**Submission No 65**

# INQUIRY INTO RURAL HOUSING AND SECOND DWELLINGS REFORM

**Organisation:** Tenants' Union of NSW

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# Submission regarding Rural Housing and Second Dwellings Reform

October 2025

TENANTS' UNION OF NEW SOUTH WALES

## About the Tenants' Union of NSW

The Tenants' Union of NSW is the peak body representing the interests of tenants in New South Wales. We are a Community Legal Centre specialising in residential tenancy law and policy, and the main resourcing body for the state-wide network of Tenants Advice and Advocacy Services (TAASs) in New South Wales.

The TAAS network assists more than 35,000 tenants, land lease community residents, and other renters each year. We have long-standing expertise in renting law, policy and practice. The Tenants' Union NSW is a member of the National Association of Renters Organisations (NARO), an unfunded federation of State and Territory-based Tenants' Unions and Tenant Advice Services across Australia. We are also a member of the International Union of Tenants.

This submission includes extensive input from Tenants' Advice and Advocacy Services and is informed by ours and the Tenants Advice and Advocacy Services practical experience assisting renters living in rural communities and multi dwelling properties and the reported experiences of those renters and those who we engage with outside legal advice.

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*The Tenants' Union of NSW' office is located on the unceded land of the Gadigal of the Eora Nation.*

## About this submission

The Tenant's Union of NSW thanks the Select Committee for the opportunity to provide a submission into the Rural Housing and Second Dwellings Reform inquiry.

There is no doubt that there is a great need for the delivery of more affordable housing to our rural and regional communities. We commend Members of the Legislative Council for looking at different avenues to  boost affordable housing supply in rural and regional areas of NSW. Our TAAS network is at the forefront of the current housing crisis. Every day advocates talk to renters who are struggling to find or keep their housing - renters are coming to them to raise issues in relation to affordability, security and liveability. The problem of securing a home, and in particular one that is genuinely affordable, is not confined to any particular group of renters, but touches all.

We understand that one of the intended outcomes of these proposals is to support multi generational living. It must be acknowledged that if these changes take place as proposed it is highly likely that an outcome will be that some land owners may build or later convert a second home for the purpose of renting the house either on a short term basis for holiday makers or long term basis for tenants which would be covered under the Residential Tenancies Act. It is this outcome that we have focused on in our submission.

In our submission we have highlighted some of the issues that currently arise for renters living on rural properties in NSW. We think it's also important for the Inquiry to look at some of the current issues that arise for renters living in homes on multi dwelling properties for example renters living in granny flats. There are issues that arise that are particular to multi dwelling properties and it is important these are considered during this Inquiry.

The terms of reference do not define a particular definition of Greater Sydney encompasses, but we have assumed the definition includes the ABS Greater Capital City Statistical Area.

## Our recommendation

Subdiv should be relaxed only for personal use by the occupants of the premises. Other .

We acknowledge the benefit of multiple dwellings being built to allow multigenerational living on rural properties, and that relaxing planning rules for such personal use may be appropriate and desired.

However this is a different proposition to dealing with property such as leasing to another person. We recommend that where a second home is not to be used for personal use but instead rented out for long term or short term housing then the property must be subdivided. Changes could be made to planning laws to make it easier to subdivide a property. We believe this would alleviate some of the issues we highlight around boundaries, utilities, access and essential services and renting quality.

## Common issues for rural renters

The TAAS network provides advice and assistance to renters in rural and regional NSW. Their casework regularly involves tenants living on rural properties, both those with exclusive use and those in multi-dwelling arrangements.

Rural areas see higher rates of landlord self-management. The 2021 Census found only 51% of private rentals in outer regional and remote NSW were agent-managed, compared to 83% in Sydney.

NSW has no registration or education requirements for landlords. This contributes to a gap in knowledge about obligations and responsibilities under the Residential Tenancies Act 2010. This knowledge gap contributes to higher rates of renters reporting difficulty with issues during the tenancy, which can be attributed to informal approaches to property development and management. This is a relevant consideration for proposals to allow greater development of secondary dwellings, particularly on properties where an owner continues to live or where the use of the property changes from a multi-generational family dwelling to one where rental contracts or other dealings have been enacted.

*Clarity of Responsibility for Rented Premises*

Poor fencing and unclear boundaries create issues on rural properties, making it difficult to determine which areas fall under the residential tenancy agreement. If more properties have multi-dwellings without subdivision, this could increase confusion regarding the boundaries included in the residential tenancy agreement. This in turn can lead to disputes and breaches of tenants' quiet enjoyment rights.

Access to rental homes can be a contentious area. Renters report disputes arising over locked gates and access roads to rural homes. Landlords are responsible for maintaining access roads within the premises, and when this work is not undertaken it creates major problems for tenants reaching their homes. Access can also become an issue during heavy rain when roads are cut. Dirt roads are common access routes, and with minor flooding, access becomes limited as roads wash away or creeks rise on properties.

Access ways may be owned by the landlord or shared by multiple landowners. This can cause delays in repairing this essential infrastructure and restoring access. For example, a tenant on a disability pension in the Queanbeyan region relied on a timber bridge to access her home on a rural property. The timber bridge was owned by three separate parties who also shared the bridge access. The bridge collapsed and there was a dispute between the three parties regarding repairs. While this dispute continued, the elderly tenant was unable to access her home.

A related concern raised with us is that roads in rural areas of NSW have been built for current usage by dwellings built in areas known to be bushfire zones. Measures will need to be taken to ensure that roads around multi-dwelling properties are adequate to provide appropriate access for all people if there are bushfire risks.

*Employee housing*

This type of policy change could also increase employee caretaker agreements where housing is provided as part of the employment contract. Lockouts have become a common issue with these types of agreements. The caretaker may have their employment contract ended and then the landlord moves to lock them out of their home as well. These types of agreements are residential tenancy agreements and have already been given deep concessions regarding the length of termination notices (14 days instead of 60-90 days) but where landlords do not understand their obligations and requirements or are unregulated, serious breaches such as lockouts do occur.

*Affordability*

One of the intended outcomes is to deliver affordable housing. If multi-dwellings are built in high tourist areas, there is a real likelihood that these homes will become short-term accommodation and therefore not provide benefits for delivering affordable housing to rural NSW.

Towns reliant on seasonal labour such as fruit-picking also often have a lack of affordable housing, but there is a real risk given the tenancy issues currently seen in rural and regional NSW that this group, who are often vulnerable in relation to their housing, are at risk of further exploitation.

*Housing standard*

Some of the multi-dwellings currently in rural NSW have been built to a very low standard. Renters report issues with their homes being very cold in winter and very hot in summer. If changes are made to planning laws, it will be important to ensure that appropriate dwellings are built for the environment.

## Common issues for renters in multi-dwelling properties

*Utilities and services*

The provision and metering of utilities arises as a common area of dispute for renters living on properties with multi-dwellings. There can be issues with the separate metering of utilities, which is a requirement under the Residential Tenancies Act when the tenant is to be charged for utilities. Electricity is a common area of dispute for multi-dwelling properties across NSW such as granny-flats installed without oversight.

In rural areas as well as electricity, there are also issues related to gas where it is supplied by bottles. Currently it is not possible to have more than one account for gas bottle supply at a property in regional areas. Accurate measuring of water usage is also an issue where water is supplied through a tank. It is common to see issues arise where utility infrastructure has been retrofitted to separately measure a tenant's usage of electricity and water, but it has not been done correctly and the tenant is often being charged for utilities they have not consumed.

Provision of services for garbage collection and mail are other areas which can be problematic where there are multi-dwellings. If the property is not subdivided, this can create issues for a secure and private letterbox for tenants to receive their mail. It raises issues with insufficient garbage facilities and collection. Failure to provide these services is a breach of the residential tenancy agreement by the landlord. The TAAS Network reports that with multi-dwellings that have not been subdivided, it is very common to receive calls from renters who are having issues with mail delivery and garbage collection.

*Relationship with existing tenancies*

On properties where the tenant is currently renting the only house on the property, they have exclusive possession of the whole premises. If the planning laws change and the landowner can build multi-dwellings on the property, there is the possibility of disputes with existing tenants around loss of exclusive use of property and loss of access to parts of the property. This type of dispute has arisen frequently in metropolitan areas where a landlord rents out a house and backyard and during the tenancy decides to build a granny flat at the rear of the property. The tenant has exclusive possession of the property and full use of the yard, and then this is taken away by the landlord building a second dwelling in the yard. This is a breach of the access and privacy terms of the tenancy agreement, but renters are frequently misled or pressured into accepting a fundamental change. Landlords sometimes start work without any notice to the tenant, so there is no time to object or negotiate. In this process, existing renters have lost backyards, sheds, clotheslines, driveways, carports, fences, privacy, and had their electricity and water bills heightened, without compensation. Ensuring subdivision is required to change the usage of the lot better protects against this behaviour.