

MEDIA RELEASE

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Moratorium Must Not Cripple People with Debt

Community Industry Group today welcomed the Prime Minister's announcement of a six month moratorium on evictions as a result financial distress from COVID-19, but cautioned that measures must be taken to ensure that both tenants and landlords are not left with crippling debts.

"The moratorium will be incredibly reassuring for people who are struggling to meet their rental payments," said Nicky Sloan, CEO of Community Industry Group. "People are feeling particularly anxious at the moment, and with concerns about further job losses and reduced income, some certainty about keeping a roof over their heads will provide a sense of calm in the face of overwhelming unease."

Community Industry Group are concerned, however, that the announcement comes without any supports such as rental subsidies or rent assistance.

"The Prime Minister's announcement was somewhat oblique as to how the moratorium will be implemented," Ms Sloan added. "He has just asked tenants and landlords to sit down together and 'work it out'."

"What we certainly do not want to see is that rental arrears accumulate over six months, leaving tenants with a massive and unmanageable debt," said Ms Sloan. "But by the same token, we are aware that many landlords have investments loans which must be repaid."

Community Industry Group has called for a rental subsidy to be considered as part of the Government's ongoing economic Stimulus Packages.

"A rental subsidy will assist both tenants and landlords, and ensure that we do not see a massive increase in evictions at the end of the six month moratorium," said Ms Sloan.

Community Industry Group is also concerned that landlords in NSW could still evict tenants under the 'No Grounds' clause. No grounds evictions allow landlords to evict a tenant at the end of a fixed-term lease, or during an on-going lease, without giving any reason. Under our current laws in NSW, a landlord can evict a tenant without grounds with just 30 days' notice at the end of their fixed-term lease, or with just 90 days' notice during an on-going lease.

"If we really want to ensure people have a roof over their head at this stressful time, we must also remove the option for no grounds evictions from the NSW Residential Tenancy Act," Ms Sloan concluded.

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About the Community Industry Group

Community Industry (formerly known as Illawarra Forum) is the peak body working for community services and organisations in the South East of NSW. It supports community organisations, promotes expertise and innovation in community development, fosters industry development and provides advocacy for social justice. Community Industry Group is an independent organisation governed by a committee of management elected annually by the membership.

Community Industry Group represents the non-government community services industry in the South East of NSW, and works closely with numerous organisations which provide support to vulnerable people across the region.

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