

**Submission
No 20**

RESIDENTIAL TENANCIES AMENDMENT (PROHIBITING NO GROUNDS EVICTIONS) BILL 2024

Organisation: Hunter Tenants Advice and Advocacy Service

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Submission to Select Committee Residential Tenancies Amendment (Prohibiting No Grounds Evictions) Bill 2024 by Hunter Tenants Advice and Advocacy Service

Introduction

Hunter Tenants Advice and Advocacy Service is a funded community organisation assisting tenants in the Hunter Region. The service is part of the state-wide network of Tenants Advice and Advocacy Services (TAAS's) and liaises with the Tenants Union of NSW regarding policy issues. We make this brief submission supporting an end to no grounds evictions and to emphasise how critical it is that any legislative change removes no grounds for both fixed term and continuing agreements.

Our advocates provide advice to renters daily who have a no grounds eviction notice and are seeking advice. Many tell us they have not been able to secure an affordable rental property.

No grounds evictions are destabilising, expensive, and we would assert, a catalyst for pushing vulnerable renters into homelessness. We speak to tenants who are being forced into overcrowding with other family members, living in tents in backyards and having to split families apart to ensure they have a roof. We also see talk to renters who tell of being forced into unsustainable tenancies where the rent is much more than 30% of the household income.

The Hunter Region has been experiencing historically low vacancy rates for several years. Vacancy rates currently sit at around 1% and below. A tight rental market and the ability of a landlord to evict without grounds arguably provides fertile ground for landlords to capitalise on this and churn tenancies to increase rent. Tenants tell us that they are advised that the landlord wishes to move in, sell or renovate and then they find the premises back on the rental market at higher rents (sometimes the same as they offered to be able to stay).

Impact of no grounds evictions

In 2024 over 42% of clients who contacted HTAAS were facing eviction and over 30% of those were seeking advice relating to no-grounds evictions. Many renters are astounded that in NSW they can be evicted without reason.

Unplanned evictions are evictions that have oppressive financial impacts. The Tenants Union of NSW conducted research that concluded eviction costs over \$5000 for families in regional NSW (see [cost of eviction](#)).

Renters tell us they are so fearful of receiving a no grounds eviction notice, they are living in substandard conditions rather than seeking to enforce their rights regarding repairs and maintenance, or to dispute rent increases. This fear is often made out.

Prohibiting no grounds evictions and introducing expanded reasons for terminating tenancies will reduce the expensive forced relocation of our community members and help neutralise fear of being issued a notice of termination for seeking necessary repairs or asserting their rights.

Case examples

- 1. HTAAS met a young couple at Muswellbrook NCAT. They live with their toddler and baby number 2 was on the way. Dad works in Muswellbrook in a mining related business. They received a no grounds notice from their landlord and have spent the 90 days seeking alternate housing. They have applied for more than 30 premises and have been unable to secure housing. NCAT terminated the agreement as a valid notice was given and NCAT has no discretion. We negotiated more time but ultimately Mum and toddler had to relocate to stay with family in Taree while Dad stays with friends in Muswellbrook so he can work during the week.**
- 2. A working professional couple contacted our service in relation to a \$120 per rent increase for their premises in Lake Macquarie along with an offer of a new fixed term. They noted significant outstanding repairs. Once the couple responded to the rent increase and made a demand for repairs and a lesser rent increase, the offer of new fixed term was withdrawn, and an end of fixed term notice of termination was issued.**

Despite seeking orders in NCAT that the notice was retaliatory, NCAT refused to make the order as the tenants had not stated an intention to seek orders to assert their rights. The tenancy was terminated by NCAT. The couple had difficulty in meeting the vacate date set by NCAT and faced sheriff eviction.

Fixed term and ongoing agreements

We support the Bill prohibiting no grounds evictions for both fixed term and ongoing agreements. The NSW Fair trading bond exit survey found that more than 50 % of renters in NSW are on fixed term agreements and 71% of no grounds evictions were for end of fixed term <https://www.tenants.org.au/reports/end-tenancy-survey>. If limiting the prohibition to ongoing agreements, we are only doing half a fix, potentially less.

It is the case that in jurisdictions such as Queensland where legislation restricts no grounds to only ongoing agreements, the practice of rolling fixed term agreements was recommended to landlords by the Real Estate Industry.

The notion that ending no grounds for fixed terms negates the reason for such agreements is unfounded. Fixed term agreements have a place in 'setting up' a tenancy – giving certainty to landlord and renter regarding a fixed term and fixed rent and in clearly setting

out the rights and responsibilities of landlord and tenant. We note that each fixed term has a continuation clause, and this goes to the fact that the intention of the fixed term is to 'set up' a tenancy and not necessarily limit it.

Expanded grounds:

Landlord/associate of landlord moving in

The term 'associate of landlord' may be misconstrued. Is the legislation better served by listing the relationships noted in the definitions in the section itself?

A declaration of some form should be required which sets out a timeframe within which the premises should be occupied by the landlord or their family.

Intends to carry out renovations or repairs...

We assert that "intends to carry out renovations or repairs to the residential premises that will render the premises uninhabitable for at least 4 weeks," is a low bar.

Repair is an obligation of the landlord under the Act and should **not** be a reason to evict. We have seen circumstances where a necessary bathroom repair can take 4 weeks. This would effectively result in a tenant being displaced for seeking to assert their rights (necessary repair).

The inclusion of repair could incentivise unscrupulous landlords to allow premises to run down with the intention to use this provision.

...Demolition or significant renovation (lasting more than 3 months) is a more fitting reason to seek to end a tenancy however again, evidence and a declaration should be required. We note that '**Intends**' is not strong language and is open to interpretation. Intention would need to be clearly defined including providing a time limitation within which such work would commence.

Used in a way, or kept in a state the means the premises cannot be used as a residential premises for at least 6 months

This would require some definitions. We are concerned that this could also be used as a catch all reason for eviction.

Exclusion from reletting as residence

Any termination relying on these expanded grounds should also provide for an exclusion period for reletting for any residential purpose within 6 months.

Tribunal Discretion

In any termination it is in the interests of justice that NCAT have oversight.

Case example

A mature student and his elderly mum rented premises for 8 years without blemish. Mum is in her mid 80's, has had a stroke and uses a walker so needs premises that are accessible. They received an end of fixed term notice, which allowed more than the required 30 days. Despite making over 40 applications for housing they were unable to secure rental housing. Even if they found somewhere to go before the end of the fixed term, they would have incurred a break fee. After contact HTAAS we explained that where a notice has been validly served, NCAT has no discretion but to terminate the tenancy agreement but that we could advocate for more time to vacate. Referrals to SHS and Homes NSW were made and HTAAS attended NCAT and were able to secure a further 6 weeks to vacate. Given that they have been unable to secure another rental property in their price range within the extended notice period, this could well end with a sheriff eviction. A lady in her mid 80's on a walker being made homeless for no reason. With discretion, NCAT may have made other orders given the circumstances of the case.

Summary

Seeking to prohibit end of fixed term and no grounds evictions in ongoing agreements and expanding grounds, will serve in a positive way to rebalance the rights of landlords and tenants. Ending no grounds only for ongoing agreements will be ineffective legislative change as other jurisdictions have demonstrated. It is our strong view that evictions without grounds have no place in a fair renting system.

Thank you for the opportunity to make this submission

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