



New South Wales

# Residential Tenancies Amendment Bill 2024

## Explanatory note

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

## Overview of Bill

The objects of this Bill are to amend the *Residential Tenancies Act 2010* as follows—

- (a) to ensure residential tenants are offered a convenient and free way to pay rent,
- (b) to ensure prospective tenants cannot be charged for background checks,
- (c) to enable residential tenants to obtain consent to keep animals and to set out the grounds for a landlord to refuse consent,
- (d) to require a landlord to have a valid reason to end a residential tenancy,
- (e) to specify the grounds on which a landlord may terminate a residential tenancy by termination notice,
- (f) to limit rent increases to once every 12 months for all leases,
- (g) to create offences including an offence for a landlord wrongly giving a termination notice,
- (h) to specify when a tenant may vacate premises after a termination notice is given and before the termination date,
- (i) to make the NSW Rental Commissioner a member of the Rental Bond Board.

## 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.

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

**Schedule 1[5]** clarifies that limits on the amounts payable by a prospective tenant before a residential tenancy agreement is entered into apply even if the prospective tenant does not apply for tenancy of the residential premises or does not enter into a residential tenancy agreement for the premises.

**Schedule 1[6]** requires a landlord or landlord's agent to allow rent to be paid in certain convenient ways that do not incur additional charges. This does not prevent a landlord or landlord's agent offering additional ways to pay the rent.

**Schedule 1[7]** prevents rent being increased more than once in any 12-month period. **Schedule 1[8]** makes a consequential amendment.

**Schedule 1[9]** inserts a proposed division that deals with the keeping of pets on rented residential premises. **Schedule 1[2]–[4]** make consequential amendments. The proposed division comprises proposed sections 73A–73G. Proposed sections 73B–73F are terms of every residential tenancy agreement.

Proposed section 73A contains definitions used in the proposed division.

Proposed section 73B enables a tenant to keep an animal on the residential premises with the landlord's consent.

Proposed section 73C specifies the requirements for an application by a tenant for the landlord's consent.

Proposed section 73D requires a landlord to respond to the tenant's application within 21 days. If no response is given in that time, consent is taken to have been granted without conditions. The response must specify the following—

- (a) whether consent is given or refused,
- (b) if consent is given—the reasonable conditions to which the consent is subject,
- (c) if consent is refused—the grounds for the refusal.

Proposed section 73E specifies what are reasonable conditions that may be imposed on a consent.

Proposed section 73F specifies the grounds for refusing consent.

Proposed section 73G provides for applications to the Tribunal by a tenant in relation to applications under the proposed division.

**Schedule 1[12]** removes provisions that allowed for no grounds termination of a residential tenancy agreement by a landlord and includes a proposed subdivision that sets out all the grounds that enable a landlord to give a termination notice. The grounds include the following—

- (a) breach of the tenancy agreement,
- (b) sale of the premises,
- (c) significant renovation or repairs or demolition of the premises,
- (d) the premises are part of an affordable housing scheme, transitional housing program or a scheme for students and the tenant is no longer eligible,
- (e) the premises are required for key worker accommodation,
- (f) the premises will no longer be used as rented residential premises,
- (g) the landlord or the landlord's family will reside at the premises,
- (h) the premises are related to employment and the employment is terminated.

It is an offence for a landlord or landlord's agent to give a termination notice knowing the termination notice or the ground for termination is not valid. **Schedule 1[1], [10], [11], [15] and [19]** make consequential amendments.

**Schedule 1[13]** provides for the Tribunal to make a termination order if—

- (a) the landlord has validly given a termination notice, and
- (b) the ground for giving the notice was genuine, and
- (c) the tenant has not vacated the premises as required.

**Schedule 1[14]** makes special provision for the termination of a tenancy if the tenant has been in continual possession of the premises for a period of 20 years or more.

**Schedule 1[16]** sets out the circumstances in which a tenant may give vacant possession of residential premises after a termination notice is given without being required to pay additional rent.

**Schedule 1[17] and [18]** authorise the Tribunal, in relation to a dispute about a termination notice, to make a declaration about the giving of the notice or the grounds for giving the notice. The Tribunal must not make a termination order if it declares the notice was not properly given or the grounds for giving the notice are not genuine.

**Schedule 1[21]** provides that the NSW Rental Commissioner is a member of the Rental Bond Board. **Schedule 1[20]** makes a consequential amendment.

**Schedule 1[22]** includes a number of savings and transitional provisions relating to the amendments made by the proposed Act.