



**SYDNEY YOUNG LABOR**

Reclaiming Our Future

## **Sydney Young Labor Association Submission on Improving NSW Rental Laws**

### **Summary**

In Australia, 83.5% of people aged 15-24 living out of home are renters [1], and with falling home ownership rates, young people today are increasingly resigned to being life-long renters. Sydney Young Labor Association ('Sydney Young Labor') supports the NSW Government's progress towards improving rental laws to provide increased stability and support for renters, including the appointment of the Rental Commissioner.

Sydney Young Labor agrees with the recommendations of the Tenants Union of NSW to end 'no grounds' evictions and introduce limits on rent increases.

Sydney Young Labor further calls for strengthening the minimum standards for rental dwellings that ensure they have adequate heating and cooling to be 'fit for habitation'.

### **About Sydney Young Labor**

Sydney Young Labor is the official Labor Party organisation for young people aged 15 to 26 in Sydney's city, eastern suburbs and inner west. We have members in high school, university, TAFE and engaged in or seeking full-time employment.

As an organisation of young people, many of our members are deeply affected by the current and intensifying rental crisis. Median rents for apartments in Sydney surged a staggering 27.6% to \$670 per week in the year to June 2023 [2], while median weekly house rents increased 12.9% to \$700. This has forced many young people to make tough choices between their housing security and paying for food, healthcare, and other essential needs. Homelessness, quitting studies or returning to unsafe homes has become a real prospect and increasingly the only option left.

While young people are bearing the brunt of this crisis, they are not alone. Falling real wages, the rising cost of living, and meagre Centrelink benefits have pushed 3.3 million Australians below the poverty line [3], and 60% of 18 to 24 year olds now experience food insecurity [4].

Exacerbating these issues is the constant fear of being left without a home due to unfair evictions or excessive rent increases. Sydney Young Labor welcomes the NSW Government's interest in improving the rights and conditions of renters and calls for stronger protections for tenants by ending no grounds evictions, introducing rent controls, and strengthening the minimum standards to ensure rental properties have adequate heating and cooling to remain safe and habitable.



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## Concerns

### *Housing affordability*

Housing is an essential service and is as vital as healthcare, education or water. Governments use price caps to regulate the costs of other essential services like water and public transport, which ensures that the needs of working people take precedent over private profits. The same principle must apply to housing. Unlimited rent increases should be unlawful because they force tenants into unsafe housing, poverty, and homelessness.

There is precedent for capping rent increases in Australia and internationally. The ACT introduced price controls in 2019 that limit annual rent increases to 110% of CPI for rents in Canberra. Rent controls also exist in jurisdictions in Germany, Canada, Ireland, Scotland, and Spain.

Stronger protections against evictions must be introduced in conjunction with limits on rent increases to ensure that landlords cannot terminate a tenant's lease to re-rent the property at a higher rate or turn it into a short-term rental.

### *Strengthening minimum rental standards*

There is growing evidence that many rental dwellings in NSW are uninhabitable and not fit for purpose. Research by tenants' advocacy organisation Better Renting showed that indoor temperatures for many rentals, even in moderate summer conditions, often exceed 30 degrees and the conditions for safe human habitation [5]. Other research has found that Australian rental homes, particularly in NSW, are colder and damper than what the World Health Organisation considers safe [6], and that conditions often promote significant mould growth. These conditions are being exacerbated by higher average temperatures and erratic weather due to climate change.

As a result, renters across NSW are living in increasingly depraved conditions. They are being subject to extreme and deadly heat and are having to live and work in mouldy homes. Simultaneously, renters are the worst equipped to respond to this, as they have significant restrictions that prohibit them from modifying a dwelling.

In 2019, New Zealand adopted the 'Healthy Homes Standards' which introduced minimum standards for heating, insulation, ventilation, moisture ingress, drainage and draught stopping. The standards require ceiling and underfloor insulation, as well as the provision of one or more fixed heaters. Following from this, new or renewed tenancy agreements must be accompanied by a compliance statement noting the property's compliance with the standards.

Landlords in NSW are currently required to meet seven minimum standards to ensure that rental properties remain 'fit for habitation', however there is no minimum standard for heating, cooling or insulation to guarantee safe temperatures in rental homes.



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## Recommendations

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

*Recommendation 1: Replace 'no grounds' eviction provisions in current NSW tenancy law with a range of specified reasonable grounds for ending a tenancy.*

Legislation should be introduced that requires landlords to provide a valid reason for ending both periodic and fixed term leases after the end date. The property being prepared for sale should not be added as a ground for eviction. If a tenant is evicted for the landlord or a member of their immediate family to move in, the property should be subject to a waiting period before it can be re-leased.

*Recommendation 2: Introduce rent controls to limit the amount rents can be increased.*

Rent controls should be legislated through the Residential Tenancies Act 2010 to cap the amount landlords can increase rents.

Sydney Young Labor Association further calls on the NSW Government to:

*Recommendation 3: Introduce a new minimum standard for heating and cooling in rental properties.*

In addition to the seven minimum standards introduced into the Residential Tenancies Act 2010 in March 2020, NSW needs a new minimum standard for heating and cooling to ensure that rental properties remain at safe temperatures to be 'fit for habitation'.

## Sources

[1] Australian Bureau of Statistics. (2019-20). Housing Occupancy and Costs. ABS. <https://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/2019-20>.

[2] Hannam, P. (2023, July 6). Rents rise again across Australia with Sydney seeing fastest rise in 20 years. *The Guardian*. <https://www.theguardian.com/australia-news/2023/jul/05/rents-rise-again-across-australia-with-sydney-seeing-fastest-rise-in-20-years>

[3] Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020), Poverty in Australia 2020: Part 1, Overview. ACOSS/UNSW Poverty and Inequality Partnership Report No. 3, Sydney: ACOSS.

[4] Miller, K. and Li, E. (2022), Foodbank Hunger Report 2022. <https://reports.foodbank.org.au/wp-content/uploads/2023/03/Foodbank-Hunger-Report-2022.pdf>

[5] Barrett, B., Catania, L., Dignam, J. "Sweaty and Stressed: Renting in an Australian Summer" Canberra: Better Renting, March 2023

[6] Chalmers, M. (2022, July 15). Australian homes are so cold that some are falling below the WHO's recommended 'safe' temperature. *ABC News*. <https://www.abc.net.au/news/2022-07-15/why-are-australian-homes-so-cold/101227308>

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