

**Submission
No 5**

RESIDENTIAL TENANCIES AMENDMENT (RENTAL FAIRNESS) BILL 2023

Organisation: Young Labor Left NSW

Date Received: 30 May 2023

Young Labor Left NSW Submission to the Legislative Assembly Select Committee on the Residential Tenancies Amendment (Rental Fairness) Bill 2023

Summary

Young Labor Left NSW (YLL) expresses significant concerns regarding Clause 22B of the proposed Rental Fairness Bill 23, which carries the risk of entrenching a flawed model of rental auctions. YLL agrees with recommendations set out by the Tenants Union of NSW that the regulation of rent bidding needs to be widened and strengthened. Protections must be introduced to ensure both landlords and agents do not engage in rental auctions, be they secret or open. Protections must ensure both landlords and agents are prevented from accepting offers solicited or unsolicited above the advertised price.

About Young Labor Left NSW

Young Labor Left NSW is a broad coalition of forces that includes over 100 rank and file Party, trade union and student activists aged 15-26. We range from the Queensland border to the Far South Coast, and have members in high school, university, TAFE, apprenticeships and engaged in/seeking full-time employment.

Many of our members are deeply affected by the current and intensifying rental crisis. Unit rents in Sydney have jumped 10% in the last year to \$550, and vacancies have fallen to 1.5%. We have apprentices on \$12.70 to \$14.16 per hour, full-time students surviving on \$48 a day and nursing students doing 4 weeks of unpaid placements. Homelessness, quitting studies or returning to unsafe homes has become a real prospect and increasingly the only option left.

Exacerbating these issues has been the increasing competition for scarce rental properties. Young Labor Left welcomes the new government's interest in improving the rights and conditions of renters. Moves to end secret rent bidding are well intentioned but need to go further to put a downward pressure on rental inflation and avoid perverse outcomes for tenants.

Concerns

Housing is an essential service and is as vital as healthcare, education or water. In no other essential service are users required to bid in an auction for access to their basic needs. Clause 22B of the Rental Fairness Bill 2023 as currently worded will entrench a flawed auction model in private rentals. In seeking to improve transparency for renters of other applicants' offers, the proposed legislation carries the risk of encouraging and facilitating 'auction wars' for rental listings.

The proposed model also lacks the basic regulations and protections that apply to other auctioned goods. There are no requirements to revert to the original price if all other bidders drop out, no guidelines on how long the auction process may take, and no barriers to dummy bids from associates of the owner. The proposed legislation also does not resolve the loophole in existing regulations where self-managed landlords can continue soliciting bids for higher offers.

Recommendations

Young Labor Left agrees with the recommendations of the Tenants Union of NSW to:

Recommendation 1: *Introduce regulation against rent bidding in the Residential Tenancies Act 2010*

Regulation must be done through the Residential Tenancies Act 2010 to ensure introduced provisions apply to landlords and their agents. Appropriate penalties for individuals and companies that fail to comply must apply.

Recommendation 2: *Introduced regulation must protect against solicited and unsolicited offers ('rent bidding') by ensuring landlords and their agents are prohibited from entering into an agreement with a rent above the price the property is advertised for.*

In order to genuinely protect against and end rent bidding, legislative protection should be introduced to regulate against both solicited and unsolicited offers above the advertised price. Landlords and their agents should not be allowed to accept offers of rent above the rent the property is advertised for.

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