



New South Wales

# Residential Tenancies Amendment (Rent Freeze) Bill 2023

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The objects of this Bill are to—

- (a) prohibit rent increases for residential premises for 2 years, and
- (b) limit the rent payable under residential tenancy agreements entered into on or after 30 June 2023 for 2 years.

## Outline of provisions

**Clause 1** sets out the name, also called the short title, of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on the day that is 1 month after the date of assent to the proposed Act.

## Schedule 1      Amendment of Residential Tenancies Act 2010 No 42

**Schedule 1[1]** inserts proposed section 40A, which prohibits rent increases and limits the rent payable under certain residential tenancy agreements for 2 years.

**Schedule 1[2]** provides for the review of proposed section 40A to determine whether the policy objectives of the proposed section remain valid and are appropriately secured by the terms of the proposed section and to assess compliance.



New South Wales

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New South Wales

# Residential Tenancies Amendment (Rent Freeze) Bill 2023

No. , 2023

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## A Bill for

An Act to amend the *Residential Tenancies Act 2010* to prohibit rent increases for 2 years.

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<b>The Legislature of New South Wales enacts—</b>	1
<b>1 Name of Act</b>	2
This Act is the <i>Residential Tenancies Amendment (Rent Freeze) Act 2023</i> .	3
<b>2 Commencement</b>	4
This Act commences on the day that is 1 month after the date of assent to this Act.	5

## Schedule 1 Amendment of Residential Tenancies Act 2010 No 42

### [1] Section 40A

Insert after section 40—

#### 40A Freeze on rent increases

- (1) The rent payable under a residential tenancy agreement must not be increased during the freeze period.
- (2) A rent increase payable on or after 30 June 2023 has no effect.
- (3) The rent payable under a residential tenancy agreement entered into on or after 30 June 2023 must not be more than—
  - (a) if the residential premises were under a residential tenancy agreement on 30 June 2023—the rent payable for the premises at that time, or
  - (b) otherwise—the median rent for the same type of dwelling with the same number of bedrooms and postcode, as set out in the document titled *Rent tables March 2023 quarter* published on the website of the Department of Communities and Justice.
- (4) A landlord or landlord's agent must not—
  - (a) increase the rent payable under a residential tenancy agreement in contravention of subsection (1), or
  - (b) enter, or induce a tenant to enter, into a residential tenancy agreement during the freeze period that contravenes subsection (3).

Maximum penalty—

  - (a) for an individual—50 penalty units, or
  - (b) otherwise—100 penalty units.
- (5) Subsections (1) and (2) are terms of every residential tenancy agreement entered into before the commencement day or during the freeze period.
- (6) Subsection (3) is a term of every residential tenancy agreement entered into on or after 30 June 2023.
- (7) This section—
  - (a) applies despite another provision of this Act, and
  - (b) has effect until the end of the freeze period.
- (8) In this section—
 

**commencement day** means the day on which this section commences.

**freeze period** means the period commencing on the commencement day and ending 2 years after the commencement day.

### [2] Section 229

Insert after section 228—

#### 229 Review of section 40A

- (1) The Minister must ensure a review of section 40A is carried out to determine—
  - (a) whether the policy objectives of the section remain valid, and

- (b) whether the terms of the section remain appropriate for securing the objectives, and 1
  - (c) whether ongoing limits on rent increases are required to ensure rents are affordable. 2
- (2) The review must include an assessment of compliance with the section. 3
- (3) The person carrying out the review may investigate related matters the Minister considers appropriate. 4
- (4) The review must be carried out within 1 year of the day on which section 40A commences. 5
- (5) A report on the outcome of the review and related investigations must be tabled in each House of Parliament no later than 6 months after the review is carried out. 6