

Real Estate and Housing Policy Team
Department of Customer Service
Service NSW - GPO Box 7057
Sydney NSW 2001
Via email: residentialtenancy@customerservice.nsw.gov.au

16 August 2023

Dear Real Estate and Housing Policy Team,

Re: Improving NSW rental laws consultation paper

Thank you for the opportunity for the NSW Advocate for Children and Young People (ACYP) to provide feedback in relation to the 'Improving NSW rental laws consultation paper.'

Established under the *Advocate for Children and Young People Act 2014*, the Advocate for Children and Young People is an independent statutory appointment overseen by the Parliamentary Joint Committee on Children and Young People. ACYP advocates for the safety, welfare and well-being of children and young people aged 0-24 years and promotes their participation in decisions that affect their lives. The Act requires ACYP to 'give priority to the interests and needs of vulnerable and disadvantaged children and young people' and to 'focus on systemic issues affecting children and young people.' Further information about ACYP's work can be found at: www.acyp.nsw.gov.au.

Ensuring that children and young people have a good standard of living – including the ability to access safe, stable and affordable accommodation - is a key focus area of the *NSW Strategic Plan for Children and Young People 2022-2024*. Throughout ACYP's engagement and consultation activities with children and young people across NSW over the past few years, concerns relating to expensive housing or rent costs and the high cost of living, have been two of the key issues of concern, as well as focus areas that they recommend government seek to address.

We have attached a copy of our recently published report, [*"It should be easier to just exist": How children and young people are impacted by and responding to the rising cost of living in NSW*](#). This interim quantitative report presents initial findings as part of a broader piece of work that ACYP is conducting with young people across NSW. The interim quantitative findings are drawn from an annual survey conducted by ACYP in the lead up to Youth Week. It involved an online, representative

survey of n=1,007 children and young people aged 10-24 years and was run between 8-17th April 2023. Findings of relevance to this consultation are outlined below.¹

Experiences of young people entering the rental market

The cost of housing is a key source of financial pressure for many young people. In our recent survey, 35% of young adults² reported delaying moving out of their parents' home to avoid rent and 5% reported moving back home in the past 12 months.

Among young adults, 20% are planning to rent a property in the next 6 months and 7% indicated they are currently looking for a rental property. We note this includes both those who are currently renting and those who will be moving out of the family home.

Many young people report negative experiences in seeking or securing a rental, with 81% of young renters reporting at least one negative experience.³ More than 1 in 3 (36%) reported feeling concerned or anxious they would never be able to find a rental property to live in. Other key areas of concern included rental increases and needing to increase the price range they were willing to pay in order to secure a property.

Anxiety about securing a rental property was highest among those with a mental health condition (61%), those struggling financially (46%), and females (44%). This anxiety may contribute to young people feeling the need to accept conditions in a rental property that were sub-standard or did not meet their expectations. For instance, 23% reported they had been reluctant to inform their real estate agent of issues with the property. This was more common for young people with a disability (42%) or mental health condition (35%). And almost 1 in 5 (19%) accepted a rental property that did not meet their expectations. This was more common for those with a mental health condition (37%) and those who were struggling financially (25%). In general, those with a mental health condition and females were more likely to report a range of negative experiences while looking for a rental property.

Throughout ACYP's qualitative cost-of-living consultations, young people have also reported challenges around accessing the rental market. This is due to a range of issues including only having a short-term rental history as a young person, finding the rental system difficult to navigate and at times feeling taken advantage of. We have also heard from young people about the significant challenges they are facing in relation to the cost of rent and rental affordability, as well as other

¹ ACYP has also been continuing to investigate how the rising cost of living impacts young people through qualitative consultations across NSW. The full findings from this work are due to be published in late 2023.

² When referring to survey findings, the term 'young adults' is used to describe young people who either live independently (that is, outside of their parents' or carers' home), or who are aged over 18 years.

³ See table at *Appendix 1*.

related issues such as rent bidding and ‘no grounds’ evictions. Young people have told us that they do not always know their rights in relation to being a tenant or where to go to seek help with any issues.

ACYP feedback on proposed reform of rental laws

Renter’s personal information and application process

ACYP is strongly supportive of efforts to better protect renters’ personal information during the rental application process. In ACYP’s survey, 12% of young people said they had been uncomfortable about the information they were asked in order to apply for a rental property. We support reform which is aimed at improving privacy considerations and safe-guarding young people’s data, including through improved regulation around how their information is collected, used, stored and destroyed.

The DCS consultation paper outlines several different options and ways in which the information that is collected from people applying for a tenancy could be limited. ACYP would be supportive of an approach that strikes the balance between limiting the information that can be collected from young people during the rental application process, whilst also maintaining flexibility to avoid unduly disadvantaging a young person from accessing the private rental market. For instance, there is a need to consider the particular needs of vulnerable young people (for example, a young person who has exited out-of-home-care or the youth justice system) – both in protecting their privacy, but also maintaining flexibility in the types of information and documents that need to be provided for a rental application.

We also welcome DCS’ consideration of opportunities to work towards reducing discrimination in the rental application system – including reviewing potential biases being caused by automated decision-making processes. Throughout ACYP’s consultations, young people have reported that there is a lack of information about the rental application process, and that they can feeling confused or discriminated against. ACYP is supportive of efforts to improve fairness and accountability in this space, including the proposal outlined in the DCS consultation paper to prohibit the use of certain data (e.g. applicant age or suburb) to assess a rental application.

In addition to confusion around the application process, young people have also told us that they do not always feel they know their rights in relation to renting, as well as how to address concerns relating to repairs or issues around the quality of housing. We note that ACYP has previously created a series of videos and resource page with the goal of providing young people with support as they transition to adulthood.⁴ We would welcome the opportunity to work in partnership with DCS and

⁴ For more information see: <https://www.acyp.nsw.gov.au/life-skills>

other relevant agencies to create further life skills information resources aimed at providing young people with information around rental rights.

Improving rental affordability

A key issue of concern for young people is rental affordability, with many young adults reporting facing rental increases and needing to increase the price range they pay in order to secure a property. In our recent survey, 17% reported they had offered to pay more than the price advertised to secure a property; 18% offered to pay an advance on their rent to secure a property; and 11% reporting having to move because of a rental increase.

ACYP acknowledges existing NSW supports in this space, such as the Rent Choice Youth subsidy, but would also strongly support additional efforts by the NSW Government to better regulate the system, including by increasing transparency and supporting young people to know when a rent rise is 'excessive'. We welcome recent measures undertaken to address concerns around rent bidding⁵ and support further reform in this area, including the proposed work underway to clarify the limits on rent increases and other measures to increase overall rental affordability.

In principle we are also supportive of the proposal to introduce a portable bonds scheme. This could assist in reducing the cost burden on young renters when moving to a new rental property by enabling them to transfer the bond from their old property. However, we note that the design and implementation of a portable bond scheme will be a complex process and ACYP strongly encourages DCS to consult with young people directly in regard to design – to ensure the scheme is fit for purpose and is best supporting the needs of young renters.

Ending / removing 'no ground's evictions

ACYP is supportive of any efforts to improve stability of accommodation for young people and therefore welcomes the NSW Government's commitment to ending 'no grounds' terminations. A report by the Tenant's Union of NSW found that eviction costs the average renter more than \$4,000 and up to 30% of renters in NSW will experience eviction at some point – often through no fault of their own.⁶ As a result, removing 'no grounds' evictions would, in addition to increasing stability, also have the impact of removing undue cost burdens on young renters.

⁵ NSW Government Media Release (2023), Reforms to level the playing field and deliver relief for renters, 10 May 2023, accessed via: <https://www.nsw.gov.au/media-releases/rental-reforms-close-loopholes>.

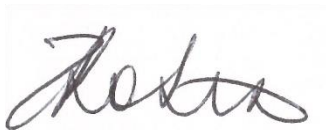
⁶ Tenants Union of NSW (2022), Eviction, Hardship and the Housing Crisis, accessed via: <https://www.theguardian.com/australia-news/2022/feb/14/calls-for-end-to-no-grounds-evictions-in-nsw-as-lockdown-moratorium-lifts>.

A new model for keeping pets

We note that ACYP has not specifically heard feedback from young people about changes to tenancy laws that would allow it to be easier for renters to keep pets. Despite this, ACYP would be supportive of changes in this area as we know in other spheres, such as in the response to domestic and family violence, that the presence of pets and animals can have a significant positive impact on children and young people.

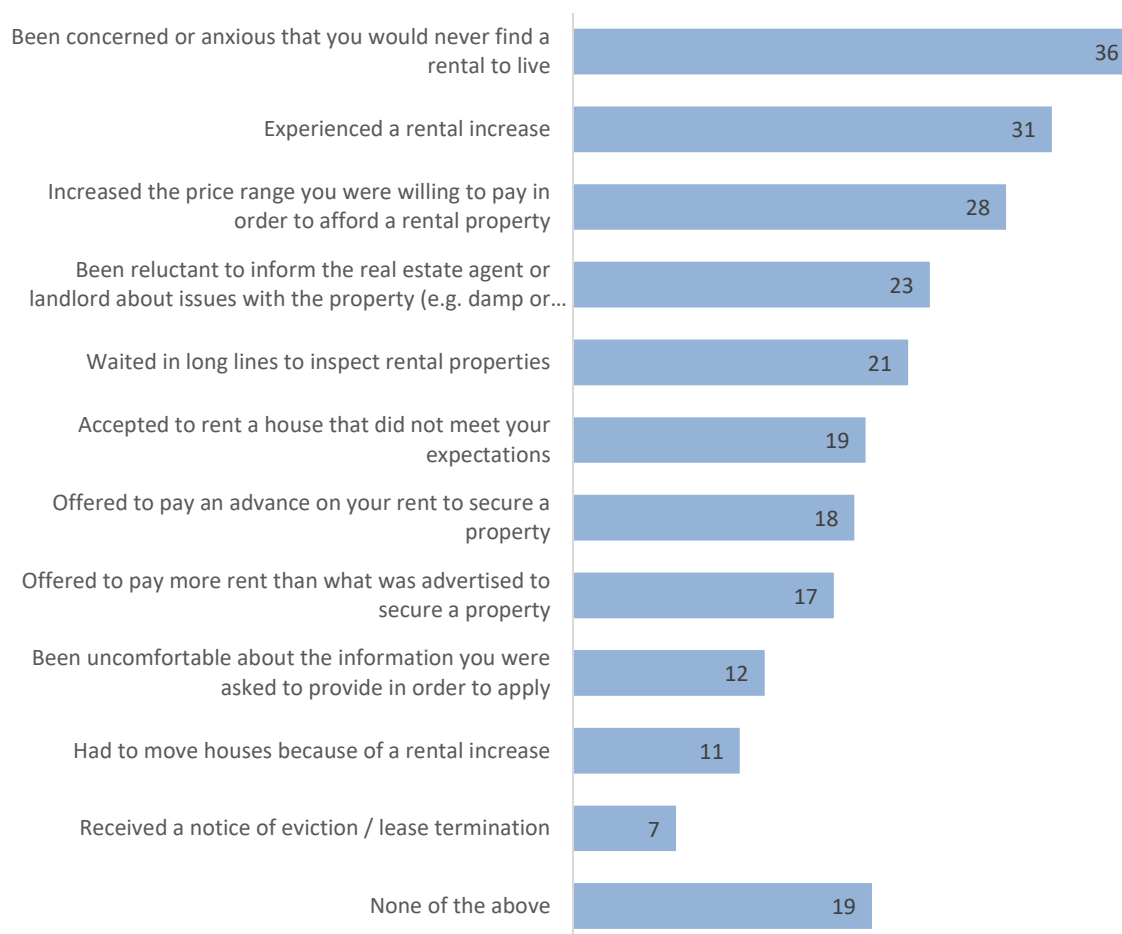
Please do not hesitate to contact me at or my team at acyp@acyp.nsw.gov.au if we can be of any assistance as this important reform work progresses.

Yours Sincerely,



Zoë Robinson
Advocate
Office of the Advocate for Children and Young People

Appendix 1 – Experiences while looking for a rental property (%)



Q. Which of the following have you experienced when renting or looking for a rental property?

Base: Young adults who are considering or currently renting (n=255).