

**Submission
No 34**

RESIDENTIAL TENANCIES AMENDMENT (PROHIBITING NO GROUNDS EVICTIONS) BILL 2024

Organisation: Randwick City Council

Date Received: 27 June 2024



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

26 June 2024

Ref No: F2024/06574

Jenny Leong MP
Member for Newtown

Randwick City Council Submission on the Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024

Position statement

Randwick City Council supports the Greens Bill to end unfair no grounds evictions in NSW to provide greater fairness, protections, and stability for renters.

Objectives of the Bill

The explanatory note for this Bill contains the following Overview:

'The object of this Bill is to amend the Residential Tenancies Act 2010 (the Act)—

- (a) to remove the right of a landlord to terminate residential tenancy agreements without grounds, and*
- (b) to specify the grounds on which residential tenancy agreements may be terminated, and*
- (c) to 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, and*
- (d) to enable the Civil and Administrative Tribunal to make certain orders, on the application of a tenant, if the Tribunal is satisfied that the residential premises have not been used in accordance with the ground on which the residential tenancy agreement was terminated.'*

Key provisions of the Bill

Schedule 1

[1] [2] Section 82 and Section 83A

The proposed amendment to these sections enables practical application of the following amendments and are supported in full.

[3] [4] [5] Section 84 and Section 85

The proposed changes to Section 84 and Section 85(1)-(3) set out reasonable grounds on which a tenancy may be terminated, effectively removing the ability of a landlord to end a tenancy without providing a reason. These Sections also create parity between fixed-term and periodic tenancies in relation to the notice period required for service of a termination order.

At present, only 30 days' notice is required to end a fixed-term tenancy under the *Residential Tenancies Act (2010)*, whereas a periodic tenancy attracts a minimum of 90 days' notice.

Under the proposed Amendment, the notice period of 90 days will apply to both fixed-term and periodic tenancies.

Randwick City Council supports the provisions related to Section 84 and Section 85.

[6] Section 85A and Section 85B

Insertion of Section 85A and 85B provide a means by which Sections 84 and 85 may be enforced. This is proposed through the creation of an offence for wrongful termination. It provides for tenants' remedies through enabling the Tribunal to make orders, on application by the tenant, where it is satisfied the residential premises have not been used in accordance with the ground on which the termination order was made.

Randwick City Council supports the provisions related to Section 85A and Section 85B.

Schedule 2

[7] Provision consequent on enactment of Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Act 2024

This section will enable the amendment to be extended to residential tenancy agreements entered into prior to commencement of the Act.

Randwick City Council supports this provision, to enable strengthened security of tenure for existing renters alongside those commencing new tenancies following application of the Act.

Relevance of this Bill to the Randwick Local Government Area (LGA)

The rental squeeze in Randwick LGA

Randwick Local Government Area (LGA) is home to some of the most expensive housing markets in Australia. With median prices at over \$1 million for units and \$3 million for houses¹, it is unsurprising that Randwick also has a very high proportion of renters.

Home purchase is becoming increasingly unattainable for many residents, particularly younger people, those without existing equity or inherited wealth to draw upon, and the large pool of low- to moderately-paid workers employed in essential service industries.

The table below provides a snapshot of the current rental landscape in Randwick LGA.

Randwick City Council LGA: Key statistics – Rent and income

Proportion of population renting²	44.8% This figure is inclusive of 38.6% of private tenants, with the remaining 6.1% in social or affordable housing.
Vacancy rates by suburb³	Ranging from a low of 1.4% in Kingsford to a high of 2.4% in Coogee (average: 1.7%)
Median rents: Randwick Local Government Area¹	
House	\$1,350 per week
Unit	\$775 per week
Median income: Randwick LGA⁴	
Personal	\$1,121 per week
Household	\$2,305 per week

Affordability

Housing affordability is a significant issue for the Randwick LGA. As at 2023, the median valuation for a house in the region was \$3,000,000. This is more than double the median valuation of \$1,427,000 for a house in Greater Sydney. The median valuation for a unit in the region was \$1,025,000, compared to \$775,000 for a unit in Greater Sydney.

Similarly, the cost of rental housing in the region is also significantly higher than for Greater Sydney. The median rental for a house is \$1,350 per week compared with \$680 per week in Greater Sydney, and the

¹ <https://housing.id.com.au/randwick>

² <https://profile.id.com.au/randwick/tenure>

³ https://sqmresearch.com.au/graph_vacancy.php

⁴ Based on 2021 Census figures: <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA16550>

median cost of rental for a unit is \$775 per week compared to \$600 per week. There has been a substantial increase in weekly rental prices in the Randwick LGA since 2021.

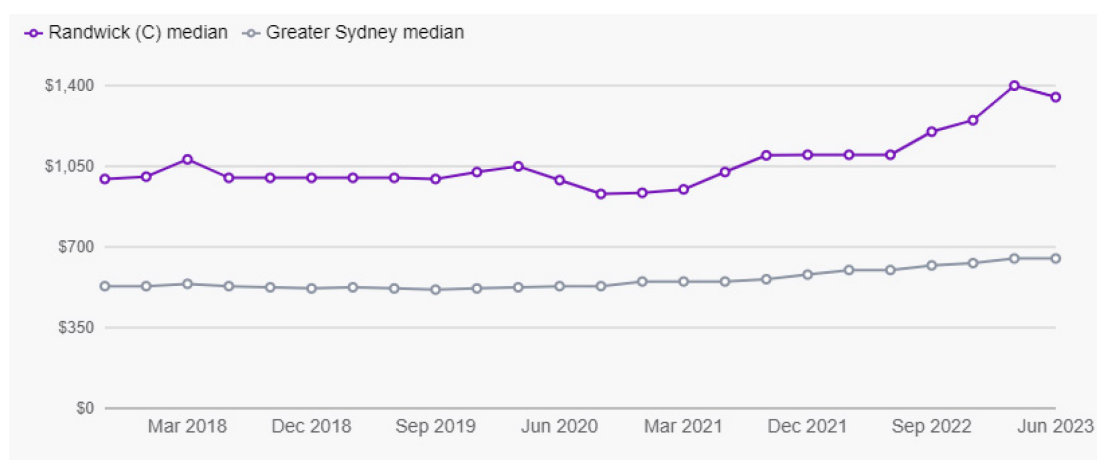
Rental price growth over time

Data indicates that rents in Randwick have risen at a faster rate than the Greater Sydney average over the five years to 2023, at 6.2% for houses and 4.6% for units¹. This takes into account all actual rents paid across the LGA, including subsidised rents in non-market properties.

For newly listed properties in the private market only, the price increase is much greater, averaging at around 42% (varying by suburb, from a low of 28% to a high of 63%)⁵.

The contrast between the cost of renting a house - terrace, detached or semi-detached - between Randwick LGA and the rest of Sydney is particularly pronounced, as demonstrated in the graph below.

Rental price growth for houses (all): 2018 – 2023 - Randwick LGA vs Greater Sydney



The pandemic reprieve

Rents dropped in Randwick during 2020-2021 in response to the effects of the Covid-19 pandemic, in line with a pattern experienced across most of metropolitan Sydney. The lower median rent recorded in the 2021 Census for Randwick LGA (\$550 per week, across all properties), confirms that the rental reductions enjoyed by tenants during the 2020-2021 period have been fully recovered by market movements in the years since.

Housing stress

According to ABS Census data, of the households in private rentals in 2016, 20.5% of those within Randwick LGA were in rental stress. As of 2021, that figure had risen to 31.9%. For comparison, 14.2% and 35.5% of privately renting households in Greater Sydney were in rental stress in 2016 and 2021 respectively, demonstrating an increase in rental stress extending beyond Randwick City.

A changing rental landscape and the need for reform

In Randwick LGA, nearly half the local population now resides in rental accommodation. This is 10% higher than the Greater Sydney average, demonstrating that despite the area's relatively high-income profile, home ownership remains out of reach for a sizeable proportion of the local population. While some

⁵ <https://www.tenants.org.au/resource/rent-tracker-postcode-tool>

may be renting by choice, evidence indicates that affordability is the main driver of declining rates of home ownership⁶. Meanwhile, rental affordability also continues to decline as very low vacancy rates, coupled with high levels of demand, persist.

The current ease with which a tenancy may be ended under the *Residential Tenancies Act (2010)* creates continual uncertainty for those reliant on the private rental market for their accommodation. Described as 'a constant worry' by the Tenants' Union of NSW in a recent report on the experiences of renters affected by no-grounds evictions⁷, the ability for a tenancy to be ended without reason has implications for resident wellbeing, social cohesion, and sustainability of the local area's socio-economic mix.

Impacts on wellbeing and economic participation

Housing security is an essential ingredient to the maintenance of a vibrant and connected community. In a recent survey undertaken by Randwick City Council on the topic of community safety and wellbeing, 'housing stress' was cited as the top 'major concern' for the local area.⁸ This finding emerged in the context of most (73%) of survey respondents being homeowners, with the majority owning their home outright. Renters were minimally represented in the survey, which was open online to residents subscribed to Council's 'Your Say' platform. As a voluntary resident engagement tool, this platform is skewed towards a higher-income, older demographic. The fact that housing stress was identified as a top concern among this relatively housing-advantaged cohort indicates that the issue is widely and deeply felt across the local community.

For many tenants, renting is not a temporary or transitional stage in their 'housing career', but a permanent situation. This applies not only to those on the lowest incomes, but increasingly to working households on comparatively comfortable incomes. Key workers in industries such as healthcare and social assistance, hospitality, and construction – all significant sectors within Randwick's local economy – face particular challenges with affordability and the need to reside within close proximity to their place of work. Randwick City Council has responded to the issue through increased investment in subsidised Affordable Housing targeting key workers and survivors of family and domestic violence; however, it is estimated that over 3,000 households in the community remain in need of affordable housing.⁹ During periods of rapid market rent growth, affected tenants may find themselves faced with an extremely competitive and deeply unaffordable market upon eviction.

The negative impact of precarious housing on personal and community wellbeing has been well-documented as an issue in the Australian context, in both the social and private rental sectors, particularly in relation to forced moves due to no-fault evictions^{10,11}. In an extremely tight market, residents are forced to compete for available properties, are typically offered a 6- or 12-month lease at most, and have minimal reprieve from termination of tenancy, which may occur with as little as 30 days' notice¹². Data on the underlying motivations of property owners serving no-grounds eviction notices is scarce, and identifying these reasons is generally an exercise in speculation; except in obvious cases where redevelopment, sale, or occupation of the property by its owner follows an eviction. The ability for a tenancy to be ended without reason creates a level of constant, short-term insecurity that is incompatible with the long-term position of an increasingly large number of residents.

Addressing risks associated with the Short-Term Rental Accommodation market

⁶ <https://www.ahuri.edu.au/sites/default/files/documents/2023-07/AHURI-Final-Report-404-Transitions-into-home-ownership-a-quantitative-assessment.pdf>

⁷ <https://files.tenants.org.au/policy/2404-A-Constant-Worry.pdf>

⁸ Respondents were asked to consider the impact of certain issues on the community overall, rather than on a personal level.

⁹ <https://housing.id.com.au/randwick/affordable-housing-need#how-many-households-are-in-need-of-affordable-housing>

¹⁰ <https://onlinelibrary.wiley.com/doi/abs/10.1002/ajs4.10>

¹¹ <https://www.ahuri.edu.au/sites/default/files/documents/2022-02/AHURI-Final-Report-373-Precarious-housing-and-wellbeing-a-multi-dimensional-investigation.pdf>

¹² <https://legislation.nsw.gov.au/view/html/inforce/current/act-2010-042#sec.84> (Div 2, 84(2)).

Review of Short-Term Rental (STR) market data indicates that the prevalence of this type of accommodation is impacting on residential supply within Randwick LGA. There are currently 1,962 registered STR properties in the local area, representing 7.7% of all STR listings in Metropolitan Sydney. A significant consequence associated with the use of properties for this purpose is a reduction in the number of dwellings available as long-term rentals.

The ease of ending a tenancy for the purpose of removing the property from residential use and placing it into the STR market, typically via online platforms such as AirBnB or Stayz, is enabled by the current provisions of the *Residential Tenancies Act (2010)* in relation to no-grounds evictions. In high-demand areas such as Sydney's Eastern Suburbs, short-term letting may provide a comparatively lucrative income stream that is highly attractive to landlords seeking swift return on investment.

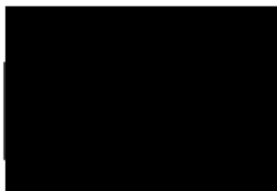
Prior to the Covid-19 pandemic, the number of STR properties in Randwick LGA was more than 50% higher than the current figure. The influx of properties returned to the residential market during border closures and lockdown periods of 2020-21, combined with other factors, led to a notable reduction in rents due to increased vacancy rates. Although STR listings have not yet returned to pre-Covid levels, the current number represents a 70% year-on-year increase since 2021. In the absence of regulation, this number is expected to continue to increase as more properties are returned to short-term letting platforms. With rental vacancy rates below 2% across most of the LGA, this is cause for concern if properties are removed from the residential market and not replaced.

In summary

While the relative mobility enabled by private renting suits the preferences of some, for the growing cohort renting out of necessity, it creates challenges in establishing and maintaining long-term connections to community, work, and educational institutions.

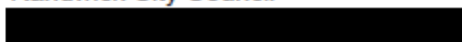
That the need to end tenancies on occasion, due to the owner's change of circumstances, or for other valid reasons such as the need for major repairs, is understandable and inevitable; and such terminations would not be precluded by this Bill.

Reasonable reform to no-grounds eviction provisions would provide improved security of tenure for Randwick's very large population of renters, with beneficial flow-on effects to the local community.



Katie Anderson

Director, Community & Culture
Randwick City Council



<p>English</p> <p>If you need help to understand this letter, please come to Council’s Customer Service Centre and ask for assistance in your language or you can contact the Telephone Interpreter Service (TIS) on 131 450 and ask them to contact Council on 1300 722 542.</p>	<p>Greek</p> <p>Αν χρειάζεστε βοήθεια για να καταλάβετε αυτή την επιστολή, παρακαλείστε να έρθετε στο Κέντρο Εξυπηρέτησης Πελατών της Δημαρχίας (Council Customer Service Centre) και να ζητήσετε βοήθεια στη γλώσσα σας ή τηλεφωνήστε στην Τηλεφωνική Υπηρεσία Διερμηνέων (Telephone Interpreter Service — TIS) τηλ. 131 450 και να ζητήσετε να επικοινωνήσουν με τη Δημαρχία τηλ. 1300 722 542.</p>	<p>Italian</p> <p>Se avete bisogno di aiuto per capire il contenuto di questa lettera, recatevi presso il Customer Service Centre del Municipio dove potrete chiedere di essere assistiti nella vostra lingua; oppure mettetevi in contatto con il Servizio Telefonico Interpreti (TIS) al 131 450 e chiedete loro di mettersi in contatto col Municipio al 1300 722 542.</p>
<p>Croatian</p> <p>Ako vam je potrebna pomoć da biste razumjeli ovo pismo, molimo dođite u Općinski uslužni centar za klijente (Council’s Customer Service Centre) i zatražite pomoć na svom jeziku, ili možete nazvati Telefonsku službu tumača (TIS) na 131 450 i zamoliti njih da nazovu Općinu na 1300 722 542.</p>	<p>Spanish</p> <p>A la persona que necesite ayuda para entender esta carta se le ruega venir al Centro de Servicios para Clientes [Customer Service Centre] de la Municipalidad y pedir asistencia en su propio idioma, o bien ponerse en contacto con el Servicio Telefónico de Intérpretes [“TIS”], número 131 450, para pedir que le comuniquen con la Municipalidad, cuyo teléfono es 1300 722 542.</p>	<p>Vietnamese</p> <p>Nếu quý vị không hiểu lá thư này và cần sự giúp đỡ, mời quý vị đến Trung Tâm Dịch Vụ Hướng Dẫn Khách Hàng của Hội Đồng Thành Phố (Council’s Customer Service Centre) để có người nói ngôn ngữ của quý vị giúp hay quý vị có thể liên lạc Dịch Vụ Thông Dịch qua Điện Thoại (TIS) ở số 131 450 và yêu cầu họ liên lạc với Hội Đồng Thành Phố (Council) ở số 1300 722 542.</p>
<p>Polish</p> <p>Jeśli potrzebujesz pomocy w zrozumieniu treści tego pisma, przyjdź do punktu obsługi klientów (Customer Service Centre) przy Radzie Miejskiej i poproś o pomoc w języku polskim, albo zadzwoń do Telefonicznego Biura Tłumaczy (Telephone Interpreter Service — TIS) pod numer 131 450 i poproś o skontaktowanie się z Radą Miejską (Council) pod numerem 1300 722 542.</p>	<p>Indonesian</p> <p>Jika Anda memerlukan bantuan untuk memahami surat ini, silakan datang ke Pusat Pelayanan Pelanggan (Customer Service Centre) Pemerintah Kotamadya (Council) dan mintalah untuk bantuan dalam bahasa Anda, atau Anda dapat menghubungi Jasa Juru Bahasa Telepon (Telephone Interpreter Service - TIS) pada nomor 131 450 dan meminta supaya mereka menghubungi Pemerintah Kotamadya pada nomor 1300 722 542.</p>	<p>Turkish</p> <p>Bu mektubu anlamak için yardima ihtiyaciniz varsa, lütfen Belediye’nin Müşteri Hizmetleri Merkezi’ne gelip kendi dilinizde yardım isteyiniz veya 131 450’den Telefonla Tercüme Servisi’ni (TIS) arayarak onlardan 1300 722 542 numaradan Belediye ile ilişkiye geçmelerini isteyiniz.</p>
<p>Hungarian</p> <p>Amennyiben a levél tartalmát nem érti és segítségre van szüksége, kérjük látogassa meg a Tanácsház Ügyfél Szolgálatát (Customer Service Centre), ahol magyar nyelven kaphat felvilágosítást, vagy hívja a Telefon Tolmás Szolgálatot (TIS) a 131 450 telefonszámon és kérje, hogy kapcsolják a Tanácsházat a 1300 722 542 telefonszámon.</p>	<p>Czech</p> <p>Jestliže potřebujete pomoc při porozumění tohoto dopisu, navštivte prosím naše Středisko služeb pro veřejnost (Council’s Customer Service Centre) a požádejte o poskytnutí pomoci ve vaší řeči anebo zavolejte Telefonní tlumočnickou službu (TIS) na tel. číslo 131 450 a požádejte je, aby oni zavolali Městský úřad Randwick na tel. číslo 1300 722 542.</p>	<p>Arabic</p> <p>إذا أردت مُساعدة لفهم هذه الرسالة، نرجوك الحضور إلى مركز خدمة عملاء المجلس وأطلب المُساعدة في لغتك، أو يُمكنك الاتصال بخدمة الترجمة الهاتفية (TIS) على هاتف رقم 131 450 وأطلب منهم الاتصال بالمجلس على رقم 1300 722 542.</p>
<p>Chinese</p> <p>如果你需要人幫助你了解這封信的內容，請來市政會顧客服務中心要求翻譯服務，或者與電話傳譯服務 (TIS) 聯繫，號碼是 131 450。請他們幫助你打電話給市政會，號碼是 1300 722 542。</p>	<p>Russian</p> <p>Если Вам требуется помощь, чтобы разобраться в этом письме, то, пожалуйста, обратитесь в Муниципальный Центр Обслуживания Клиентов и попросите оказать Вам помощь на Вашем языке или же Вы можете позвонить в Телефонную Службу Переводчиков (TIS) по номеру 131 450 и попросить их связаться с Муниципалитетом по номеру 1300 722 542.</p>	<p>Serbian</p> <p>Ako vam treba pomoć da razumete ovo pismo, molimo vas da dođete do Centra za usluge mušterijama pri Opštini (Customer Service Centre) i zamolite ih da vam pomognu na vašem jeziku, ili možete nazvati Telefonsku prevodilačku službu (TIS) na 131 450 i zamolite ih da vas povežu sa Opštinom na 1300 722 542.</p>