

¹ Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024, sch 1, [3] and [5].

² Prohibiting No Grounds Evictions Bill, sch 1, [6].

³ Residential Tenancies Act 2010, (RT Act) s 87.

⁴ RT Act, <u>s 88</u>.

⁵ RT Act, <u>s 90</u>.

⁶ RT Act, <u>s 91</u>.

⁷ RT Act, s 86.

⁸ RT Act, <u>s 93</u>.

Background

September 2024.⁹ Another motion was passed on the same day extending the lapsing date of the bill to 25 October 2024.¹⁰

- 1.10 The Committee invited a broad range of stakeholders to make a submission to the inquiry, including government agencies, academics, and organisations representing tenants, landlords, property investors and vulnerable stakeholders in the rental market.
- 1.11 The Committee also held an online survey to gather feedback from members of the public. The survey canvassed views about no grounds evictions and specific provisions of the bill including proposed eviction grounds and compliance measures. The Committee received approximately 1,500 survey responses representing views of landlords and tenants. Further details of the survey can be found in Appendix Three.
- The Committee notes that the NSW Rental Commissioner and NSW Fair Trading consulted the public on rental law reforms and conducted a survey in 2023 to collect feedback on key rental issues, including no grounds evictions. ¹¹ With over 16,000 responses, this survey has a broader reach and a much larger sample size than the inquiry's online survey. The survey results were not available to the Committee at the start of the inquiry when the Committee held its own survey. This report refers to results from both surveys to comprehensively capture public opinion. Further details of the NSW Fair Trading's survey can be found in Appendix Four.
- 1.13 On 28 July 2024, just prior to the first public hearing for the inquiry, the NSW Government announced its own plan to end no grounds evictions. According to the announcement, the Government will introduce a bill in September 2024 prohibiting no grounds evictions and allowing an eviction on the following grounds:
 - The property is to be sold or offered for sale with vacant possession.
 - Significant repairs or renovations will make inhabiting the property difficult.
 - The property will no longer be used as a rental home.
 - The owner or their family intends to move into the property.
 - The tenant is no longer eligible for an affordable housing program or, if the property is for student accommodation, the tenant is no longer a student.¹²
- 1.14 The announcement also noted there will be evidence requirements and penalty provisions to ensure compliance.

⁹ NSW Legislative Assembly, Votes and Proceedings, No. 54, Entry No. 14, 16 May 2024.

¹⁰ New South Wales, Legislative Assembly, <u>Parliamentary Debates</u>, 16 May 2024 (Mr Ron Hoenig MP, Minister for Local Government).

¹¹ Submission 9, NSW Fair Trading, p 6.

¹² The Premier, Minister for Better Regulation and Fair Trading, Minister for Homelessness, <u>Making renting fairer in NSW</u>, media release, NSW Government, 28 July 2024, viewed 12 August 2024.

NSW Government upcoming reform to no grounds evictions

Ending no grounds evictions was an election commitment from the current government in the 2023 New South Wales state election. ¹³ This reaffirmed NSW Labor's position taken by the then Opposition Leader Mr Luke Foley to the 2019 state election.

In July 2023, the NSW Government released a consultation paper on 'Improving NSW rental laws' and sought public feedback through an online survey. 14

The survey closed on 11 August 2023 and the government later published a public engagement summary report on 'Improving NSW rental laws'. 15

Following the introduction of the private members' bill in February 2024 and the establishment of this Committee in May 2024, the NSW Government announced its intention to introduce a bill in September 2024 to remove no grounds evictions and require landlords to provide reasons for terminating a lease.¹⁶

In light of the government announcement just prior to the hearings for this inquiry, the hearings focused on the policy issues of no grounds evictions reforms and what should be included in a bill to end no grounds evictions. At those hearings, witnesses overwhelmingly supported the government's plan to end no grounds evictions. ¹⁷ This aligned with views in the submissions to the inquiry, which expressed overwhelming support for the private members' bill. (See Chapter Two for further detail.)

No grounds evictions

Summary

No grounds evictions are currently legal in New South Wales under the *Residential Tenancies Act 2010* (RT Act). This means that a tenant may be evicted at any time, without the landlord providing a reason. Numerous Australian jurisdictions have introduced reforms to end no grounds evictions.

No grounds evictions are currently legal in New South Wales

1.16 Under sections 84 and 85 of the RT Act, a landlord may terminate a rental agreement without providing a reason. This is referred to as a 'no grounds'

¹³ Paige Cockburn, 'What the major parties have promised during the 2023 NSW election campaign', ABC News, 9 March 2023, viewed 2 September 2024.

¹⁴ Department of Customer Service, <u>Improving NSW rental laws consultation paper</u>, NSW Government, July 2023.

¹⁵ NSW Fair Trading, <u>Improving NSW rental laws - Public engagement summary report</u>, NSW Government, 2024.

¹⁶ Making renting fairer in NSW, viewed 12 August 2024.

¹⁷ Mr Leo Patterson Ross, Chief Executive officer, Tenants' Union of NSW (TUNSW), <u>Transcript of evidence</u>, 29 July 2024, p <u>1</u>; Mr Ben McAlpine, Director, Policy and Advocacy, NSW Council of Social Service (NCOSS), <u>Transcript of evidence</u>, 29 July 2024, p <u>17</u>; Ms Delia Donovan, Chief Executive Officer, Domestic Violence NSW (DVNSW), <u>Transcript of evidence</u>, 29 July 2024, p <u>34-35</u>; Mr Blake Cansdale, Acting National Director, Change the Record, <u>Transcript of evidence</u>, 29 July 2024, p <u>48</u>.

eviction. 18 Landlords must give a tenant notice to evict and the notice period varies depending on the lease type:

- For a fixed term lease, a landlord must give at least 30 days' notice of an
 eviction and this can only take effect on or after the end of the fixed term.¹⁹
- For a periodic lease, a landlord must give at least 90 days' notice and can end the lease at any time.²⁰

Fixed term and periodic leases

The RT Act sets out two types of residential tenancy agreements, or 'leases'. These are:

- a fixed term agreement, which is a lease for an agreed specified period of time, and
- a periodic agreement, which is a lease with no set end date, also referred to as a 'week-to-week' or 'rolling' lease.²¹
- 1.17 A tenant cannot refuse a no grounds eviction, and the NCAT does not have the discretion to declare that a termination notice has no effect.²²
- 1.18 The only exception to this is under section 115 of the RT Act. This section provides that, if a tenant can prove the notice was 'retaliatory', NCAT can declare it invalid. Evidence to the inquiry suggests that it is difficult for tenants to prove retaliatory evictions, and NCAT 'often declines to exercise [its] discretion' in these cases. Redfern Legal Centre noted that protections against retaliatory evictions are not enough to offset the threat created by no grounds evictions. Stakeholders also noted that people with less resources such as renters from disadvantaged communities may not be able to bring matters to NCAT.

NSW Civil and Administrative Tribunal (NCAT)

NCAT is an independent body that can hear and decide on tenancy disputes between landlords and tenants in New South Wales, including matters involving tenancy agreement terminations. ²⁶ Both landlords and tenants can make an application to NCAT. The proposed role of NCAT in ending no grounds evictions is discussed in more detail in Chapter Three of this report.

¹⁸ Submission 9, NSW Fair Trading, p <u>3</u>.

¹⁹ RT Act, <u>s 84</u>.

²⁰ RT Act, s 85.

²¹ RT Act, s 3; Submission 9, NSW Fair Trading, p 5.

²² Submission 12, Legal Aid NSW, p 2; Submission 17, Redfern Legal Centre (RLC), p 2.

²³ <u>Submission 9</u>, NSW Fair Trading, p 5; <u>Submission 12</u>, Legal Aid NSW, p 2; <u>Submission 32</u>, Shelter NSW, pp <u>9-10</u>.

²⁴ Submission 17, RLC, p 3.

²⁵ <u>Submission 22</u>, Public Interest Advocacy Centre (PIAC), p <u>9</u>; Ms Gohar Yazdabadi, Chief Executive Officer, Council on the Ageing NSW (COTA), <u>Transcript of evidence</u>, 2 August 2024, p <u>12</u>.

²⁶ Civil and Administrative Tribunal Act 2013 No 2, sch 4, pt 3, s 3.

No grounds evictions in other jurisdictions

1.19 Approaches to no grounds evictions vary across different jurisdictions. This section outlines and compares the legal status of no grounds evictions by lease type in other Australian States and Territories and New Zealand.

The legal status of no grounds evictions in other jurisdictions

Jurisdiction	Legislation	Legal status of no grounds evictions by lease type	
		Fixed term leases	Periodic leases
Australian Capital Territory	Residential Tenancies Act 1997 (ACT)	Not legal.	Not legal.
Northern Territory	Residential Tenancies Act 1999 (NT)	Legal with a minimum notice period of 60 days. ²⁷	Legal with a minimum notice period of 60 days. ²⁸
Queensland	Residential Tenancies and Rooming Accommodation Act 2008 (QLD)	Legal with a minimum notice period of 2 months. ²⁹	Not legal.
South Australia	Residential Tenancies Act 1995 (SA)	Not legal.	Not legal.
Tasmania	Residential Tenancies Act 1997 (TAS)	Legal with a minimum notice period of 42 days. 30	Not legal.
Victoria	Residential Tenancies Act 1997 (VIC)	Legal for the end of the first fixed term lease with the minimum notice period dependent on the length of the lease. ³¹	Not legal.
Western Australia	Residential Tenancies 1987 (WA)	Legal with a minimum notice period of 30 days. 32	Legal with a minimum notice period of 60 days. ³³
New Zealand	Residential Tenancies Act 1986 (NZ)	Not legal. The current New Zealand government has introduced a bill to reintroduce no grounds evictions provisions. It is currently before the Parliament.	Legal with a minimum notice period of 28 days.

²⁷ Residential Tenancies Act 1999 (NT) (RT Act NT), <u>s 90</u>.

²⁸ RT Act NT, s 89.

²⁹ Residential Tenancies and Rooming Accommodation Act 2008 (QLD), s 291; sch 1, pt 1.

³⁰ Residential Tenancies Act 1997 (TAS) (RT Act TAS), pt 4, div 2.

³¹ <u>Residential Tenancies Act 1997</u> (VIC), <u>s 91ZZD</u>.

³² Residential Tenancies 1987 (WA) (RT Act WA), s 70A (3).

³³ RT Act WA, s 64(2).

1.20 In August 2023, the National Cabinet announced it had agreed to a plan to provide 'A Better Deal For Renters' with a commitment to 'develop a nationally consistent policy to implement a requirement for genuine reasonable grounds for eviction'. 34 The Better Deal aims 'to harmonise and strengthen renters' rights across Australia'. 35 The performance report on the progress of 'A Better Deal for Renters' noted that as of August 2024, renters in Australia continue to face inconsistent tenancy laws and an ongoing lack of protection. 36

No grounds evictions are banned in the ACT and South Australia

- 1.21 The ACT and South Australia have banned no grounds evictions for both fixed term and periodic agreements.
- 1.22 A bill to amend residential tenancy legislation in the ACT was introduced in November 2022. In presenting the bill, the Attorney-General noted that it meant the ACT was the 'first and only jurisdiction in Australia to remove all forms of tenancy termination without a cause'. The bill passed in March 2023 and commenced on 1 April 2023.
- 1.23 Similarly, South Australia amended its residential tenancy legislation in November 2023 to 'prohibit the termination and non-renewal of tenancy agreements without [the landlord] providing a prescribed reason'. The amendments commenced on 1 July 2024.

No grounds evictions are partially banned in Queensland, Victoria, and Tasmania

- 1.24 Tasmania, Victoria and Queensland have banned no grounds evictions for periodic agreements only. In these jurisdictions, landlords can still issue a termination notice without reason at the end of a fixed term agreement.
- 1.25 Tasmania's residential tenancy legislation has prohibited no grounds evictions for periodic agreements since its introduction in 1997.³⁹ No grounds evictions are allowed for the end of fixed term agreements. A landlord must give a minimum of 42 days' notice and cannot issue the notice more than 60 days before the end date of the fixed term.⁴⁰

³⁴ The Hon. Anthony Albanese MP, Prime Minister of Australia, Meeting of National Cabinet – Working together to deliver better housing outcomes, media release, Australian Government, 16 August 2023, Attachment 2: A Better Deal For Renters, attachment to media release, viewed 14 August 2024.

³⁵ Working together to deliver better housing outcomes, viewed 14 August 2024.

³⁶ National Association of Renters' Organisations and National Shelter, <u>The Rental Report: A performance report on the progress of A Better Deal for Renters</u>, August 2024, pp <u>3-5</u>, viewed 2 September 2024.

³⁷ Australian Capital Territory, Legislative Assembly, <u>Parliamentary Debates</u>, 30 November 2022 (Mr Shane Rattenbury MLA, Attorney-General).

³⁸ South Australia, Legislative Assembly, <u>Parliamentary Debates</u>, 16 November 2023 (The Hon. Kyam Maher MLC, Attorney-General).

³⁹ RT Act TAS, <u>s 42</u>.

⁴⁰ Magistrates Court of Tasmania, <u>Rental disputes: Information for property owners</u>, webpage, viewed 15 August 2024.

Background

- 1.26 Victoria passed amendments to its residential tenancy legislation in 2018. 41 This reform ended no grounds evictions for periodic agreements. It also limited the use of no grounds evictions for fixed term agreements to the end of the first fixed term lease. 42 The amendments commenced operating in March 2021. 43
- 1.27 Queensland passed amendments to its residential tenancy legislation in October 2021. These amendments banned no grounds evictions for periodic agreements, but not for fixed term agreements, and commenced in October 2022.⁴⁴
- 1.28 Stakeholders in the inquiry raised that the partial ban in these jurisdictions leaves a significant legislative loophole for landlords to continue unfairly evicting renters. The importance of ending no grounds evictions for both fixed term and periodic leases is discussed in detail in Chapter Three.

No grounds evictions are allowed in Western Australia and the Northern Territory

- 1.29 In the Northern Territory and Western Australia, no grounds evictions are allowed for both fixed term and periodic rental agreements.
- 1.30 In the Northern Territory, a landlord must give at least 60 days' notice before the last day of a fixed term agreement. They must also give 60 days' notice to end a periodic agreement.⁴⁵
- 1.31 In Western Australia, a landlord must give at least 30 days' notice before the last day of a fixed term rental agreement. For periodic agreements, a landlord must give at least 60 days' notice to the tenant.⁴⁶

New Zealand

- 1.32 In New Zealand, no grounds evictions for both fixed term and periodic leases have been banned since 2020 under the *Residential Tenancies Amendment Act* 2020 (NZ).⁴⁷
- 1.33 However, in May 2024, the current New Zealand government introduced the Residential Tenancies Amendment Bill, seeking to reinstate no grounds evictions for periodic tenancies. The amendments propose a minimum 90 days' notice for a no grounds eviction, and 42 days' notice for an eviction on prescribed grounds.
- 1.34 The New Zealand bill has been referred to the Social Services and Community Committee for inquiry, with the Committee report due by 20 November 2024. 48

⁴¹ Residential Tenancies Amendment Bill 2018 (VIC).

⁴² Consumer Affairs Victoria, <u>2021 Victorian rental laws changes</u>, webpage, Victorian Government (last updated 8 March 2023), viewed 15 August 2024.

⁴³ Engage Victoria, <u>Fairer Safer Housing</u>, webpage, Victorian Government, viewed 15 August 2024.

⁴⁴ Department of Housing, Local Government, Planning and Public Works, <u>Rental legislation changes</u>, webpage, Queensland Government, (last updated 6 August 2024), viewed 15 August 2024; <u>Subordinate Legislation 2022 no. 16</u> (QLD).

⁴⁵ RT Act NT, s 90 and s 89.

⁴⁶ RT Act WA, <u>s 70A</u> and <u>s 64 (1)</u>.

⁴⁷ Residential Tenancies Amendment Act 2020 (NZ), sch 32 (1).

⁴⁸ Residential Tenancies Amendment Bill 2024 (NZ).

Chapter Two – Impact of no grounds evictions

Chapter summary

No grounds evictions negatively affect tenants' housing security and the threat of a no grounds eviction discourages tenants from asserting their rights, such as to repairs and maintenance. There was strong support for ending no grounds evictions as it will improve rental security and benefit tenants financially and psychologically. Reforms would also help improve the liveability and quality of rental properties.

While property and real estate groups raised concerns that removing no grounds evictions could reduce investment in housing, the likely impact on rental supply was disputed by other stakeholders and there was no clear evidence to suggest that removing no ground evictions would negatively impact rental supply.

Finding 1

There was strong support amongst inquiry participants for the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024.

Finding 2

No grounds evictions have an unfair impact on tenants' housing stability and security as tenants who face the threat of a no grounds eviction can be reluctant to assert their rights.

Finding 3

Landlords could use no grounds evictions to unfairly increase rents and bypass their obligations under the rental law to provide reasonable repairs.

Finding 4

There is limited data on end of tenancies in New South Wales and a reliance on opt-in surveys, academic analysis and proxy data such as rental property advertising.

Finding 5

While real figures of no grounds evictions are difficult to obtain, the threat of a no grounds eviction impacts all tenants.

No grounds evictions impact all renters

2.1 Evidence to this inquiry indicated overwhelming support amongst inquiry participants for the bill⁴⁹ and its policy intent of ending no grounds evictions for

⁴⁹ <u>Submission 1</u>, Dr Amy MacMahon MP, p <u>1</u>; <u>Submission 2</u>, Homelessness NSW, p <u>1</u>; <u>Submission 3</u>, (Uniting) NSW.ACT, p <u>2</u>; <u>Submission 4</u>, Western Sydney Community Forum (WSCF), p <u>7</u>; <u>Submission 5</u>, Women's Community Shelters, p <u>2</u>; <u>Submission 7</u>, City Futures Research Centre, UNSW Sydney (UNSW), p <u>1</u>; <u>Submission 8</u>, St Vincent de Paul Society NSW (Vinnies NSW), p <u>2</u>; <u>Submission 10</u>, People with Disability Australia (PWDA), p <u>3</u>; <u>Submission 12</u>, Legal Aid NSW, p <u>1</u>; Submission <u>13</u>, Mid Coast Tenants Advice & Advocacy Service (MCTAAS), p <u>2</u>; Submission <u>15</u>,

both fixed term and periodic leases. ⁵⁰ Chapter Three discusses bill provisions and stakeholders opinions on reasonable grounds in more details.

- 2.2 The Committee heard overwhelmingly that, although the exact number of no grounds evictions each year is hard to ascertain and may be relatively small, the threat of no grounds evictions affects all tenants.⁵¹
- 2.3 Stakeholders explained that the mere threat of a no grounds eviction means that:
 - Renters cannot assert their rights under the RT Act.⁵²
 - Renters are changing behaviours as they are living with the stress and threat
 of being evicted at any time.⁵³
 - Renters are reluctant to ask for reasonable repairs.⁵⁴
 - Renters are afraid of communicating with landlords about significant increases in rent and contesting unreasonable rent increases.⁵⁵

Marrickville Legal Centre (MLC), p 3; Submission 17, RLC, p 4; Submission 18, Community Housing Industry Association NSW (CHIA NSW), p 1; Submission 20, Hunter Tenants Advice and Advocacy Service (HTAAS), p 1; Submission 21, Committee for Sydney, p 2; Submission 22, PIAC, p 1; Submission 23, Bridge Housing, p 2; Submission 24, NSW Council of Social Service (NCOSS), p 4; Submission 25, Illawarra Legal Centre (ILC), p 3; Submission 26, Central Coast Tenants' Advice and Advocacy Service (CCTAAS), p 2; Submission 27, National Association of Renters' Organisation (NARO), p 2; Submission 28, (Everybody's Home), Anglicare Australia, p 3; Submission 29, Better Renting, p 1; Submission 30, New England and Western Tenants Advice and Advocacy Service (NEWTAAS), p 2; Submission 31, Community Industry Group (CI Group), p 5; Submission 32, Shelter NSW, p 3; Submission 33, Change the Record, p 2; Submission 34, Randwick City Council, p 2; Submission 35, Women's and Girls' Emergency Centre (WAGEC), p 2; Submission 38, Council on the Ageing NSW (COTA), p 1; Submission 39, Faith Housing Alliance (FHA), p 3; Submission 40, NSW (Ageing on the Edge) Coalition, p 2; Submission 41, Women's Legal Service NSW (WLS NSW), p 1; Submission 42, Tenants' Union of NSW (TUNSW), p 3; Submission 43, Domestic Violence NSW (DVNSW), p 1; Submission 44, Mission Australia, p 1.

⁵⁰ <u>Submission 6</u>, Professor Alan Morris, p <u>1</u>; <u>Submission 9</u>, NSW Fair Trading, p <u>1</u>; <u>Submission 36</u>, Ms Felicity Wilson MP, p <u>3</u>; <u>Submission 37</u>, The Hon. Dr Brad Pettitt MLC, p <u>3</u>; <u>Submission 45</u>, Mr David Latimer, p <u>1</u>.

Submission 13, MCTAAS, p 2; Ms Nicole Grgas, Coordinator, Hunter Tenants Advice and Advocacy Service (HTAAS), Transcript of evidence, 29 July 2024, p 45; Ms Alannah Daly, Policy Officer, Justice and Equity Centre (formerly the Public Interest Advocacy Centre) (JEC), Transcript of evidence, 29 July 2024, p 11; Ms Yumi Lee, Chief Executive Officer, Older Women's Network, NSW (Ageing on the Edge) Coalition, Transcript of evidence, 2 August 2024, p 11.

Submission 1, Dr MacMahon, p 1; Submission 5, Women's Community Shelters, p 1; Submission 9, NSW Fair Trading, p 5; Submission 13, MCTAAS p 5; Submission 20, HTAAS, p 1; Submission 22, PIAC, p 2; Submission 17, RLC, p 3; Submission 21, Committee for Sydney, p 1; Submission 25, ILC, pp 3-4; Submission 27, NARO, p 1; Submission 28, Everybody's Home, p 2; Submission 29, Better Renting, p 1; Submission 30, NEWTAAS, p 9; Submission 32, Shelter NSW, pp 10, 15; Submission 35, WAGEC, p 1; Submission 37, Dr Pettitt, pp 2-3; Ms Trina Jones, NSW Rental Commissioner, NSW Fair Trading, Transcript of evidence, 2 August 2024, p 34; Dr Chris Martin, Scientia Senior Research Fellow, UNSW City Futures Research Centre (UNSW), Transcript of evidence, 29 July 2024, p 19; Ms Nicole Yade, Chief Executive Officer, Women's and Girl's Emergency Centre (WAGEC), Transcript of evidence, 29 July 2024, p 37.

⁵³ NSW Rental Commissioner, <u>Transcript</u>, p <u>36</u>.

⁵⁴ Ms Yade, WAGEC, <u>Transcript</u>, p <u>39</u>.

⁵⁵ Ms Amanda Bailey, Head of Advocacy and Communications, Faith Housing NSW (FHA), <u>Transcript of evidence</u>, 2 August 2024, p <u>5</u>.

- 2.4 Real estate industry stakeholders argued that only a few landlords use no grounds evictions unfairly and landlords do not evict people without a reason. ⁵⁶ A recent survey by the Property Investors Council of Australia found that 98 per cent of investors would not evict a tenant without grounds if the tenant complied with the lease and tenancy legislation, paid the rent, and looked after the property. ⁵⁷ The Committee notes that there is no information on the sample size of the survey and without any information on how the survey was conducted, it is difficult to determine whether the survey results are statistically significant.
- 2.5 However, the balance of evidence to the inquiry overwhelmingly demonstrates that even if no grounds evictions are rarely used, the threat of such an eviction has a significant impact all tenants.
- 2.6 The Committee also found that no grounds evictions affect renters across all New South Wales, not just in metropolitan areas. Community legal centres and tenants' advocacy services across the state shared their experience with the Committee.
 - The Inner Sydney Tenancy Advice and Advocacy Service observed that 'almost 1 in 5 of the private tenants [they] advised in the last 12 months had received a no grounds notice of termination from their landlords'.⁵⁸
 - The Hunter Tenants Advice and Advocacy Service saw 42 per cent of their clients facing evictions, with 30 per cent of those seeking advice related to no grounds evictions in 2024.⁵⁹
 - The Illawarra Legal Centre said that in the 2022-2023 financial year, a quarter
 of their tenancy cases involved termination issues. They also observed a
 trend 'of no-ground evictions, both for fixed term and periodic tenancies
 occurring in response to requests for repair'.⁶⁰
- 2.7 It is clear from the inquiry evidence that no grounds evictions affect all renters across New South Wales and that reform to end no grounds evictions is 'overwhelmingly overdue'.⁶¹

Financial and sociological impact of no grounds evictions

2.8 Evidence to the inquiry shows that no grounds evictions impact tenants financially, psychologically, and socially. In particular, no grounds evictions:

⁵⁶ Mr Ben Kingsley, National Board Chairperson, Property Investors Council of Australia (PICA), <u>Transcript of evidence</u>, 2 August 2024, p <u>16</u>.

⁵⁷ Submission 11, Property Investment Professionals of Australia (PIPA), p 4.

⁵⁸ <u>Submission 17</u>, RLC, p <u>2</u>.

⁵⁹ Submission 20, HTAAS, p 1.

⁶⁰ <u>Submission 25</u>, ILC, p <u>4</u>.

⁶¹ Submission 13, MCTAAS, p 7.

- Worsen housing insecurity and drive homelessness in New South Wales.⁶²
- Disrupt the stability of tenants' lives, including their sense of community and belonging. They also disrupt social and support networks, education (particularly for school-aged children), employment, access to health care, and people's involvement with other social activities. 63
- Increase stress and negatively impact tenants' health.⁶⁴
- Put greater financial stress on tenants through moving costs and bond payments for new leases.⁶⁵
- 2.9 Overall, no grounds evictions disempower tenants and exacerbate the significant power imbalance between landlords and tenants.⁶⁶

Case study: the impact of no grounds evictions

Simon was living in a rental property for 10 years and the landlord had increased the rent to an amount that Simon felt was unfair. Simon challenged the rent increase at NCAT and won. However, the landlord then issued a no grounds eviction notice.

As someone 'on the receiving end of pretty much just about every different form of coercive behaviour from real estate agents', Simon found 'the possibility of being evicted for no reason' extremely stressful and distressing.

Simon stated: 'I'd lived there for 10 years by this point. It's my home. I don't necessarily want to leave ... I know all my neighbours. I know everyone on my street you know so I have an emotional connection to the place and the stress of like I'm going to be evicted is incredibly traumatic and constant'.⁶⁷

^{62 &}lt;u>Submission 2</u>, Homelessness NSW, p <u>2</u>; <u>Submission 5</u>, Women's Community Shelters, p <u>2</u>; <u>Submission 8</u>, Vinnies NSW, p <u>3</u>; <u>Submission 12</u>, Legal Aid NSW, p <u>2</u>; <u>Submission 20</u>, HTAAS, p <u>1</u>; <u>Submission 22</u>, PIAC, pp <u>2</u>, <u>6</u>; <u>Submission 31</u>, Cl Group, pp <u>6-7</u>; <u>Submission 33</u>, Change the Record, pp <u>2</u>, <u>6</u>; <u>Submission 34</u>, Randwick City Council, p <u>5</u>; <u>Submission 40</u>, Ageing on the Edge, p <u>1</u>; <u>Submission 44</u>, Mission Australia, p <u>1</u>.

⁶³ <u>Submission 5</u>, Women's Community Shelters, pp <u>1-2</u>; <u>Submission 8</u>, Vinnies NSW, p <u>2</u>; <u>Submission 9</u>, NSW Fair Trading, p <u>5</u>; <u>Submission 24</u>, NCOSS, p <u>2</u>; <u>Submission 27</u>, NARO, p <u>1</u>; <u>Submission 28</u>, Everybody's Home, pp <u>1-2</u>; <u>Submission 29</u>, Better Renting, p <u>1</u>; <u>Submission 30</u>, NEWTAAS, p <u>2</u>; <u>Submission 31</u>, CI Group, p <u>7</u>; <u>Submission 32</u>, Shelter NSW, p <u>7</u>; <u>Submission 34</u>, Randwick City Council, p <u>5</u>; <u>Submission 35</u>, WAGEC, p <u>1</u>; <u>Submission 36</u>, Ms Wilson, p <u>4</u>.

⁶⁴ <u>Submission 3</u>, Uniting, p <u>4</u>; <u>Submission 8</u>, Vinnies NSW, p <u>2</u>; <u>Submission 10</u>, PWDA, p <u>2</u>; <u>Submission 31</u>, Cl Group, p <u>4</u>.

^{65 &}lt;u>Submission 4</u>, WSCF, p 6; <u>Submission 12</u>, Legal Aid NSW, p 6; <u>Submission 17</u>, RLC, p 3; <u>Submission 20</u>, HTAAS, p 1; <u>Submission 22</u>, PIAC, p 7; <u>Submission 24</u>, NCOSS, p 2; <u>Submission 25</u>, ILC, pp 9-10; <u>Submission 28</u>, Everybody's Home, pp 2-3; <u>Submission 29</u>, Better Renting, pp 1-2; <u>Submission 32</u>, Shelter NSW, pp 1, 13; <u>Submission 42</u>, TUNSW, p 4.

⁶⁶ Submission 4, WSCF, p 10; Submission 6, Professor Morris, pp 1-2; Submission 27, NARO, p 2; Submission 32, Shelter NSW, pp 2-3; Submission 33, Change the Record, p 5; Submission 35, WAGEC, p 1; Ms Grgas, HTAAS, Transcript, p 41; Mr Cansdale, Change the Record, Transcript, p 51.

⁶⁷ Submission 6, Professor Morris, p 2.

No grounds evictions may be used unfairly to disadvantage tenants

Exacerbating tenants' financial disadvantage

- 2.10 The Committee is particularly concerned that no grounds evictions potentially allow landlords and real estate agents to discriminate against certain tenants in ways that are prohibited under anti-discrimination law.⁶⁸
- 2.11 Mission Australia said that no grounds evictions 'provide the perfect cover for prejudicial practices'. ⁶⁹ Similarly, Bridge Housing explained that, while discrimination is 'really difficult to prove', 'no grounds evictions allow that discrimination'. ⁷⁰
- 2.12 These sentiments are echoed in the 2021 report from the Australian Housing and Urban Research Institute on discrimination in the Australian private rental sector, which notes:

State legislated Tenancy Acts [such as the Residential Tenancies Act] that still allow no-grounds evictions are complicit in discrimination, enabling landlords to evict tenants without reason.⁷¹

Case study: no grounds evictions and discrimination

A family in Western New South Wales, including a transgender woman, her wife and three children, rented a property for a lengthy period of time.

During a routine inspection, the landlord who met the couple for the first time, did not react well and the tenants could sense that the landlord was uncomfortable and upset about the gender identity of the transgender parent.

Immediately after the inspection, the landlord applied to NCAT for a termination order based on hardship. After NCAT dismissed the application, the landlord issued a no grounds eviction notice. The family was forced to leave their home and uprooted from their community. 72

⁶⁸ <u>Submission 10</u>, PWDA, p <u>2</u>; <u>Submission 25</u>, ILC, p <u>4</u>; <u>Submission 33</u>, Change the Record, p <u>2</u>; <u>Submission 44</u>, Mission Australia, p <u>1</u>.

⁶⁹ Submission 44, Mission Australia, p <u>1</u>.

⁷⁰ Ms Ellis Blaikie, Executive Officer, Impact and Advocacy, Bridge Housing, <u>Transcript of evidence</u>, 2 August 2024, p

⁷¹ Australian Housing and Urban Research Institute, <u>Understanding discrimination effects in private rental housing</u>, Final Report No. 363, 2 September 2021, p <u>6</u>; see also pp <u>52-54</u>.

⁷² Submission 30, NEWTAAS, p 11.

Contributing to financial disadvantage

- 2.13 The Committee is also concerned that the threat of no grounds evictions can be used by landlords to unfairly increase rents. 73 This contributes to housing insecurity and may lead to homelessness. 74
- 2.14 The New England and Western Tenants Advice and Advocacy Service said no grounds eviction notices can be issued to 'pressure tenants to agree to onerous conditions', such as rent increases or tenants paying for repairs.⁷⁵
- 2.15 Additionally, they stated that landlords are increasingly shortening fixed term leases to six-month leases and issuing no grounds evictions at the end of the fixed term. This is being used to 'evade' provisions of the RT Act prohibiting more than one rent increase per 12 month period.⁷⁶
- 2.16 The Inner Sydney Tenants Advice and Advocacy Service also noted that many no grounds evictions had been issued just prior to, or were followed by, a notice of rent increase.⁷⁷

Case study: no grounds evictions and financial burden on tenants

Jane, a young Aboriginal woman, was renting in a large country town in New South Wales. She always paid her rent and kept the property immaculately.

Five months into her tenancy, there was an issue with the plumbing and Jane asked for reasonable repairs. However, after the repair, she was given a termination notice with no grounds to her fixed term lease along with an invoice from the plumber.

Jane explained to the agent that the plumbing issue was a buildup of blockage over an unknown period of time and that she should not be responsible for the bill. The agent warned Jane about no grounds evictions and sent her the following email.

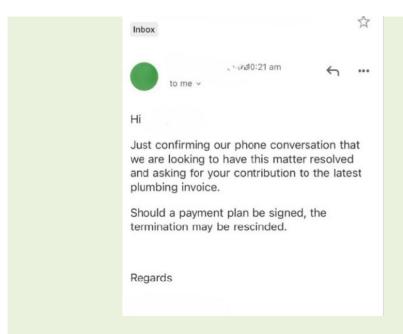
⁷³ <u>Submission 4</u>, WSCF, p <u>5</u>; <u>Submission 6</u>, Professor Morris, pp <u>4-6</u>; <u>Submission 8</u>, Vinnies NSW, p <u>2</u>; Ms Blaikie, Bridge Housing, <u>Transcript</u>, p <u>2</u>.

⁷⁴ <u>Submission 5</u>, Women's Community Shelters, p <u>1</u>; Ms Katelin McInerney, Policy and Projects Officer, Community Industry Group (CI Group), <u>Transcript of evidence</u>, 29 July 2024, p <u>41</u>.

⁷⁵ Submission 30, NEWTAAS, p 3.

⁷⁶ Submission 30, NEWTAAS, p <u>5</u>.

⁷⁷ <u>Submission 17</u>, RLC, p <u>3</u>.



Jane contacted the New England and Western Tenants Advice and Advocacy Service for advice. The Service made representations to the agent on behalf of Jane but received pushback. In the end, Jane, a young single mother, had to pay the bill in order to stay in the property.⁷⁸

No grounds evictions disproportionately impact tenants already facing disadvantage

- 2.17 Evidence to the inquiry shows that no ground evictions disproportionately impact people in regional areas, and vulnerable groups including older people, people with disability, people experiencing domestic and family violence, and First Nations people. The Committee notes that the disproportionate impact of no grounds evictions compounds existing barriers to secure housing. Western Sydney Community Forum, for example, argued that vulnerable groups, already facing direct and indirect discrimination, become 'even more disempowered' under current rental law in New South Wales. 181
- 2.18 In particular, the Committee heard that:
 - The rental market in regional New South Wales is smaller with less housing options, increasing competition in rental applications.⁸² Regional tenants also face higher costs when moving.⁸³

⁷⁸ Submission 30, NEWTAAS, p 4.

⁷⁹ <u>Submission 4</u>, WSCF, p <u>7</u>; <u>Submission 10</u>, PWDA, p <u>2</u>; <u>Submission 24</u>, NCOSS, p <u>2</u>; <u>Submission 30</u>, NEWTAAS, pp <u>4</u>, <u>6</u>; <u>Submission 32</u>, Shelter NSW, p <u>7</u>; <u>Submission 33</u>, Change the Record, pp <u>2</u>, <u>4</u>; <u>Submission 38</u>, COTA, p <u>1</u>; <u>Submission 40</u>, Ageing on the Edge, pp <u>1-2</u>; <u>Submission 44</u>, Mission Australia, p <u>1</u>.

⁸⁰ Ms Emily Roberts, Policy and Advocacy Officer, Domestic Violence NSW (DVNSW), <u>Transcript of evidence</u>, 29 July 2024, p <u>35</u>; Ms Donovan, DVNSW, <u>Transcript</u>, p <u>35</u>; Ms Yazdabadi, COTA, <u>Transcript</u>, p <u>11</u>.

⁸¹ Submission 4, WSCF, p 6.

 $^{^{82}}$ Submission 13, MCTAAS, p 3.

⁸³ Submissions quoted research completed by the Tenants' Union of NSW, <u>Eviction, Hardship and the Housing Crisis:</u> <u>Building a crisis-resilient renting system</u>, Special report, February 2022, pp <u>29-30</u>, viewed 19 August 2024.

- Older people (aged over 55 years), particularly those in regional areas, are very vulnerable to no grounds evictions and homelessness.⁸⁴ The evidence also highlighted the devastating emotional impact of no grounds eviction on older tenants with stakeholders describing housing instability caused by no grounds eviction as 'dehumanising',⁸⁵ and the rental market as 'hostile to the realities of living as an older person'.⁸⁶
- No grounds evictions allow discrimination towards people with disability to occur unchecked in the private rental market.⁸⁷ People with disability may have specific needs, which can make it difficult to find appropriate and accessible housing, compounding the risk of homelessness.⁸⁸ This also means that when faced with a no grounds eviction, people with disability often struggle to find alternative housing,⁸⁹ and are 'especially vulnerable to exploitation and require a high degree of stability in their housing'.⁹⁰
- No grounds evictions can be used against First Nations tenants as a way of
 evicting them without complying with the rules required for other breach
 notices. 91 First Nations households experience discrimination in the rental
 market and are at greater risk of unfair evictions and homelessness. 92 This
 risk is exacerbated as the proportion of home ownership for First Nations
 people is lower than for the general population. 93
- No grounds evictions add another barrier for people experiencing domestic and family violence.⁹⁴ Stakeholders explained that removing no grounds evictions will make victim-survivors less likely to bear the responsibility of perpetrators' actions. For example, it will be easier for victim-survivors to get necessary safety modifications to their homes without the threat of no grounds evictions.⁹⁵

 $^{^{84}}$ Submission 38, COTA, p 1; Submission 40, Ageing on the Edge, p 1.

⁸⁵ Ms Lee, Ageing on the Edge, <u>Transcript</u>, pp <u>10-11</u>.

⁸⁶ Ms Yazdabadi, COTA, <u>Transcript</u>, p <u>11</u>.

⁸⁷ Submission 10, PWDA, p 2; Submission 44, Mission Australia, p 1; Answers to questions on notice (QONs), PWDA, 7 August 2024, p 3.

⁸⁸ Mx Megan Spindler-Smith, Deputy Chief Executive Officer, People with Disability Australia (PWDA), <u>Transcript of evidence</u>, 29 July 2024, p <u>29</u>.

⁸⁹ Mr Julian Laurens, Senior Policy Officer, People with Disability Australia (PWDA), <u>Transcript of evidence</u>, 29 July 2024, p <u>30</u>.

⁹⁰ Submission 10, PWDA, p 2.

⁹¹ Mr Brett Webb, Manager, Northern NSW Aboriginal Tenants Advice & Advocacy Service, NSW Aboriginal Tenancy Advice and Advocacy Services (NSW ATAAS), <u>Transcript of evidence</u>, 2 August 2024, p <u>7</u>.

⁹² Mr Cansdale, Change the Record, <u>Transcript</u>, p <u>48</u>.

⁹³ Mr Cansdale, Change the Record, Transcript, p 49.

⁹⁴ <u>Submission 5</u>, Women's Community Shelters, p <u>1</u>; <u>Submission 32</u>, Shelter NSW, p <u>7</u>; <u>Submission 36</u>, Ms Wilson, p <u>4</u>; <u>Submission 41</u>, WLS NSW, p <u>1</u>; <u>Submission 43</u>, DVNSW, p <u>1</u>.

⁹⁵ Ms Donovan, DVNSW, <u>Transcript</u>, pp <u>34-35</u>.

Case study: No grounds evictions and vulnerable tenants

Margaret, a 78 year old woman, received a no grounds eviction notice after spending over 19 years in the property. Margaret felt devastated and anxious about her housing situation. She was concerned about the moving costs, not being able to find alternative housing options and being potentially driven to homelessness.

Fortunately, with the help of New England and Western Tenants Advice and Advocacy Service, she was able to secure social housing. However, the whole process of no grounds evictions caused significant distress to Margaret. 96

The need to provide reasons for an eviction

- 2.19 The Committee is of the view that landlords should provide reasons when terminating a lease so that tenants understand why they are being evicted.
- 2.20 Stakeholders explained that renters can be left feeling frustrated when they have been issued a no grounds eviction. 97 Requiring reasons can also encourage landlords to talk to tenants about their responsibilities under the RT Act and resolve issues as they arise. 98
- 2.21 In light of the evidence above, the Committee considers that ensuring evictions cannot occur without a legitimate reason is crucial to preventing homelessness and providing stability to renters in New South Wales.⁹⁹

Ending no grounds evictions will improve rental security for tenants

- 2.22 Participants to the inquiry overwhelmingly supported ending no grounds evictions for periodic and fixed term leases. ¹⁰⁰ This would improve rental security for tenants ¹⁰¹ and protect tenants from arbitrary and unfair evictions. ¹⁰²
- 2.23 Shelter NSW set out the two main benefits of ending no grounds evictions:

It will address and correct the power imbalance inherent in the private rental

⁹⁶ Submission 30, NEWTAAS, pp 5-6.

⁹⁷ NSW Rental Commissioner, Transcript, p 34.

⁹⁸ Ms Blaikie, Bridge Housing, Transcript, p 3.

⁹⁹ Submission 2, Homelessness NSW, p 2.

¹⁰⁰ Submission 2, Homelessness NSW, p 3; Submission 3, Uniting, p 2; Submission 4, WSCF, p 4; Submission 5, Women's Community Shelters, p 2; Submission 7, UNSW, p 3; Submission 8, Vinnies NSW, p 2; Submission 10, PWDA, p 3; Submission 12, Legal Aid NSW, p 1; Submission 13, MCTAAS, p 2; Submission 15, MLC, p 3; Submission 17, RLC, pp 4-5; Submission 20, HTAAS, p 1; Submission 21, Committee for Sydney, p 2; Submission 22, PIAC, p 2; Submission 23, Bridge Housing, pp 1-2; Submission 24, NCOSS, p 4; Submission 25, ILC, p 3; Submission 26, CCTAAS, p 2; Submission 27, NARO, pp 1-2; Submission 28, Everybody's Home, p 3; Submission 29, Better Renting, p 1; Submission 30, NEWTAAS, p 2; Submission 31, CI Group, p 3; Submission 32, Shelter NSW, p 3; Submission 33, Change the Record, p 2; Submission 34, Randwick City Council, p 2; Submission 35, WAGEC, p 1; Submission 38, COTA, p 1; Submission 39, FHA, p 3; Submission 40, Ageing on the Edge, p 2; Submission 41, WLS NSW, p 2; Submission 42, TUNSW, p 3; Submission 43, DVNSW, p 1; Submission 44, Mission Australia, p 1.
101 Dr Martin, UNSW, Transcript, p 19; Dr Kate Davies, Director of Policy and Research, Homelessness NSW, Transcript of evidence, 29 July 2024, p 21; Mr John Engeler, Chief Executive Officer, Shelter NSW, Transcript of evidence, 29 July 2024, p 21; Mr Webb, NSW ATAAS, Transcript, p 8.

¹⁰² Submission 25, ILC, p <u>3</u>.

market. Secondly, it will reduce the stressful dynamic of the current rental market – that is, reduce the churn of renters in and out of properties, including those being evicted as a backdoor way to ratchet up the rents. 103

- 2.24 Additionally, stakeholders noted that ending no grounds evictions would reduce the frequency and costs of moving. ¹⁰⁴ This is particularly important as high moving costs have a disproportionate impact on certain groups. NSW Council of Social Service noted that moving is expensive and people living on low incomes could not afford the average moving costs, ¹⁰⁵ which according to the Tenants' Union of NSW are on average around \$4,000 per move. ¹⁰⁶ Similarly, NSW Ageing on the Edge Coalition emphasised that the cost of moving and the physical and mental exertion related to moving has a bigger impact on older renters. ¹⁰⁷
- 2.25 Strong support for ending no grounds evictions is also demonstrated in the inquiry online survey results. They showed that over 85 per cent of respondents who were renters support ending no grounds evictions and over 43 per cent of renters agree that the reform would make them feel more secure in their housing. Results from the NSW Fair Trading survey also showed that over 90 percent of renters who responded to the survey supported ending no grounds evictions and over 50 per cent of renter-landlords supported ending no grounds evictions for a periodic lease. 109

Concerns from property investment and real estate stakeholders

- 2.26 A key concern raised by property investment and real estate stakeholders was the potential negative impact that ending no grounds evictions could have on rental availability and affordability in New South Wales. 110
- 2.27 The Real Estate Institute of NSW predicted that removing no grounds evictions will deter investment and reduce rental availability, worsening social and economic outcomes. ¹¹¹ This is because the reform would make property investment less attractive to landlords. ¹¹² The Property Investors Council of Australia concluded that ending no grounds evictions could encourage investors to move their money to property markets outside of New South Wales. ¹¹³
- 2.28 Referring to results from a self-conducted survey, the Property Investment Professionals of Australia alleged that a large number of landlords would sell an investment property if there were changes in tenancy laws. 114 Survey results also

¹⁰³ Mr Engeler, Shelter NSW, <u>Transcript</u>, p <u>22</u>.

¹⁰⁴ Submission 12, Legal Aid NSW, p 2; Submission 20, HTAAS, pp 1-2.

¹⁰⁵ Mr McAlpine, NCOSS, <u>Transcript</u>, p <u>15</u>.

¹⁰⁶ Eviction, Hardship, and the Housing Crisis, pp 29-30.

¹⁰⁷ Ms Lee, Ageing on the Edge, <u>Transcript</u>, p <u>12</u>.

¹⁰⁸ Appendix Three.

¹⁰⁹ Improving NSW rental laws - Public engagement summary report, p 2.

¹¹⁰ Submission 11, PIPA, p 4; Submission 14, REINSW, p 2; Submission 16, PICA, p 10; Submission 19, CCIA NSW, p 2.

¹¹¹ Answers to QONs, REINSW, 9 August 2024, p <u>1</u>.

¹¹² Mr Tim McKibbin, Chief Executive Officer, Real Estate Institute of NSW (REINSW), <u>Transcript of evidence</u>, 2 August 2024, p <u>29</u>.

¹¹³ Mr Kingsley, PICA, <u>Transcript</u>, p <u>22</u>.

¹¹⁴ <u>Submission 11</u>, PIPA, p <u>3</u>.

showed that many landlords would consider pulling out of the market or raising rents if there were legislative changes that impact their control over property and increase compliance costs. ¹¹⁵ The Committee notes that there is no information on the sample size of the survey and without any information on how the survey was conducted, it is difficult to determine whether the survey results are statistically significant.

- 2.29 The inquiry survey results showed that if no grounds evictions are banned in New South Wales, almost 60 per cent of the landlords who responded would consider selling their investment property or be reluctant to rent out their property. Sixty-one per cent of respondent landlords would consider raising rent.¹¹⁶
- 2.30 However, evidence to the inquiry points to conflicting perspectives on the impact of ending no grounds evictions on rental availability and affordability. The Committee found there is no systematic and conclusive research on the long term implications of no grounds evictions reforms on the property market. Likewise, there is no clear data demonstrating that reforms would negatively impact rental supply.
- 2.31 Throughout the inquiry, the Committee heard that the Australian Housing and Urban Research Institute report (the AHURI report) in 2022 found that previous major rental reforms did not negatively impact investment in the rental market. However, other stakeholders pointed out that the rental reforms analysed in the AHURI report did not include no grounds evictions reforms and argued the report does not therefore provide a suitable comparison. 118
- 2.32 Some stakeholders also argued that, in general, states that were more accommodating to investors such as Western Australia saw more investment in the rental market than states with less accommodating rental laws such as Victoria. 119
- 2.33 However, analysis of more recent data by the NSW Rental Commissioner showed that there is no 'statistically significant evidence in any jurisdiction in Australia' that demonstrates a correlation between ending no grounds evictions and reduced rental supply. 120 The Commissioner pointed out that all Australian jurisdictions that have ended no grounds evictions have seen a substantial increase of between 18 per cent and 46 per cent in investment lending as a proportion of total lending. 121 This demonstrates that the no grounds evictions reform has not deterred investment in rental markets.

¹¹⁵ Answers to QONs, PICA, 8 August 2024, p <u>6</u>.

¹¹⁶ Appendix Three.

¹¹⁷ Submission 10, PWDA, p 5; Submission 22, PIAC, p 11; Submission 32, Shelter NSW, p 2; Submission 42, TUNSW, p 14.

¹¹⁸ Submission 16, PICA, p 6; Mr Kingsley, PICA, Transcript, pp 23-24.

¹¹⁹ Submission 11, PIPA, pp 4-5; Submission 16, PICA, p 12; Ms Nicola McDougall, PIPA Chair, Property Investment Professionals of Australia (PIPA), Transcript of evidence, 2 August 2024, p 16.

¹²⁰ NSW Rental Commissioner, Transcript, p 36; Answers to QONs, NSW Fair Trading, 9 August 2024, pp 2-3.

¹²¹ Answers to QONs, NSW Fair Trading, p 3.

- 2.34 The Commissioner also noted that there are other factors impacting property investment decisions, including the ability to sell a property for capital growth. Additionally, the Commissioner noted that all the Australian capital cities where no grounds evictions have been removed had seen an improvement to vacancy rates since the reforms were introduced. 123
- Other stakeholders also challenged concerns about the reform's potential negative impact on the rental market.
 - The Committee for Sydney stated that even if a landlord sells an investment property, the property would normally be bought by another landlord or a homeowner.¹²⁴
 - Shelter NSW explained that reforms restricting landlords' mobility in the property investment market don't necessarily reduce rental availability as properties do not 'magically disappear' and 'are still otherwise available'.¹²⁵
 - The Tenants' Union of NSW suggested concerns about this reform's impact on rental supply are misplaced, ¹²⁶ as similar claims about past tenancy reforms were not proven to be true. ¹²⁷

Lack of systematic and comprehensive data on end of tenancies

- 2.36 Evidence to the inquiry shows that it is difficult to obtain the real figure of no grounds evictions in New South Wales and there is currently a reliance on voluntary surveys and academic research.
- 2.37 For example, data from NSW Fair Trading showed that no grounds evictions account for around 10 per cent of all rental agreement terminations in New South Wales. However, this data is gathered by voluntary end of tenancy surveys, which have a response rate of about ten percent. The Tenants' Union of NSW also confirmed that they use results from end of tenancy surveys as a source data. 129
- 2.38 On data, the Property Investors Council of Australia expressed concerns that the reform would be disproportionate to the problem given the small number of no grounds evictions. ¹³⁰ However, despite saying that few landlords use no grounds evictions, they also argued that removing no grounds evictions would have a significant impact on the rental market and the behaviour of investors. ¹³¹ It was unclear how these two positions would be reconcilable.

¹²² NSW Rental Commissioner, <u>Transcript</u>, p <u>37</u>.

¹²³ NSW Rental Commissioner, <u>Transcript</u>, p <u>37</u>.

¹²⁴ Mr Eamon Waterford, Chief Executive Officer, Committee for Sydney, <u>Transcript of evidence</u>, 29 July 2024, p <u>56</u>.

¹²⁵ Mr Engeler, Shelter NSW, <u>Transcript</u>, p <u>23</u>.

¹²⁶ Submission 42, TUNSW, p 14.

¹²⁷ Mr Ross, TUNSW, <u>Transcript</u>, p <u>7</u>.

¹²⁸ Submission 9, NSW Fair Trading, p 5.

¹²⁹ Mr Ross, TUNSW, Transcript, p 4.

¹³⁰ Mr Kingsley, PICA, <u>Transcript</u>, p <u>22</u>.

¹³¹ <u>Submission 16</u>, PICA, p <u>2</u>.

As outlined in previous sections, the Committee notes that that the threat of no grounds evictions affects all renters regardless of the actual number of these types of evictions. However, the Committee considers it important to have comprehensive, up to date and accurate data on this issue to support research and policy development. Recommendations to the NSW Government on improving data collection are discussed in Chapter Four.

Chapter Three – Reasonable grounds to terminate a lease

This chapter examines stakeholder views on the key provisions of the bill and proposed government reform - reasonable eviction grounds.

The Committee recognises that stakeholders hold various opinions on the issues and a successful reform to no grounds evictions should uphold the human right to housing.

Ending no grounds evictions

Summary

The bill aims to end no grounds evictions for both fixed term and periodic leases. Evidence to the inquiry showed overwhelming support for the bill. Stakeholders in support of the bill and the reform announced by the government emphasised that it is critical to end no grounds evictions for both lease types to avoid unintended consequences.

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.

Recommendation 2

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

There was overwhelming support for ending no grounds evictions

3.1 Evidence to this inquiry indicated overwhelming support amongst inquiry participants for the bill¹³² and its policy intent of ending no grounds evictions for both fixed term and periodic leases. ¹³³ However, the Committee acknowledges that there is a difference in opinion between landlords and renters on this issue.

^{132 &}lt;u>Submission 1</u>, Dr MacMahon, p 1; <u>Submission 2</u>, Homelessness NSW, p 1; <u>Submission 3</u>, Uniting, p 2; <u>Submission 4</u>, WSCF, p 7; <u>Submission 5</u>, Women's Community Shelters, p 2; <u>Submission 7</u>, UNSW, p 1; <u>Submission 8</u>, Vinnies NSW, p 2; <u>Submission 10</u>, PWDA, p 3; <u>Submission 12</u>, Legal Aid NSW, p 1; <u>Submission 13</u>, MCTAAS, p 2; <u>Submission 15</u>, MLC, p 3; <u>Submission 17</u>, RLC, p 4; <u>Submission 18</u>, CHIA NSW, p 1; <u>Submission 20</u>, HTAAS, p 1; <u>Submission 21</u>, Committee for Sydney, p 2; <u>Submission 22</u>, PIAC, p 2; <u>Submission 23</u>, Bridge Housing, p 2; <u>Submission 24</u>, NCOSS, p 4; <u>Submission 25</u>, ILC, p 3; <u>Submission 26</u>, CCTAAS, p 2; <u>Submission 27</u>, NARO, p 2; <u>Submission 28</u>, Everybody's Home, p 3; <u>Submission 29</u>, Better Renting, p 1; <u>Submission 30</u>, NEWTAAS, p 2; <u>Submission 31</u>, CI Group, p 5; <u>Submission 32</u>, Shelter NSW, p 3; <u>Submission 33</u>, Change the Record, p 2; <u>Submission 34</u>, Randwick City Council, p 2; <u>Submission 35</u>, WAGEC, p 2; <u>Submission 38</u>, COTA, p 1; <u>Submission 39</u>, FHA, p 3; <u>Submission 40</u>, Ageing on the Edge, p 2; <u>Submission 41</u>, WLS NSW, p 1; <u>Submission 42</u>, TUNSW, p 3; <u>Submission 43</u>, DVNSW, p 1; <u>Submission 44</u>, Mission Australia, p 1.

¹³³ Submission 6, Professor Morris, p 6; Submission 9, NSW Fair Trading, p 1; Submission 36, Ms Wilson, p 3; Submission 37, Dr Pettitt, p 3; Submission 45, Mr Latimer, p 1.

- 3.2 Most tenants and tenancy organisations supported ending no grounds evictions for both lease types. 134 As noted in Chapter Two, these stakeholders were concerned that without the reform, tenants could not fully enforce their rights under the *Residential Tenancies Act 2010* due to the fear of no grounds evictions. 135 They also outlined the importance of the reform in supporting rental security and tenants' socioeconomic welfare. 136
- In contrast, real estate and property investor stakeholders opposed any proposed reform to no grounds evictions. They were concerned that the reform might discourage people from investing in the rental market and in turn, exacerbate the rental crisis. They also argued that the reform would contravene property rights and freedom to contract principles especially in regard to fixed term leases. 139
- 3.4 Results from the inquiry's online survey and NSW Fair Trading's survey showed a similar pattern of views. 80 per cent of renters who responded to the inquiry's online survey supported ending no grounds evictions while only 22 per cent of respondent landlords and 27 per cent of renter-landlords supported the proposed reform. Over 90 per cent of renters who responded to NSW Fair Trading's survey supported ending no grounds evictions. Only 28 percent of landlords and 12 percent of licensed property agents supported ending no grounds evictions for periodic leases and the number is even lower for fixed term leases.
- 3.5 The Committee is of the view that the proposed reform does not infringe property rights. As noted in Chapter One, both the private members' bill and proposed government reform provide for reasonable eviction grounds and do not affect existing termination grounds in the RT Act. Additionally, property rights are already qualified in other ways including government taxation. 143
- 3.6 The Committee also notes that recent surveys by the Property Investors Council of Australia showed that 98 per cent of investors would not evict a tenant without reason. 144 This aligns with the statement by Dr Chris Martin, City Futures

¹³⁴ Submission 13, MCTAAS, p 2; Submission 15, MLC, p 3; Submission 17, RLC, p 4; Submission 18, CHIA NSW, p 1; Submission 20, HTAAS, p 1; Submission 22, PIAC, p 1; Submission 23, Bridge Housing, p 2; Submission 25, ILC, p 3; Submission 26, CCTAAS, p 2; Submission 27, NARO, p 2; Submission 29, Better Renting, p 1; Submission 30, NEWTAAS, p 2; Submission 32, Shelter NSW, p 3; Submission 42, TUNSW, p 3.

¹³⁵ Submission 1, Dr MacMahon, p 1; Submission 6, Professor Morris, p 6; Submission 17, RLC, p 3; Ms Roberts, DVNSW, Transcript, p 38; Ms Penny Carr, Convenor, National Association of Renters' Organisation (NARO), Transcript of evidence, 29 July 2024, pp 2, 5; Ms Yade, WAGEC, Transcript, p 37; Ms Grgas, HTAAS, Transcript, p 41; Ms Lee, Ageing on the Edge, Transcript, p 11; NSW Rental Commissioner, Transcript, pp 34, 36.

¹³⁶ Submission 1, Dr MacMahon, p 2; Submission 27, NARO, pp 1-2; Submission 28, Everybody's Home, p 2; Submission 38, COTA, pp 1-2; Ms Carr, NARO, Transcript, p 5; Mr McAlpine, NCOSS, Transcript, p 14.

¹³⁷ Submission 11, PIPA, p 6; Submission 14, REINSW, p 2; Submission 16, PICA, p 13; Submission 19, CCIA NSW, p 3.

¹³⁸ Submission 11, PIPA, p 7; Submission 14, REINSW, p 2; Submission 16, PICA, p 2; Submission 19, CCIA NSW, p 2.

¹³⁹ Submission 14, REINSW, pp 2-4.

¹⁴⁰ Appendix Three.

¹⁴¹ Submission 9, NSW Fair Trading, p 7.

¹⁴² Answers to QONs, NSW Fair Trading, p 4.

¹⁴³ Submission 12, Legal Aid NSW, p 1; Submission 32, Shelter NSW, p 8; Dr Martin, UNSW, Transcript, p 20.

¹⁴⁴ Submission 11, PIPA, p <u>4</u>.

Research Centre, UNSW Sydney, that no grounds evictions reform 'is not zero-sum' and would only disadvantage retaliating, discriminatory or incompetent landlords who cannot justify terminating leases.¹⁴⁵

No grounds evictions should be banned for both fixed term and periodic leases

- 3.7 A key issue considered by the Committee was whether the reform should apply to both fixed term and periodic leases.
- 3.8 The Committee recommends that the NSW Government prohibit no grounds evictions for both periodic and fixed term leases, either by passing the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 or introducing a similar bill if it does not proceed. Prohibiting no grounds evictions for both lease types would avoid unintended consequences and close legislative loopholes.
- 3.9 The Committee received evidence from renter advocates and tenancy organisations that, in order to be effective, no grounds eviction reform must apply to both fixed term and periodic leases. ¹⁴⁶ These stakeholders were concerned that landlords could exploit legislative loopholes if the reform only applied to one lease type, as has occurred in other Australian jurisdictions. ¹⁴⁷
- 3.10 For example, in Queensland and Tasmania where no grounds evictions were banned for periodic leases only, stakeholders noted that landlords and real estate agents increasingly shifted tenants to short fixed term leases. ¹⁴⁸ In particular, following the reform in Queensland, the Real Estate Institute of Queensland issued guidance to landlords advising them to serve a termination notice for 'end of fixed term' when starting a new tenancy agreement to ensure that the agreement never became a periodic tenancy. ¹⁴⁹
- 3.11 Similarly, stakeholders raised concerns that the Victorian model, where no grounds evictions were banned except for the end of the first fixed term lease, might encourage landlords to churn through renters.¹⁵⁰
- 3.12 Stakeholders representing the real estate industry and property investors opposed ending no grounds evictions for both lease types. 151 However, they

¹⁴⁵ Submission 7, UNSW, p 2; Dr Martin, UNSW, Transcript, p 20.

¹⁴⁶ Submission 2, Homelessness NSW, p 1; Submission 3, Uniting, p 2; Submission 5, Women's Community Shelters, p 2; Submission 8, Vinnies NSW, p 2; Submission 10, PWDA, p 3; Submission 13, MCTAAS, p 2; Submission 15, MLC, p 3; Submission 17, RLC, pp 4-5; Submission 18, CHIA NSW, p 1; Submission 20, HTAAS, p 1; Submission 22, PIAC, p 1; Submission 23, Bridge Housing, p 2; Submission 24, NCOSS, p 4; Submission 25, ILC, p 3; Submission 26, CCTAAS, p 2; Submission 27, NARO, p 2; Submission 29, Better Renting, p 1; Submission 30, NEWTAAS, p 2; Submission 31, CI Group, p 9; Submission 32, Shelter NSW, p 3; Submission 33, Change the Record, p 2; Submission 35, WAGEC, p 1; Submission 39, FHA, p 3; Submission 40, Ageing on the Edge, p 2; Submission 41, WLS NSW, p 1; Submission 42, TUNSW, p 3; Submission 43, DVNSW, p 1; Submission 44, Mission Australia, p 1.

¹⁴⁷ Submission 8, Vinnies NSW, pp 2-3.

¹⁴⁸ Submission 2, Homelessness NSW, p 3; Submission 7, UNSW, p 2; Submission 8, Vinnies NSW, pp 2-3; Submission 20, HTAAS, p 2; Submission 22, PIAC, p 3; Submission 42, TUNSW, pp 7-8; Ms Carr, NARO, Transcript, p 2.

¹⁴⁹ Submission 42, TUNSW, pp 7-8.

¹⁵⁰ Submission 2, Homelessness NSW, p 3; Submission 7, UNSW, p 2; Submission 8, Vinnies NSW, pp 2-3; Submission 22, PIAC, p 3; Submission 42, TUNSW, p 8.

¹⁵¹ Submission 11, PIPA, pp 4-6; Submission 14, REINSW, p 2; Submission 16, PICA, p 13; Submission 19, CCIA NSW, p 3.

noted that if the reform were to go ahead, they would prefer that it apply to periodic leases only. ¹⁵² The Real Estate Institute of NSW raised that 'fixed term leases differ significantly from periodic leases' because the intention for the former is to 'only enter into a lease for a specified period of time'. ¹⁵³ The Institute considered ending no grounds evictions for fixed term leases an interference with freedom to contract principles. ¹⁵⁴

- 3.13 In particular, we note evidence from Shelter NSW that lease agreements are not like other contracts and removing no grounds evictions for fixed term leases does not violate the principle of freedom of contract. This is because fixed term agreements frequently become periodic agreements at the end of a fixed term agreement.¹⁵⁵
- 3.14 The Committee is of the view that even if freedom of contract principles may be impinged by prescribing eviction grounds, such qualifications are justified in light of the potential unintended consequences of ending no grounds evictions for one lease type only.
- 3.15 The Committee also notes that currently there is no expectation that a lease will end when a fixed term lease expires as, under the RT Act, a fixed term lease will automatically become a periodic lease once it ends. 156

Reasonable grounds to terminate a lease

Summary

Both the bill and government's announcement to end no grounds evictions provide an alternative to no grounds evictions by setting out a number of 'reasonable grounds' a landlord could rely on to terminate a lease. Much of the inquiry focused on what these grounds should be, with most stakeholders expressing support for the proposed grounds, noting that some details require further consideration to ensure they provide adequate protection for tenants.

Recommendation 3

That the NSW Government and/or NSW Parliament passes legislation to amend the *Residential Tenancies Act 2010* 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.

¹⁵² Submission 14, REINSW, p 4.

¹⁵³ Submission 14, REINSW, p 4.

¹⁵⁴ Submission 14, REINSW, p 4.

¹⁵⁵ Submission 32, Shelter NSW, p 9.

¹⁵⁶ RT Act, <u>s 18</u>; <u>Submission 32</u>, Shelter NSW, p <u>9</u>.

- 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.

Finding 6

Section 86 of the *Residential Tenancies Act 2010* currently provides that a landlord may issue a termination notice on the ground of sale of residential premises with vacant possession. Section 86 does not apply to landlords who wish to have the property vacant to facilitate the sales process.

Proposed eviction ground: The landlord or a person associated with the landlord intends to move in

3.16 A proposed ground in both the private members' bill and the government's proposed reform is that a landlord or a person associated with the landlord intends to move into the property. 157

Definition of a person 'associated with the landlord'

The bill defines a person 'associated with the landlord' as:

- a spouse, de facto partner, child or parent of the landlord, or
- a parent of the spouse or de facto partner of the landlord, or
- another individual who normally lives with the landlord and is wholly or substantially dependent on the landlord.¹⁵⁸
- 3.17 According to the NSW Government's media release, its reform would apply to the landlord or 'their family'. 159 It is not clear if this is the exact wording that will be used in the government's bill.
- 3.18 There was general support for this eviction ground. ¹⁶⁰ Stakeholders representing tenants said they supported the ground, ¹⁶¹ and commented that it was 'reasonable' ¹⁶² and 'appropriate', ¹⁶³ and that they had 'no objection' to it. ¹⁶⁴ Stakeholders representing landlords and property owners did not raise any

¹⁵⁷ Prohibiting No Grounds Evictions Bill, sch 1, [3] s 84 (1)(a).

¹⁵⁸ Prohibiting No Grounds Evictions Bill, sch 1, [2] s 83A.

¹⁵⁹ Making renting fairer in NSW, viewed 21 August 2024.

¹⁶⁰ Submission 2, Homelessness NSW, p 3; Submission 4, WSFC, p 7; Submission 8, Vinnies NSW, p 2; Submission 12, Legal Aid NSW, p 3; Submission 15, MLC, p 3; Submission 24, NCOSS, p 4; Submission 30, NEWTAAS, p 3; Submission 40, Ageing on the Edge, p 2; Submission 42, TUNSW, p 5; Submission 43, DVNSW, p 1.

¹⁶¹ Submission 30, NEWTAAS, p 3; Submission 39, FHA, p 3; Submission 40, Ageing on the Edge, p 2; Submission 41, WLS NSW, p 2; Submission 42, TUNSW, p 5.

¹⁶² Submission 17, RLC, p 5; Submission 22, PIAC, p 4.

¹⁶³ Submission 13, MCTAAS, p 3.

¹⁶⁴ Submission 12, Legal Aid NSW, p 3.

objections to this ground, but commented that the definition of a 'person associated with the landlord' was too restrictive. 165

- 3.19 Stakeholders emphasised the importance of including a clear definition for a person 'associated with the landlord' in any legislative reform. ¹⁶⁶ Redfern Legal Centre said this would help minimise uncertainty and avoid disputes about this this eviction ground. ¹⁶⁷
- 3.20 A number of stakeholders also raised the issue of occupation. The bill proposes that an eviction can occur if a landlord or person 'associated' with the landlord 'intends to occupy' the residential premises for at least 12 months. 169

 Stakeholders suggested that the reliance on intention to occupy may not offer enough protection for tenants and that safeguards, such as a clear definition of occupation and a minimum occupation period, should be included in the reform. 170
- 3.21 The Justice and Equity Centre (formerly the Public Interest Advocacy Centre)¹⁷¹ said this would help avoid the ground being used 'arbitrarily', where a landlord could use this ground to terminate a tenancy only to relet the property again after a short period of time.¹⁷² Similarly, Legal Aid NSW suggested that 'to avoid misuse' of this ground there should be a requirement that the landlord's occupation starts 'immediately after the termination date'.¹⁷³ Stakeholder views on a ban on reletting are discussed in Chapter Four.

Proposed eviction ground: Renovations and repairs

3.22 Both the private members' bill and the government's proposed reform include an eviction ground of property renovations or repairs.

Renovations and repairs

The bill proposes that a landlord can terminate a tenancy where the landlord:

- intends to carry out renovations or repairs to the residential premises that will render the premises uninhabitable for at least 4 weeks, and
- has obtained all necessary permits and consents to carry out the renovations or repairs.¹⁷⁴

 $^{^{165}}$ Submission 14, REINSW, p 3; Submission 19, CCIA NSW, p $\underline{4}$.

 $^{^{166}}$ Submission 25, ILC, pp 6-7; Submission 39, FHA, p 3; Submission 42, TUNSW, p 5.

¹⁶⁷ Submission 17, RLC, p <u>5</u>.

¹⁶⁸ Prohibiting No Grounds Evictions Bill, sch 1, [2] s 83A.

¹⁶⁹ Prohibiting No Grounds Evictions Bill, sch 1, [3] s 84 (1)(a).

¹⁷⁰ Submission 25, ILC, pp 6-7; Submission 42, TUNSW, p 5.

¹⁷¹ The Select Committee received a submission from the Public Interest Advocacy Centre (PIAC) on 26 June 2024. On 1 July 2024, PIAC changed its name to the Justice and Equity Centre (JEC). On 29 July 2024, Ms Alannah Daly attended the public hearing as a representative of the JEC.

¹⁷² Submission 22, PIAC, p 4; Ms Daly, JEC, Transcript, p 15.

¹⁷³ Submission 12, Legal Aid NSW, p 3.

¹⁷⁴ Prohibiting No Grounds Evictions Bill, sch 1, [3] s 84 (1)(b).

The government indicated that a similar ground will be included in its reform to end no grounds evictions. According to its media release, the repairs or renovations need to be significant and the residential premises cannot be relisted for a period of at least four weeks where a landlord seeks to renovate or repair. ¹⁷⁵

- 3.23 Stakeholders generally supported this eviction ground. However, they said it is important that the definitions and parameters of this ground are clearly set out in the legislative reform to prevent misuse.
- In particular, we heard that renovations should be significant enough to render the property uninhabitable for tenants.¹⁷⁷ The NSW Council of Social Service recommended there be a distinction between minor renovations 'that could be done while people are still living in the property' and major renovations where it can take 'up to three, four, five, six months'. The Council said it was important to 'create a high benchmark' for use of this ground.¹⁷⁸
- 3.25 Some stakeholders proposed alternative wording in order to emphasise the scale or level of disruption required, such as 'demolition or reconstruction', ¹⁷⁹ 'extensive repair or renovation', ¹⁸⁰ 'significant', ¹⁸¹ or 'substantial' repairs or renovations. ¹⁸² It was also suggested that the term 'repairs' could be removed from the ground entirely. ¹⁸³
- 3.26 Additionally, Redfern Legal Centre pointed out that, under the RT Act, a landlord is required to keep the property in 'a reasonable state of repair'. The Centre was concerned that this ground could allow a landlord to terminate a lease just to carry out repairs and maintenance 'that they are legally required to'. 184
- 3.27 The Committee is of the view that the ground is an appropriate eviction ground as long as it is appropriately and clearly defined to prevent misuse and not undermine the existing rights and obligations of tenants and landlords under the RT Act.
- 3.28 Stakeholders also suggested that tenants should be given the choice to terminate or continue a tenancy when a landlord intends to carry out renovations or repairs. The Justice and Equity Centre said a landlord should 'offer tenants an option for the tenancy agreement to continue with abated rent during the period

¹⁷⁵ Making renting fairer in NSW, viewed 21 August 2024.

¹⁷⁶ Submission 7, UNSW, p 3; Submission 8, Vinnies NSW, p 2; Submission 9, NSW Fair Trading, p 7; Submission 12, Legal Aid NSW, p 3; Submission 17, RLC, p 5; Submission 22, PIAC, p 4; Submission 26, CCTAAS, p 2; Submission 29, Better Renting, p 1; Submission 39, FHA, p 3;

¹⁷⁷ Submission 22, PIAC, p 4; Submission 24, NCOSS, p 4; Submission 31, CI Group, p 9; Submission 42, TUNSW, p 5; Mr Ross, TUNSW, Transcript, p 3; Ms Daly, JEC, Transcript, p 12.

¹⁷⁸ Mr McAlpine, NCOSS, <u>Transcript</u>, p <u>15</u>.

¹⁷⁹ Submission 42, TUNSW, p 5.

¹⁸⁰ Submission 5, Women's Community Shelters, p 2.

¹⁸¹ Submission 8, Vinnies NSW, p 2; Submission 20, HTAAS, p 3.

¹⁸² Submission 13, MCTAAS, p 5.

¹⁸³ <u>Submission 17</u>, RLC, p <u>5</u>.

¹⁸⁴ Submission 17, RLC, p <u>5</u>.

of renovations or repairs'. 185 Good faith negotiations between landlords and tenants are discussed in Chapter Four.

Proposed eviction ground: The premises will not be suitable as a residence

3.29 Both the private members' bill and the government's proposed reform include 'change of use' as an eviction ground.

Change of use

The bill allows a landlord to terminate a tenancy agreement if the residential premises will be 'used in a way, or kept in a state, that means the premises cannot be used as a residence for at least six months'. 186

The government has indicated that a similar ground will also be included in their proposed reform, but the wording that will be included in its bill is unclear. The government's consultation paper on rental reforms did not include a timeframe and indicated a potentially broader ground, so that an eviction will be allowed if the property 'will change its use (e.g. change from a home to a shop or office)'. The government's media release referred to 'if the property will no longer be used as a rental home'. 188

- 3.30 Stakeholders told us that they were generally supportive of this eviction ground, but that the wording needs to be clear. Dr Chris Martin from the City Futures Research Centre, UNSW said the ground is justifiable, but that 'it [the ground] is worded in a broad way that may admit other less justifiable uses'. 190
- 3.31 To prevent misuse of this ground, stakeholders proposed alternative wordings and additional safeguards. ¹⁹¹ The Legal Aid NSW proposed that the ground should be defined as 'that the residential premises will, immediately after the termination date, be used for the purposes of a business or for any purpose other than letting for use principally as a residence for at least six months'. ¹⁹²
- 3.32 The Justice and Equity Centre suggested including an evidentiary requirement that the property is not to be used as a residence for at least six months. This additional requirement would help ensure legitimate use of this ground. 193
- 3.33 The Committee notes that 'change of use' could be used by a landlord to evict a tenant when converting rental properties to short-term rental accommodation

¹⁸⁵ Submission 22, PIAC, p <u>5</u>.

¹⁸⁶ Prohibiting No Grounds Evictions Bill, sch 1, [3] s 84 (1)(c); [5] s 85 (1)(c).

¹⁸⁷ Improving NSW rental laws consultation paper, p <u>5</u>.

¹⁸⁸ Making renting fairer in NSW, viewed 21 August 2024.

¹⁸⁹ Submission 2, Homelessness, p 1; Submission 12, Legal Aid NSW, p 4; Submission 13, MCTAAS, p 6; Submission

^{15,} MLC, p 3; Submission 19, CCIA NSW, p 4; Submission 22, PIAC, p 5; Submission 30, NEWTAAS, p 3; Submission

^{32,} Shelter NSW, p 11; Submission 40, Ageing on the Edge, p 2; Submission 41, WLS NSW, p 2; Submission 42, TUNSW, p 3; Submission 43, DVNSW, p 1; Mr Ross, TUNSW, Transcript, p 3; NSW Rental Commissioner, Transcript, p 3; NSW Rental Commissi

¹⁹⁰ Submission 7, UNSW, p 3.

¹⁹¹ Submission 7, UNSW, p 3; Submission 13, MCTAAS, p 6; Submission 32, Shelter NSW, p 11.

¹⁹² Submission 12, Legal Aid NSW, p 4.

¹⁹³ Submission 22, PIAC, p <u>5</u>.

such as Airbnb. This is because under the current planning law, converting long term rental to short term rentals would be a change of use. 194 Some stakeholders considered this inappropriate. 195

- 3.34 Shelter NSW, in discussing this issue, said that parallel legislation should be introduced to update the New South Wales planning system to ensure that 'long term rental stock does not leach out into the lucrative Airbnb market'. They emphasised that this would prevent 'reno-victions for Airbnb'. ¹⁹⁶ The Committee recognises the impact of short-term rentals on the supply of long term rentals. ¹⁹⁷
- The Committee notes that it is important to prevent misuse of this ground.

 However, in order to achieve this, reform to the planning system in New South Wales would be required.

Proposed eviction ground: Change in eligibility for social or purpose-built housing

- 3.36 Accordingly to the government's media release, the following eviction ground will be included in its reform to end no grounds evictions: 'If the renter is no longer eligible for an affordable housing program or if the property is purpose-built student accommodation and the renter is no longer a student'.¹⁹⁸
- 3.37 Although this ground is not included in the private members' bill, stakeholders in this inquiry discussed this ground in submissions and the public hearings.
- 3.38 Community housing providers generally supported the inclusion of this ground. 199 In particular, they explained that having the flexibility to terminate tenancies at the end of crisis and transitional housing, would ensure these accommodations are available for those who need them the most. 200 They assured the Committee that when tenancies are terminated on this ground, they would support tenants to move into appropriate alternative housing. 201
- 3.39 The Committee is of the view that reform to end no grounds evictions should not disadvantage social housing providers, ²⁰² and it is appropriate to include an eviction ground addressing the unique needs of social and affordable housing providers.

¹⁹⁴ Submission 32, Shelter NSW, p 11; Submission 34, Randwick City Council, p 6.

¹⁹⁵ Submission 13, MCTAAS, p 6; Submission 32, Shelter NSW, p 11.

¹⁹⁶ Submission 32, Shelter NSW, p <u>11</u>.

¹⁹⁷ <u>Submission 31</u>, CI Group, p <u>9</u>; <u>Submission 34</u>, Randwick City Council, p <u>6</u>; <u>Answers to QONs</u>, DVNSW, <u>Attachment – Submission to the Standing Committee on Social Issues Inquiry into homelessness Amongst older people aged over <u>55 in New South Wales (June 2022)</u>, 31 July 2024, p <u>15</u>.</u>

¹⁹⁸ Making renting fairer in NSW, viewed 21 August 2024.

¹⁹⁹ Submission 18, CHIA NSW, p 3; Submission 23, Bridge Housing, p 2; Submission 39, FHA, p 3.

²⁰⁰ Submission 18, CHIA NSW, p 3.

²⁰¹ Submission 18, CHIA NSW, p 3.

²⁰² Submission 39, FHA, p 2.

3.40 The Committee notes that more flexibility may be required for this ground to accommodate different income limits for affordable housing managed under the NSW Affordable Housing Guidelines and Housing Australia Future Fund.²⁰³

Proposed eviction ground: Preparing the property for sale

- 3.41 The government indicated in its media release that its reform would allow a landlord to terminate a lease 'where the property is being sold or offered for sale with vacant possession'. ²⁰⁴ This ground is not included in the private members' bill.
- 3.42 Evidence to the inquiry showed that organisations representing tenants and special interests groups such as homelessness and domestic violence advocates, overwhelmingly opposed including this ground in the reform, ²⁰⁵ while property investment and real estate stakeholders supported its inclusion. ²⁰⁶
- 3.43 Rental advocates and tenancy organisations argued that this ground could be easily misused.²⁰⁷ The Tenants' Union of NSW stated that in Victoria, Queensland and the ACT, where preparing the property for sale is a reasonable eviction ground, tenants' unions in these jurisdictions have 'recorded misuse of this provision'.²⁰⁸
- 3.44 Shelter NSW said this ground is 'nonsensical and prone to abuse' compared to other proposed grounds. ²⁰⁹ Similarly, Western Sydney Community Forum opposed this ground because landlords could evict tenants then 'claim to have had a change of mind' and then relet the property. This would undermine the reform by allowing no grounds evictions to 'persist under the guise of another reason'. ²¹⁰
- 3.45 The Committee also heard that the cost of moving, generally in the thousands of dollars, is a significant burden on tenants and the cost is exacerbated when a move is unplanned.²¹¹
- 3.46 Based on the evidence presented, the Committee does not consider it appropriate to include preparing the property for sale as a reasonable ground in the reform due to concerns about its misuse. The Committee also notes that section 86 of the RT Act already permits a landlord to terminate a lease if they

²⁰³ Submission 39, FHA, p 2; cf. Department of Communities and Justice, NSW Affordable Housing Ministerial Guidelines 2023-24, webpage, NSW Government, June 2023; Housing Australia, Housing Australia Future Fund Facility and National Housing Accord Facility, webpage, NSW Government, viewed 22 August 2024.

²⁰⁴ Making renting fairer in NSW, viewed 21 August 2024; Improving NSW rental laws consultation paper, p 5.

²⁰⁵ Submission 4, WSCF, p 7; Submission 7, UNSW, pp 3-4; Submission 25, ILC, pp 5-6; Submission 31, CI Group, p 9; Submission 32, Shelter NSW, p 12; Submission 42, TUNSW, p 10; Dr Martin, UNSW, Transcript, p 18.

²⁰⁶ Submission 19, CCIA NSW, p 3; NSW Rental Commissioner, Transcript, p 39.

²⁰⁷ Submission 32, Shelter NSW, p 12; Submission 42, TUNSW, p 10.

²⁰⁸ Submission 42, TUNSW, p 10.

²⁰⁹ Submission 32, Shelter NSW, p <u>12</u>.

²¹⁰ Submission 4, WSCF, p 7.

²¹¹ Submission 5, Women's Community Shelters, p 3; Submission 12, Legal Aid NSW, p 6; Submission 29, Better Renting, p 1; Mr McAlpine, NCOSS, Transcript, p 14.

have entered into a contract for sale that requires them to give vacant possession. ²¹²

- 3.47 We also heard that including this ground in the reform does not support optimal utilisation of rental properties. Stakeholders told us that properties are often sold to investors who want to lease them out after purchase and could benefit from retaining existing tenants. In these situations, having an existing tenancy would make a property more attractive for investors. 14
- 3.48 For example, Dr Chris Martin from the City Futures Research Centre, UNSW told us that in a survey of rental investors in Western Sydney, they found that 43 per cent of properties acquired by investors were used as rental properties before purchase. In 75 per cent of those acquisitions, the existing tenant signed a new agreement with the new landlord.²¹⁵
- 3.49 However, should this ground be included, stakeholders proposed that a landlord should be required to provide evidence.²¹⁶ Details of evidentiary requirements are discussed in Chapter Four.
- 3.50 On the other hand, Ms Trina Jones, NSW Rental Commissioner, said that landlords, property owners, and real estate agents expressed strong support for this ground during her conversations with them. ²¹⁷ These conversations were part of NSW Fair Trading's consultation on rental reforms noted in Chapter One, which as well as a survey and submissions, included the Commissioner speaking directly with renters and landlords. ²¹⁸ The Commissioner told the Committee that landlords had indicated in these conversations that one reason to support this ground is that landlords need to take pictures of their property to prepare it for sale, and they often have different expectations about the presentation of the property compared to tenants who are living in the property. ²¹⁹
- 3.51 However, other stakeholders argued that taking pictures was not a fair reason to evict tenants given the cost and stress of moving, especially when many properties are bought by investors and then relet.²²⁰

Additional eviction grounds suggested by stakeholders

3.52 Apart from the eviction grounds discussed above, stakeholders suggested a range of additional grounds that could be included in the reform. The Committee notes that these grounds are already permissible in the RT Act, including:

²¹² RT Act, s 86; also Submission 42, TUNSW, p 5.

²¹³ Submission 32, Shelter NSW, p 12.

²¹⁴ Submission 32, Shelter NSW, p 12; Submission 42, TUNSW, p 10.

²¹⁵ Submission 7, UNSW, pp 3-4.

²¹⁶ See, for example, <u>Submission 25</u>, ILC, p <u>5</u>.

²¹⁷ NSW Rental Commissioner, <u>Transcript</u>, p <u>39</u>.

²¹⁸ NSW Rental Commissioner, <u>Transcript</u>, p <u>39</u>.

²¹⁹ NSW Rental Commissioner, <u>Transcript</u>, p <u>39</u>.

²²⁰ Submission 7, UNSW, pp <u>3-4</u>; Submission <u>25</u>, ILC, p <u>5</u>; Submission <u>42</u>, TUNSW, p <u>10</u>.

- non-payment of rent (rent arrears), ²²¹
- damage to property,²²²
- breach of agreement by tenant, ²²³ and
- sale of property requiring vacant possession. 224
- 3.53 The Committee is of the view that it is not necessary to include these grounds in the reform as they are already included in the RT Act. However, we note that these existing eviction grounds could be reviewed along with future review of no grounds evictions reform to ensure they remain fit for purpose. 225

Prescribing additional eviction grounds in regulations

- 3.54 The private members' bill proposes that, in addition to the eviction grounds set out in the bill, an eviction would be permitted under 'another ground prescribed by the regulations'. ²²⁶
- 3.55 The NSW Government's consultation paper on rental reforms and media release about its plan to end no grounds evictions did not allow regulations to prescribe additional eviction grounds.
- 3.56 Evidence to the inquiry showed that stakeholders did not support this proposal as they considered that changes to termination grounds should be subject to parliamentary scrutiny.²²⁷ In its submission to the inquiry, NSW Fair Trading stated that:
 - \dots additional reasons prescribed via the Regulation would not be subjected to the same level of Parliamentary scrutiny and oversight that such significant reforms would warrant. 228
- 3.57 Similarly, Legal Aid NSW acknowledged that the clause is 'intended to build more flexibility into the regulatory framework', but argued it should not be included because termination grounds can impact a range of landlords and tenants' rights and should therefore be subject to parliamentary scrutiny.²²⁹
- 3.58 The NSW Council of Social Service said that this proposal would risk regulations creating additional grounds that 'undermine the purpose of the bill'.²³⁰

²²¹ RT Act, s 88.

²²² RT Act, s 90.

²²³ RT Act, s 87.

²²⁴ RT Act, s 86.

²²⁵ Submission 7, UNSW, p 3; Dr Martin, UNSW, Transcript, p 18.

²²⁶ Prohibiting No Grounds Evictions Bill, sch 1, [3] s 84 (1)(d); [5] s 85 (1)(d).

²²⁷ Submission 22, PIAC, p 6; Submission 42, TUNSW, pp 11-12.

²²⁸ Submission 9, NSW Fair Trading, p 4.

²²⁹ Submission 12, Legal Aid NSW, p 4; Submission 30, NEWTAAS, p 10.

²³⁰ Submission 24, NCOSS, p <u>5</u>.

3.59 Property investment and real estate stakeholders also did not support the proposal.²³¹ The Property Investment Professionals of Australia noted that investors have been impacted by inconsistent and changing regulations and that investment in the private rental sector could benefit from more certainty.²³²

Eviction notice periods

Summary

The bill proposes a minimum 90 day notice period for reasonable grounds evictions. Evidence to the inquiry suggests that this should be an absolute minimum. Many stakeholders proposed a 120 day notice period or longer. They argued that a longer notice period would help support tenants with specific needs who may find it difficult to secure alternative housing at short notice.

Finding 7

The NSW Government announced a proposal to increase the notice period from 60 to 90 days for an eviction on reasonable grounds, and some stakeholders encouraged the notice period to be increased to 120 days.

- 3.60 The private members' bill proposes a minimum 90 day notice period for termination of fixed term and periodic leases.²³³ Many stakeholders argued that this proposed notice period would be inadequate.²³⁴
- 3.61 Stakeholders proposed a range of alternative notice periods. Some suggested that different notice periods should apply to different eviction grounds.²³⁵
 However, they generally agreed that the proposed 90 day notice period should be the minimum.²³⁶
- 3.62 Special interest groups told us that a 90 day notice period may not be adequate for tenants with specific needs, such as those with disability. This is because these tenants often have difficulties finding alternative rental properties that meet their needs, such as accessibility requirements.²³⁷
- 3.63 Stakeholder consultation conducted by NSW Fair Trading showed that tenants supported a longer notice period for both fixed term and periodic leases while landlords and real estate agents opposed it.²³⁸

²³¹ Submission 11, PIPA, p 1; Submission 14, REINSW, p 5.

²³² Submission 11, PIPA, p 1.

²³³ Prohibiting No Grounds Evictions Bill, sch 1, [3] s 84 (2)(b); [5] s 85 (2).

²³⁴ Submission 9, NSW Fair Trading (quoting stakeholder consultation feedback), p 8; Submission 22, PIAC, p 6; Submission 26, CCTAAS, p 2; Submission 42, TUNSW, pp 5-6; Mr Ross, TUNSW, Transcript, p 8; Mr McAlpine, NCOSS, Transcript, p 16.

²³⁵ Submission 9, NSW Fair Trading (quoting stakeholder consultation feedback), p 8; Submission 13, MCTAAS, p 3; Submission 22, PIAC, pp 6-7; Submission 32, Shelter NSW, pp 13-14.

²³⁶ Submission 10, PWDA, p 4; Submission 22, PIAC, p 6;

²³⁷ Submission 10, PWDA, p 4; Mx Spindler-Smith, PWDA, Transcript, p 29; Mr Laurens, PWDA, Transcript, p 30.

²³⁸ Submission 9, NSW Fair Trading, p 8.

- 3.64 NSW Fair Trading also noted that rules around break lease fees would need to be changed in order for tenants to benefit from longer notice periods.²³⁹ Stakeholders in this inquiry agreed that tenants should not pay break fees if they move out of the property before the end of the termination notice period.²⁴⁰ For example, the NSW Council of Social Service said that tenants should be free to leave 'at any time during the notification period without penalty'.²⁴¹ The Committee notes that the rules around break lease fees are outside the scope of this inquiry but should be reviewed to ensure they protect tenants.
- The Committee is of the view that the notice period should be increased to help tenants find suitable alternative housing. A 90 day notice period should be the absolute minimum. Several stakeholders suggested that a 120 day notice period is preferable for all eviction grounds. ²⁴² Others suggested that the 120 day notice period is appropriate for the reasonable ground of a landlord or person associated with the landlord moving in but other eviction grounds should require a notice period as long as six months. ²⁴³ The NSW Government should carefully review whether longer notice periods should apply.

²³⁹ Submission 9, NSW Fair Trading, p 8.

²⁴⁰ Submission 9, NSW Fair Trading, p 8; Submission 22, PIAC, p 7; Submission 32, Shelter NSW, p 4.

²⁴¹ Submission 24, NCOSS, p <u>5</u>.

²⁴² Submission 24, NCOSS, pp 4-5; Submission 31, CI Group, p 9; Submission 32, Shelter NSW, p 4; Submission 42, TUNSW, pp 5-6.

²⁴³ Submission 22, PIAC, p 6; Submission 26, CCTAAS, p 2; Submission 31, CI Group, p 9.

Chapter Four – Evidence, compliance and other considerations

Effective compliance measures are important to ensure legislative reforms are effective. This chapter outlines proposed evidence and compliance options in the private members' bill and government's plan to end no grounds evictions as well as other considerations to support no grounds evictions reform.

Ensuring compliance with proposed no grounds evictions reform

Reform to remove no grounds evictions should include measures to ensure compliance. Stakeholders discussed options for compliance such as evidentiary requirements, an offence and penalty scheme, or compensation.

Stakeholders representing renters supported the introduction of compliance measures while real estate and property investment groups were concerned that compliance mechanisms would unduly burden landlords.

Other compliance measures suggested by stakeholders include a temporary ban on reletting and a landlord register.

It was clear from the evidence that a range of compliance measures are required for the reform to be effective.

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.

Need for effective enforcement

- 4.1 Both the private members' bill and the government's plan to end no grounds evictions include compliance and enforcement measures. The Committee is of the view that enforcement and compliance measures are necessary to ensure success of the no grounds evictions reform.
- 4.2 Both the government and inquiry participants emphasised the importance of compliance measures. 244 They said that protective measures will be needed to prevent new provisions being misused 245 and it is 'essential that the reform is underpinned by strong compliance and enforcement mechanisms'. 246 The National Association of Renters' Organisations argued that, to ensure compliance,

²⁴⁴ Submission 22, PIAC, p 8; Submission 25, ILC, p 9; Submission 35, WAGEC, p 2; Submission 42, TUNSW, p 22; Mr McAlpine, NCOSS, Transcript, p 11; Ms Roberts, DVNSW, Transcript, p 39; Ms Grgas, HTAAS, Transcript, p 41.

²⁴⁵ Submission 9, NSW Fair Trading, p 4.

²⁴⁶ Submission 22, PIAC, p 8.

'visible consequences' and 'very active regulators' to enforce these consequences are needed.²⁴⁷

Compliance options

4.3 Stakeholders discussed a range of options to ensure compliance. These included options provided for in the private members' bill, as well as additional options raised by stakeholders.

Evidence requirements

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.

- The Committee recommends that the NSW Government require a landlord to provide evidence to a tenant when issuing a termination notice. Providing evidence upfront will help ensure that a landlord's reliance on an eviction ground is genuine. The NSW Government should also clearly set out in legislation the evidence requirements for each eviction ground.
- 4.5 Although the primate members' bill does not require a landlord to provide evidence to prove eviction grounds, the bill would require a landlord to have necessary permits and consents when relying on the eviction ground of repairs and renovations. 248
- 4.6 According to the government's media release regarding its reform, a landlord would be required to provide evidence when issuing a termination notice.²⁴⁹

 NSW Fair Trading told the Committee that 'attaching evidence to a termination notice to show that a termination is genuine' is an important 'protective measure' to prevent misuse of the grounds.²⁵⁰
- 4.7 Renter advocates and tenancy organisations supported the inclusion of evidence requirements.²⁵¹ They said that landlords should be responsible for providing reasons to justify a termination,²⁵² to ensure that termination notices are used in accordance with the law.²⁵³ Shelter NSW said that the onus should be on the landlord to prove that a termination is valid.²⁵⁴ Central Cost Tenants' Advice and Advocacy Service noted that a dispute about reasonable grounds could be

²⁴⁷ Ms Carr, NARO, <u>Transcript</u>, p <u>8</u>.

²⁴⁸ Prohibiting No Grounds Evictions Bill, sch 1, [3] s 84 (1)(b)(ii); [5] s 85 (1)(b)(ii).

²⁴⁹ Making renting fairer in NSW, viewed 12 August 2024.

²⁵⁰ Submission 9, NSW Fair Trading, p 4.

²⁵¹ Submission 2, Homelessness NSW, p 2; Submission 4, WSFC, p 7; Submission 8, Vinnies NSW, p 2; Submission 12, Legal Aid NSW, p 4; Submission 24, NCOSS, p 4; Submission 25, ILC, p 7; Submission 29, Better Renting, p 1; Submission 30, NEWTAAS, p 11; Submission 31, CI Group, p 9; Submission 32, Shelter NSW, p 13; Submission 40, Ageing on the Edge, p 2; Submission 41, WLS NSW, p 2; Submission 43, DVNSW, p 1.

²⁵² Mr Benjamin Read, Acting Manager, Central Coast Tenants' Advice and Advocacy Service (CCTAAS), <u>Transcript of evidence</u>, 29 July 2024, p <u>45</u>.

²⁵³ Submission 4, WSFC, p 7.

²⁵⁴ Submission 32, Shelter NSW, p <u>13</u>.

addressed without going to NCAT if a landlord tells tenants the reasons and provides evidence in advance.²⁵⁵

- 4.8 Requiring landlords to provide evidence would also allow evidence to be tested so that a tenant can challenge the ground asserted by a landlord.²⁵⁶ This would make New South Wales law consistent with Victoria.²⁵⁷ The Justice and Equity Centre argued that evidence requirements would allow tenants to make informed decisions when making applications to NCAT and this would improve fairness and transparency.²⁵⁸
- 4.9 Stakeholders also talked about the impact of evidence requirements on NCAT proceedings. Central Coast Tenants' Advice and Advocacy Service said that without evidence requirements there may be more disputes before NCAT. Tenants who cannot afford to bring proceedings to NCAT would be disadvantaged. New England and Western Tenants Advice and Advocacy Service explained that evidence requirements would help tenants avoid the costs of challenging an eviction notice at NCAT just to understand the reasons for the eviction. 260
- 4.10 Other stakeholders opposed the introduction of evidence requirements. The Real Estate Institute of NSW argued that the requirements would invade a landlord's privacy and it would be inappropriate, for example, for a landlord to be required to provide evidence of divorce or illness. ²⁶¹ The Committee notes that tenants are required to provide significant personal details when applying for a residential property and that there should be a balance when considering transparency, compliance and the right to privacy.
- 4.11 Property Investment Professionals of Australia claimed that evidence requirements would not be effective. They argued such requirements would encourage investors to sell their properties. They also considered evidence requirements unnecessary as there are already 'rigorous safeguards in place for tenants'. ²⁶²
- In relation to a landlord's privacy, the Committee notes evidence from the Hunter Tenants Advice and Advocacy Service that tenants are required to provide a significant amount of personal information when applying for a tenancy.²⁶³ Change the Record noted that a landlord can ask for almost any information on a tenancy application form.²⁶⁴ The personal information that a landlord would need

²⁵⁵ Mr Read, CCTAAS, Transcript, p 45.

²⁵⁶ Submission 12, Legal Aid NSW, p 4; Mr Ross, TUNSW, Transcript, p 3.

²⁵⁶ Submission 42, TUNSW, p 12.

²⁵⁷ Submission 12, Legal Aid NSW, p 4.

²⁵⁸ Submission 22, PIAC, pp 3-4.

²⁵⁹ Submission 26, CCTAAS, p 2.

²⁶⁰ Ms Pankhurst, NEWTAAS, <u>Transcript</u>, p <u>46</u>.

²⁶¹ Submission 14, REINSW, p 4; Mr McKibbin, REINSW, Transcript, pp 30-31.

²⁶² Submission 11, PIPA, pp <u>5-6</u>.

²⁶³ Ms Grgas, HTAAS, <u>Transcript</u>, p <u>45</u>.

²⁶⁴ Ms Hayden, Change the Record, <u>Transcript</u>, p <u>52</u>.

to provide to a tenant regarding the eviction ground would likely fall well short of the evidence tenants are required to provide to landlords.

- 4.13 The evidence outlined above aligns with results from the inquiry's online survey and NSW Fair Trading's survey. Almost 60 per cent of renters who responded to the inquiry's survey agreed that the evidence requirements would be at least moderately effective for supporting compliance while only 31 per cent of landlords agreed. Around 90 per cent of renters who responded to NSW Fair Trading's survey strongly supported an owner giving evidence of the reason for all reasonable grounds evictions while only 15 to 23 per cent of landlords and 10 to 23 per cent of real estate agents supported this depending on the reasonable ground used. Each of the reasonable ground used.
- 4.14 Given the benefits of and strong stakeholder support for the inclusion of evidence requirements, the Committee is of the view that landlords should provide evidence to tenants when issuing a termination notice.

Types of evidence required

- 4.15 The Committee recommends that the NSW Government define what evidence is required for each eviction ground.
- 4.16 Stakeholders agreed that different eviction grounds may attract different evidence requirements.²⁶⁷ The following table summarises stakeholder views on the types of evidence.

Types of evidence required for different eviction grounds		
Eviction ground	Evidence requirements suggested by stakeholders	
The landlord or a family member of the landlord moving into the property	A statutory declaration, ²⁶⁸ and/or a rental agreement and bond receipt. ²⁶⁹	
Significant renovations and repairs	A building works agreement, trade quotes and council permits; ²⁷⁰ photographs demonstrating the need for repairs; ²⁷¹ development applications; ²⁷² or Scope of Works. ²⁷³	

²⁶⁵ Appendix Three.

²⁶⁶ Improving NSW rental laws - Public engagement summary report, p 3.

²⁶⁷ Submission 17, RLC, p 6; Submission 22, PIAC, pp 3-5; Submission 25, ILC, pp 8, 9; Submission 32, Shelter NSW, p 13.

²⁶⁸ Submission 12, Legal Aid NSW, p 5.

²⁶⁹ Submission 4, WSFC, p 7.

²⁷⁰ Submission 32, Shelter NSW, p 13.

²⁷¹ Submission 12, Legal Aid NSW, p <u>5</u>.

²⁷² Submission 25, ILC, p 8.

²⁷³ Mr Ross, TUNSW, <u>Transcript</u>, p <u>3</u>.

Change of use	Council documentation of a change of use in a property; ²⁷⁴ or a statutory declaration. ²⁷⁵
Preparing the property for sale, noting that most stakeholders opposed this eviction ground	Contract of sale. ²⁷⁶
Tenants no long eligible for an affordable or community housing program	Income assessments. ²⁷⁷

4.17 Stakeholders held differing opinions about who the evidence should be provided to. Legal Aid NSW argued that evidence should be provided to a tenant along with the termination notice. ²⁷⁸ Others suggested that they should be provided to the NSW Rental Commissioner or NSW Fair Trading. ²⁷⁹

Offence and penalty provisions

- 4.18 The private members' bill would make it an offence for a landlord to fail to ensure residential premises are used in accordance with the ground on which the termination order was made. This offence would carry a penalty of 100 penalty units or \$11,000.²⁸⁰
- 4.19 According to the government's media release, the government's reform would include penalties payable by a landlord who provides non-genuine reasons.²⁸¹
- 4.20 Several stakeholders were supportive of including offence and penalty provisions in no grounds evictions reform. Penalties would encourage landlords to 'do the right thing', and ensure the legislative changes are meaningful. Domestic Violence NSW said there must be severe penalties for false or misleading use of an eviction ground.
- 4.21 In particular, stakeholders suggested that the offence provisions should capture a broad range of unfair practices including:

²⁷⁴ Submission 4, WSFC, p 7.

²⁷⁵ Submission 12, Legal Aid NSW, p 5; Submission 25, ILC, p 9.

²⁷⁶ Mr Mark Degotardi, Chief Executive Officer, Community Housing Industry Association NSW (CHIA NSW), <u>Transcript of evidence</u>, 29 July 2024, p <u>12</u>.

²⁷⁷ Ms Blaikie, Bridge Housing, <u>Transcript</u>, p <u>3</u>.

²⁷⁸ Submission 12, Legal Aid NSW, p 14.

²⁷⁹ Submission 32, Shelter NSW, p 13.

²⁸⁰ Prohibiting No Grounds Evictions Bill, sch 1, [6].

²⁸¹ Making renting fairer in NSW, viewed 14 August 2024.

²⁸² Submission 7, UNSW, p 4; Submission 22, PIAC, p 8; Submission 24, NCOSS, p 4; Submission 26, CCTAAS, p 3; Submission 30, NEWTAAS, p 11; Submission 34, Randwick City Council, p 2.

²⁸³ Mr Degotardi, CHIA NSW, <u>Transcript</u>, p <u>16</u>.

²⁸⁴ Ms Grgas, HTAAS, <u>Transcript</u>, p <u>41</u>.

²⁸⁵ Ms Roberts, DVNSW, <u>Transcript</u>, p <u>39</u>.

- a landlord issuing a termination notice without a valid, genuine and supportable basis,²⁸⁶
- false and misleading use of eviction grounds, ²⁸⁷ and
- a landlord entering into a new tenancy agreement with a separate tenant after the property was vacated by a former tenant. 288
- 4.22 On the other hand, real estate and property investor stakeholders opposed including offence and penalty provisions. The Real Estate Institute of NSW argued that a landlord should 'not be penalised for choosing how they wish to use their asset'. They also said the penalty proposed in the bill could unjustly penalise a landlord if they are not able to use the property in line with eviction grounds due to unforeseen circumstances outside their control.²⁸⁹
- 4.23 The evidence above is similar with the inquiry's online survey results which showed different opinions between landlords and renters. Almost 67 percent of renters agreed that offence and penalty provisions would be at least moderately effective in supporting compliance while only 27 per cent of landlords agreed.²⁹⁰

NCAT orders

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.

Termination orders

- 4.24 The Committee recommends that the NSW Government consider providing NCAT with discretionary powers to make termination orders and provide remedies for tenants.
- 4.25 As noted in Chapter One, the NCAT is an independent body that resolves disputes between landlords and tenants with the power to issue enforceable orders.²⁹¹ It is therefore essential that NCAT be given adequate powers and resources to make orders to remedy a wrongful eviction under the proposed reforms.
- 4.26 As noted above, the private members' bill contains a number of remedies for tenants who experience an unlawful termination that would be enforced by NCAT. Any remedies in the government's proposed reform would also require NCAT enforce them.
- 4.27 Currently, under sections 84 and 85 of the RT Act, NCAT does not have discretion to refuse an application from a landlord that a lease be terminated. As long as a

²⁸⁶ Submission 17, RLC, p 6.

²⁸⁷ Ms Roberts, DVNSW, <u>Transcript</u>, p <u>39</u>.

²⁸⁸ Submission 12, Legal Aid NSW, p 15.

²⁸⁹ Submission 14, REINSW, p 5.

²⁹⁰ Appendix Three.

²⁹¹ Mr Read, CCTAAS, <u>Transcript</u>, p <u>45</u>; Ms Blaikie, Bridge Housing, <u>Transcript</u>, p <u>2</u>.

landlord complies with the relevant notice period required, NCAT must, on application by a landlord, make a termination order if it is satisfied that a no grounds termination notice was given in line with the law and the tenant has not vacated the premises.²⁹²

- 4.28 The private members' bill would change this by giving NCAT some discretion in making termination orders.²⁹³ NCAT would be able to decide whether the termination is appropriate in the circumstances.
- 4.29 Most stakeholders supported giving NCAT discretion to refuse to terminate a tenancy if not appropriate in the circumstances.²⁹⁴
 - Hunter Tenants' Advice and Advocacy Service said that it was in the interests
 of justice for NCAT to oversee termination orders.²⁹⁵
 - The Tenants' Union of NSW suggested that NCAT should have the power to consider the circumstance of a termination application and be able to decide against ordering the termination of a lease.²⁹⁶
 - Mid Coast Tenants Advice and Advocacy Service added that the burden of proving that an eviction is appropriate should be on the landlord.²⁹⁷
- 4.30 Stakeholders suggested that NCAT should consider a range of factors to determine whether it is appropriate to terminate a tenancy. These factors could include:
 - the age and health of the renter,
 - length of time in the property,
 - the human right to adequate housing, ²⁹⁸ and
 - whether the renter can find alternate accommodation.²⁹⁹
- 4.31 However, stakeholders were concerned that NCAT may not have adequate resources to fulfil its role. Community Housing Industry Association NSW noted that NCAT is already overloaded with delays and reform to end no grounds evictions should consider the impact on NCAT.³⁰⁰
- 4.32 The Committee therefore recommends that the NSW Government provide NCAT with discretionary power to grant or refuse termination orders by considering the

²⁹² RT Act, s 84(3) and s 85(3); Submission 7, UNSW, p 5.

²⁹³ Prohibiting No Grounds Evictions Bill, sch 1, [3] s 84 (3)(b)(iii); [5] s 85 (3)(b)(iii).

²⁹⁴ Submission 13, MCTAAS, p 5; Submission 15, MLC, p 3; Submission 40, Ageing on the Edge, p 2; Submission 41, WLS NSW, p 2; Submission 42, TUNSW, p 13; Submission 43, DVNSW, p 2; Dr Martin, UNSW, Transcript, p 17.

²⁹⁵ Submission 20, HTAAS, p 3.

²⁹⁶ Mr Ross, TUNSW, <u>Transcript</u>, p <u>8</u>.

²⁹⁷ Submission 13, MCTAAS, p 4.

²⁹⁸ Dr Martin, UNSW, <u>Transcript</u>, p <u>20</u>.

²⁹⁹ Submission 42, TUNSW, p <u>13</u>.

³⁰⁰ Mr Degotardi, CHIA NSW, <u>Transcript</u>, p <u>16</u>.

circumstances of the case and provide remedies to tenants for wrongful termination.

Providing remedies for tenants

4.33 The private members' bill provides 'that a landlord pay compensation to the tenant' for 'wrongful termination' of a tenancy agreement.³⁰¹

Tenants' remedies under the bill

The private members' bill proposes that NCAT can make remedy orders if a residential tenancy agreement is terminated on reasonable grounds and NCAT is satisfied that the premises have not been used in line with the ground specified. 302

Proposed remedies in the bill include:

- An order directing the landlord or associated person occupying the premises, to occupy or use the premises in line with the ground.³⁰³
- An order reinstating a tenancy agreement if appropriate in the circumstances.³⁰⁴
- An order that the landlord pay compensation to the tenant for wrongful termination of the agreement.³⁰⁵
- 4.34 Most stakeholders supported allowing NCAT to order that a landlord compensate a tenant. These stakeholders argued that this provision could encourage compliance and allow tenants to recover costs incurred as a result of a wrongful eviction. The Justice and Equity Centre suggested that compensation to a tenant for wrongful termination should recognise the 'disruption and stress' caused to tenants and be equal to 'reasonable moving costs' incurred by tenants. The Justice and Equity Centre suggested that suggested that compensation to a tenant for wrongful termination should recognise the 'disruption and stress' caused to tenants and be equal to 'reasonable moving costs' incurred by tenants.
- 4.35 However, some stakeholders were concerned that some remedies, such as ordering a landlord to occupy the property or ordering that a lease be reinstated, might not be practical. ³⁰⁹ For example, the Caravan, Camping and Touring Industry and Manufactured Housing Industry Association of NSW Ltd said these

³⁰¹ Prohibiting No Grounds Evictions Bill, sch 1, [6] s 85B (2)(c).

³⁰² Prohibiting No Grounds Evictions Bill, sch 1, [6] s 85B (1).

³⁰³ Prohibiting No Grounds Evictions Bill, sch 1, [6] s 85B (2)(a).

³⁰⁴ Prohibiting No Grounds Evictions Bill, sch 1, [6] s 85B (2)(b).

³⁰⁵ Prohibiting No Grounds Evictions Bill, sch 1, [6] s 85B (2)(c).

³⁰⁶ Submission 26, CCTAAS, p 3; Submission 29, Better Renting, p 1; Submission 30, NEWTAAS, pp 12-13; Submission 42, TUNSW, p 12; Submission 43, DVNSW, p 1.

³⁰⁷ Submission 15, MLC, p 3; Submission 17, RLC, p 6; Submission 24, NCOSS, p 4; Submission 25, ILC, p 7; Submission 26, CCTAAS, p 3; Submission 29, Better Renting, p 1; Submission 30, NEWTAAS, pp 12, 13; Submission 31, CI Group, p 9; Submission 32, Shelter NSW, p 14; Submission 40, Ageing on the Edge, p 2; Submission 41, WLS NSW, p 2.

³⁰⁸ Submission 22, PIAC, p 9.

³⁰⁹ Submission 12, Legal Aid NSW, p 5; Submission 26, CCTAAS, p 3.

proposed orders could 'cause immense unfairness and upheaval for certain persons'. $^{\rm 310}$

4.36 Legal Aid NSW argued that some proposed NCAT orders would not be practical and suggested that compensation should be the sole remedy NCAT can order. Similarly, Redfern Legal Centre noted that it might not be worthwhile for a tenant to pursue orders for remedies at NCAT, and the New England and Western Tenants Advice and Advocacy Service also explained how administrative hurdles in the NCAT process make it difficult for vulnerable tenants to assert their rights.

Other compliance options suggested by stakeholders

- 4.37 In addition to the compliance measures outlined above, stakeholders suggested additional compliance measures that could potentially improve protections for tenants and discourage landlords from breaking the law. These include:
 - Banning a landlord from reletting a property for a period of time after an
 eviction based on a reasonable ground.³¹⁴
 - Establishing a register of landlords who have not complied with the requirement to provide a reasonable ground for an eviction.³¹⁵

A temporary ban on reletting

- 4.38 Many stakeholders supported banning a landlord from reletting a property for a period of time after the landlord uses a reasonable ground to terminate a lease, 316 with NCAT potentially having the power to order this ban. 317 They argued this would help ensure that the reason a landlord uses to evict is a genuine one. For example, Shelter NSW recommended that all of the proposed eviction grounds should 'include a temporary ban on re-letting the premises again to discourage fraudulent behaviour'. 318
- 4.39 The Committee notes that the length of the ban could vary depending on the eviction ground used. Stakeholders suggested the following options:
 - 12 months for a landlord or their family member moving into the property, 319

³¹⁰ Submission 19, CCIA NSW, p 5.

³¹¹ Submission 12, Legal Aid NSW, p 5.

³¹² Submission 17, RLC, p 6.

³¹³ Answers to QONs, NEWTAAS, 5 August 2024, pp <u>1-3</u>.

³¹⁴ Submission 24, NCOSS, p 4; Submission 32, Shelter NSW, p 12.

³¹⁵ Ms Daly, JEC, Transcript, p 13.

³¹⁶ Submission 8, Vinnies NSW, p 2; Submission 13, MCTAAS, p 3; Submission 15, MLC, p 3; Submission 17, RLC, p 6; Submission 22, PIAC, p 8; Submission 24, NCOSS, p 4; Submission 25, ILC, p 3; Submission 31, CI Group, p 9; Submission 40, Ageing on the Edge, p 2; Submission 41, WLS NSW, p 2; Submission 42, TUNSW, p 13; Submission 43, DVNSW, p 1.

³¹⁷ Submission 22, PIAC, p 8.

³¹⁸ Submission 32, Shelter NSW, p 12.

³¹⁹ Submission 32, Shelter NSW, p 12.

- 6 months for repairs or renovations,³²⁰
- 12 months for change of use, ³²¹ and
- 6 months for a property being sold.³²²

A register of landlords

- 4.40 Some stakeholders suggested that the NSW Government establish a register of landlords for compliance and monitoring purposes.³²³
 - The Justice and Equity Centre said that a landlord register could be a useful tool for NSW Fair Trading as they would be able to identify landlords who consistently breach the law.³²⁴
 - Similarly, the Tenants' Union of NSW said that the register could help NSW
 Fair Trading communicate with landlords and access information about
 tenancies. The Union added that it was unusual for a sector that provides an
 essential service to have no interaction between the government and service
 providers.³²⁵
 - Women's and Girls' Emergency Centre supported the inclusion of a landlord register and suggested the Rental Compliance Register in Victoria as a useful example.³²⁶
 - Community Housing Industry Association NSW said that the register could help gather data about rental but noted that it must be accessible and not overly complex.³²⁷
- 4.41 Property Investors Council of Australia was not opposed to the idea of a landlord register but stressed that it would have to be independent. They noted that a register could help the sector understand property investment data and ensure landlords and property investors are well informed of rental reforms. Property Investment Professionals of Australia agreed that a landlord register could make it easier for the government to communicate with landlords about changes to rental law. 330

³²⁰ Submission 42, TUNSW, p 11.

^{321 &}lt;u>Submission 32</u>, Shelter NSW, p <u>12</u>.

³²² Submission 32, Shelter NSW, p 12.

³²³ Submission 22, PIAC, p 1.

³²⁴ Ms Daly, JEC, <u>Transcript</u>, p <u>13</u>.

³²⁵ Mr Ross, TUNSW, <u>Transcript</u>, p <u>5</u>.

³²⁶ Submission 35, WAGEC, p 2.

³²⁷ Mr Degotardi, CHIA NSW, <u>Transcript</u>, p <u>14</u>.

³²⁸ Mr Kingsley, PICA, <u>Transcript</u>, p <u>19</u>.

³²⁹ Mr Kingsley, PICA, <u>Transcript</u>, p <u>25</u>.

³³⁰ Ms McDougall, PIPA, <u>Transcript</u>, p <u>25</u>.

The need for adequate resourcing and powers to ensure compliance

Recommendation 7

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

Recommendation 8

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

- 4.42 The Committee recommends that NSW Fair Trading be adequately resourced to effectively implement no grounds evictions reform. The NSW Government should also consider whether resourcing of tenants' advice and advocacy services will be sufficient. This is particular important given there is no register of landlords, so there is no way to inform all landlords of these reforms or ensure they are aware of the changes to their obligations in order to comply with the RT Act.
- 4.43 Stakeholders raised that effective compliance and enforcement requires regulators who are adequately resourced to conduct monitoring and compliance activities.³³¹
- 4.44 For example, Mid Coast Tenants Advice and Advocacy Service and Redfern Legal Centre argued that NSW Government agencies should be adequately resourced and trained to implement the changes, impose penalties where needed and enforce the law.³³²
- 4.45 The Committee recommends that the NSW Government provide additional resources to NSW Fair Trading to ensure effective monitoring and compliance of the proposed reforms. This is important as some stakeholders were concerned about the effectiveness of compliance actions currently undertaken by NSW Fair Trading. 333

Implementing no grounds eviction reform

Summary

Stakeholders raised a number of practical issues about the implementation of the no grounds evictions reform. These issues include supporting good faith negotiations between landlords and tenants, educating the public about the reform, putting transitional arrangements in place to mitigate unintended consequences, and improving data collection and monitoring on the reform.

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

³³¹ <u>Submission 17</u>, RLC, p <u>6</u>.

³³² Submission 13, MCTAAS, p 7; Submission 17, RLC, p 6.

³³³ Ms Grgas, HTAAS, Transcript, pp 43, 46.

highlighting potential alternatives and remedies such as rent abatement or assistance with moving costs.

- 4.46 As discussed above, the Committee is of the view that NCAT should be able to provide remedies for tenants. However, the Committee notes that pursuing remedy orders from NCAT would require parties to enter into formal proceedings, which may disadvantage stakeholders with less resources to go through proceedings.
- 4.47 Throughout the inquiry, stakeholders suggested a range of measures that would require negotiations between landlords and tenants, such as tenants choosing to continue a tenancy with abated rent when a landlord intends to carry out renovations and repairs.³³⁴ These sorts of measures require tenants and landlords to negotiate effectively and in good faith.
- 4.48 However, as noted in Chapter Two, there is a power imbalance between landlords and tenants. While ending no grounds evictions would go some way to address this balance, we also think it is important for the government to inform tenants of their options in these scenarios, including providing resources for tenants and landlords to negotiate in good faith.
- 4.49 As such, the Committee recommends that the NSW Rental Commissioner develop guidelines to facilitate good faith negotiation between landlords and tenants when a landlord is considering terminating a lease. The guidelines should include potential alternatives and remedies, such as rent abatement, or assistance with moving costs.
- 4.50 As discussed in Chapter Three, in many cases, tenanted properties are sold to another investor who will rent out the property and would consider continuing the existing tenancy. The Committee considers it important that any guidance issued by the NSW Government address this scenario by highlighting the option for tenants to continue a tenancy when a landlord is selling the property.

Recommendation 10

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

Recommendation 11

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

- 4.51 Apart from resourcing to government agencies, successful reform will also require effective communication so that tenants and landlords are aware of legislative changes.
- 4.52 Tenants' advice and advocacy services called for additional funding if the reforms are to proceed to ensure they can provide vital services to tenants and help them understand their rights under the RT Act. 335 For example, Western Sydney

³³⁴ Submission 22, PIAC, p 5; Submission 32, Shelter NSW, p 11.

³³⁵ Submission 4, WSCF, p 10; Submission 33, Change the Record, p 8; Mr Ross, TUNSW, Transcript, p 7.

Community Forum recommended a more equitable funding model that would provide adequate resources to place-based organisations. 336

4.53 Stakeholders also talked about the importance of public education to inform landlords and tenants of any legislative changes.³³⁷ Domestic Violence NSW said that education is key for them to make sure that stakeholders including real estate agents and landlords are aware of their responsibilities under the proposed changes.³³⁸ NSW Fair Trading agreed that public education about changes to the rental law is important and noted that the government has allocated funding for education programs.³³⁹

Transitional arrangements

- 4.54 Additionally, some stakeholders raised concerns about a potential unintended consequence an increase in the use of no grounds evictions between now and when the reform is implemented.
- 4.55 Both the Tenants' Union of NSW and NSW Aboriginal Tenancy Advice and Advocacy Services were concerned that there could be a 'flood' of no grounds evictions before reform comes into effect.³⁴⁰ They suggested the following risk mitigation measures.
 - Introduce interim legislation so that a landlord would be required to provide reasons before the reform comes into force.³⁴¹
 - Give NCAT discretionary power to refuse a no grounds eviction before reforms come into force.³⁴²
- 4.56 In light of the evidence above, the Committee recommends that the NSW Government consider a transitional period and education campaigns to inform the community about no grounds evictions reform and mitigate any unintended consequences.

Collecting and publishing data

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.

4.57 As outlined in Chapter Two, there is a lack of systematic and comprehensive data on end of tenancies in New South Wales. The Committee is of the view that

³³⁶ Answers to QONs, WSCF, 2 August 2024, pp <u>1-3</u>.

³³⁷ Mr Ross, TUNSW, Transcript, p 7; Ms Carr, NARO, Transcript, p 8.

³³⁸ Ms Donovan, DVNSW, Transcript, p 36.

³³⁹ Dr Petrina Casey, Acting Commissioner for NSW Fair Trading, Acting Deputy Secretary Fair Trading and Regulatory Services, NSW Fair Trading, <u>Transcript of evidence</u>, 2 August 2024, p 38.

³⁴⁰ Mr Ross, TUNSW, <u>Transcript</u>, p <u>7</u>; Mr Webb, NSW ATAAS, <u>Transcript</u>, p <u>9</u>.

³⁴¹ Mr Mark Griffiths, Senior Tenants Advice & Advocacy Officer, NSW Aboriginal Tenancy Advice and Advocacy Service (NSW ATAAS), <u>Transcript of evidence</u>, 2 August 2024, p <u>9</u>.

³⁴² Mr Ross, TUNSW, <u>Transcript</u>, p <u>8</u>.

reliable and up to date data on tenancies is essential to understand rental markets in New South Wales and evaluate the impact of the proposed reforms.

- 4.58 The lack of data was highlighted in the inquiry by a range of stakeholders. They said that there was limited data available on lease terminations and the motivation behind them.³⁴³ In particular, the Property Investors Council of Australia said there was limited data on the frequency of no grounds evictions in New South Wales,³⁴⁴ and that having relevant data available is important to make informed decisions about legislative reform.³⁴⁵
- 4.59 As outlined in Chapter Two, most stakeholders rely on NSW Fair Trading's voluntary end of tenancy survey to understand the rental market. The Tenants' Union of NSW noted that the published data was not up to date and called for the most recent data to be released by the NSW Government.³⁴⁶
- 4.60 The Committee notes some progress in this area with the appointment of the NSW Rental Commissioner in 2023. According to NSW Fair Trading, a key function of the Rental Commissioner is to gather data on the rental market and monitor the impact of rental reforms. 347 The Committee also notes that the Commissioner has foreshadowed plans to release the most recent end of tenancy survey data and plans to continue making that survey data publicly available on an ongoing basis. 348
- 4.61 To improve data collection and evidence-based policy making, the Committee recommends that the NSW Government ensure it provides adequate resourcing to the NSW Rental Commissioner to collect comprehensive end of tenancy data. We also recommend this data be made publicly available and that the publication of existing data held by the Rental Commissioner be expedited, particularly end of tenancy survey results.
- 4.62 Noting the importance of data in understanding the long-term impact of rental reforms, the Committee recommends that the NSW Government continue to monitor and evaluate the impact of no grounds evictions reforms, including on rental affordability and availability.

³⁴³ Submission 16, PICA, p 8; Submission 34, Randwick City Council, p 5; Dr Martin, UNSW, Transcript, p 19; Mr McKibbin, REINSW, Transcript, pp 28-29.

³⁴⁴ <u>Submission 16</u>, PICA, p <u>8</u>.

³⁴⁵ Mr Kingsley, PICA, <u>Transcript</u>, p <u>25</u>.

³⁴⁶ Mr Ross, TUNSW, <u>Transcript</u>, p <u>4</u>.

³⁴⁷ Submission 9, NSW Fair Trading, p 2.

³⁴⁸ NSW Rental Commissioner, <u>Transcript</u>, p <u>38</u>.

Appendix One – Terms of reference

Resolution passed by the Legislative Assembly, 16 May 2024, Votes an Proceedings no. 54, entry no. 14

- (1) The Bill be referred forthwith to a Select Committee for consideration and report, for the purpose of inquiring and seeking public input into:
 - (a) The provisions of the Bill, with particular reference to:
 - (i) The grounds for which an eviction is reasonable.
 - (ii) The appropriateness of evidence requirements to support reasonable grounds or a penalty scheme for those who falsely claim a reasonable ground; and
 - (iii) Any unintended consequences, including on housing affordability and availability, for renters and owners.
 - (b) A jurisdictional comparison of no grounds evictions policies.
- (2) The Committee consist of the five members, comprising:
 - (a) three government members, being Ms Donna Davis, Mr Clayton Barr, Ms Trish Doyle.
 - (b) one opposition member.
 - (c) one crossbench member, being Ms Jenny Leong.
- (3) That the opposition member be nominated in writing by the Opposition Whip to the Clerk of the Legislative Assembly by 23 May 2024.
- (4) Ms Jenny Leong shall be the Chair of the Committee.
- (5) The Committee have leave to sit during the sitting or any adjournment of the House.
- (6) The Committee have leave to make visits of inspection within the state of New South Wales and other states and territories of Australia.
- (7) The Committee shall report to the House by 20 September 2024.
- (8) The Committee shall be able to table a report out of session with the Clerk.

Appendix Two – Conduct of inquiry

On 8 February 2024, the Member for Newtown, Ms Jenny Leong MP introduced the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 in the Legislative Assembly.

On 16 May 2024, the House established the Select Committee on the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 and referred the bill to the Committee for inquiry and report by 20 September 2024. The lapsing date of the bill (originally 31 May 2024) was extended to 25 October 2024.

The terms of reference required the Committee to consider the provisions of the bill, with particular reference to the grounds for which an evictions would be reasonable, the appropriateness of compliance measures such as evidence grounds or a penalty scheme, and any unintended consequences. It also required the Committee to undertake a jurisdictional comparison of no grounds evictions policies.

The Committee invited a range of stakeholders to make a submission, including tenant advice and advocacy services, community shelters, groups representing the property industry and property investors, and organisations representing vulnerable people in the community. The Committee also held an online survey to gather views from members of the public.

Submissions and the survey closed on 26 June 2024. A report on the results of the online survey is available at <u>Appendix Three</u>. The list of submissions is available on the Committee's webpage and in <u>Appendix Five</u>.

On 28 July 2024, the NSW Government announced that it planned to ban no-grounds evictions and would introduce its own bill in September 2024 to do so.

The Committee held two hearings in Parliament House on 29 July and 2 August 2024. The list of witnesses is available in <u>Appendix Six</u>.

The resumption of the debate on the second reading of the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 will be restored to the Business Paper on the tabling of this report.

Appendix Three – Online survey

The Committee ran an online survey to facilitate members of the public sharing their views on the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 (the bill) and no grounds evictions reform more generally.

Survey respondents self-selected in choosing to participate. This means that, similar to submission authors, respondents were not a representative sample of the New South Wales population, but rather interested members of the public who volunteered their time to have their say.

The survey was open from 3 June 2024 to 26 June 2024 and received a total of 1,500 responses. However, some individuals submitted more than one response or 'duplicate' responses or were not residents of New South Wales. Excluding those responses, there were 1,347 responses to the survey.

45 per cent of respondents identified as landlords, 28 per cent as renters, 9 per cent are renter-landlords, and the remainder had relevant experience in the past. According to the most recent census, 31 per cent of Australian households are renters and 26 per cent of Australian households rent their home from a private landlord. 349

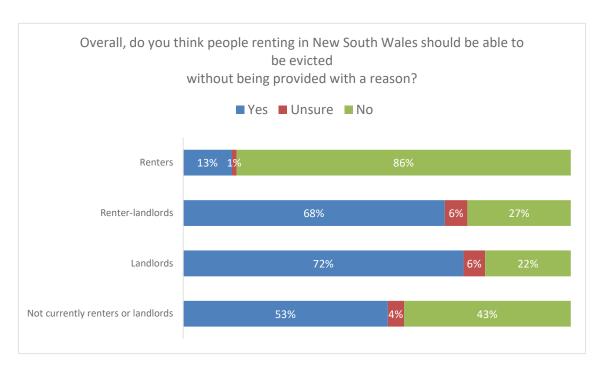
The following analysis is based on these 1,347 responses.

Analysis of responses

Views on no grounds evictions

Overall, 48 per cent of respondents supported the statement that renters should be able to be evicted without being provided with a reason, with 48 per cent opposing the statement and 4 per cent being unsure. Specifically, as outlined in the figure below, 86 per cent of renters supported the statement while only 22 per cent of landlords supported the statement.

³⁴⁹ Australian Bureau of Statistics, <u>Housing Occupancy and Costs: 2019-20 financial year</u>, webpage, Australian Government, viewed 14 August 2024.

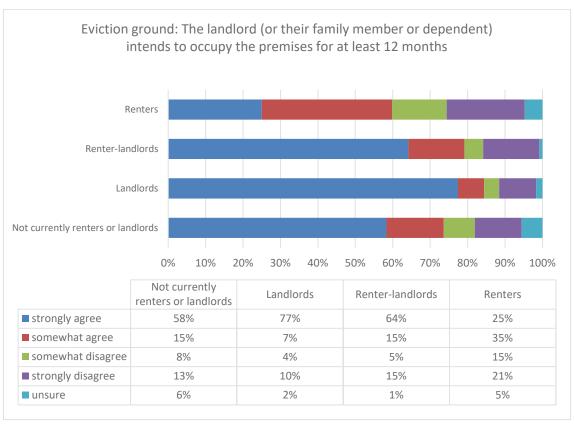


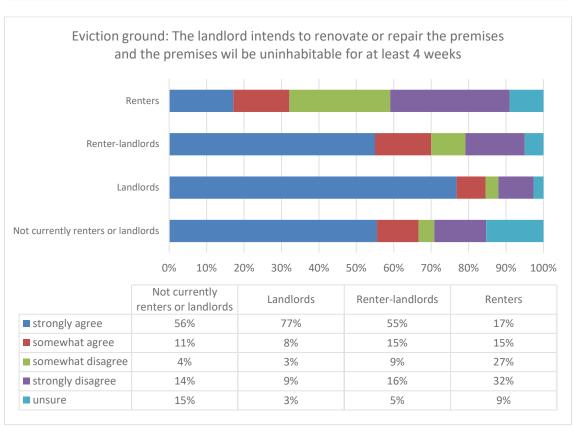
Reasonable eviction grounds

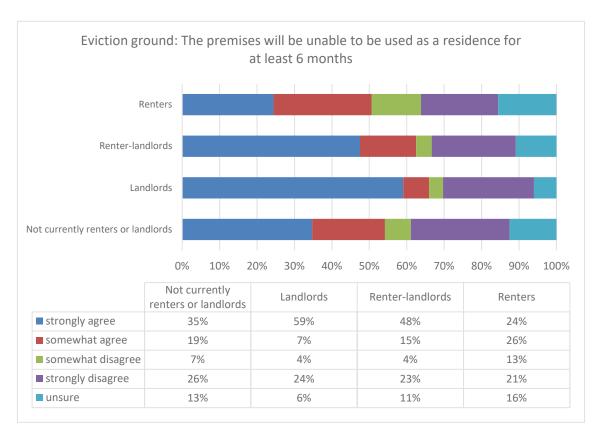
The survey asked respondents how strongly they agreed or disagreed with the reasonable eviction grounds listed in the bill.

- Around 74 per cent of all responders supported the eviction ground of landlords or their family members intending to occupy the premises.
- Around 64 per cent of all responders supported the eviction ground of renovations and repairs.
- Around 58 per cent of all responders supported the eviction ground of change of use.
- Around 27 per cent of all responders supported additional reasons being determined by the Minister, with 31 per cent being unsure and 41 per cent disagreeing with this proposal.

The following figures show a breakdown of respondents' opinions about the eviction grounds proposed in the bill. Please note that responders had similar feedback on eviction grounds where the bill only applied to periodic leases.







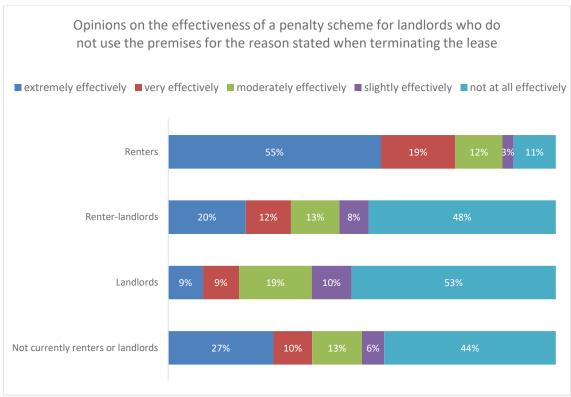
Compliance measures

On compliance measures, respondents were asked how effectively they thought different options would achieve compliance.

Results:

- Around 56 per cent of all responders thought that evidence requirements would be at least moderately effective, with 33 per cent thinking that these would not be effective at all.
- Around 55 per cent of all responders thought the penalty scheme would be at least moderately effective, with 37 per cent thinking it will not be effective at all.





Implications of the bill

On implications of the private members' bill, respondents were asked how strongly they agreed or disagreed with statements on the bill's potential implications.

Responses:

• 57 per cent of landlords agreed that they would consider selling their investment property/ies.

- 59 per cent of landlords agreed that they would be reluctant to rent out their property/ies.
- 61 per cent of landlords agreed that they would consider raising rent.
- 43 per cent of renters agreed that they would feel more secure in their housing.
- 32 per cent of all responders thought the Bill would have an overall positive impact on housing affordability and availability, with 46.8% disagreeing with the statement.

Some stakeholders suggested that other rental reforms, such as limiting rent increase and reforming rules about keeping pets, are required to improve the rental market.

Stakeholders also shared their personal experiences with no grounds evictions and the impact they had on their lives in the online survey.

- Some tenants shared that they lived in fear every day because of the threat of a no grounds eviction.
- Some tenants were concerned that with rising cost of living and the current rental
 crisis, they would not be able to move or find another rental property close to their
 work if they were issued with a no grounds eviction notice.
- Some landlords and property managers were concerned that ending no grounds
 evictions would push landlords out of the rental market and in turn make housing
 security worse for tenants.
- Some landlords said that they would consider increasing rent to compensate for the loss of no grounds evictions.
- Some stakeholders commented that ending no grounds evictions would make housing in New South Wales fairer and more secure for everyone.

Appendix Four – NSW Rental Commissioner's survey results

The NSW Rental Commissioner conducted their own survey on the NSW Government's 'Have Your Say' website in 2023. The survey collected feedback from the public on:

- reasons an owner can terminate a lease removing 'no grounds' evictions
- making it easier for renters to keep pets
- · protecting renters' personal information
- making it easier to transfer rental bonds from one property to another
- other ways to make the system fairer.³⁵⁰

The survey received 16,032 responses from stakeholders, including young people, housing tenants, property providers, industry bodies, academics, legal services, advocates, and animal welfare organisations.

Below is a snapshot of the survey participants set out in the NSW Fair Trading submission to the inquiry. Further details of the survey can be found in NSW Fair Trading's submission (Submission 9).



Renters, average age 38

_{റ്റ്} 8%

Real estate agents, average age 44



927

Respondents to the English language survey said English is their second language at home



Responses were from 123 of the 128 local government areas



Owners, average age 52



447

Identified as Aboriginal
19 identified as Torres
Strait Islander
36 identified as both

36 identified as both Aboriginal and Torres Strait Islander



Were pet owners 60% of renters 58% of owners 65% of renter-owners 75% of real estate agents



5%

A renter and a owner, average age 42



162

Were part of a consumer advocacy group or industry body

58 were part of a consumer advocacy group

104 were part of an industry body



83%

Were from major cities 17% from regional areas Less than 1% from remote areas

^{350 &}lt;u>Submission 9</u>, NSW Fair Trading, Attachment, <u>Improving NSW rental law – Public engagement summary report</u>, p <u>1</u>.

The NSW Rental Commissioner also received 405 written submissions, mainly from renters and owners.

Below is an overview of survey responses set out in NSW Fair Trading's submission.

	Renters	Renter-landlords	Landlords and real estate agents
Ending a lease			
andlords should give a reason to end a periodic lease	•	•	•
Landlords should give a reason to end a fixed-term lease at the end of the term	•	•	•
The number of days' notice to end a periodic lease should be ncreased	•		•
The number of days' notice to end a fixed-term lease should be increased	•	•	•
There should be a temporary stop of leasing a property after the landlord said they needed it back	•	•	•
Pets			
Landlord should require a reason to say no to a pet	•	•	•
21 days is the right amount of time for a landlord to consider a pet application	•	•	•
Rent increases and payment			
The current protections for rent increases are working well		•	•
The current protections for rent increases are working well The law should require an electronic way to pay rent that is free to use	•	•	•
The law should require an electronic way	•		•
The law should require an electronic way to pay rent that is free to use	•		•
The law should require an electronic way to pay rent that is free to use Renters' personal information and privacy t should be put into law what information can or cannot be	•		•
The law should require an electronic way to pay rent that is free to use Renters' personal information and privacy It should be put into law what information can or cannot be collected in a rental application The law should: • be more specific about using and sharing a renter's information • limit how long it can be kept • require that it is kept securely	bond from proper	ty to property)	•

Reasons for the end of a lease

The survey asked the respondents if they supported the owner needing a reason to end a periodic lease.

- 96 per cent of renters were in support.
- 56 per cent of renter-owners were in support.
- 28 per cent of owners were in support.

• 12 per cent of real estate agents were in support.

The survey asked the respondents if they supported the owner needing a reason to end a fixed-term lease.

- 92 per cent of renters were in support.
- 47 per cent of renter-owners were neutral.
- 16 per cent of owners were in support.
- 8 per cent of real estate agents were in support.

Notice periods

The survey asked respondents if they supported changing the law to require landlords to give tenants more notice before the tenant is required to move out.

For a periodic lease:

- 61 per cent of renters were in support.
- 20 per cent of renter-owners were not in support.
- 4 per cent of owners were not in support.
- 4 per cent of real estate agents were not in support.

For a fixed-term lease:

- 96 per cent of renters were in support.
- 64 per cent of renter-owners were in support.
- 31 per cent of owners were not in support.
- 36 per cent of real estate agents were not in support.

Evidence and temporary bans on reletting

The survey asked respondents if they supported a requirement that an owner give evidence to end a lease.

- 87-93 per cent of renters were in support.
- 42-53 per cent of renter-owners were neutral, depending on the reason used.
- 15-24 per cent of owners were not in support.
- 10-23 per cent of real estate agents were not in support.

The survey asked respondents if they supported temporarily preventing an owner from leasing a property after they have ended a tenancy because the owner needs the property back.

- 91 per cent of renters were in support.
- 45 per cent of renter-owners were neutral.
- 13 per cent of owners were not in support.
- 10 per cent of real estate agents were not in support.

The Rental Commissioner survey asked a number of other questions related to rental issues not included in this inquiry terms of reference. Survey results on these questions are not included in this Appendix but are available in NSW Fair Trading's public engagement summary report on Improving NSW rental laws. 351

³⁵¹ Improving NSW rental law – Public engagement summary report, viewed 4 September 2024.

Appendix Five – List of submissions

No.	Author
1	Dr Amy MacMahon MP
2	Homelessness NSW
3	Uniting NSW.ACT
4	Western Sydney Community Forum
5	Women's Community Shelters
6	Professor Alan Morris
7	City Futures Research Centre, UNSW Sydney
8	St Vincent de Paul Society NSW
9	NSW Fair Trading
10	People with Disability Australia (PWDA)
11	Property Investment Professionals of Australia (PIPA)
12	Legal Aid NSW
13	Mid Coast Tenants Advice & Advocacy Service
14	Real Estate Institute of NSW (REINSW)
15	Marrickville Legal Centre
16	Property Investors Council of Australia (PICA)
17	Redfern Legal Centre
18	Community Housing Industry Association NSW (CHIA NSW)
19	Caravan, Camping & Touring Industry & Manufactured Housing Industry Association of NSW Ltd
20	Hunter Tenants Advice and Advocacy Service
21	The Committee for Sydney
22	Public Interest Advocacy Center (PIAC)
23	Bridge Housing
24	NSW Council of Social Service (NCOSS)
25	Illawarra Legal Centre
26	Central Coast Tenants' Advice and Advocacy Service
27	National Association of Renters' Organisation
28	Everybody's Home, Anglicare Australia
29	Better Renting
30	New England and Western Tenants Advice and Advocacy Service
31	Community Industry Group
32	Shelter NSW

No.	Author
33	Change the Record
34	Randwick City Council
35	Women's and Girls' Emergency Centre (WAGEC)
36	Ms Felicity Wilson MP
37	The Hon. Dr Brad Pettitt MLC
38	Council on the Ageing (COTA) NSW
39	Faith Housing Alliance
40	NSW Ageing on the Edge Coalition
41	Women's Legal Service NSW
42	Tenants' Union of NSW
43	Domestic Violence NSW
44	Mission Australia
45	Mr David Latimer

Appendix Six – Witnesses

29 July 2024 Parliament House, Macquarie Room, Sydney, NSW

Witness	Position and Organisation
Mr Leo Patterson Ross	Chief Executive Officer , Tenants' Union of NSW
Ms Penny Carr	Convenor, National Association of Renters' Organisation
Mr Mark Degotardi	Chief Executive Officer, Community Housing Industry Association NSW
Mr Ben McAlpine	Director, Policy and Advocacy, NSW Council of Social Service (NCOSS)
Ms Alannah Daly	Policy Officer, Justice and Equity Centre
Dr Chris Martin	Scientia Senior Research Fellow, City Futures Research Centre, UNSW Sydney
Ms Maiy Azize	Deputy Director, National Spokesman - Everybody's Home, Everybody's Home, Anglicare Australia
Dr Kate Davies	Director of Policy and Research, Homelessness NSW
Mr John Engeler	Chief Executive Officer, Shelter NSW
Mx Megan Spindler-Smith	Deputy CEO, People with Disability Australia
Mr Julian Laurens	Senior Policy Officer, People with Disability Australia
Ms Delia Donovan	Chief Executive Officer, Domestic Violence NSW
Ms Emily Roberts	Policy and Advocacy Officer, Domestic Violence NSW
Ms Sue Cripps	Acting Director Housing and Service Development, Women's Community Shelters
Ms Nicole Yade	Chief Executive Officer, Women's and Girls' Emergency Centre (WAGEC)
Ms Katelin McInerney	Policy and Projects Officer, Community Industry Group
Ms KerryAnn Pankhurst	Service Manager, New England and Western Tenants Advice and Advocacy Service
Mr Benjamin Read	Acting Manager, Central Coast Tenants' Advice and Advocacy Service

Ms Nicole Grgas	Coordinator, Hunter Tenants Advice and
	Advocacy Service
Mr Blake Cansdale	Acting National Director, Change the
	Record
Ms Damiya Hayden	Policy Lead, Change the Record
Ms Billie Sankovic	Chief Executive Officer, Western Sydney
	Community Forum
Mr Eamon Waterford	Chief Executive Officer, The Committee for
	Sydney

02 August 2024 Parliament House, Macquarie Room, Sydney, NSW

Witness	Position and Organisation
Ms Amanda Bailey	Head of Advocacy and Communications,
	Faith Housing Alliance
Ms Ellis Blaikie	Executive Officer, Impact & Advocacy, Faith
	Housing Alliance
Mr Brett Webb	Manager, NSW Aboriginal Tenancy Advice
	and Advocacy Services
Mr Mark Griffiths	Senior Tenants Advice & Advocacy Officer,
	NSW Aboriginal Tenancy Advice and
	Advocacy Services
Ms Yumi Lee	Chief Executive Officer of Older Women's
	Network, NSW Ageing on the Edge
	Coalition
Ms Gohar Yazdabadi	Chief Executive Officer, Council on the
	Ageing (COTA) NSW
Ms Nicola McDougall	Chair, Property Investment Professionals of
	Australia (PIPA)
Mr Ben Kingsley	National Board Chairperson, Property
	Investors Council of Australia (PICA)
Mr Tim McKibbin	Chief Executive Officer, Real Estate Institute
	of NSW (REINSW)
Dr Petrina Casey	Acting Commissioner for NSW Fair Trading
	and Acting Deputy Secretary Fair Trading
	and Regulatory Services, NSW Fair Trading
Ms Trina Jones	NSW Rental Commissioner, NSW Fair
	Trading
Ms Rebecca Pinkstone	Chief Executive Officer of Homes NSW,
	Department of Communities and Justice NSW

Appendix Seven – Extract of minutes

MINUTES OF MEETING 1

1:05 pm, 29 May 2024 Room 1043 and via videoconference

Members present

Ms Leong (Chair), Mr Barr (via Webex), Ms Davis (via Webex), Ms Doyle and Mr James (via Webex).

Officers present

Monica Loftus, Shanshan Guo, Alex Read and Lloyd Connolly.

1. Appointment of committee

The Committee noted extracts from the Legislative Assembly Votes and Proceedings No. 54.

2. Election of Deputy Chair

Resolved, on the motion of Ms Doyle, seconded by Mr Barr: That Ms Donna Davis be elected Deputy Chair of the Committee.

3. Administrative and staffing arrangements

The Committee Director introduced the secretariat and outlined staffing arrangements.

4. Standard motions

Resolved, on the motion of Mr Barr: That unless the Committee resolves otherwise:

Conduct of proceedings

- 1. During any committee meeting, if a division or quorum is called in the Legislative Assembly, the meeting will be suspended until the committee regains quorum.
- Conditions for the broadcasting, filming or photography of the committee's public
 proceedings will be determined by the committee on a case-by-case basis. Those
 conditions shall be consistent with the Legislative Assembly's resolution of 9 May
 2023; and the Assembly's guidelines for coverage of proceedings for parliamentary
 committees administered by the Legislative Assembly.
- 3. Witnesses appearing before the committee will not be represented by a member of the legal profession or other advocate.
- Committee members can only use electronic devices unobtrusively during committee
 proceedings, so that they do not interfere with, or disrupt, the conduct of those
 proceedings.
- 5. Supplementary questions for witnesses, following a public hearing, shall be determined by the committee.
- 6. Media releases on behalf of the committee can only be made by the Chair; and where practicable, following consultation with the committee.

Administrative arrangements

- Arrangements that facilitate or support committee proceedings and activities be delegated to the chair and the committee staff, to undertake in accordance with the committee's decisions.
- 8. Members nominated by the committee to undertake site visits are expected, where practicable, to participate in the full itinerary.
- 9. The Chair and the Committee Director, through the Clerk of the Legislative Assembly, be authorised to liaise with the Speaker on approvals for committee expenditure.

Communications and engagement

- 10. The Legislative Assembly's Engagement Team will support and promote the work of the committee. The Team will implement any agreed media and engagement strategy and coordinate the production of media and other promotional activity with the Chair.
- 5. Inquiry into the Residential Tenancies Amendment (Prohibiting No Grounds Evictions)
 Bill 2024

5.1 Terms of reference

The Committee noted the terms of reference, as set out in the establishing resolution.

Resolved, on the motion of Ms Doyle:

- That the Committee conducts an inquiry into the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024, including:
 - a) The provisions of the Bill, with particular reference to:
 - (i) The grounds for which an eviction is reasonable.
 - (ii) The appropriateness of evidence requirements to support reasonable grounds or a penalty scheme for those who falsely claim a reasonable ground; and
 - (iii) Any unintended consequences, including on housing affordability and availability, for renters and owners.
 - b) A jurisdictional comparison of no grounds evictions policies.
- That The Committee is to report by 20 September 2024.

5.2 Inquiry Timeline

The Committee considered the proposed timeline for the inquiry.

5.3 Call for submissions and stakeholder invitations

The Committee discussed the approach to stakeholder engagement.

Resolved, on the motion of Ms Doyle:

- That the Committee not issue an open call for submissions to be lodged through the inquiry webpage.
- That the Committee write to the stakeholders listed in Attachment C and other stakeholders nominated by members, inviting them to make a submission to the inquiry.
- That the Committee not accept any pro-forma submissions or letters.
- That the closing date for submissions be 26 June 2024.
- That the Committee grants extensions to stakeholders who seek an extension for their submissions until no later than 27 June.
- That Committee members provide feedback on stakeholders listed in Attachment C and provide any additional stakeholders to the Committee staff via email by 5:00pm Thursday 30 May.

5.4 Online survey

The Committee discussed an online survey for the inquiry, including survey questions.

Resolved, on the motion of Ms Doyle:

- That the Committee uses an online survey to give the broader community an
 opportunity to provide their views to the inquiry based on the draft survey questions
 listed in Attachment D.
- That the closing date for the survey be 26 June 2024.
- That the final version of survey questions be circulated to members and agreed to via email within 24 hours of the survey questions being circulated.

5.5 Inquiry webpage wording

The Committee discussed the wording on the inquiry webpage about the survey and submissions process.

Resolved, on the motion of Mr Barr: That the Committee:

- Authorises the Chair to accept submissions from additional stakeholders who have not been invited to make a submission but request to.
- Publish the following information on the Committee inquiry webpage:

"The Committee encourages all stakeholders to have their say on the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 by completing a public survey at the following link: [hyperlink]."

5.6 Chair's media release

Resolved, on the motion of Mr Barr: That the Chair issue a media release and video announcing the commencement of the Committee's inquiry into the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024.

5.7 Public hearings

The Committee considered holding public hearings.

Resolved, on the motion of Mr Barr: That the Committee:

- Conduct two public hearings for the inquiry into the Residential Tenancies
 Amendment (Prohibiting No Grounds Evictions) Bill 2024 on dates to be determined.
- Authorise the Chair and Committee staff to make the administrative arrangements for the public hearings.

6. Next meeting

The Committee adjourned at 2:00 pm until a time and date to be determined.

MINUTES OF MEETING 2

11:03 am, 10 July 2024

Room 1043 and via videoconference

Members present

Ms Leong (Chair) (via Webex), Ms Davis (Deputy Chair) (via Webex), Mr Barr (via Webex) and Mr James.

Apologies

Ms Doyle.

Officers present

Monica Loftus, Shanshan Guo, Alex O'Brien, Alex Read and Lloyd Connolly.

1. Confirmation of minutes (Attachment A)

Resolved, on the motion of Mr James, seconded by Mr Barr: That the minutes of the meeting of 29 May 2024 be confirmed.

2. Inquiry into the Residential Tenancies (Prohibiting No Grounds Evictions) Bill 2024

2.1 Correspondence

The Committee noted correspondence received from the Tenants Protection Association (Auckland) on 5 June 2024.

2.2 Confirmation of email resolutions

The Committee noted that the final stakeholder list and final survey questions (as attached) were agreed to via email.

2.3 Publication of submissions

The Committee considered submissions numbered 1 to 44 for publication.

Resolved, on the motion of Mr Barr: That the Committee accepts and publishes submissions numbered 1-44 in full on the Committee's website with standard redactions.

2.4 Survey results

The Committee noted the raw survey response data previously circulated on 5 July 2024.

The Committee noted the secretariat is currently preparing a short report summarising the survey responses and will circulate a high level summary prior to the first public hearing.

2.5 Public hearing

The Committee noted the proposed hearing schedules attached for the upcoming hearings.

Resolved, on the motion of Ms Davis, seconded by Mr Barr:

- That the Committee conducts two public hearings on 29 July and 2 August 2024 for the inquiry into the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024.
- That the Committee invites the witnesses listed in the attached draft hearing schedules to attend the public hearings to give evidence in relation to the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024.
- That the Committee authorises the Chair and Committee staff to make the administrative arrangements for the public hearings.

3. Future work plan.

The Committee noted the future work plan.

4. Next meeting

The meeting adjourned at 11:16 am until 9:00 am on 29 July.

MINUTES OF MEETING 3

9:05 am, 29 July 2024

Macquarie Room, Parliament House and via videoconference

Members present

Ms Leong (Chair), Ms Davis (Deputy Chair), Mr Barr and Mr James.

Apologies

Ms Doyle.

Officers present

Monica Loftus, Shanshan Guo, Alex Read and Abegail Turingan.

1. Confirmation of minutes

Resolved, on the motion of Mr James: That the minutes of the meeting of 10 July 2024 be confirmed.

2. Inquiry into the Residential Tenancies (Prohibiting No Grounds Evictions) Bill 2024

Pre-hearing deliberative meeting

2.1 Publication of submission

The Committee considered submission numbered 45 for publication.

The Committee considered amending its publication order for submission 6.

Resolved, on the motion of Ms Davis:

- That the Committee authorises publication of submission numbered 45 in full, with standard redactions.
- That the Committee amends its publication order for submission 6 to publish the submission with the name on page 5 anonymised.

2.2 Survey results

The Committee noted the high level summary of survey results.

Mr Barr joined the proceedings at 9:07 am.

2.3 Procedural resolutions

Resolved, on the motion of Mr Barr:

- That the Committee invites the witnesses listed in the notice of the public hearing for Monday, 29 July 2024 to give evidence in relation to the inquiry into the Residential Tenancies (Prohibiting No Grounds Evictions) Bill 2024.
- That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 29 July, in accordance with the Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
- That witnesses be requested to return answers to questions taken on notice by 4:00 pm, Monday 5 August 2024.

2.4 Public hearing: Inquiry into the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024

The Chair opened the public hearing at 9:16 am. Witnesses attending the hearing in person and via videoconference. The Chair made a short opening statement.

The following witnesses were admitted:

- Mr Leo Patterson Ross, Chief Executive Officer, Tenants' Union NSW, was affirmed and examined.
- Ms Penny Carr, Convenor, National Association of Renters' Organisation, appearing via videoconference, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were then admitted:

 Mr Mark Degotardi, Chief Executive Officer, Community Industry Housing Association NSW, was affirmed and examined.

- Mr Ben McAlpine, Director of Policy and Advocacy, NSW Council of Social Service, was affirmed and examined.
- Ms Alannah Daly, Policy Officer, Justice and Equity Centre, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witness was then admitted:

 Dr Chris Martin, Scientia Senior Research Fellow, UNSW City Futures Research Centre, was affirmed and examined.

Evidence concluded and the witness withdrew.

The following witnesses were then admitted:

- Mr John Engeler, Chief Executive Officer, Shelter NSW, was sworn and examined.
- Dr Kate Davies, Director of Policy and Research, Homelessness NSW, was affirmed and examined.
- Ms Maiy Azize, Deputy Director, National Spokesman, Everybody's Home, Anglicare Australia, appearing via videoconference, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were then admitted:

- Mx Megan Spindler-Smith, Deputy Chief Executive Officer, People with Disability Australia, was affirmed and examined.
- Mr Julian Laurens, Senior Policy Officer, People with Disability Australia, was sworn and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were then admitted:

- Ms Delia Donovan, Chief Executive Officer, Domestic Violence NSW, was affirmed and examined.
- Ms Emily Roberts, Policy and Advocacy Officer, Domestic Violence NSW, was affirmed and examined.
- Ms Sue Cripps, Acting Director Housing and Service Development, Women's Community Shelters, was affirmed and examined.
- Ms Nicole Yade, Chief Executive Officer, Women's and Girls' Emergency Centre, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

Ms Davis left the hearing and rejoined via videoconference at 2:26 pm.

The following witnesses were then admitted:

- Ms Katelin McInerney, Policy and Projects Officer, Community Industry Group, was affirmed and examined.
- Ms Nicole Grgas, Hunter Tenants Advice and Advocacy Service, was affirmed and examined.
- Mr Benjamin Read, Acting Manager, Central Coast Tenants' Advice and Advocacy Service, was affirmed and examined.
- Ms KerryAnn Pankhurst, Service Manager, New England and Western Tenants Advice and Advocacy Service, was affirmed and examined.

Ms Pankhurst tendered a document.

Evidence concluded and the witnesses withdrew.

The following witnesses were then admitted:

- Ms Damiya Hayden, Policy Lead, Change the Record, was affirmed and examined.
- Mr Blake Cansdale, Acting National Director, Change the Record, was sworn and examined.

Evidence concluded and the witnesses withdrew.

Ms Davis left the hearing at 4:18 pm.

The following witnesses were then admitted:

- Ms Billie Sankovic, Chief Executive Officer, Western Sydney Community Forum, was affirmed and examined.
- Mr Eamon Waterford, Chief Executive Officer, The Committee for Sydney, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The public hearing concluded at 4:52 pm.

Post-hearing deliberative meeting

The post-hearing deliberative meeting opened at 4:54 pm

2.5 Publishing transcript of evidence

Resolved, on the motion of Mr Barr: That the corrected transcript of public evidence given today be authorised for publication and uploaded to the Committee's webpage.

2.6 Accepting and publishing tendered documents

The Committee considered the document tendered by the New England and Western Tenants Advice and Advocacy Service.

Resolved, on the motion of Mr Barr: That the Committee accepts the document tendered by the New England and Western Tenants Advice and Advocacy Service during the hearing.

2.7 Future work plan

The Committee discussed the draft public hearing schedule for 2 August 2024 (circulated during the meeting).

Resolved, on the motion of Mr Barr:

- That the Committee invites the witnesses listed in the circulated notice of the public hearing for Friday, 2 August 2024 to give evidence in relation to the inquiry into the Residential Tenancies (Prohibiting No Grounds Evictions) Bill 2024 with the following amendments:
 - o The following sessions be removed:
 - 9:15 am 10:00 am,
 - 1:30 pm 2:00 pm, and
 - 2:00 pm 2:45 pm.
 - The Real Estate Institute of NSW be invited to appear at the revised time of 1:30 pm-1:45 pm.
 - Government witnesses be invited to appear at the revised time of 1:45 pm-2:45 pm.
- That Committee staff:
 - o advise the witnesses previously invited to appear in the removed panels that the Committee will no longer need to hear from them.
 - o contact the Real Estate Institute of NSW and government witnesses to seek their agreement to the proposed revised times and adjust the hearing schedule based on availability, with a view to end the hearing no later than 3:45 pm.

3. Next meeting

The meeting adjourned at 5:08 pm until 9:45 am on Friday 2 August 2024, Jubilee Room (Public Hearing).

MINUTES OF MEETING 4

9:56 am, 2 August 2024

Macquarie Room, Parliament House and via videoconference

Members present

Ms Leong (Chair), Ms Davis (Deputy Chair) (via videoconference), Mr Barr and Mr James.

Apologies

Ms Doyle.

Officers present

Monica Loftus, Shanshan Guo, Alex Read, Naomi Parkinson and Abegail Turingan.

1. Confirmation of minutes

Resolved, on the motion of Mr Barr: That the minutes of the meeting of 29 July 2024 be confirmed.

2. Inquiry into the Residential Tenancies (Prohibiting No Grounds Evictions) Bill 2024

2.1 Submission

The Committee noted the partially redacted version of submission 14 from the Real Estate Institute of NSW, confidential to the Committee.

Resolved, on the motion of Mr Barr: That the Committee hear evidence in camera for the first 5-10 minutes of the Real Estate Institute of NSW session today to ask them about their submission redactions before proceeding to hear the rest of their evidence in public.

The Committee considered amending its publication order for submission 38.

Resolved, on the motion of Mr James: That the Committee amends its publication order for submission 38 to publish with paragraph 5 on page 1 deleted.

Ms Davis joined the proceedings at 10:00 am.

Pre-hearing deliberative meeting

2.2 Procedural resolutions

Resolved, on the motion of Ms Davis:

- That the Committee invites the witnesses listed in the notice of the public hearing for Friday, 2 August 2024 to give evidence in relation to the inquiry into the Residential Tenancies (Prohibiting No Grounds Evictions) Bill 2024.
- That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 2 August, in accordance with the Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
- That witnesses be requested to return answers to questions taken on notice by 4:00 pm, Friday 9 August 2024.

2.3 Public hearing inquiry into the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024

The Chair opened the public hearing at 10:05 am. Witnesses attended the hearing in person and via videoconference. The Chair made a short opening statement.

The following witnesses were admitted:

 Ms Amanda Bailey, Head of Advocacy and Communications, Faith Housing Alliance, was sworn and examined. Ms Ellis Blaikie, Executive Officer, Impact and Advocacy, Bridge Housing, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

- Mr Brett Webb, Manager, Northern NSW Aboriginal Tenancy Advice and Advocacy Services, was sworn and examined.
- Mr Mark Griffiths, Senior Tenants Advice and Advocacy Officer, NSW Aboriginal Tenancy Advice and Advocacy Services, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

- Ms Yumi Lee, Chief Executive Officer, Older Women's Network, NSW Ageing on the Edge Coalition, was affirmed and examined.
- Ms Gohar Yazdabadi, Chief Executive Officer, Council on the Ageing NSW, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The following witnesses were admitted:

- Ms Nicola McDougall, Chair, Property Investment Professionals of Australia, appearing via videoconference, was affirmed and examined.
- Mr Ben Kingsley, National Board Chairperson, Property Investors Council of Australia, appearing via videoconference, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

2.4 In camera evidence

The Chair welcomed the witness and the in camera hearing commenced at 1:34 pm.

Committee staff, Hansard and AVB officers were in attendance.

The witness was admitted via videoconference, sworn and examined by the Committee.

Evidence concluded and the witness withdrew.

The in camera hearing concluded at 1:43 pm.

2.5 Public hearing (continued)

The following witness was admitted:

 Mr Timothy McKibbin, Chief Executive Officer, Real Estate Institute of NSW, appearing via videoconference, was sworn and examined.

Mr Barr left the proceedings at 2:03 pm.

Evidence concluded and the witness withdrew.

The following witnesses were admitted:

- Ms Trina Jones, NSW Rental Commissioner, NSW Fair Trading, was affirmed and examined.
- Ms Rebecca Pinkstone, Chief Executive Officer, Homes NSW, Department of Communities and Justice NSW, was affirmed and examined.
- Dr Petrina Casey, Acting Commissioner for NSW Fair Trading and Acting Deputy Secretary Fair Trading and Regulatory Services, was affirmed and examined.

Evidence concluded and the witnesses withdrew.

The public hearing concluded at 3:19 pm.

Post-hearing deliberative meeting

The post-hearing deliberative meeting began at 3:20 pm.

2.6 Publishing transcript of evidence

Resolved, on the motion of Mr James: That the corrected transcript of public evidence given today be authorised for publication and uploaded to the Committee's webpage.

3. Future work plan.

The Committee discussed the future work plan.

4. Next meeting

The meeting adjourned at 3:21 pm until 11:00 am on Monday 9 September 2024.

UNCONFIRMED MINUTES OF MEETING 5

11:02 am, 9 September 2024

Room 1043 and via videoconference

Members present

Ms Leong (Chair), Ms Davis (Deputy Chair), Mr Barr (via Webex), Ms Doyle and Mr James.

Officers present

Monica Loftus, Shanshan Guo, Alex Read (via Webex), Ilana Chaffey, Lloyd Connolly, Nicolle Gill.

1. Confirmation of minutes

Resolved, on the motion of Ms Davis: That the minutes of the meeting of 2 August 2024 be confirmed.

2. Inquiry into the Residential Tenancies (Prohibiting No Grounds Evictions) Bill 2024

2.1 Video recording of meeting

Resolved, on the motion of Ms Doyle: That the Committee agrees to record the meeting for the purposes of Committee staff preparing the minutes and report amendments, and that the recording be deleted when the report is tabled.

2.2 Publication of answers to questions taken on notice

Resolved, on the motion of Ms Doyle: That the Committee accepts the responses to questions taken on notice at the public hearings on 29 July and 2 August and publishes them on its website with contact details redacted from the following:

- Tenants' Union of NSW, received 5 August 2024
- Community Housing Industry Association, received 14 August 2024
- NSW Council of Social Service, received 5 August 2024
- UNSW City Futures Research Centre, received 5 August 2024
- Shelter NSW, received 15 August 2024
- People with Disability Australia, received 7 August 2024
- Domestic Violence NSW, received 31 July 2024
- New England and Western Tenants Advice and Advocacy Service, received 5 August 2024
- Change the Record, received 5 August 2024
- Western Sydney Community Forum, received 2 August 2024
- The Committee for Sydney, received 6 August 2024
- Faith Housing Alliance, received 14 August 2024
- Bridge Housing, received 9 August 2024
- NSW Ageing on the Edge Coalition, received 13 August 2024
- Council on the Ageing NSW, received 14 August 2024
- Property Investment Professionals of Australia, received 8 August 2024
- Property Investors Council of Australia, received 8 August 2024
- Real Estate Institute of NSW, received 9 August 2024
- NSW Fair Trading, received 9 August 2024.

Mr Barr joined the proceedings at 11:04 am.

2.3 Consideration of Chair's draft report

Resolved, on the motion of Ms Doyle: That the Committee considers the Chair's draft report in globo.

Discussion ensued.

The Committee considered amendments circulated by Ms Davis.

Ms Doyle moved: That Finding 4 be amended by omitting the words "a lack of systematic and comprehensive" and inserting instead the word "limited".

The question was put. The Committee divided.

Ayes: Mr Barr, Ms Davis, Ms Doyle, Ms Leong.

Noes: None.

Question resolved in the affirmative.

Ms Doyle moved: That Recommendation 13 be amended by:

- Omitting the words "provide adequate resourcing to the NSW Rental Commissioner and NSW Fair Trading to collect" and inserting instead the words "consider the collection of".
- Omitting the words "as well as historical data".

The question was put. The Committee divided.

Ayes: Mr Barr, Ms Davis, Ms Doyle.

Noes: Ms Leong.

Question resolved in the affirmative.

Ms Leong moved: That Recommendation 4 be amended by:

- Omitting the word "recommendation" and insert instead the word "finding".
- Omitting the words "consider introducing a notice period of at least 120 days for an
 eviction on reasonable grounds" and inserting instead the words "announced a
 proposal to increase the notice period from 60 to 90 days for an eviction on
 reasonable grounds, and some stakeholders encouraged the notice period to be
 increased to 120 days".

The question was put. The Committee divided.

Ayes: Mr Barr, Ms Davis, Ms Doyle, Ms Leong.

Noes: None.

Question resolved in the affirmative.

Ms Davis moved: That the following sections be amended:

- Finding 1 be amended by omitting the word "overwhelming" and inserting instead the word "strong".
- Finding 2 be amended by:
 - omitting the words "they allow landlords to evict tenants without the tenant breaching a lease agreement and", and
 - \circ $\,$ omitting the words "cannot effectively" and inserting instead "can be reluctant to".

- Finding 3 be amended by omitting the words "discriminate against prospective tenants".
- Finding 6 be amended by inserting the words "Section 86 does not apply to landlords who wish to have the property vacant to facilitate the sales process." after "vacant possession.".
- Recommendation 3 be amended by omitting the words "limited to the following:"
 and inserting instead the words "The Government should consider limiting
 reasonable grounds to the following:".
- Recommendation 10 be amended by omitting the words "That the NSW Rental Commissioner develop" and inserting instead the words "That the NSW Government consider tasking the NSW Rental Commissioner with developing".
- Recommendation 11 be amended by:
 - omitting the words "develop and implement" and inserting instead the word "consider", and
 - o replacing the word "reform" with "reforms".

The question was put. The Committee divided.

Ayes: Mr Barr, Ms Davis, Ms Doyle.

Noes: Ms Leong.

Question resolved in the affirmative.

Resolved, on the motion of Ms Leong: That the Committee notes Mr James' comment that the current draft of the report lacks a clear statement of incidence, lacks balance as between the two sides of the market (supply side and demand side), reflects a different standard of evidence as between the two sides of the market, and therefore overall is a flawed report.

Ms Davis moved:

- 1. That the draft report as amended be the report of the Committee and that it be signed by the Chair and presented to the Legislative Assembly.
- 2. That the Chair and committee staff be permitted to correct stylistic, typographical, and grammatical errors.
- 3. That, once tabled, the report be published on the Committee's webpage.

The question was put. The Committee divided.

Ayes: Mr Barr, Ms Davis, Ms Doyle, Ms Leong.

Noes: Mr James.

Question resolved in the affirmative.

3. General business

The Chair noted that the Committee will dissolve upon the tabling of the report in the first sitting week in September 2024, and a media release will be issued about the tabling.

The Chair and Committee members thanked staff for their work on the report.

The meeting adjourned at 11:49 am.