

**Submission
No 31**

RESIDENTIAL TENANCIES AMENDMENT (PROHIBITING NO GROUNDS EVICTIONS) BILL 2024

Organisation: Community Industry Group

Date Received: 27 June 2024



SUBMISSION



COMMUNITY INDUSTRY GROUP ARE THE LEADING PEAK
BODY SUPPORTING AND ADVOCATING FOR NOT-FOR-PROFIT
COMMUNITY AND HUMAN SERVICES IN SOUTHERN NSW



**Voice
Influence
Leadership**

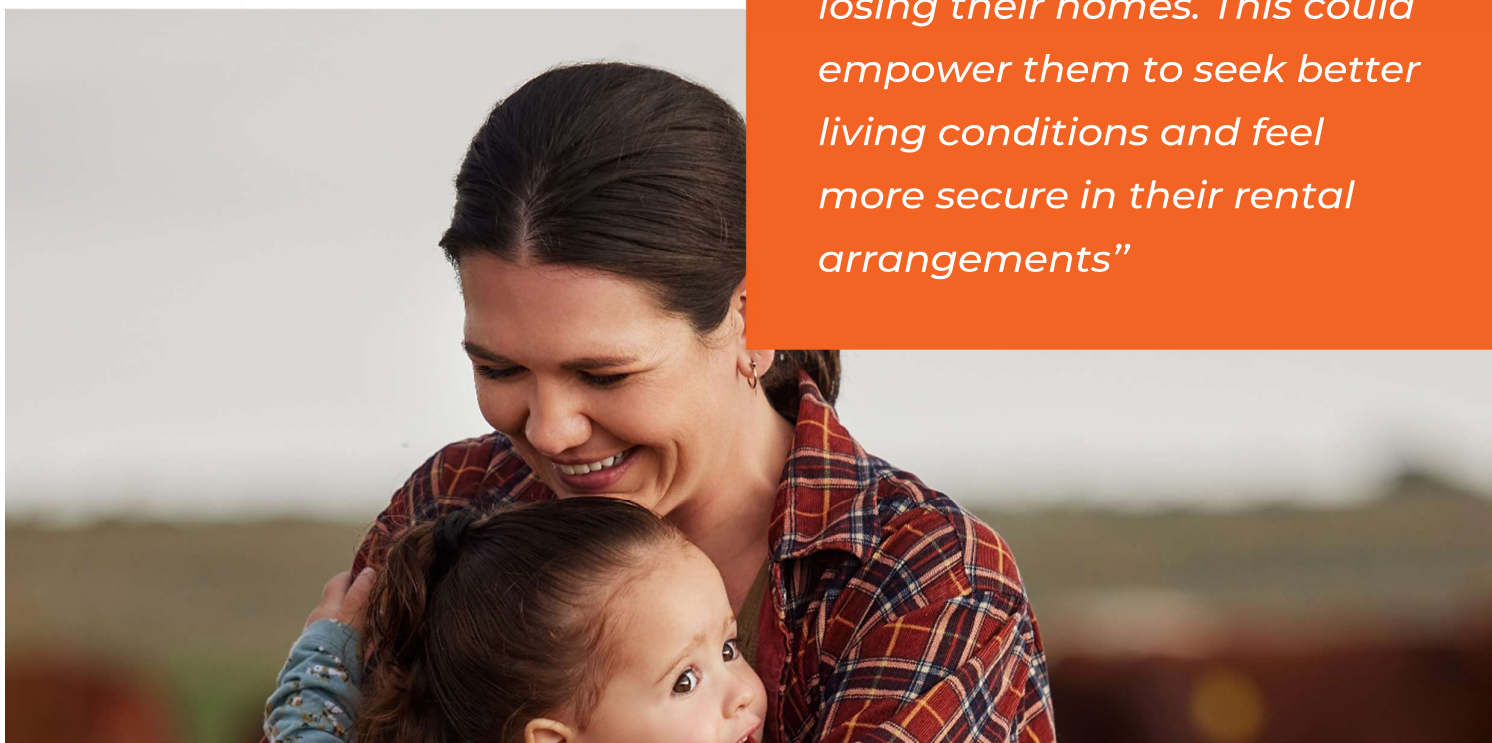


SUMMARY

CI Group community sector members support the abolition of no-grounds evictions across all tenures amidst rising homelessness, a housing crisis, cost-of-living pressures, and ongoing population growth in our regions of the Illawarra, Shoalhaven, and South Coast.


It is one important step towards addressing broader systemic issues in the housing market and to creating a more balanced, fairer deal for renters, especially during times of economic and social hardship.

“If no-grounds evictions were abolished, our clients would likely experience less fear of losing their homes. This could empower them to seek better living conditions and feel more secure in their rental arrangements”



INTRODUCTION

As homeownership becomes increasingly unattainable within our region, more people are renting for longer periods. Currently, renters face significant insecurity as landlords can evict tenants without providing any reason at the end of a lease or with just 90 days' notice for ongoing agreements. This practice is uncommon globally, with many OECD countries offering long-term stability through their tenancy laws. In contrast, the fear of arbitrary eviction forces tenants to avoid requesting necessary repairs or improvements, impacting their quality of life and mental health.



“It is vital to the long-term health and stability of our communities that renters be able to set up a home, put down roots and feel secure about their housing situation”

These much-needed reforms not only benefit the more than 30 per cent of households who rent in NSW but the broader community by fostering more stable, engaged, and cohesive neighbourhoods.

“In our region where housing affordability is a significant issue, prohibiting no-grounds evictions could be a game-changer. It would promote a more equitable rental market and encourage landlords to engage fairer tenancy practices” Community Centre Worker, Shoalhaven

It is also vital to the stability of the community services sector, which is forecast to grow in our regions as demand grows and where lower wages and contract work may preclude workers in the sector from buying a home in the current market, making them more reliant on stable, secure rental accommodation.

As such, CI Group fully endorse the Tenants Union NSW's comprehensive suite of recommendations here: We note that in addition to CI Group members endorsing the need to abolish "no-grounds" evictions, our local NFP legal service providers endorse this position.

We welcome the opportunity to comment on the NSW Parliament Select Committee Inquiry – Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 and we would be happy to provide further comment or information as required.

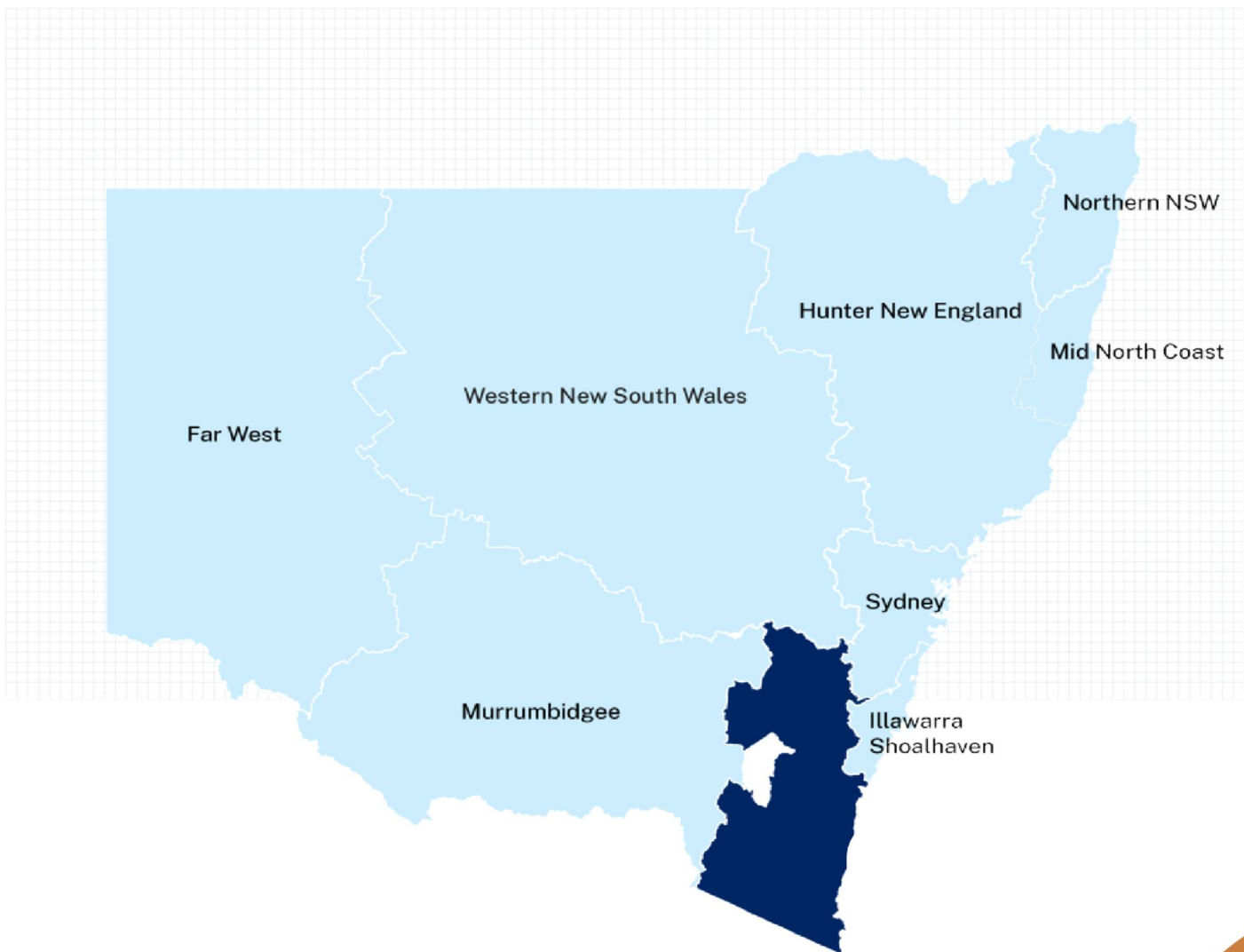
Sincerely,

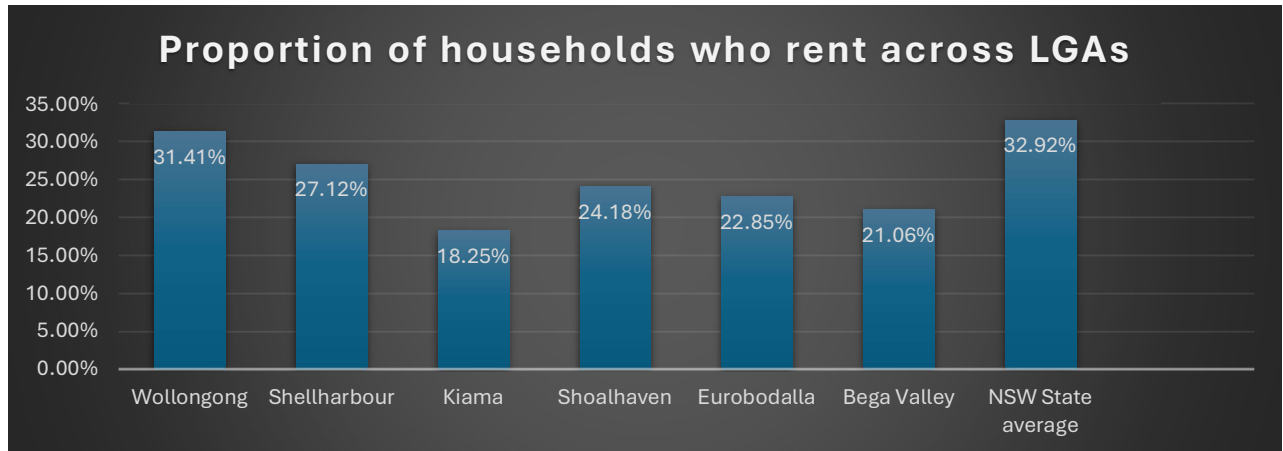
Nicky Sloan CEO

Community Industry Group

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[Redacted contact information]





IMPACT IN OUR REGIONS

According to Anglicare's Rental Affordability Snapshot 2024, the rental market is particularly tough for low-income households in the Illawarra, with very few affordable rental properties available. The report highlights that among the 10,735 properties listed during their snapshot weekend, only a handful were affordable for individuals on minimum wage or various social benefits ([Anglicare Aged Care](#)).

The 'Illawarra Shoalhaven Affordable Housing Strategy', prepared by Judith Stubbs and Associates for Business Illawarra (February 2023) revealed that in 2021 a significant number of households (22,700) with low, or moderate incomes were facing housing stress. Housing stress signifies a situation where a significant portion of a household's income is being allocated to housing-related expenses, leaving limited financial resources for other essential needs such as food, healthcare, and education.

Out of this substantial figure, approximately 78% of these households were specifically grappling with rental stress.

This rental stress coupled with rental vacancy rates significantly below the state average creates a highly competitive environment where demand far exceeds supply. This competition drives up rental prices, making it increasingly difficult for low-income earners to secure and maintain affordable housing ([Australian Bureau of Statistics](#)).

For individuals and families living pay cheque to pay cheque, a no-grounds eviction can be catastrophic. Workers in the care sector, who often earn modest wages, are particularly vulnerable. Their jobs are essential, yet their income levels do not match the rising costs of living in these tight rental markets.

Without the protection against arbitrary evictions, these workers face the constant threat of losing their homes, which can lead to job instability and increased financial strain. For example, a nurse or aged care worker in Shoalhaven, already struggling with high rent, could be evicted without cause, forcing them to find new accommodation in a market where affordable rentals are scarce. This not only disrupts their personal lives but also impacts the continuity of care they provide to the community.

Furthermore, no-grounds evictions can lead to a more frequent turnover of staff for service providers already struggling with post-COVID burnout, staff leaving and difficulty attracting workers into regional areas.

END “NO-GROUNDS” EVICTIONS

Abolishing no-grounds evictions in regions like the Illawarra and South Coast, with tight housing markets and low vacancy rates is essential to protect vulnerable renters, ensure stability for essential workers, and foster stronger communities. Legislative changes that prevent arbitrary evictions would provide:

- **Increased Housing Stability:** Abolishing no-grounds evictions would provide renters with greater security and stability. Currently, the threat of arbitrary eviction creates a constant state of uncertainty for tenants, making it difficult for them to plan for the future, maintain employment, or establish roots in their communities. Stable housing is crucial for overall well-being and community cohesion ([Anglicare Aged Care](#)).
- **Protection Against Exploitation:** No-grounds evictions can be misused by landlords to circumvent their responsibilities, such as performing necessary repairs or adhering to fair rental practices. This can lead to substandard living conditions and exploitation of tenants who fear eviction if they request maintenance or stand up for their rights ([Anglicare Aged Care](#)).
- **Support for Vulnerable People:** Regions like the Illawarra and Shoalhaven have significant populations of low-income renters, elderly individuals, and families with children. These groups are particularly vulnerable to the impacts of housing instability. By eliminating no-grounds evictions, these populations would gain more secure housing, reducing the risk of homelessness and the associated social and health issues ([Anglicare Aged Care](#)).
- **Alignment with Global Practices:** Many OECD countries have tenancy laws that provide long-term stability and protect renters from arbitrary eviction. Australia’s allowance of no-grounds evictions is an outlier in this context. Adopting similar protections would align NSW with international best practices, promoting fairer and more equitable housing policies.
- **Reduction in Homelessness:** The housing crisis, exacerbated by rising costs and limited supply, has led to increasing homelessness. Secure rental agreements can mitigate this by ensuring that tenants are not displaced without just cause, thus providing a buffer against sudden homelessness due to eviction.
- **Improvement of Community Well-being:** Stable housing allows renters to become more integrated into their communities, contributing to local economies, schools, and social networks. This stability can enhance the overall well-being of communities, making them more resilient and vibrant ([Anglicare Aged Care](#)).

CI Group member:

“Our clients frequently experience housing insecurity. Removing the threat of no-grounds evictions would provide them with greater security and stability, which are crucial for their wellbeing”

Neighbourhood Centre Coordinator, Illawarra



CI GROUP CALLS FOR END “NO-GROUNDS” EVICTIONS FOR ALL TENURE TYPES

CI Group endorses the recommendations made by the Tenants Union of NSW in full and notes that many of our members and their clients work closely with the TUNSW to maintain tenancy and have firsthand experience of homelessness brought on by no-grounds eviction.

CI Group especially notes that the NSW Government must abolish no-grounds evictions for all types of tenure, including fixed term leases.

The end of a fixed term lease is not a valid reason in and of itself for a termination. Terminations based on “End of the residential tenancy agreement at end of fixed term tenancy” (section 84 Residential Tenancies Act 2010) are evictions without a valid and contestable reason, and removing no-grounds evictions must include removal of section 84.

The findings of Fair Trading's [End of Tenancy](#) survey bears this out:

Fair Trading's *End of Tenancy* survey provides a valuable insight into the nature of tenancy agreements (fixed term leases vs periodic leases) in NSW and why tenancies end. A majority (58%) of renters who filled out the End of Tenancy survey in NSW between August 2021 and September 2022 indicated they were on a fixed-term lease.

The survey also indicates renters on fixed term leases are more likely to receive a 'no-grounds' eviction notice. The majority of renters (71%) who indicated in the survey they had received a 'no-grounds' eviction received these at the end of a fixed term tenancy (vs 29% on a periodic lease).

In the current context of low vacancy rates and increasing rents they are already seeing a disturbing trend where landlords or their agents are issuing a notice of termination for the end of a fixed term agreement *and* a notice for a substantial rent increase at the same time. If the renter agrees to the increase, they are told they can stay, if not they must leave in line with the termination notice issued. They also note an increasing number of landlords or their agents are shifting renters onto back-to-back short-term tenancies to facilitate this practice and because it allows them to use a section 84 termination notice requiring only 30 days' notice in comparison to the 90 days' notice required for a section 85 notice.

TUNSW Reasonable Grounds Reforms, January 2024



KEY RECOMMENDATIONS

- End no-grounds evictions for periodic and fixed term leases.
- The end of a fixed term contract is not grounds enough for eviction.
- The NSW Government must remove section 84 of the Residential Tenancies Act 2010.
- Legislation abolishing no-grounds evictions needs to be in concert with other rental reforms.
- Consider limiting rental increases to prevent de facto evictions by landlords raising rents beyond what tenants can afford.
- Re-identify non-hosted short-term rental accommodation (STRA) over a certain number of days per year as a form of tourist and visitor accommodation requiring DA change of use in the NSW Planning framework.
- Do not include "prepare for sale" as a standalone reasonable grounds for eviction.
- For actual preparation for sale, landlords can rely on a "significant reconstruction/renovation" or "demolition" clause if necessary.
- If a residential investor purchases the property, it should remain available to rent and the sitting tenant should be able to stay.
- Renovation or general repair should not be considered a valid reason for eviction.
- If repair and renovation are required, it must be clarified that this is allowable only for significant repair and renovation not required due to the landlord's breach.
- The renter must be given the option to continue the tenancy with an abated rent during the repair period and have declined.
- For the landlord/landlord's family move-in clause, the party(ies) shall intend to occupy the property for at least 12 months as their principal place of residence.
- A definition of 'family' for this purpose must be legislated.

- All reasons should include a temporary ban on re-letting the premises.
- Significant renovation, repair, or demolition: a 6-month ban on re-letting to prevent misuse.

"In our experience, no-grounds evictions contribute to a sense of instability among tenants. This can lead to heightened stress and difficulties in maintaining housing stability." Case Manager, Illawarra/Shoalhaven

- Change of use: a 12-month ban on re-letting for residential purposes to prevent misuse.
- Landlord or family move-in: the property shall not be re-let to non-family within 12 months of the eviction.
- Valid reasons for no-fault terminations must be accompanied by evidence.
- Acceptable evidentiary documentation for each reason must be prescribed in legislation.
- All documentation shall be supplied to the tenant and logged with the Rental Commissioner or equivalent body.
- For any no-fault eviction, a minimum of 120 days' notice should be given (or 6 months in other cases).
- To ease tenant disruption and costs, they must be able to move out at any time once a valid termination notice has been served.
- Tenant moving costs should be compensated by landlords in cases of no-fault evictions.
- Compensation should be payable to tenants where landlords have lied or misused 'reasonable' grounds to evict someone.

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