

Mr John Quigley; Mr Peter Katsambanis; Mr Peter Rundle; Mr Bill Marmion; Mr Sean L'Estrange; Dr David Honey; Dr Mike Nahan; Mrs Liza Harvey; Mr Tony Krsticevic; Mr Zak Kirkup

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## **RESIDENTIAL TENANCIES (COVID-19 RESPONSE) BILL 2020**

### *Introduction and First Reading*

Bill introduced, on motion by **Mr J.R. Quigley (Minister for Commerce)**, and read a first time.

Explanatory memorandum presented by the minister.

### *Second Reading*

**MR J.R. QUIGLEY (Butler — Minister for Commerce)** [1.17 pm]: I move —

That the bill be now read a second time.

The bill I am introducing today is essential to support the continued safe and efficient functioning of the residential tenancies market during what is likely to be a period of significant social and economic upheaval for all Western Australians. It also promotes general community safety by modifying existing laws and practices in residential tenancies so that they are in line with orders made under the Emergency Management Act 2005 of Western Australia and the Public Health Act 2016 of Western Australia.

The health and wellbeing of Western Australians is the government's highest priority as we face the significant challenges presented to us by the spread of COVID-19, or coronavirus. At the meeting of the national cabinet on Sunday, 29 March, actions were agreed to support tenants in both commercial and residential settings in our community. Protection for commercial tenants is being addressed in a separate bill. This bill is implementing the specific measures needed to support tenants in a broad range of residential settings. The primary legislative response of the national cabinet is to impose a short-term moratorium on evictions to be applied across residential tenancies impacted by severe rental distress due to COVID-19. For the purposes of this bill, residential tenancies include residential tenancy agreements, long-stay agreements in residential parks, and boarders and lodgers. This bill introduces a moratorium on all evictions for these forms of agreements, except in limited circumstances. Those limited circumstances include if a tenant is causing serious harm to the premises or injury to a landlord, their representative or a person on adjacent premises. For example, if a tenant decides to use this period to convert the premises into a drug lab, or to threaten and harm their neighbours, this sort of behaviour will allow for termination of the tenancy agreement.

Landlords or tenants experiencing undue hardship will also be able to apply to have the tenancy agreement terminated. For example, if a landlord who had moved interstate for work and rented out their primary residence lost that interstate job, they could apply to the court to terminate the tenancy agreement if they needed to move back into their home. Tenants who are being subjected to family violence will still be able to terminate either their own interest in the tenancy agreement or apply to the court to terminate the perpetrator's interest in the tenancy agreement. If a tenant abandons the premises, or the landlord and tenant agree to terminate the tenancy agreement, the agreement will be terminated and the landlord will be allowed to re-let the premises. There will be a freeze on rents increasing during this period. This is to ensure that no landlord will seek to force a tenant out of the premises by unreasonably increasing the rent. It is also proposed to require that any fixed-term tenancy agreement that is due to expire during the period will continue as a periodic agreement. All these measures are intended to allow tenants, to the greatest extent possible, to remain where they are during the pandemic to reduce the risk of spread of the disease.

Not everyone will be able to afford to stay where they are, however. The bill proposes to allow a tenant to terminate a fixed-term tenancy without break-lease costs. The reason for extending this right to tenants is that some tenants, faced with job loss and despite receiving income support from the commonwealth government, may perceive that it will be a very long time before they financially recover and are able to afford the level of rent they are currently paying. Some landlords will respond in a positive way to their tenant's circumstances by reducing the rent for the premises. However, if a landlord does not do this, the tenant may not want to accrue a significant debt of unpaid rent over a period of time and may want to leave the tenancy early. It is acknowledged that this amendment will result in some landlords not receiving compensation for loss that they would otherwise have received. However, it is proposed that a tenant will have to give 21 days' notice to terminate the tenancy, during which time the landlord will be able to advertise the property and seek out tenants who can afford to pay the rent.

A moratorium on evictions is not a moratorium on rent. Tenants will continue to have to pay their rent during this period. If they cannot afford to pay all their rent, they should communicate this to their landlord or property manager and pay what they can. Whatever rent is not paid during this period will be a debt due and owing to the landlord at the end of this period. If the tenant does not make any effort to enter into negotiations to repay this debt in a timely manner, the landlord will have the full suite of termination powers under the Residential Tenancies Act or the Residential Parks (Long-stay Tenants) Act to terminate an agreement at that time. Furthermore, even if a tenancy agreement is terminated after the end of this emergency period, the debt will not be expunged. A landlord

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will be able to recover any outstanding rent from the bond or, in the event the amount exceeds the bond, through civil proceedings, just as they are able to do now.

The government also wants to make clear to tenants that if there is any evidence of widespread abuse of the moratorium on evictions, if tenants who are not experiencing COVID-19 financial hardship simply stop paying their rent, or if landlords and tenants fail to engage in good-faith bargaining, the government will not hesitate to bring in further legislation before this Parliament to ensure that such practices are ceased. Likewise, a moratorium on evictions is not permission for a tenant to damage the premises. A tenant will continue to be liable for any damage caused to the premises, whether it is caused before, during or after this period.

The government recognises that it is not only tenants who will be financially impacted by the COVID-19 crisis. Many landlords will also experience financial hardship. For this reason, landlords will be exempt from having to perform ordinary repairs during this period. It is important to note that landlords will still be obligated to perform urgent repairs and the restoration of essential services, because it is important that tenants live in safe premises.

Although we are asking landlords and tenants to work together and reach agreement, and we are confident that the majority will be able to do so, it is anticipated that a substantial number of disputes may arise between parties throughout this period. There is concern that the volume of disputes may cause extensive delays if the ordinary dispute resolution processes are relied upon. For this reason, the bill seeks to strengthen the existing conciliation process offered by the Commissioner for Consumer Protection in accordance with the Fair Trading Act 2010 to provide a mandatory conciliation step in the dispute resolution process, with the potential to provide binding resolution of a significant percentage of disputes. This conciliation process will act as a buffer and filter between complainants and the Magistrates Court and the State Administrative Tribunal, protecting them from being flooded by residential tenancy dispute applications. Conciliation has the benefit of ensuring that disputes can be responded to quickly in the first instance, with the aim of preserving relationships between landlords and tenants and avoiding the intransigence of disputes that can be caused by lengthy delays.

Lastly, this bill will apply for a defined emergency period. The emergency period will be taken to have commenced on 30 March 2020, the day after national cabinet made its decision to grant tenants a moratorium on evictions, and will continue for an initial period of six months. This period can be extended by way of regulation if it becomes necessary to do so. We all hope that this will not be the case.

I implore members to support this bill in the spirit of a unified parliamentary effort to deal with this unprecedented public health emergency. I commend the bill to the house.

**MR P.A. KATSAMBANIS (Hillarys)** [1.28 pm]: I rise to speak as the lead speaker for the opposition on the Residential Tenancies (COVID-19 Response) Bill 2020. Again, this is an emergency bill. We are living through extraordinary times. We know by now that we are dealing with expedited procedures through this place to ensure that emergency legislation is enacted as soon as possible. However, I pointed out last week in debate on the guardianship and administration changes, and I point out again today, that that means, unfortunately necessarily, the opposition does not get the opportunity to properly scrutinise any legislation that is presented to it. I do not set out the following time line to in any way level blame or criticism at the government or the officers of the Crown who are working diligently to prepare this legislation, but the first draft of this legislation was received by the opposition around the middle of the day yesterday. It was a consultation draft. A briefing was organised through the Minister for Commerce's office, and we appreciated that briefing, which was done in conjunction with the commercial tenancies legislation that we will also debate today. We saw the next draft of the bill at around 10.45 this morning and the explanatory memorandum at 11.05 or 11.10 this morning, remembering that we all convened here at 12 noon and have been here since that time. The opportunity to, firstly, scrutinise the legislation and, secondly, seek third party comment from impacted stakeholders, has basically been zero. We are relying on the goodwill of the government and on being told that a consultation period with affected stakeholders has been conducted and that the stakeholders' views have been listened to. As I understand it, stakeholders were not provided with the final version of the bill until around the same time or a bit later than the time we received it this morning.

In these unprecedented times, the role of the opposition is a difficult one. This is serious legislation that arises out of a national cabinet decision. I think it is the right decision and that the principles and sentiments behind the legislation are honourable. I also think that the government's intention is honourable. However, over the next six or so months there will be unprecedented financial hardship that goes along with the potential health crisis that we are facing. There will be people who, through no fault of their own, will be unable to pay rent on their own property that they rent; under the Residential Tenancies Act, it is their house. Those people have not walked away from employment or decided that they do not want to work anymore. Unfortunately, they are caught up in the extraordinary restrictions that have been placed on business and on commerce in this state, across the country and in many other countries around the world. They are victims as much as anyone else, and we do not want those people to end up on the streets at any time. As the Minister for Commerce pointed out in the second reading speech and the national

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[ASSEMBLY — Thursday, 16 April 2020]

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cabinet pointed out in explaining its decision to place a moratorium on the eviction of tenants, we do not want to see people turfed out of their homes, especially at this time. Not only is that a broad risk to those people and others, but also it elevates the risk during the health crisis that we are facing. We know that homeless people are far more susceptible to this sort of pandemic that we are trying to deal with. The principle that there be a moratorium on evictions is a sound one, and that is why the national cabinet agreed to it. The Prime Minister announced it and each state has drafted legislation for it. However, once we come up with a principle like that, how do we, firstly, calibrate the existing legislation to provide for it and, secondly, manage the cascading levels of harm caused to people throughout our society? That is, I think, the area that needed the type of scrutiny that it will not get today, and I will get to that in a moment. Essentially, we are asking a group of people to bear the economic burden of the decision to place a moratorium on evictions. That burden will fall primarily on residential landlords. The minister will get an opportunity to sum it up. The risk of the burden falls on the residential landlords. They are primarily mum-and-dad investors. They might be a teacher, a nurse or a police officer who has chosen to buy a second property, or they might be a retired couple who has purchased property as an income-producing tool to provide for their retirement. As a result of this decision, we, as a society, are asking those people—be they of working age and negatively gearing a property to provide for their future or people who are relying on a property investment for their income to live on—to shoulder any financial implications. We have to tread carefully and make sure that the balance is right.

There is a short-term moratorium on evictions. We all agree to that—the Liberal Party, the Labor Party, the national cabinet and, I am sure, the Nationals WA and the Greens. That is a good thing. However, when we introduce this moratorium on evictions, we will create three classes of tenancies. The first class of tenancies, which will not trouble anyone, is those who are able to pay their rent and continue to do so. They have the ability and the desire to pay their rent and they will continue to pay their rent. Those people will not trouble anyone. I heard the Premier during question time emphasise again that if people can pay their rent, they should pay it. We all hope that that is the vast majority of people, but we do not know what percentage that will be. The best-case scenario for everyone is that tenants will be able to pay their agreed obligations to their landlords and everyone will move on. Some tenants may do it without suffering any financial hardship and others will do it because that is what people do when times are tough; they hunker down and cut back on other expenditure. They may not be going out as much and obviously they will not be going on holiday; they will tighten their belts and pay it.

The second group of people is the group that we are bringing in this legislation for. No-one begrudges them; we all want to support them. They are the people who will be unable to pay some or all of their rent, through no fault of their own, because they have lost their employment. They might be business operators who rent their residential home and their business has dried up as a direct result of the restrictions and they are not able to trade or, as we know is happening in every retail shopping strip across the state, they are one of many businesses that are legally able to continue to trade but the foot traffic has died down and there is no point in them opening their doors. We want to protect those people. If people cannot afford to pay some or all of their rent, we do not want them to be out on the street. I have said before in this place, and I maintain, that the vast majority of landlords are decent, honourable people, as are the vast majority of tenants. I imagine that that secondary category of people I have referred to, the people who are genuinely suffering financial hardship, would go to their landlords at the first instance and reach an agreement. This legislation basically says that no-one can be turfed out or evicted for six months—try to work it out and come up with a deal that suits everybody.

There will be a third class of people. I would like to think that in a perfect world this class does not exist, but we know it does and we know it is already happening, unfortunately, and they are the people who will take advantage of these provisions. People will take advantage of the moratorium on evictions and they will take advantage of the provisions that allow tenants to end a tenancy early. Those people who are not suffering genuine financial harm will see an opportunity to game the system. I hope the number of those people is minimal. Ideally, I would like to see none of those people, but we know that it is already happening. Some other members will probably discuss in their contribution that it is already happening out there, that there are people seeking to gain advantage or there are fears that people will seek to use this period to gain advantage. We need to strike a balance between the group that is genuinely deserving of assistance and the group that is not. That is where I think this legislation requires a bit more scrutiny.

The moratorium on evictions is a blanket moratorium. It applies to every tenant in a residential tenancy, a residential agreement, or an agreement pursuant to the requirements of residential parks. It applies to anyone who is living in what they consider to be their home, be it a boarder, lodger, a rental tenant or someone living in a residential park; they cannot be evicted. There is no hardship test. I know the Real Estate Institute of Western Australia has made submissions to the government that there should be some sort of hardship requirement. I know it is tough to draft something like that, but we do not want that last group of people whom I described—the people who want to game the system—to get an advantage out of this. We want this to apply to genuine hardship cases.

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As I read the bill, there is no hardship provision. The Minister for Commerce might point out to me that there is, because I have seen this bill only fleetingly, but there is no hardship requirement at all on the moratorium on evictions. Perhaps it needs to be a burden on the landlord. Perhaps it could be as simple as the landlord having to prove, before they commit to any eviction process, that the tenant was not suffering any financial harm and it is really an issue that has nothing to do with a lack of capacity to pay or the COVID-19 pandemic that we are facing. We totally support the moratorium on evictions, but we do not want to see it gamed. Why do we not want to see it gamed? It is because of those people I mentioned at the start: the hardworking mum-and-dad investors who rely on residential property income either to meet the financial requirements of that property, or self-funded retirees or semi-self-funded retirees who rely on the income from the rental property. Later in this discussion, I will talk about the impact this may have on the ability of self-funded retirees to access commonwealth government payments. We want this mechanism to be used properly. I will seek, hopefully, some explanation from the Minister for Commerce as to why no hardship provision was introduced on the moratorium on evictions.

The same argument applies to enabling tenants to end their tenancy early. Clause 19 of this bill, “Termination without specifying grounds”, is the primary clause that applies to residential tenancies. Again, I have not had a long time to look at this. We support its noble intent. If someone says during this period, “I’m suffering hardship. I don’t know when I’m going to have the ability to pay the rent that I have committed to under this ongoing lease. I want to cut my suit differently because my cloth is a different size now”—to use some of the analogies that the Minister for Commerce likes using from time to time—they might choose to move in with family or friends rather than continue to be obligated to pay rent that they cannot pay, or they may choose to move to a property that costs less to rent. In their new circumstances, they may find a property that is more affordable than their existing property. We live in unprecedented times; we should give those people the capacity. Again, that ability to break a lease—to break a binding contractual agreement—should be limited to people who are suffering financial hardship.

The Real Estate Institute of Western Australia has submitted that that should be the case, but in reading the second reading speech and clause 19, that does not seem to be the case. The only protection for a landlord is that the tenant needs to give 21 days’ notice. That theoretically means the landlord is entitled to 21 more days of rent. We will discuss in a minute what will happen on the expiry of the six-month moratorium when landlords want to recover from tenants who genuinely cannot pay their rent. There is no other protection. The lease is breached, the tenant has no ongoing obligation after the 21-day notice period expires, and they also appear—I would like clarification from the minister on this—to have no obligation to pay the additional costs that the landlord may incur in readvertising the property for resale. Would the tenant not be liable for that?

**Mr J.R. Quigley** interjected.

**Mr P.A. KATSAMBANIS:** By interjection, the minister indicated that the tenant would have no obligation. The burden is again on the landlord. It is understandable, as I said, but it needs to be properly calibrated. As the Real Estate Institute of Western Australia has pointed out in correspondence to the government, it should really be something that requires a hurdle. That hurdle ought to be some form of genuine financial hardship. It does not need to be complex. It does not need to be a burden on the tenant. It may well be that the landlord has an opportunity to simply say at the mandated conciliation process—we will get to that, too—“I don’t think this tenant is suffering financial hardship and that’s the reason I don’t think they should be able to walk away from the lease that they signed in good faith.” If people have not lost their job, they continue to earn the same income as they did before, they have the same obligation —

**Mr J.R. Quigley** interjected.

**Mr P.A. KATSAMBANIS:** They do not because, under clause 19, a tenant is able to terminate.

**Mr J.R. Quigley:** They can go to mediation to discuss those things.

**Mr P.A. KATSAMBANIS:** But they are not going to mediation.

**Mr J.R. Quigley** interjected.

**Mr P.A. KATSAMBANIS:** The minister is saying if there is an informal discussion between the tenant and the landlord.

**Mr J.R. Quigley** interjected.

**Mr P.A. KATSAMBANIS:** But the tenant has a clear right, under clause 19, to terminate the lease unilaterally upon giving 21 days’ notice.

**Mr J.R. Quigley:** It is good motivation for the landlord to negotiate.

**Mr P.A. KATSAMBANIS:** What if the tenant has not suffered any financial loss? All the minister needed to have done in this situation is provided an opportunity for the landlord to prove somewhere—perhaps in some sort of mediation format, alternative dispute resolution or at court if need be—that the tenant is not suffering any harm

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and is trying to gain an advantage out of this. We can see how it can happen because, currently, there may well be properties not let and in a couple of months' time they may still be on the market and desperate landlords may have to reduce the rent. Someone who is suffering no financial hardship whatsoever as a tenant thinks, "Oh, I've got a lease; it's got two years or 12 months or eight months to run, but I've just been given an out here. I can get out and pay a lot less rent down the street for a very similar house." It is a great financial bargain for the tenant; I understand that. But it is not something that they will be doing out of financial hardship at all, and that is where, again, I am not sure that the right balance has been struck. We have not had a lot of time to look at this, unfortunately. But, again, the Real Estate Institute of Western Australia, which was obviously taken into the government's confidence, unlike us in the opposition—we were not consulted with when this was being put together—has submitted that allowing tenants to end their tenancy early ought to be limited by some form of proof that there is financial hardship. That proof is lacking in this clause as it is drafted today, on my reckoning—my few minutes of opportunity to look through the bill.

I think that those things are major failings. The fact is that this will be a blanket application for everybody, including people who have the financial capacity to pay. I would hope that all the people who have the capacity to pay continue to pay, but we know that there are people out there who are trying to game the system, unfortunately. The government says, and the minister said in his second reading speech, that it will not hesitate to bring in further legislation before this Parliament if there is any evidence that people are manipulating the system. This is going for only six months; the hardship, though, on people affected by this could last for years and years. When is the government going to look at this again? What sort of proof will it need in the future? It could have fixed it right from the start, and it could have fixed it easily enough without putting an undue burden on tenants by putting the burden of proof on the landlord. The tenant can end the lease, but the landlord has the opportunity to prove that the tenant is not suffering any hardship if they want to prove that, or the landlord can do what the minister says: sit down with the tenant and reduce their rent anyway, even though they are not suffering any financial hardship.

We are already starting to see, within these few minutes, that this is well-intentioned legislation but because it has been put together in a hurry and it is one size fits all, people are going to suffer. Who is going to suffer? As I said earlier, those mum-and-dad investors are going to suffer. In his second reading speech, the minister makes a point that those mum-and-dad investors are getting a bit of an out because they will be exempt from having to perform ordinary repairs and maintenance during this period. They will still be obliged for what we consider to be urgent or emergency repairs, so if there is a crack in a pipe, they will have to repair it. But is exempting landlords from performing ordinary repairs really a benefit, or is it for them to just kick the can down the road? I know that there are plenty of landlords in this place, on both sides of the house. A good landlord knows that they maintain their property so it can maintain its value, and if they do not maintain their property, they will have a diminishing asset. Yes, the landlord might be exempted from the legal obligation to maintain the property, but to actually maintain the value of their asset, especially in these difficult times, they are caught between a rock and a hard place because that maintenance has to be done and it has to be done one day. The longer it is put off, the more expensive the job will be. The clause is of benefit, but it is not much of a benefit.

The real estate institute has again pointed out something really simple to the government. Even though the landlord does not have an obligation to perform those non-urgent repairs, the tenant must still maintain their obligation to notify the landlord of any repairs that are needed, so the landlord can then decide whether to do the repairs. I have not had enough time to look at the bill and compare it with what is in the Residential Tenancies Act or the Residential Parks (Long-stay Tenants) Act, but I would imagine, just on my first reading, that that obligation on the tenant to inform the landlord of non-urgent repairs would continue to run and is not altered by this legislation that we are introducing today, but I would like confirmation from the minister in his summing up. That would be good to at least give landlords clarity in that regard. Even though they are exempted from doing it, some landlords, as I have said, would want to do it. Most landlords would want to do the repairs so it saves their asset from disrepair. It makes perfectly good sense.

As I understand it—the minister will correct me if I am wrong—a dispute resolution process is already utilised through the Commissioner for Consumer Protection in which landlords and tenants can seek dispute resolution. It is not mandatory, and it is used for many other aspects as well. That process is now being made mandatory. I have to say that I am expressing a personal opinion on this one. I think that that is a good thing. Rather than clog up our Magistrates Court with residential tenancy disputes, or the State Administrative Tribunal in relation to residential parks disputes, perhaps that can be considered after we leave this extraordinary period as something that we can introduce on a more permanent basis. But it will require additional resources for the Commissioner for Consumer Protection to ensure that landlords and tenants who want to avail themselves of the mandatory conciliation process are able to do so in a timely and efficient manner. As I have pointed out in other contexts, in our courts, tribunals and government instrumentalities, including alternative dispute resolution processes that are available such as the one we are talking about through Consumer Protection, there is not a pile of people in those bodies who are sitting

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around waiting for work to be done. They are not sitting there twiddling their thumbs and playing solitaire or whatever it is. Those bodies are already under significant stress. They have existing waiting lists. I am told that it can take two or three months at the moment—the minister could probably clarify—for landlords and tenants to access the non-mandatory dispute resolution process that is available.

**Mr J.R. Quigley:** It takes two to three months to get the whole thing through to eviction.

**Mr P.A. KATSAMBANIS:** It may well be. I will give the minister the opportunity to give us some figures, if he can, during the summing up or perhaps at a later stage, because I know we are in a rush to pass this legislation today, or the government is in a rush to pass this legislation today. But I will give the minister the opportunity to give us that information.

The provisions that we are introducing and the unfortunate financial hardship that has already been suffered by a lot of Western Australians is going to increase the pressure on this dispute resolution process, especially now that it is being made mandatory. What additional resources is the government putting towards this dispute resolution process? What additional resources is the Commissioner for Consumer Protection getting to ensure that these disputes are looked at in a timely manner?

**Mr J.R. Quigley:** Such as is required.

**Mr P.A. KATSAMBANIS:** The Minister for Commerce says, “Such as is required.” I note that the Treasurer is sitting over there; that is a matter for the Treasurer to agree on, too. I will let the minister, in summing up perhaps, give us an indication of where he thinks these additional resources are going to come from and from which area in Consumer Protection are these people going to be taken out of. What other area will suffer as a result of moving resources from one area to another to deal with additional dispute resolution requirements under this proposed section? I would have thought that if the government wanted to make this work, it would have put some new resources behind the dispute resolution process to make sure that it does. If the minister tells me that there will be additional resources, I am sure that the people with the calculators, abacuses and square rulers in Treasury will be listening carefully. I listen to a lot of what the Premier and the Treasurer say about what might be coming around the corner for income and expenditure from a government point of view. The minister should be careful what he says about that. He says the resources will be found. If resources are sitting underutilised at the moment, there are questions to be asked, but I do not think that there are. I think all the people working in consumer protection are working hard at the moment. What will we do? Will we ask them to do more? Will we ask them to work 16 hours a day rather than eight hours a day? Will we put more resources behind this area? That is another matter that needs to be examined; where will those resources come from? If they are going to be borrowed from somewhere else, that area will suffer, so what area will that be? Which area in consumer protection will be under-resourced in order to further resource this additional dispute resolution process? It is a legitimate question. Again, it is not really a criticism. We are on new ground. But when this is looked at as a package, we have to look at what resources will be needed when new provisions are introduced.

In the short time available to us, that is really all I can say about the provisions of the bill. The bill is well intentioned, but it has clear gaps. The protections being brought in to protect vulnerable people who are suffering genuine financial hardship are one-size-fits-all protections without a caveat for there to be some requirement that, if asked, tenants who seek protection under this legislation can at least prove genuine financial hardship and their vulnerability. I think that could have been added with very little additional burden. As I pointed out, it need not be something that a tenant needs to prove at the outset, but perhaps it is something that the landlord can request if they want to do so. We will be giving tenants some extraordinary protections. At the heart of it, someone could not pay rent for six months with no consequences. During this six-month period, they can walk away from a lease with the only consequence being that they are liable for 21 days of rent after they the day they decide to walk away. Those are two absolutely extraordinary protections for tenants. They are necessary protections for people who need to use this legislation, but there is a window for abuse that should be closed and can still be closed, if the government is minded to do it.

The overarching question is: what will happen at the end of six months? As the Premier has continually pointed out—he pointed it out in question time again today—there is no rent holiday in this bill. Rent is still due and payable for residential tenants as per their existing arrangements. I did not cover this in my discussion on the bill, but there will be no rental increases for six months. That makes sense. Everyone has to bear a burden, and we understand that. I do not think any landlord is saying that they have been denied the opportunity to jack up rent. Landlords are not like that. The minister might be a landlord, for all I know. People are not like that—especially at this difficult time. It is a good prohibition in case the odd one is out there who might want to take advantage. Landlords will not be able to jack up rents for six months. No-one is going to complain about that. Landlords will be hoping that they will get their rent.

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What will happen at the end of this six months? A group of people will have accumulated up to six months of rental arrears.

**Mr J.R. Quigley:** That's stupid!

**Mr P.A. KATSAMBANIS:** The minister says that it is stupid.

**Mr J.R. Quigley:** Well, they have to negotiate.

**Mr P.A. KATSAMBANIS:** If a couple has lost their employment —

**Mr J.R. Quigley:** They negotiate.

**Mr P.A. KATSAMBANIS:** They might have to negotiate. They might walk away from the tenancy and get a different tenancy. That is all fair and good, but the provisions of this bill allow for people to accumulate up to six months of rental arrears. That might be total arrears or partial arrears. A landlord might say that the tenant owes them \$1 000 a month, but they can afford to pay only \$500 a month for the next six months, so it is fine if they pay that, but the tenant will have to catch it up later. The landlord might say that they have obligations to pay mortgages, or that they are a self-funded retiree and they need the money and will probably have to borrow it or put it on their credit card. There is a cascading effect, which we all suffer from—the lack of circulation of funds in the economy. It is exactly the same for residential properties. At the end of the six months, there will be a group of tenants who will owe rent in arrears. They may still not be in a position to pay that money. As much goodwill and desire as they have to pay that money, they may not have it, or they may not be able to pay it back in a time deemed satisfactory by the landlord. I will use a hypothetical figure. They may owe \$3 000 in rent and ask to pay it over 18 months, as well as paying their ongoing rent obligations. As much goodwill as the landlord might have, they might have other people knocking on the door, such as a bank, or they might have to pay a credit card bill.

What will happen then? Are we setting up tenants for failure? Are we setting up a system that will simply end up creating further hardship at the end of six months for both landlords and tenants? I do not think the government has satisfactorily answered that question. It is not a criticism. Again, we raise this issue genuinely. I do not think the national cabinet has turned its mind to that. We are all hoping that we will be back to situation normal in six months, but today we heard the Premier saying that the borders will be locked down for a long time. He did not specify the time, but he made it clear that people should not think that border restrictions will be lifted anytime soon. That will impact on trade, commerce, business and employment. We know that it will impact tourism and education, which are two big drivers of the economy that rely on people coming in and going out. A lot of people will be suffering for a long time. What will happen then?

I ask the national cabinet, through the minister and the Premier: What will happen then? Will there be any relief for the tenants who owe that money and the landlords who are owed that money? At the end of the day, what will the remedy be? The landlord will go to the Magistrates Court and get a judgement against the tenant for unpaid rent. Through no fault of their own, the poor tenant could not pay rent because the economy had been shut down. They could not pay the rent, the bill was accruing and at the end of the six-month period they still could not afford to pay the rent. They will have this judgement against them, and on the part of the landlord, perhaps a pyrrhic judgement. If people have no means, what will the landlord execute the judgement against? Nothing? The landlord will miss out on the money and the tenant will get a big black mark against their credit history, tenancy history and the like.

**Mr J.R. Quigley** interjected.

**Mr P.A. KATSAMBANIS:** Perhaps, but they may have already sold the car or the boat. They may not currently have a car. We are talking about vulnerable people here. Are we setting up vulnerable people to fail?

**Mr J.R. Quigley** interjected.

**Mr P.A. KATSAMBANIS:** I will move on.

I have posed that, and the government has not provided an answer and the national cabinet has not provided an answer, but I think it is a legitimate question to ask. What is going to happen? The best we can hope for is that the government says, "We will genuinely look at this when the time comes." I am posing this in all goodwill, openness and honesty. I am not trying to score a political point or anything like that.

The other issue that no-one has turned their mind to at all, unfortunately, and again in question time the Premier essentially shrugged his shoulders and said, "We'll look at it, but don't hold your breath", is: What do we do for those people we are asking to shoulder the burden of the moratorium on evictions and the associated defraying of rent for a time? What are we doing for those people, the mum-and-dad property investors, who either negatively geared or are relying on property for their income? They will still be liable for land tax, council rates and charges, and they will still be liable to pay their mortgage with interest accruing on it. Even if they come to an arrangement with their bank, interest will be accruing on their mortgage. What compensation are we offering those people? It

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is incumbent on this government to, at the very least, give these people a break on land tax during the period that they are being acquiescent to their tenants. Again, it should not be a one-size-fits-all approach. If a landlord, residential or otherwise, has a tenant who is continuing to pay them, they must continue to pay their obligations such as land tax, water rates, council rates and the like, and all other charges on the property and the mortgage, if they have a mortgage. They should not take advantage of the situation. But if they are one of the many landlords, the self-funded retirees, the mum-and-dad property investors who might have one or possibly two properties, where is their break in this? They are being asked to be acquiescent. They are being asked to help their tenants, but then they have the big bad ogre of government at all levels knocking on their door saying, "Hey, give us our obligations." At the very least, the government should defray land tax for this period—it is as simple as that—for both residential and commercial properties, on a proof basis, if needs be. If someone has a written agreement with their tenant, tick—they get a holiday. If their tenant is not paying rent, they should be able to show the proof, with a letter from the property manager or whatever, and then they should get a holiday from paying their obligations. If a landlord is continuing to accrue rent in the normal way and they are not being affected by this, there is no need to be given any extra benefit.

There will be a lot of hardship out there, particularly for self-funded retirees. Self-funded retirees are jammed in this. Because of the asset value of their property, many of them are completely outside the social security system. They do not qualify for the age pension. If they do, they qualify for a very reduced amount, not on their income, but on their asset value, because it is a dual test. There is an asset test and an income test for the commonwealth age pension, and generally for all commonwealth benefits. Basically, they get the lower, not the greater amount. If a person is entitled to more under the asset test and less under the income test, they get the less. If it is the flip side, they still get the lesser amount. These people will be caught between a rock and a hard place. They want to do the right thing by their tenant. They know what is going on; they see the suffering going on out there. But in many cases this is the difference between them putting food on the table and not putting food on the table. Where is the thought for these people?

**Mr J.R. Quigley:** There are many tenants who won't be able to put food on the table.

**Mr P.A. KATSAMBANIS:** You know what? That is a good point. There could be many properties out there in which neither the tenant nor the landlord can put food on the table.

**Mr J.R. Quigley:** It's because of coronavirus.

**Mr P.A. KATSAMBANIS:** The tenant will at least qualify for JobSeeker or JobKeeper but the self-funded retiree will qualify for nothing. They are the people being asked to face the burden of this with no assistance whatsoever.

**Mr J.R. Quigley:** We all are.

**Mr P.A. KATSAMBANIS:** Minister, with respect, you and I one day might end up being retirees, willingly or unwillingly, but we are not retired now. We are not "we all are".

**Mr J.R. Quigley** interjected.

**Mr P.A. KATSAMBANIS:** You and I are working and earning an income. You go tell that to a retired couple out in any suburb, whether it is in Butler, Banksia Grove, Hillarys, Sorrento or Halls Head. You go tell that to a retired couple who own a property —

**Mr J.R. Quigley:** All assets have gone down in value. Your assets have gone down and the Speaker's has. We have all gone down. It's the new world.

**Mr P.A. KATSAMBANIS:** They might have. The minister will go doorknocking in his seat in Two Rocks or Yanchep, and when they say to him, "Mr Quigley, I'm a self-funded retiree" —

**The SPEAKER:** Call the member by his proper title.

**Mr P.A. KATSAMBANIS:** They will say, "Member for Butler; Minister for Commerce; Attorney General, I am a self-funded retiree, I own a property", or two properties, maybe, because that is how people structured their lives. They understand property and they worry. The minister pointed out that share markets are going down and everyone is taking a hit. A lot of people, especially people perhaps from a non-English speaking background, have a lot more assets in property, and they feel more secure in investing in property than in the stock market. They will say, "I've got a couple of properties, and my tenants aren't paying me rent. I can't get anything from the commonwealth government because I don't meet the assets test." The minister will say, "We're all suffering!" No, we are not all suffering. We all might be suffering, but the level of suffering is completely different for those people. I am asking this government to think about those people. Do not give them glib platitudes.

**The SPEAKER:** Member, you do not have to shout.

**Mr P.A. KATSAMBANIS:** I am passionate about it.



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**The SPEAKER:** I know you are passionate, member, but it gets the whole chamber vibrating.

**Mr P.A. KATSAMBANIS:** It is interesting, is it not, Mr Speaker, without all the additional people in the chamber. We probably use our voice exactly the same, but it just sounds very different.

**The SPEAKER:** No.

**Mr P.A. KATSAMBANIS:** It is incumbent on this government that when it is asking a group of people to disproportionately endure a burden in this difficult period, to give them some relief. It is in the government's hands to look at those fixed charges by talking to local government, which is a creation of this place and a creation of the state government, and asking it to give this group of people relief from paying council rates and charges. It is incumbent on this government to give them land tax relief; it really is. The government cannot walk away. It is introducing legislation that penalises people through no fault of their own, to protect another group of people who deserve protection. I put it to the minister that they are equally deserving of protection. They will get different types of protection, if the government sees fit, but they deserve some level of protection and the government ought to give it to them.

We do not oppose this legislation. This is a decision of national cabinet; this is bipartisan. This bill introduces principles that the national cabinet agreed on in late March, which essentially protects vulnerable people from being evicted from their premises because of the economic impacts of our response to a global pandemic. It is laudable to protect those people.

We want to protect those people and we will protect those people, and I know the government feels the same way. We are protecting them by a moratorium on evictions, we are protecting them with a prohibition on rent increases and we are protecting them by giving them an opportunity to walk away from the lease if things are too tough for them and to make different arrangements without undue penalty except 21 days of rent. We are doing that, and we are asking landlords to shoulder the blame. Some of them will be able to afford it, and I do not cry for any of those people who can afford it. I am concerned about those people who are going to do it tough—the mum-and-dad property investor, the self-funded retiree and the partially self-funded retiree. All of those people who are working hard to make life better for themselves will be harmed by legislative fiat today. Protect the vulnerable. We want to protect the vulnerable, and we will. This legislation will pass and those protections will be available to them. People on this side of the house will cheer that. What we are asking, and what I think is the fair and reasonable thing to do in this circumstance, is for the government to consider the people it is asking to shoulder the burden and provide them with this protection. It is not government providing this protection; ultimately, it is landlords. The government should be fair and reasonable. The vast majority of landlords and tenants are fair and reasonable.

In closing, another point I want to make is to reiterate what the Premier has said continually: do not game this. If someone out there has the capacity to pay, they should please pay. They have signed up to this obligation; they signed a legal tenancy agreement of one form or another to pay, so if they have the capacity to pay, they should please continue to pay. They should not take advantage of the system. For those who cannot pay, we are here to protect them. We are protecting them through this legislation. We are creating a new group of people who are going to suffer as a result of these changes and, unfortunately, the government is saying to those people, "You're on your own", and I do not think that is good enough.

**MR P.J. RUNDLE (Roe)** [2.22 pm]: Mr Speaker, I will try not to shout!

**The SPEAKER:** I was taking my earmuffs off!

**Mr P.J. RUNDLE:** I rise on behalf the Nationals WA to support this Residential Tenancies (COVID-19 Response) Bill 2020 in these testing times. I know its intent is to alleviate more financial hardship on already compromised people who have suffered a loss of income in these testing times due to COVID-19. Our support acknowledges the intent of the bill to ensure that members of the community at large are able to stay safe in their accommodation while the pandemic is at the emergency stage. We certainly support the bill, which specifies that landlords and tenants will need to negotiate agreements in a fair and open way.

The problem with and the weaknesses of this bill are that there are no eligibility criteria. I think the member for Hillarys spoke about it to some extent. In the commercial tenancy bill that we will discuss later on today, there is the scenario of the tenant and the landlord, but the eligibility criteria are really about the JobKeeper package. Companies or small businesses with a turnover of up to \$50 million can apply for their employees to have the JobKeeper payment scenario take place, and that therefore makes those companies or small businesses eligible. This bill before us has no eligibility criteria. This has also been identified by the Real Estate Institute of Western Australia as a shortfall. There is nothing to measure against, so if the tenant turns up at the landlord's and says he is doing it tough, the landlord has nothing to compare that with. He cannot evict the tenant for at least six months, and the questions are: Where is the financial hardship? Where is the demonstration of financial hardship in this case? That is the one big item in this bill that is quite a worry for me. It is a concern for our landlords, because, in a way, tenants

**Extract from Hansard**

[ASSEMBLY — Thursday, 16 April 2020]

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do not really need to justify themselves. They can just turn up and say they are doing it tough. We all understand that many will be doing it tough in these times, but there is nothing for the landlord to measure against, and to me that is the weakness of the bill.

We obviously support the intent of the bill. We understand the difficult times now and the difficult times that are ahead. We also understand that the bill will not create a moratorium on rent, but a moratorium on evictions. I think the intent of that is right. I think it could be interpreted that the bill is heavily in favour of tenants and does not have enough regard for landlords. The Minister for Commerce said in his second reading speech —

The government also wants to make clear to tenants that if there is any evidence of widespread abuse of the moratorium on evictions, if tenants who are not experiencing COVID-19 financial hardship simply stop paying their rent, or landlords and tenants fail to engage in good-faith bargaining, this government will not hesitate to bring in further legislation before the Parliament ...

My question to the minister is: Why is that not being included in the bill at this moment? Why not do it now?

**Mr J.R. Quigley:** Can I address that in my reply to the second reading debate instead of in the middle of your second reading contribution?

**Mr P.J. RUNDLE:** Yes, that is fine, minister.

We are talking about a six-month period here. We are talking about a scenario in which we are not too sure how many times Parliament will return. Federal Parliament is talking about not coming back until August. The minister said that if this does not work out, the government will bring in the legislation needed in the next period of Parliament and so forth. It is a real concern to me that we could run out of this six-month emergency period before we have the opportunity to bring in more legislation. That is a real concern for me that arose out of the minister's second reading speech. I look forward to the minister's reply. I have quite a few questions for the minister and his advisers that I would like addressed, because, as the member for Hillarys pointed out, once again we received our draft bill and explanatory memorandum 20 minutes before our briefing yesterday. That just does not give us a genuine opportunity to consult all sectors of the industry and people from both sides of the argument. I know these are trying times. I know the state government has to bring in this legislation in line with what the national cabinet is bringing in, so I understand the time constraints that it is under. I guess we are all in this together. We understand the principles that the national cabinet has brought in in good faith; that is, we need to all negotiate in good faith. Tenants and landlords need to negotiate in good faith. The Prime Minister spoke about negotiating in good faith under the federal code. Another question I have for the minister is: will there be a state code? Does the minister intend to bring that in sometime in the next month in support of this legislation? I have certainly heard nothing about a mandatory code except from the national cabinet. It will be interesting see whether we get a state code.

We need to take into account that around 80 per cent of residential property landlords have only one property apart from their primary residence. As mentioned before by the member for Hillarys, a lot of these people are pensioners, mums and dads and self-funded retirees who are on low incomes and heavily reliant on income from their tenant. I cannot help but think that this legislation is lopsided in favour of the tenant. I wonder whether there will be a land tax relief package. I look forward to the government announcing some sort of land tax relief package; we have seen absolutely no sign of it. When the Premier spoke today, he seemed to put a bit of a damper on it. He did not give any indication that something was coming in this area. Towards the end of my contribution I will speak about what some of the other states have done with their packages. This is vital so that landlords can pass on that land tax relief to their tenants. As we know, many of these pensioners, mums and dads, self-funded retirees and the like still have to pay council rates and water rates. They have no exclusion from making those payments and are reliant on the income from their tenant. A tenant might say, "I'm suffering from financial hardship; sorry about that." The landlord then tries to negotiate in good faith but what does he have to measure against the tenant's claim? He has to take their word for it, whereas in the commercial tenancy legislation coming up for debate later today the tenant's eligibility for the JobKeeper payment can be put into the mix and used as a measure of hardship. I worry about the 21-day provision under which a tenant can walk away from their agreement. I fully understand that we need to protect our tenants in these hard times, but the more I read the bill in the short time that I have had to read it, the more concerns I have for landlords.

I like the inclusion of the termination provisions that favour the landlord. For example, when a tenant damages the property beyond what is normally acceptable under section 73 of the Residential Tenancies Act, their agreement can be terminated. As the minister mentioned in his second reading speech, if a member of an interstate family has lost their job and the family needs to return to their primary residence, they can come back into their residence; that is well understood. In the case of family violence, obviously it is very important to be able to terminate the agreement. What happens when the home is sold could probably do with some more clarity.

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I want to talk about a couple of other scenarios. When a landlord is less willing to negotiate, they probably need to be reminded that the chance of renting out their property in these times will certainly be more difficult, and that needs to be taken into account. Clear guidelines are also needed to prevent people from taking advantage of the situation—that goes for both landlords and tenants—for instance, when a landlord suggests that their tenant might like to dip into their superannuation to pay their rent. That sort of thing is not acceptable. The burden of rent restrictions rests solely on the landlord. As I said, most of the other states have announced a financial package that will help them, and I will talk about those packages. However, I have quite a few more questions that I would like to lay out for the minister, and I look forward to the minister's response to some of them.

My first question is: what happens with rental inspections or the need for urgent repairs if the tenant is self-isolating or afflicted with COVID-19? At the moment, the bill deals with normal repairs. How will we get around this if urgent repairs are required but the tenant is self-isolating? I find it quite interesting that many insurance companies at the moment offer landlord insurance policies that insure for rent default. I have not heard too much mentioned about this and it is unclear to me how this insurance scenario will play out under an emergency declaration. Has the government given the insurance sector any direction on this? Do landlord insurance policies that normally cover a lack of rent apply under the current state of emergency? Another scenario that is playing out is that many of these insurance companies are now not taking on landlords.

The other real weakness in this bill is around disputes and mediation. The section on this in the explanatory memorandum is quite lengthy. As I said earlier, there is no requirement for the tenant to show proof of a loss of income, so how does the landlord know that the tenant is being completely honest? Can the landlord or the tenant alone demand that a dispute goes to conciliation or does it have to be an agreed next step in the negotiations? How will that play out? What happens if the landlord knows that the tenant who originally signed the lease has since been married and the party not on the lease is earning an income? For example, I might take out the lease and then get married. My wife has an income but her name is not on the lease and the landlord is not necessarily aware of this situation. What is the perceived time line for conciliation and what happens to rent in arrears during this process? Is this part of the conciliation process? They are some of the questions that I have about disputes and conciliations.

Another aspect is time limits. It gets difficult when we talk about a six-month state of emergency period, which we all hope is not extended, and a sunset clause in the legislation that will not come into play until 12 months after the end of the emergency period. I am concerned about how long the dispute and conciliation process will take. If two parties are unable to agree on the rent for, say, three months after the end of the emergency period, how will that work out?

[Member's time extended.]

**Mr P.J. RUNDLE:** How long will that go on for, because I can see a scenario in which a tenant might just say, "I'm moving on" and the amount of rent that the landlord chases up might not cover their expenses and the like? As we know, the conciliation process is about mediation and negotiation. Minister, another aspect that I am concerned about is what extra resources will be put into the process. Clause 60(1)(b) refers to public service officers who will be brought into the mix to conduct conciliation under the act. My question is: what mediation and negotiations skills will they have? I would have thought that mediation and conciliation are an art that is acquired over time. We just cannot reel in people from the Department of Mines, Industry Regulation and Safety and say, "We need another 10 officers to do mediation—you'll do." What resources will the minister put in place over the next six months to help out?

I have a question about clause 53(4), which reads —

A conciliation proceeding may be commenced with or without the consent of the parties to the conciliation proceeding.

A conciliation proceeding can commence with or without the consent of both parties.

**Mr J.R. Quigley:** The tenant might want to do it.

**Mr P.J. RUNDLE:** I find it a slightly confusing clause. I will bring that up again during consideration in detail. I take from the minister's response that conciliation can proceed with or without the consent of one or both parties..

Another issue is the costs to either or both of the parties. How will that play out in the way of rental disputes? No doubt, we have the commissioner, but then we go onto the next phase and if the commissioner cannot sort it out, who will be liable for the costs? Will it be the tenant or the landlord? If, after coming together, they cannot sort it out with the commissioner, who will be liable for the costs if it goes to the Magistrates Court and so forth?

**Mr J.R. Quigley:** It will be at the magistrate's discretion.

**Mr P.J. RUNDLE:** Okay.

**Mr J.R. Quigley:** Depending upon the conduct of the parties.

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**Mr P.J. RUNDLE:** There are a lot of unknowns here on which we would like some clarity.

I go back to the financial support given by other state governments. This is where there has been disappointment with this state government. There has been absolutely no indication of any relief whatsoever in a financial sense to help with residential and commercial tenancies. The New South Wales government has provided a \$440 million package for land tax relief and rental assistance for renters facing hardship. The Queensland government has brought in a \$400 million package that, as a last resort, will provide up to \$2 000 to renters while they await federal government support. It also provides a three-month land tax rebate. The Victorian government has provided a \$500 million package for rent relief and mediation support. Where is our state government? It is time for the state government to step up to the plate. I understand that part of its response is the legislation that we are discussing now in this very short time frame, but it is very important that the land tax relief package and the rental assistance package come through, and I am certainly calling on the government to bring that in as part of the mix. Landlords, real estate companies, tenancy advocates, the Real Estate Institute of Western Australia and the like are all calling on the government to provide more clarity about this bill. The member for Hillarys spoke about it. We lack time and clarity. We understand that the government is under pressure and that the time frame is short, but it is really important to have the best outcome for both landlords and tenants.

In conclusion, my questions are: Where is the support package? Where is the state code? Will there be a state code or will we just rely on the federal code, which is great in its intent but lacking in detail? What are the implications for tenants in state and community housing? How will it play out if a state housing tenant says, "Sorry—financial hardship. I won't be paying any rent"? Will the state government just accept that? What about the community housing sector, which operates on an almost not-for-profit basis? How will it play out in that respect? My final question is: what will happen after six months and after the emergency period —

**Mr J.R. Quigley:** Wouldn't we all like to know.

**Mr P.J. RUNDLE:** We would all love to know. We all hope that that is the end of the emergency period. We all agree with the Prime Minister that we would love to see the end of it. We would all love to see our kids go back to school as soon as possible. We want to see our farmers put in their crops over the next couple of months. We all want to see everything go back to normal. I would love the minister to answer my questions about the support packages and the state code and where the government sees us at the end of the six months.

**MR W.R. MARMION (Nedlands — Deputy Leader of the Opposition)** [2.47 pm]: I rise to make a brief contribution to the debate on the Residential Tenancies (COVID-19 Response) Bill 2020. Most of the comments that I was going to make have been adequately put forward to Parliament by the member for Hillarys and some have been built on by the member for Roe.

I start by saying that a bill involving something as complex as residential tenancies usually takes some years of consultation and, once that is done—I know from experience—it normally takes another six months to draft. There is always a balancing act with the rights of the tenants and the rights of the landlord, and we have to get that balance right. To come up with a 51-page bill in such a short time is a credit to those who drafted it. My quick reading of the bill suggests that it certainly covers one aspect of concern—that is, the rights of tenants not to be evicted. The bill more than adequately covers the rights of tenants in that respect. The member for Roe asked some questions that require further exploration. He suggested that perhaps it has gone a bit too far the way of tenants and that tenants might qualify for a rent-free holiday. The minister will say that that is covered and that there should be negotiation, conciliation and agreement, but it might take many months to do that and, in the meantime, the landlord may not be getting any rent.

I just want to highlight one aspect of the bill and its impact on self-funded retirees. By far the most concern that has been expressed in my electorate, in terms of the emails I have been getting in the last week, has been from self-funded retirees who rely, some entirely, on their rental income. Indeed, a lot of these self-funded retirees are very proud individuals who have never gone to Centrelink in their lives. They probably would not know where to go—where Centrelink offices are—or how to fill in the forms. As the member for Hillarys pointed out, many would not qualify for relief in terms of the pension. What other recourse do they have? Someone might say that they could sell one of their properties, but as everyone knows, it takes time to sell properties: the property has to be advertised; there might not be anyone who wants to buy it or it might take many months, if they are lucky, for someone to buy it; and then, when someone does put in an offer, they might want a three or four-month settlement period. That provides no immediate recourse to get any income. What other solutions do they have? They could go to the bank and get an extension on their mortgage, if they have one. A lot of self-funded retirees do not have mortgages.

**Mr P.A. Katsambanis:** They would not qualify.

**Mr W.R. MARMION:** That is right. They might ask for a short-term bank loan. If the bank were generous, it might give them a loan. That is another way to get some money. Self-funded retirees in their 70s or 80s are often of the frame of mind that they have never wanted to be dependent on anything in their lives. That mental state makes

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it difficult for them to go to a bank in that situation. Another recourse could be to rely on family. They might be lucky; they might have looked after their kids on their way through life and their kids might be able to give them a helping hand, as they should, during that six-month period of need. However, they may not have any family. One person rang me and said that he might be looking for a food parcel because he does not have any cash flow. These people have paid tax all of their lives and some are still paying tax. Just because a person is a self-funded retiree does not mean that they are not paying tax. They are still paying tax, but they may not have any income if they are relying entirely on their rental income. The only income that at least one constituent of mine has is from their three rental properties. That person was so proud that they did not want me to mention their name even to my research officer, so I have had to deal with that issue personally. They are very concerned about how they might get on. This is mainly because the media said that there could be a six-month rent relief period during which people would not have to pay any rent at all. I am sure the minister will explain when he gets up that that is not the case, but it may be the case. I want to read out some comments from a constituent that identifies their concerns. It typifies the general concerns I have been getting in my electorate. I will read this into *Hansard*. This is a comment from a constituent who one could argue might be asset rich but cash poor, or who will end up being cash poor in this situation. This is what they are saying, and I quote —

Our livelihood depends on rental income.

We rely on rental income not only to pay the significant rates and charges for the property but also to provide our day to day requirements.

We have been contributing to this country by way of taxes and charges for a life time, yet there is still no assistance for us.

The dual announcement by the Prime Minister of a six month moratorium on evictions coupled by the statement “If you are a tenant speak to your landlord” has meant our few tenants have asked for a complete rental holiday for the 6 month period and if we do not comply, indicate that as they cannot be evicted, so do not have to pay any rents for the period.

Further, there is no requirement for the tenant to prove they are in need anyway.

That point was made by the member for Roe. They continue —

(Unlike businesses that have to show their turnover have fallen by a certain percentage to receive the latest job keeper allowance).

Those comments are from one of my constituents whom I spoke to who is genuinely concerned. This particular landlord does have other income from shares. However, they have another concern about the income from those blue-chip bank shares, as there has been an announcement that banks should perhaps not give generous dividends this year. That is another concern for this constituent. I know the minister and the government are under pressure to get out some sort of relief package, but I want to put on the record that self-funded retirees in my electorate are still paying land tax and council and water rates. Some may possibly have a mortgage; I am not aware of any who have a mortgage, but they still have to pay rates. They need an income to live. They need to buy food. I know that there was perhaps not meant to be anything in this bill for them, but one could argue that the government needs to look at self-funded retirees, and particularly those whose primary income source is rental income, either commercial or residential, and the sort of relief that they could be given. The member for Roe made the point that their only relief in this bill is with maintenance costs, and that is not really of great help because it will not provide them with cash flow. Indeed, they may not have the cash to do any maintenance anyway. The government needs to look at other things it can do to help self-funded retirees. The point made by both the member for Hillarys and member for Roe is that the government should look at land tax, as that would be one way to provide a benefit. If a person's income from their property has reduced to zero, they will have no income to pay land tax and council and water rates. The answer is that they might get that income back in six months' time, but as the member for Roe and the member for Hillarys pointed out, that might not be the case. Let us assume it is only a six-month period. After that time, a tenant might owe a certain amount of rent, as the minister pointed out. The landlord could then go to the State Administrative Tribunal or to court to get the magistrate to give them an order for the tenant to pay the rent, but the tenant might still not have the money to pay the rent. The tenant might go bankrupt, so the landlord might never get that rent anyway. I want to put on the record that many of my constituents who are self-funded retirees are genuinely concerned. Some sort of announcement needs to be made about what help they could get to get through the next six-month period.

**MR S.K. L'ESTRANGE (Churchlands)** [2.58 pm]: I will open by thanking the member for Cottesloe for allowing me to speak now on the Residential Tenancies (COVID-19 Response) Bill 2020 so that I can get away to some other very important business. This is a serious matter. This bill is obviously designed to support people who are going through financial hardship and who are renting residential properties in Western Australia. All of us in this

**Extract from Hansard**

[ASSEMBLY — Thursday, 16 April 2020]

p2233b-2273a

Mr John Quigley; Mr Peter Katsambanis; Mr Peter Rundle; Mr Bill Marmion; Mr Sean L'Estrange; Dr David Honey; Dr Mike Nahan; Mrs Liza Harvey; Mr Tony Krsticevic; Mr Zak Kirkup

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chamber are well aware of the need to make sure that nobody is evicted from their home due to financial hardship at this very difficult time. However, the opposition is making some very valid points. We heard some very valid points from our lead speaker, the member for Hillarys, about the opposition's concerns with how the second and third-order consequences of this bill could impact on other households in Western Australia, and particularly those who may own and rent out a second property as a basis of their income. Some people may hold a property as an asset and have the full value of that property sitting as debt on their books, and the rent may help to pay the mortgage on that property. When they first purchased that property, those people would have been hoping for a financial gain, but as you know, Mr Speaker, there has been very little movement or growth in property prices over the last five to eight years. We have a large number of very small investors who have rental properties and who are doing it quite tough. They may be paying off the mortgage on that property or just making interest-only repayments while the property itself is not increasing in value. Therefore, we need to understand that it is sometimes more than just the renters, in this environment, who could be doing it quite tough under the COVID-19 economic crisis that we are all confronting.

First, I want to focus on one aspect of the Residential Tenancies (COVID-19 Response) Bill 2020. In the fifth paragraph of the second reading speech, the minister highlighted that —

The primary legislative response of the National Cabinet is to impose a short-term moratorium on evictions to be applied across residential tenancies impacted by severe rental distress due to COVID-19.

The question that I ask is: how are we as a state classifying what “severe rental distress” is? Are we actually distinguishing how much financial distress one renter from another is under? That question could be borne out through consideration in detail. It is a significantly important point, because if we do not have criteria for what is financial hardship under this bill, it leaves it open to a very small group in the community, I would hope, who might take advantage of it when it is not there for that purpose.

The second point I would like to make is: why is the landlord carrying what I call the “rent loan burden”? If the tenant cannot pay, the landlord must carry the burden for that period. That is a situation in which the state could better support the renter and the landlord if they need support.

**Mr J.R. Quigley:** In a voluntary sense?

**Mr S.K. L'ESTRANGE:** It could be, yes—in a grant sort of sense that could be repaid; I will come to that in a moment, minister.

I think more could be done there, particularly if the landlord cannot afford the dispute resolution or civil proceedings process. In the explanatory memorandum, the minister talked about how the conciliation process would act as a buffer and filter between complainants and the Magistrates Court and the State Administrative Tribunal, protecting the Magistrates Court and SAT from being overwhelmed by dispute applications. But it is quite a lengthy process. If the landlord is not satisfied at the end of that process, they can participate in civil proceedings, but as I articulated earlier, some landlords may not be able to afford civil proceedings and may simply have to wear the loss and do the best they can. That is a point worth reflecting on.

With regard to the minister's question just then about how the state might better support the renter and landlord in a situation in which financial hardship exists, I will give some examples. Some research that I did found that in New South Wales, the tenant must show that they are in rental arrears because they have lost 25 per cent or more of their income due to the coronavirus—it has stipulated that it must be 25 per cent or more. The minister will correct me if I am wrong, but I could not find anywhere in his bill any requirement for the person to stipulate what type of stress they are under.

**Mr J.R. Quigley:** Do you want me to explain that?

**Mr S.K. L'ESTRANGE:** Yes, sure.

**Mr J.R. Quigley:** Because it might be the wife who's still got an income, or it might be the wife whose income is lost and the person who is on the lease has still got a full income. And so it might be that the spouse who is working for the public service, or wherever, has lost her income, but the family income has come under the pump.

**Mr S.K. L'ESTRANGE:** I suppose the minister could look at the New South Wales example, and if he thinks there is risk with what New South Wales has done, he could bring what he just said into the bill to cover that. The minister could say, “If the family income has dropped by 25 per cent”, or whatever he decides would be the prerequisite amount. I am just saying that the other states are doing this.

**Mr J.R. Quigley:** It is also complex, and we're still working through it. For example, what happens if the schools don't go back and that wife's got to stay home?

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**Mr S.K. L'ESTRANGE:** No doubt there are lots of complexities. Minister, I know that the member for Cottesloe wants to speak, so I will just try to move on.

**Mr J.R. Quigley:** Sorry. You make interesting points.

**Mr S.K. L'ESTRANGE:** New South Wales has created criteria for its support to renters in rental distress; I am just asking why the Western Australian government has not. Victoria has created an \$18 million relief package for tenant payments. I have not heard of a relief package for tenants payments from the Western Australian government. Victoria insists that landlords or the managing agents must begin negotiations with a tenant who is struggling to make rental payments when the rent comprises more than 30 per cent of their income. Again, that is one of the criteria of how that assistance will be offered. Victoria also stipulates that people who earn less than \$100 000 per annum and have less than \$5 000 in savings are able to access some of that relief package. That is what Victoria is doing. Queensland is providing \$500 a week in rental relief payments to account for the four-week gap before the increased Centrelink payments begin.

All I am saying is that other states are actually looking to share the burden with the landlord and how they can support tenants to stay in their place. I think that if we are not careful, there could well be—as the minister highlighted, this is complex—some second and third-order consequences. Whilst the government is looking to help the renter, which is admirable and we all understand the need for that —

**Mr J.R. Quigley:** Sometimes there's unintended consequences.

**Mr S.K. L'ESTRANGE:** That is correct—absolutely, there are unintended consequences.

**Mr J.R. Quigley:** That's why the Premier said we won't hesitate to come back in here and help, with your assistance, to fix any of those unintended consequences that arise.

**Mr S.K. L'ESTRANGE:** That is correct, and I read that, but I note that that comment in the explanatory memorandum was made in the context of the dispute resolution. If it looks like people are gaming the system—that is the way I read it—yes, there will be no hesitation from the government to come back. I am actually not talking about those who are gaming the system; I am talking about sharing the burden. I am highlighting to the minister that other states have recognised the need to share the burden so that it is not just the landlord bearing all of what I have termed the rent loan burden, for want of a better term. I think there is an opportunity for the government to look at what these other states are doing, to try to support the rent loan burden that currently will be borne totally by the landlord. The speaker for the shadow Attorney General in this place, the member for Hillarys, highlighted in quite a fair bit of detail some of the technical aspects that he is concerned about with regard to this bill.

I will wrap up. I think there is an opportunity for the government to consider some of the concerns that we have raised in this place, because this is an unusual time and I know this bill has been created under a fair bit of pressure in a very tight time frame.

**Mr J.R. Quigley:** Between last Tuesday week and Monday morning—it took all my weekend!

**Mr S.K. L'ESTRANGE:** There you go. I recognise the time pressure that the government is under and I think it is quite feasible that in this type of time-pressured environment there is an opportunity for some ongoing amendments to be made to bills like this. We need only go to the overarching commonwealth principles, which, of course, deal with commercial tenancies, not residential tenancies—that is, the “National Cabinet Mandatory Code of Conduct for SME Commercial Leasing Principles during COVID-19”. I will finish with two aspects of the overarching principles. The first aspect states —

The objective of the Code is to share, in a proportionate, measured manner, the financial risk and cashflow impact during the COVID-19 period, whilst seeking to appropriately balance the interests of tenants and landlords.

The second point I want to highlight under those overarching principles is —

Any agreed arrangements will take into account the impact of the COVID-19 pandemic on the tenant, with specific regard to its revenue, expenses, and profitability. Such arrangements will be proportionate and appropriate based on the impact of the COVID-19 pandemic plus a reasonable recovery period.

It is with those words “arrangements will be proportionate and appropriate” that I refer back to what I started with: that the government needs to look at the criteria that other states are employing to determine how much need exists. I think there is an opportunity here for the government to have a look at those criteria and that proportionality and to make sure that the needs of both the tenant and the landlord are catered for.

**DR D.J. HONEY (Cottesloe)** [3.09 pm]: We have made it clear on this side that we recognise the need for the Residential Tenancies (COVID-19 Response) Bill 2020. We recognise and support the government's intent in this

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bill. This bill is really about a greater social good, because a greater social good will come out of it. It is an unusual time, and we all know that. We are in a global pandemic, which is having a dramatic economic impact. As most members here anticipate, we have not seen the economic impact yet. We have seen the impact on individuals, but not on the overall economy, and this will go on for some time. Coming back to the personal level, there have been dramatic personal impacts from losses of jobs and income. I do not think anyone in this chamber wants to see people who are in desperate circumstances made homeless. Clearly, that is at the core of this legislation. We do not want to see unscrupulous people take advantage of the current situation to the disadvantage of another person, but that is a two-way street. That theme has been discussed by other members, and I certainly want to consider that.

It is in the best interests of our community that people are not made homeless due to the economic impact of this crisis. I flag at the outset, as has been made clear by other speakers on this side, that I do not oppose the bill. However, I have some concerns about the potential negative impacts that this bill could have on landlords. In essence, this bill will prevent someone from being evicted from their residence for the duration of the declared emergency. We are currently told that that will last until September. I think that anyone who knows the morphology of this disease, in the absence of either a drug treatment or an inoculation, knows that this will go on for some time, particularly during winter and into spring. Maybe we will see an expansion, but maybe not; who knows? That is all in the laps of the gods, so to speak. During that period, except for the most extreme circumstances, it will not be possible to evict a tenant. Tenants include boarders, lodgers, long-term tenants in caravan parks, and renters. The bill prevents someone's occupancy from being terminated at the end of a tenancy agreement. However, we start to see an imbalance here. Any tenant will be able to terminate an agreement with 21 days' notice. As has been pointed out by a number of speakers, the imbalance is quite apparent. That seems like a fair thing to do for someone who is clearly in financial distress and needs to avail themselves of a cheaper rental, , but it is not fair for someone who is in normal work. Let us look at the reality of this. Most people are in their normal jobs and paid their normal pay. That is true for most people. Most people have not been terminated or had their pay cut. A significant number of people have, but it is not the majority of people in the community. But every member of the community who is renting and perhaps does not like the terms of the lease that they agreed to some months ago can terminate it with 21 days' notice. I think there is quite an imbalance there.

The bill will protect tenants from rental increases during the period of the declared emergency. Clearly, it would be highly inappropriate if landlords were to misuse this time to increase rents. I might say, though, that I would be intrigued if that happened. Referring to the next bill that we will consider, the Commercial Tenancies (COVID-19 Response) Bill 2020, there is potentially more concern that some landlords will use this as an opportunity to increase rents. It is very unlikely in the great majority of residential tenancies. My concern, as has been expressed by other members, is that the potential financial imposts from this bill fall disproportionately on landlords, but the benefit is a general community benefit. I think that is a really important point. We are looking at an overall community benefit. We are all pleased that people will not be turned out into the street or not have somewhere to live because they are in financial distress during this crisis. If it is a general community benefit, surely the burden should fall on the general community, and not simply the small subset of the community who chance to be landlords. I understand the government's point that the bill does not empower people to stop paying their rent, but in a large number of cases, that may be the unintended consequence. I am sure that those members who know landlords can tell us stories of tenants coming to them saying that they are not going to pay rent because this bill is coming in—it is a retrospective bill—or they are going to substantially reduce the amount of rent they pay or pay half the rent. They are making an arbitrary statement and challenging the landlord about what he or she will do about it, saying that they had better accept it. That is already happening; it is not just a minor thing. The Premier said that he would wait to see if it happened. It is already happening. People in my electorate have told me those stories.

It is really important to note, as has been mentioned by other speakers, that the residential tenancy market is dominated by smaller investors—if you like, the mum-and-dad investors, who typically negative gear. For the great majority of smaller investors, the last tax advantageous investment that was left to any of them was negative gearing. Many members, especially those on the other side of this house, may know of the great concern—in fact, I think it was an election-changing concern—at the last election when the federal opposition suggested that it was going to change negative gearing laws. During my previous life, before I came into this place, I worked in Alcoa's refineries. Very few managers had investment properties, perhaps because they chose to buy more expensive houses and send their kids to more expensive schools. Overwhelmingly, a significant number of people with investments, particularly negatively geared properties, were the workers in the refinery. That was their way to invest and get ahead prior to retirement. I do not know the typical profile of investors but I suspect that the median income of people who have rental properties with tenants fall well down the ladder in terms of overall income from what people intuitively imagine they are. They are typically people who do not have large personal wealth. In many cases, those people have mortgages over those properties. After talking to the member for Darling Range, for example, I found out that a lot of people in her electorate have a mortgage on their investment property, and they had good jobs prior to this downturn. They felt confident and financially secure. They had a mortgage over their house and they bought an investment property with a mortgage on it.



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Unfortunately, if they have done that in the last four years or so, in many cases they would have negative equity in both properties. They are in a very perilous financial situation. These are not people who have lots of wealth to play with.

A lot of investment properties have negative equity. I was talking to someone I know who has a very moderate income. They bought a property and they had what they thought was reasonable equity in that property. Now it is a rental property, it has negative equity. If they lose the tenant in that property, they will not be able to maintain the mortgage, so they will lose that property and they will owe money. I do not believe that is an atypical case. Many people have these sorts of properties. They are not wealthy people and they do not have financial capacity. In fact, if they were put in a situation of losing the tenant and they lost the property, they would probably lose their own house as well because of their inability to pay the mortgage. I am trying to highlight that we all understand the general community benefit of making sure that people are not put onto the streets, but in this case all the burden is going on the landlords. In my view, those landlords are typically not wealthy people. Typically, they are people who are just trying to get ahead, trying to get by and there should be some mechanism to share that load more fairly. The member for Nedlands and other members have also covered the issue of pensioners. Many retirees, by virtue of having an investment property, do not receive any government benefits whatsoever, neither are they eligible for any recent government benefits. They have only rental income, and again, I have had solicitations from people within my electorate who say they have been approached by tenants who are saying they will dramatically reduce the rent or not pay rent, because however they perceived the message, they heard that they did not have to pay rent for six months. As was pointed out by the member for Nedlands, for many of those individuals, that is the only way they put food on their table. Although these people might be asset rich, they try to provide for themselves with rental income. If they do not have that income, they do not have any income and they will be forced to sell assets, and, as the minister knows, probably at a substantially reduced value, when that was something that they were looking to do later in their retirement.

I understand that under this legislation there will be a dispute resolution process if a landlord or a tenant feels they are being badly dealt with. They will be able to avail themselves of that dispute resolution process through the Commissioner of Consumer Protection. I have a genuine concern that that position not just “may” be, but “will” be completely swamped with disputes. It would reassure me to know that there is some provision for additional resources for that office. We have already heard here, through interjection, that there is perhaps a one or two-month waiting period for ultimate resolution of disputes. I fear that that period for resolution of disputes will greatly exceed the period of this crisis. I am looking to be reassured. I know that the Minister for Commerce is very sincere in wanting this to work, but I am certainly looking for reassurance that that process can work. I resonate with the comment made earlier by the member for Roe on a code of conduct. There is a very urgent need for a code of conduct that will guide that resolution process. I fear that if that is a delayed process, it will be too late for landlords who are also in financial distress, and I think we will discover a large number of landlords in financial distress. Most people are reasonable, but there is a certain subset of tenants who are extremely mobile. They are not tied to an area. It is not like a family that has moved to an area near a school that they love. Those people will pay their rent and there will be some reasonable accommodation on both sides when there is distress, but some people who are extremely mobile do not really care where they live. They just need a roof over their head, and can I say that that is a subset that may be more likely to game this system.

As has been pointed out, there are substantial fixed costs that landlords simply cannot avoid, such as power, particularly the fixed usage charge; service charge for water, but also supply; and, of course, land tax. If a tenant is in financial distress, they may not be able to or willing to pay those charges, and ultimately those charges will come back to the property owner, because the charges will lie with the property owner, so in addition to unpaid rent, the landlord will still be accountable for those charges. Those charges may be deferred, but as things stand, they will not disappear.

We have heard that banks can perhaps defray mortgage payments. This is no trivial thing. I suspect that there is undue optimism about this. Firstly, banks do not have to defer mortgages; banks may choose to defer a mortgage. My understanding is—again, I have had communication about this—that banks are playing quite hardball in this. The banks require a period of someone meeting payments before they will allow them to defer their mortgage. That person might already be struggling to meet their payments. As I said, I suspect a significant number of landlords may have borrowed money for a rental property and they may have missed a payment by just a day or two. I know of one person who missed one payment by just three days and the bank said that they do not qualify for mortgage relief because they are not a reliable payer. I suspect that that is not an isolated case. There is a real cost in deferring mortgage payments. The banks are not saying that they will cancel mortgage payments; the banks will simply defer them. As some members know, I like basic arithmetic. If a \$400-a-week payment is deferred for six months, it adds up to \$5 200, and that can only be paid at the end of a mortgage. That effectively pushes the mortgage out by that much. It adds up to almost \$19 000, which will have to be paid at the end of a mortgage. Simply deferring \$400 a week for six months adds almost \$19 000 to a mortgage which has to be paid at the end of a 25-year loan.

**Mr J.R. Quigley** interjected.

**Dr D.J. HONEY:** A 25-year mortgage at five per cent interest—the minister can do his compound interest calculation.

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As the shadow Attorney General outlined, we understand and support the logic of this legislation. However, we are concerned about its impact on landlords and, in particular, whether the government is considering other ways of sharing the burden fairly across the whole community and not just among landlords.

[Member's time extended.]

**Dr D.J. HONEY:** We should look at relief for water and power charges, especially the fixed supply cost, and relief from land tax. A number of members have already alluded to relief in those areas that could more equitably come from sharing the burden when tenants cannot pay or can pay only a reduced rent. I share the concern of other members that the bill does not include any measure of a tenant's financial capacity, especially in relation to early termination of a tenancy agreement. As we have already discussed, someone could terminate their lease within 21 days for any reason, regardless of their capacity to pay. It could be that they are just unhappy with it. I assume that the Commissioner for Consumer Protection would take that into consideration when mediating disputes. I certainly hope that one issue the commissioner will be taking into account in the absence of a code of conduct is whether a person did or did not have the capacity to meet their payments.

With the passage of the bill I strongly urge the government to consider increasing the resources available to the consumer protection commissioner and to rapidly implement financial relief for landlords in the area of water and power charges, and land tax, and to nuance that. The government could possibly apply that capacity test when tenants do not pay rent or pay much less due to genuine financial hardship. Therefore, rather than apply it *carte blanche* across all landlords, it should only apply it to those landlords who receive significantly less income due to a tenant's inability to pay. I understand and support the motivation of the bill. I hope the government urgently considers relief for landlords who could otherwise unfairly share the major burden for this initiative.

**DR M.D. NAHAN (Riverton)** [3.28 pm]: I will not be long because most issues have been covered. I want to raise a couple of issues and reinforce what other people have said in the debate on the Residential Tenancies (COVID-19 Response) Bill 2020. Firstly, in facing the COVID-19 response, I have been inundated, as many other members have, with the troubles that have arisen. The issues we are facing to address this real problem were flagged by the Prime Minister some weeks ago and people have been reacting instantaneously to them. I think the difficulties are going to be much more severe than we think for a number of reasons. I remember listening to lectures by Gunnar Myrdal, a Swedish economist, when I was a young graduate. He won a Nobel prize, by the way.

**Mr J.R. Quigley:** Where was he from, member?

**Dr M.D. NAHAN:** He was from Sweden. He said that apart from bombing nothing destroys a city more than rent control. I am not saying we should not do this. This is necessary in some way. I am sure I probably do not need to tell the leaders, Mr McGowan, the Premier of Western Australia, and, of course, the Prime Minister, to make sure that this shutdown period is as short as possible, because the sector we are talking about now is the largest sector in the economy. It is going to struggle and we are going to have all sorts of perverse outcomes. That was the point of the Nobel prize winner.

I want to point out a couple of things. We have heard that we have a large number of self-funded retirees who chose some time ago to self-fund their retirement through being property owners and landlords. They have been doing it really tough for a long time. As previous speakers have pointed out, many of them have no out if they do not get rent, because they are asset-rich and probably income-poor. They are not eligible for various types of government assistance because there is an asset test as well as an income test. There are many, many such people, not just in the wealthy western suburbs but throughout Western Australia. One thing about Western Australia, and indeed Australia, is that it is a nation of property owners and landlords. There are 1.86 million households in Australia—28 per cent—that own an investment property. Most of them—70 per cent of them—own one property. Of those, 60 per cent are negatively geared. That means that a large number of people out there are on Struggle Street and, let us be honest we are in a new regime; we are not in the old one. Households have been struggling in this state, house prices have been going down, rents have been stagnant and it has been difficult for the last five years. We entered the COVID-19 period in a difficult position for landlords and housing affordability, and with almost historic levels of mortgage arrears and stress in recent years. A vast number of working class Western Australians are property owners and rely on that income to not only pay mortgage for their investment properties but underwrite their own mortgage for the house they live in. The knock-on effect of not getting rent for the many people in Western Australia who have negatively geared properties is diabolical. It highlights to some extent the faultiness of negative gearing, but that is where we are today. This is not wealthy people from the western suburbs or large landowners; this is the mom-and-pop property owners we are looking at. There is absolutely no doubt that something like this bill is needed and that people are already taking advantage of the situation to go to their landlords and ask for rent decreases. As I said, I have been inundated with requests for information on this. We need a pathway, more than we have provided today, for how to negotiate the next six months, which hopefully will be shorter—it should be shorter; we are doing well. If we have to terminate something, this is where we will get gains.

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We need a clear code of conduct to inform tenants and landlords what they need to do if the tenants are struggling with the rent. I know that the bill does not give dispensation for rent, but the reality is that it will be needed. That is the reality. It is being done already with some landlords; they are negotiating the terms of the lease, the duration of the lease and rental payment amounts. I am not categorising people, but some people out there are desperate. The largest impact so far has been on young people, primarily because they have only recently entered the labour market and often work in the hospitality and retail industries, which have been significantly impacted. By the way, other than those in state housing, young people represent over 50 per cent of tenants. Tenants are largely young people, who, in turn, have been most impacted by this COVID-19 shutdown. They are going to be desperate. Also, young people are not that worried about their credit rating into the future. They have a tendency not to think that far ahead. There is no doubt that what we put in this bill will cause a large number of renters to make the decision to cut expenditure on rent payments rather on other expenses, whatever they may be.

There are a couple of things. The government needs to be practical. Firstly, I think a code of conduct is needed to inform landlords and tenants about what the government, the conciliators and the courts expect. Secondly, I think the government should consider not just mandatory conciliation, but some conciliation that has teeth and can bring tenants and landlords together, if it is needed. Hopefully, the code of conduct and the existence of a streamlined conciliation and arbitration process will mean that people will not have to take this up; that is, they will do a deal before they get to that point. In my view, a large number of tenants will not pay the rent and will put it off until this period is over, and the courts are going to be faced with a large number of these cases. The group of people who are going to carry the cost of this are the landlords, and these landlords will largely be people in the suburbs who have an investment property that is tied to the value of their house, and many of them will not be able to withstand the heat from this. We are pushing the burden too much on to small landlords, whether they be working couples or self-funded retirees. The data that I have seen—I think it is accurate because it came up during the debate at the last federal election—indicates that 60 per cent of private investment properties are negatively geared, which means that the rent does not cover the total outgoings. That means that they are exposed at the best of times. If they do not get the rent, it will not only lead to questions about the mortgage on their investment property, but also percolate down to their own home.

So what should the government do? I have suggested that we have not just conciliation, but arbitration—some facilitation process. Again, I think the government has been smart. We cannot crowd out the Magistrates Court, other courts or the State Administrative Tribunal; we have to have some other process.

**Mr J.R. Quigley** interjected.

**Dr M.D. NAHAN:** That is right. We have to do something. In other states, their building commissioner or the equivalent conciliator also have arbitration powers; that is, they have the ability to enforce agreements. Think about that.

Another issue that other people have raised is that this came about because of a disease from overseas. The government's response, quite rightly, was to put the economy in hibernation for a period. It is government enforced—correctly done. I have never had the chance to say this before now but the Premier and the Prime Minister have done a remarkable job and saved a lot of lives. The state has enforced this, rightly, and the state has to come good on assistance. I will deal with land tax when the next bill comes on for debate. Other states have done quite a bit in that regard. However, that is not the biggest charge for property owners. The biggest charge is local government rates, and I will make a few comments on that.

I would like to praise the government on the Local Government Amendment (COVID-19 Response) Bill 2020 that the house passed yesterday and for not succumbing to the Western Australian Local Government Association's demand that rates be frozen at the existing rate assessment. That was an attempt by local governments to effectively and significantly increase the taxation rate on unimproved properties. The Valuer-General and Landgate reassess the gross rental value of properties every three years. Last year, the gross rental values were based on rent evaluations done in 2015, when properties were worth a lot more. New gross rental values for the assessments this year are based on evaluations done in 2018, which were much less than in 2015. Indeed, I have been told by double digits —

**Mr J.R. Quigley:** What do you mean by double-digits?

**Dr M.D. NAHAN:** If we compare the recent gross rental values for 2018 with the ones that applied last year based on 2015 figures, there is a double-digit reduction in the gross rental values. Local governments were trying to freeze the rental values at the old rate rather than the new value because if they move to the new value, then to get the same level of income they would have to increase their tax rate per unit of dollar by, in many cases, 15 per cent. That is what the aim was. Local governments have known about this lag in the system for years. Now that we are in the middle of a COVID-19 pandemic, what is the gross rental value on some of these properties? It is zip—nothing! Local governments have to come good here. Some local governments, such as the City of Melville, which should be given credit, announced a 10 per cent reduction in residential and commercial rates—praise to them. But others are trying to freeze the value at last year's rate, which is substantially more.

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Small landowners say that their biggest impost is rates that have increased significantly on average over the last 15 years by six per cent per year, and could actually be grown. These are properly government-enforced restrictions. The government has to come good on this if it wishes to grease the transactions between landowners, property owners and their tenants. We have to come good on that.

The state government needs to come good on land tax—to date it has been a bit coy. I talked about it under commerce. All other major states have not only come good, but did so in the context of the package that we are dealing with now. That is important because it informs tenants and landowners that some assistance is provided through tax reductions and land tax to facilitate the renegotiation of rents, because that is the reality. I will have some more to say about that when the next bill comes into the house.

I praise the government for not giving in to the Western Australian Local Government Association by freezing rates and not moving to the new gross rental values, and I urge it to put pressure on local governments. I accept that it is up to local governments to decide their own mix, and they vary financially quite significantly, but they have to come good because they are imposing rents and rates based on gross rental value, on historic values, nothing near current values. Yes, they might struggle to meet it, but households and landlords are struggling too, so we have to come good on this.

I reiterate that most landlords own one rental property. Most have a mortgage on their existing house and a mortgage on a rental property. The majority of those in turn are negatively geared. They cannot withstand financially a substantial reduction in rental value on their investment properties. We have to help them out or else in six months—if this situation goes for six months—the whole economy will be struggling and people will be leaving their homes in droves. To give this some context, one thing that surprised me when I doorknocked a large number of houses during the Darling Range by-election two and a half years ago—it kept me fit—was the large number of people who had boarded up their houses to work in New South Wales and Victoria because they could not get work here. Many of them boarded up their own tenancy and had an investment property somewhere and they had to work in the east to get the money to keep the mortgage going on their investment property. If we do not do something to assist them more, with mandatory conciliation arbitration and lower rates of land tax, we will send ripples through the important economy of households, which are always struggling going into this constraint.

I thank the government for bringing forward the bill. There are some difficult issues here. I readily recognise that. The government needs to adjust a bit more, and please, please keep this shutdown period as short as possible. We have not seen anything yet.

**MRS L.M. HARVEY (Scarborough — Leader of the Opposition)** [3.47 pm]: I, too, rise to make a contribution on the Residential Tenancies (COVID-19 Response) Bill 2020, which will amend the Residential Tenancies Act as part of the government's COVID-19 response. We have not had a lot of time to go through this legislation in detail, which presents some difficulties for all members of Parliament who are perusing this legislation. I understand that the bill we debated yesterday to amend the Lotteries Commission Act came back to this chamber with amendment from the other place, including a government-initiated amendment, such are the times we are in. My expectation is that it is likely this legislation may well be amended in the Legislative Council. I will speak about where I believe there is potential to tighten up this legislation a little. I will explain that as I get further into my speech.

The Liberal opposition understands absolutely the concerns in the community of people who have lost their jobs and people who have had substantial income reductions as a result of the COVID-19 crisis and the economic fallout from that. Like many members in this place, I have a large family and many nieces and nephews. Many of them were working in hospitality and tourism. Most of those young people are no longer employed. As we look at the queues around Centrelink and people queuing online for application for the JobSeeker payment, we know we are in unprecedented times for this generation and even previous generations. We support the principles that sit behind this legislation in that in these times of economic strife for households, we want to make sure that there is a safety net and that we do not have a range of difficulties as a result of people being unable to pay their rent. We obviously do not want to see young people or families evicted because they have lost their income and their ability to pay their rent, but neither do we want to see investors in the residential tenancy market unfairly taken for a ride because legislation that we have put through this place has created that opportunity. The reason I say that is that I have been contacted by a number of property managers who act on behalf of landlords. Most of these landlords are mum-and-dad investors who might be self-funded retirees. As part of their investment package, they have some of their funds in shares and some in superannuation packages, such as traditional superannuation funds, and part of their income comes from either a commercial or residential investment property. Most of those mum-and-dad investors and self-funded retirees have seen a massive whack to the value of their superannuation and they have seen all the potential income that they might have budgeted by virtue of dividends in the share market completely dry up, so the only income many of them can count on is the income they get from their rental property. I am hearing from a number of property managers that a large number of tenants have contacted them and said, "We're not paying the rent because we don't have to" even though the financial circumstances of those individual tenants have

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not changed one iota. These are people who are employed and who are taking advantage of the messaging from national cabinet that there will be a six-month period of rental relief with no evictions.

**Mr J.R. Quigley:** Prime Minister Morrison didn't say rental relief for these people; he said no evictions. The rent will still accrue.

**Mrs L.M. HARVEY:** Yes. I thank the minister for raising that point. The no-evictions messaging from the national cabinet is what has caused the problem. Some tenants have basically turned that into, "Well, if there's no evictions, I don't have to pay my rent." Of course, contractual obligations are still in train but many of those tenants who have a contract to pay rent and the means to pay rent are refusing to do so because they think they cannot be evicted. They may have an issue in the court further down the track, but that issue becomes a significant issue for the mum-and-dad investor who might be relying on that rental income. There will potentially be a prolonged period in which the tenant does not pay any rental at all and then the mum-and-dad investor will have the responsibility of taking that tenant through the court system to try to claw back some of the rental arrears that have been lost. We can understand the plight of some of these tenants if they find themselves unemployed, and that is where rental relief packages are very important and can play a very important role as part of the COVID-19 response. Of course, landlords want to help people who have lost their jobs. I have been approached by a number of landlords who have said, "Can you give me some guidance here? What do you think I should do?" I have encouraged landlords to negotiate with their tenants and to seek a reasonable outcome so that the tenant is still paying some way towards the value of the lease, but with an agreement that if their circumstances change the landlords will flex up or flex down depending on the circumstances of individual tenants.

A couple of parts of this legislation will prove to be quite problematic and where I flag that we may seek some amendments with the concurrence of the government in the other place is to perhaps provide tighter controls around some of the provisions of this amending legislation to the Residential Tenancies Act 1987. I will raise some of those areas of concern. I have been consulting with people from the Real Estate Institute of Western Australia, and I would like to place on the record my thanks to Damian Collins, who has been working very, very efficiently, trying to get across the legislation that was made available to him only about an hour ago, even though I think we have had the legislation in our possession now for about four hours. We are four hours ahead of him, but he is an expert in residential tenancies on behalf of REIWA, and he has raised a couple of concerns that were indeed concerns that I shared. One specific concern he has raised with me is on proposed section 14 of the legislation. Proposed section 14 pertains to the giving of rent default notices under tenancy acts for failure to pay rent during the emergency period.

The issue with this proposed section is that, regardless of the tenant's ability to pay the rent, the issuing of a default notice basically gives the landlord an ability to flag that, notwithstanding the provisions of this legislation and the emergency circumstances that need to be proved if the tenant is to have the entire rent waived. If the owner is prohibited under 14(3) from issuing a rent default notice if the tenant fails to pay the rent, the owner, if you like, cannot flag that there has been a default on the contract with the tenant. I think that most property managers are behaving very professionally at the moment. When tenants sign a lease, they are walked through the conditions of the lease, the conditions for breach and the conditions for termination of the lease. When that is explained to the tenant, the tenant has to initial each of those areas on the lease to say that they understand their responsibilities to pay the rent on time, that a breach notice can be issued I think within 14 days of non-payment of rent, and that that can be a precursor to eviction. Obviously, in the current circumstances, we do not want to see a wave of evictions, and that is what this legislation is all about. However, the inability to even issue a default notice sets the landlord on the backfoot in trying at some future point to claim back rent that has not been paid that was owed under the contract that the tenant signed. Perhaps I may have that wrong, and we can look at that in consideration in detail.

I refer to clause 19 of the Residential Tenancies (COVID-19 Response) Bill 2020, "Termination without specifying grounds". Regardless of the tenant's circumstances or their ability to pay the rent, the tenant can simply terminate the lease without any grounds with 21 days' notice, and there is no penalty to the tenant. In usual circumstances, there is a requirement and a responsibility of a tenant to a landlord to ensure that if they want to terminate the lease ahead of the date that was specified in the lease, there is a process. Generally, that process is negotiated between the tenant and the landlord, and, obviously, the reverse happens with the landlord and the tenant. We want tenants to have an easy way out of these contracts. It just seems to me that we need to have some tighter controls around some of these get-out-of-jail-free cards that we are giving to tenants as a result of this legislation.

If it could be considered in the consideration in detail stage that there may be an amendment to some of these provisions to require tenants to prove that they are suffering financial distress or financial loss as a result of the COVID-19 situation, I think that would certainly bring some relief to the mum-and-dad investors out there, many of whom are currently not receiving any rent due to this ill-informed view that tenants have that they cannot be evicted no matter what. Tenants who have not been paying rent to landlords for some weeks now may well have the cover of this legislation to go for further periods without paying rent, and without having to even prove that they have suffered financial loss.

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**Mr J.R. Quigley:** If it weren't for social isolation, I would have invited you to my place for the weekend as we wrestled with these problems for about 20 hours to try to come up with an equitable outcome.

**Mrs L.M. HARVEY:** Had I received the invitation to participate, I would have taken it up! As Leader of the Opposition, I have obviously been lobbied relentlessly by both tenants and landlords and by the organisations, as I know the minister will have been, too. As a person who has rented and who has been a landlord and has had tenants, I do actually understand some of the games that get played by managing agents, landlords and tenants. Had the minister invited me, I might well have had something to contribute that would actually have improved the bill, rather than seeking to do that on the floor of the house as we go through the consideration in detail stage.

Another thing that I suggest the government consider is some form of rental assistance or rental relief. I know it is easy for oppositions to keep calling for more and more relief, but I would like to point to some initiatives in other states. The Victorian, New South Wales and Queensland governments have offered rental relief packages. This could be easily managed in Western Australia because every tenant has their bond registered with the department of commerce, so we know where all those tenants are and the rent they are paying. We also know who the landlords are. If we wanted to implement a rental relief package that could go directly to landlords who have been notified by tenants that they are suffering financial loss, it would be very easy to administer through the department of commerce because all of that data is held in a central database.

A rental relief package could be provided to landlords who are now missing out on income. Nearly every one of the mum-and-dad investors who have a rental property have it negatively geared and have a mortgage to pay. There is a bit of a cascading effect—a house of cards—for some people. Some of these investors have no dividend income coming in. They know that because most of the listed companies have flagged it. Thirty per cent of the value of their superannuation nest egg has been wiped off. They can access \$10 000 of that superannuation, but I can imagine that they would be somewhat nervous to do that in the current environment in any event. Their commercial or residential property may have been negatively geared with a small mortgage on it and a tenant in situ. If they are not getting the income from the tenant, they are not paying the mortgage, and many of these people will have no income. We do not want all of these houses to suddenly flood onto the market and have a cascading effect on the housing market, which has been struggling in Western Australia for quite some time.

Just to go back to the rental assistance package, Victoria, New South Wales and Queensland have different packages and different criteria for people to apply. Generally, the rental relief package applies to tenants who can provide evidence that they have lost 25 to 30 per cent of their income as a result of the COVID-19 crisis. Depending on the state, they are eligible for up to around \$2 000 of rental relief over a period of up to four weeks, which gives them time to work out and rejig their finances so that they can be responsible for the full rental payment. Those rental payments go directly to the lessor and not the lessee. That could easily be managed through the rental bond database of the department of commerce. I implore the government to look at that as a way of helping to spread the financial benefit of the residential tenancy relief measures to landlords as well.

In summary, in times like these, governments want to get legislation through as quickly as possible and opposition members get accused of being the blockers and standing in the way of providing relief to people who need it because of the financial circumstances in which they find themselves. I would like to put on the record that that is not the opposition's intention. We have genuine concerns about any kind of package like this that has been put together. Unfortunately, because of the way human beings behave, 95 per cent of people will do the right thing, but if only five per cent of our residential tenants decide they will try to take advantage of this for their own financial purposes, 10 000 or so mortgagees—mum-and-dad investors in the housing market—will find themselves in significant financial difficulty. We do not want to introduce legislation for residential tenancy relief measures that provide relief measures to one sector—the tenants—while creating a significant financial problem for another sector of the community—the mum-and-dad investors. That is the tension that we need to get right with this legislation and we intend to work collaboratively and cooperatively with the government to try to achieve that. We obviously want this to get through Parliament and be made available for people, but we do not want to relieve people of their contractual obligations and throw contract law out the window in the process of trying to provide relief in these unusual financial circumstances that many households find themselves in. I will conclude my remarks because I know that other members want to comment. We will interrogate this bill at the consideration in detail stage.

**MR A. KRSTICEVIC (Carine)** [4.07 pm]: I would like to tell the Minister for Commerce that I am the last speaker on our side, so we will go straight into consideration in detail after this very short —

**Mr J.R. Quigley:** I have a reply.

**Mr A. KRSTICEVIC:** Of course, which will no doubt take a considerable amount of time to cover all the points that have been raised.

**Extract from Hansard**

[ASSEMBLY — Thursday, 16 April 2020]

p2233b-2273a

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I will talk about the Residential Tenancies (COVID-19 Response) Bill 2020, but before I start, I want to acknowledge our Prime Minister, Scott Morrison, and the national cabinet, for the great job the federal government has been doing during these difficult times and for the leadership it has shown to all Australians and for bringing together all state and territory governments to send a coordinated message and response. On the back of that, a number of Premiers and territory leaders have also made significant contributions in their states and territories to try to assist all their constituents, and we have gone some way in this state to do that as well. However, as we heard today, we can and should do a lot more. Questions have been asked in Parliament of the Premier about assisting various categories of people. He has continually tried to direct the questions back to the federal government. He has done a great job of taking credit for the things that the federal government has done and he has rebadged them as his own, but he is also trying to handball to the federal government anything that should potentially be the responsibility of the state government, which is disappointing.

We all need to step up. We have heard members on the government side say that local government needs to step up as well, not just state and federal governments. I think our state government can do a lot more. I have listened to the Treasurer talk about this government having a \$1.7 billion package to assist Western Australians, but when we take into consideration that nearly \$500 million of that is accounted for by not increasing fees and charges in the next budget, we can see that that will hardly help anyone in Western Australia who is struggling. It is a falsehood to try to throw that \$500 million into the \$1.7 billion package by saying people will not have to pay the fees and charges the government was going to charge and therefore the government is doing something to help them when, in reality, the government is doing nothing to help them at all; it is just not causing more pain and suffering. Therefore, I think we need to do a lot more in that respect. As we know, other states in Australia have stepped up to the mark with other residential tenancies legislation. They have taken on state responsibilities and understand the pain and suffering that is happening to not only tenants, but also landlords. We seem to be one-sided on this equation. We do not seem to have any consideration for landlords. We do not seem to have any consideration for people who have made the biggest decision of their lives, predominantly to invest in a rental property and, in a lot of cases, to get a mortgage, to put up their own homes as surety and to try to get ahead in life through the property market. We know that the property market in Western Australia has been abysmal for the last five years or so and it has been a real struggle for anybody who has bought in and been holding on to property during that period.

We continually hear about negative equity. It is negative equity in not only the people's homes that they live in, but also their rental properties. We talk about mortgage stress. Again, it is not just about mortgage stress for people's homes; it is about mortgage stress for their rental property, and in a lot of cases those two are intertwined. I am sure we have all had correspondence from constituents saying, "I'm a mum-and-dad investor. I've got a mortgage on my home. I've invested in a rental property. I'm negative gearing it. I'm struggling. I'm struggling to pay my bills." There seems to be a perception out there now that people do not have to pay rent for the next six months, and if they do not pay it, that is fine; the world goes on. Tenants do not have to worry about that and the landlords need to carry the burden. Therefore, I think the messaging has been wrong. I think the correct messaging has not got out there. As part of the process of putting this legislation through the Parliament, we need to invest the money into getting that messaging right. We know that there are some eight million people in Australia who live in a rental property. As we have heard before, there are nearly 1.9 million rental properties out there. It is a massive part of the market, and we need to make sure that people understand what is going on and what is expected of them. There is misinformation out there, and I am getting that through emails from constituents. Some of them know more about what is going on than others do, and it is important to note that the second reading speech refers to severe mental distress.

Obviously, we need to protect everybody. We need to make sure that people do not end up on the streets. We know how bad the homelessness situation is in Western Australia. We know how poorly they have been supported over the last three years by this government. We know the not-for-profit sector has been screaming out for housing for homeless people and nothing has been done to help them. God help any of those people in rental properties; if they end up homeless, they will get even less support from the government that the landlords are getting now through this piece of legislation. We know that there is a trial of 20 people up at the Pan Pacific Perth. I am not sure why it is a trial or what the government is trying to find out—whether homeless people can sleep in a bed or whether they like three meals a day. I am not sure what the purpose of the trial is. It is pretty obvious that if there are thousands of people sleeping rough in the streets, they need to be accommodated somewhere; they need to be accommodated now; and the government does not really need to be conducting a trial.

From that perspective, I understand why this legislation is important. We do not want to have more homeless people out there who are being ignored and whose plight is not being taken as seriously as it should be during these difficult times. But that is a separate issue and I will not go on about that too much more, other than to put on the record that I think we need to be doing more in that space and we need to be helping these people. Like other members, I have had emails from numerous constituents in my electorate, predominantly, as others have said, self-funded retirees, who have continually said that they get no support from anywhere, either the state government

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or the federal government, and their only source of income now is a rental property or a couple of rental properties or they have a combination of that and a self-funded pension. They are quite distressed because they are saying, "We are being ignored, nobody is listening to us and nobody is doing anything to assist us. We're not hearing anything positive from the government about how it's going to deal with this." It is very important to make sure that we understand the burdens we are putting on these people. We need to understand the stress, frustration and confusion that this is creating out there. The messaging is critical.

It is a bit like when the Premier said that fees and charges would be frozen. Again, that was very bad use of language because everybody thought they were not going to be paying for electricity, gas or water anymore. Everyone thought, "Great, the government has stepped up, it has done something to help us", but five minutes later they were told, "That's not what we mean. We just mean we're not going to charge you more in the next budget."

**Mr J.R. Quigley:** That is what the federal Treasurer says all the time: "We're freezing this, we're freezing that."

**Mr A. KRSTICEVIC:** I am just saying that the government needs to be careful about that language because that causes more distress for people who are already struggling. If the minister says that is what he is hearing from the federal government, he needs to make sure he does not use that same language and maybe I will pass on the message to the federal government to say it should not use that language. It has confused people. It does cause unnecessary stress at a time when people are in a difficult situation.

Negative gearing is a serious problem. As an accountant, people used to say to me, "It's great to buy a rental property and negatively gear it." If people are not getting any capital gain out of their property, negatively gearing it means they will go backwards because their expenses are more than their income. If that property is worth less today than it was yesterday, negative gearing is not working. Negative gearing is the last thing they should be doing. Negative gearing is great if there are capital gains. If a landlord is getting 10 per cent growth every year on their property and some return from that perspective, yes, they are getting tax relief, but if they lose their job, they will not even get that tax relief off their income. As a result of the hardship that has now been placed on people who own rental properties, they may find they need to sell their properties because they cannot afford to live at a time when nobody is buying and prices have been stagnant for many years. The property market could go into a downward spiral.

**Mr J.R. Quigley:** It will spiral downwards.

**Mr A. KRSTICEVIC:** That is what I mean; it will spiral downwards. We are putting these people who will have no income into a potential negative equity situation on their property; we are going to bankrupt them. Not only will they sell their rental property, they will sell the house they live in to pay their bills and debts, if they have a substantial mortgage on their rental property and their personal residence. It depends on their financial circumstances, but we need to understand that everyone's circumstances are different. One size does not fit all.

The government has acknowledged that there could be issues with this legislation and people working in good faith, and further legislation can be introduced to Parliament. It cannot be that hard to work out some of the problems that will be encountered. It cannot be that difficult to talk to people from the sector—unfortunately, the government has not done that—whether it be the Real Estate Institute of Western Australia or other groups that are involved in the property area, to try to understand the problems and concerns. It should speak with real estate agents who manage properties and ask, "Does this cover the base that we need to cover?" I am sure they would very quickly pick out the holes in this. Just like the opposition, they have had no time to look at it. We are rushing through something, hoping it will fix some problems, but in effect we could be creating more problems, panic and confusion for people. People are going to stop and think whether they want to buy a rental property.

**Mr J.R. Quigley:** They would not want to at the moment.

**Mr A. KRSTICEVIC:** That is what I mean; they would not want to.

People will think, "If I have a vacant rental property, do I actually want to rent it out? The person I rent it to this week may not pay me rent for six months." Damage and other issues could occur. There is a lot of stress and heartache around that issue. There may be a shortage of rental properties as well because people may not want to rent them out; they may want to keep them vacant: "It's cheaper for me to keep it vacant than it is to have someone there who could cause damage and give me the stress and heartache of having to deal with that." People have landlord insurance. As someone who has dealt with landlord insurance policies in the past, I can tell members that if there is a loophole somewhere of any sort, they will find it—they will get out of it and they will not pay a cent. Sometimes that insurance is not worth the paper that it is written on. Now insurance policies per se might well become a bit of an issue across the board, because numerous insurance policies have clauses so there is not any coverage for a pandemic. That is mainly for travel insurance, but what will the situation be for insurance for people in rental properties and landlord insurance if tenants are not paying rent? Will it depend on when they stopped paying rent?



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The other issue is people who have tenants who had not paid rent for a number of months prior to 26 March. There are issues if they were thinking of starting proceedings to evict their tenants. Will they still be able to do that?

**Mr J.R. Quigley:** They obviously weren't pressed for their income if they hadn't already started proceedings.

**Mr A. KRSTICEVIC:** I do not know whether the minister has ever had a rental property with a defunct tenant and tried to deal with that. It may take a couple of months for him to resolve the issue, but for a lot of people who I have spoken to, it has taken a lot more than a couple of months of stress and heartache and working with tenants and agents. Even if a landlord knows what they are doing, it can take more than three months to get a tenant out the door if they are not doing the right thing. What about a compassionate landlord who wanted to try to help the tenant prior to this problem occurring, but were not getting any success and finally made up their mind that the tenant had to go? Will that tenant be protected, even though their circumstance would have been valid for eviction for not paying rent prior to this legislation coming in?

**Mr J.R. Quigley:** After the passage of this legislation—no evictions.

**Mr A. KRSTICEVIC:** No evictions? There you go. Some people have tenants who have not paid rent, so they tried to do the right thing and worked with their tenant, but had it thrown back in their face. The tenant may say that the landlord has been trying to get them on the straight and narrow for the last six months, but they are not interested, and now they are going to have another six months in that property because the landlord cannot do anything.

**Mr J.R. Quigley:** They can.

**Mr A. KRSTICEVIC:** They can. But not if they are not paying rent because they have lost their job so they financially cannot afford it. In itself, I think that is a bit of a concern.

The Real Estate Institute of Western Australia has raised a number of concerns about this legislation. It would have been good to have consulted people in the sector a lot more before this legislation came to the Parliament. I think some valid issues have been raised about land tax relief and local government rates and, as the Leader of the Opposition has raised, rental assistance is an important factor to take into account.

Mediation is great if people want to mediate. I was talking to quite a significant land and property owner. He told me that he is giving some tenants a break from rent for two months because he knows that they cannot afford it. For others he has reduced the rent by half. He has given nothing to a third group, even though they have asked, because he knows that they can afford it and they are trying to gild the lily, as they say, and are not being honest, up-front or straight. He is a very experienced individual and knows what he is doing, so he is able to manage that in a professional way. But mum-and-dad investors and self-funded retirees may not have that level of experience or the negotiation skills to work through that. Some tenants may not be totally honest with their landlords. For example, what will happen if a tenant decides to quit their job and go on the JobSeeker payment, or potentially the JobKeeper payment, because they cannot be bothered working and they are not going to pay their rent? They chose to quit their job and now cannot afford to pay their rent because they are not earning an income.

**Mr J.R. Quigley** interjected.

**Mr A. KRSTICEVIC:** That is another anomaly with the JobKeeper and JobSeeker payments. People have come to me and said that they have employees who have quit because the JobSeeker allowance is now \$550 a week. They were earning \$650 as casual workers. They decided to apply for the JobSeeker allowance, get their \$550 a week and not do their hours at work. That is financially beneficial to them because they do not have to get up and go to work every day. There are all sorts of people out there doing all sorts of things. As much as we shake our heads over some of the decisions people make—they make silly decisions—the decisions they make have repercussions on others. I shake my head when I hear some of these things. In some cases, employers cannot get employees now because they say that the JobSeeker allowance is worth \$550 a week. When they ask what the job pays, if they are told it is \$650 for 30 hours a week, they are not interested. They ask how much more they will be paid—perhaps \$750 or \$850—to get them to come to work. If the employer will not pay them more than the federal government will pay them, they ask why they should put in the hours. Employers are phoning me and saying that they are struggling to find employees at a time when unemployment is going through the roof. Hopefully, that is only a short-term situation. I am sure that these employers will come across rational people who know that now is the time to get their foot in the door with someone who can give them work and they will be looked after into the future, which is what will happen. People are making some of these short-term decisions irrationally, as far as I am concerned.

We have talked about good faith bargaining and mediation. Who will determine that? At the best of times, we get people around the table and try to get them to mediate. I have been in situations in which two people have sat across the table. I have listened to them and said it is a matter of commonsense, and told them the answer. They have just looked at me and said, "No, I refuse to accept that."

**Mr P. Papalia** interjected.

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**Mr A. KRSTICEVIC:** The minister should tell me because, obviously, there will be an additional resource cost.

**Mr P. Papalia:** The Small Business Commissioner will be contributing to this process. You would be aware that they have a very successful mediation process at the moment and it is all voluntary. In terms of outcomes, they have something like a 94 per cent success rate in mediating the dispute without any subsequent cost or consequence. The intention is to utilise that skill and knowledge as part of the process. The Attorney General will explain this. There are other means.

[Member's time extended.]

**Mr A. KRSTICEVIC:** Will there be additional funding if there is a big spike in mediation?

**Mr P. Papalia:** The Premier has indicated to me—I met with him today—that he will ask for any resources or support in personnel and skill sets that he requires to accommodate increasing capacity. The member is right; the Premier will be delivering a lot more in terms of that task than he has in the past. He also has other tasks. They have established a call centre and that has been constantly in demand for supporting small businesses across the state at this time. It has not changed. There is constant demand—supporting, advising and providing support. They are also establishing more capability to meet the demands of this legislation.

**Mr A. KRSTICEVIC:** That is good, and that is important. As we have heard before, the majority of people will try to do the right thing. A percentage of people will not.

**Mr P. Papalia:** That is with regard to the commercial side.

**Mr A. KRSTICEVIC:** Yes, as opposed to the residential tenancies, which is a separate issue.

It will be a problem to get that mediation happening properly and to get outcomes. As I said, for people who want to do the wrong thing, there is always a way around it. I mentioned earlier the person who received the JobKeeper payment. After speaking to another business owner today, I heard about people holding back invoices so their turnover drops below 30 per cent for a particular period and they are able to get the JobKeeper payments. Again, they are not in financial stress, their businesses are doing well and they do not have any reason to get it, but they are manipulating the system to try to make sure that they qualify for these payments. We realise that people out there will do the wrong thing. I do not want self-funded retirees—the genuine mum-and-dad investors out there—to suffer at the end of the day. They will not forget who has introduced this legislation. They will not forget the pain and suffering if they go under because of this. We are not talking about the renters here; we are talking about the landlords. We are talking about the mums and dads, the self-funded retirees, who have nothing else but a rental property or two, who will have no support from the state or federal governments because of their situation and will be left out dry.

**Mr J.R. Quigley:** I hope you're wrong.

**Mr A. KRSTICEVIC:** I hope so, too.

**Mr J.R. Quigley:** I hope you're wrong, because Prime Minister Scott Morrison is in for a caning if you're right.

**Mr A. KRSTICEVIC:** That is what I mean. There is a perfect example of what I previously mentioned, about the state government. When there is something to ride on the coat tails of the Prime Minister, the state government takes credit with its hand up, waving the flag. When something needs to be done at a state level, it says, "No, the federal government can do something there; we don't need to do anything." We know that the Attorney General is a master of grandstanding. He is a master of smoke and mirrors, who makes things sound believable when sometimes he has drawn a very long bow. Sometimes that bow has missed the mark by a long way. In this case, there are real consequences for people who will be hurt. Those smoke and mirrors will not go too far, because it will be serious for people. I hope that when the Attorney General said that he spent 20 hours over the weekend frustrating himself over this legislation, he was being genuine in that statement.

**Mr J.R. Quigley:** I am. The next bill, as well as the CCC bill, all burnt my weekend up in smoke.

**Mr A. KRSTICEVIC:** It should have burnt a lot more than that, because if he did it properly, just one of these pieces of legislation should have burnt his weekend, let alone all three of them, I would have thought. As the Attorney General knows, when someone works fast, they make mistakes. When things are rushed through, they are not always right.

**Mr J.R. Quigley:** Not with the A team!

**Mr A. KRSTICEVIC:** The Attorney General said, "Not with the A team", but we know that this government has done more backflips than the Russian Olympic team. As much juice has probably been used by it as well, to try to make sure those backflips are as big as they are.

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**Mr J.R. Quigley:** If I may say, member, there is nothing wrong with a backflip, so long as you land nimbly on your feet.

**Mr A. KRSTICEVIC:** You have done lots of backflips. I think this legislation will need some backflipping, and some adjustments and tweaking along the way.

As I said, we support the intention of this legislation. We support the fact that residential tenants, the most vulnerable out there, need to be looked after. I do not want to see people becoming homeless. Most Australians will do the right thing, both landlords and tenants. They understand and they are genuine. All they want to see is a little leadership from this government, and it digging into its pocket, to say, "You know what? We'll give you that land tax relief, or some other benefits."

I am sure the member for Hillarys will be back shortly, will he not?

**Mr Z.R.F. Kirkup** interjected.

**Mr A. KRSTICEVIC:** I hope he will, for consideration in detail.

**Mr J.R. Quigley:** I have to do a quick reply.

**Mr A. KRSTICEVIC:** You do, but he would no doubt like to listen to you as well.

**Mr J.R. Quigley:** Here he is; he is here! He wants the golden words.

**Mr A. KRSTICEVIC:** That is good, because I know he enjoys listening to the minister. I am sure that as the minister goes through it he will find many opportunities to pull it apart during the consideration in detail stage to try to make sure that what the minister says is able to be achieved through the actions of this legislation. I know it is not an easy job doing what the minister is doing, and he is trying his best and he genuinely cares about people. I know it is hard to sometimes hit all those right chords in this situation. I know that the Premier will try to dissuade him from doing what is right, in some cases for everyone, and try to focus him on the people he thinks are more important.

**Mr J.R. Quigley:** I was playing in the symphony. The Premier was the conductor and it was a sweet tune. I hit all the right chords.

**Mr A. KRSTICEVIC:** I am not sure how much the minister is playing to the Premier's conducting activities. I would suggest that the minister would be playing off on his own somewhere, and the Premier is trying to catch up with him as best as he could. That is a story for another day.

On that note, I support this legislation in its intent. I support the need to assist people, but I am very strongly cognisant of the people who could get hurt along the way. We need to think about some areas for improvement, if not in this house during the consideration in detail stage, then in the Council.

**MR Z.R.F. KIRKUP (Dawesville)** [4.34 pm]: I, too, wish to speak to the Residential Tenancies (COVID-19 Response) Bill 2020. I want to pick up on an important point made by my good friend the member for Carine about the treatment of those who are street present and homeless in our community. The member for Carine has been a tireless advocate for those who find themselves in a vulnerable position right across Perth and Western Australia, particularly those who find themselves without a home. It is a credit to him for the continual hard work that he does to raise the profile of this issue.

I had the opportunity to be in Perth over the weekend and on occasion, I went for a run through the city. I was explaining the circumstances to the member for Carine that more recently I found that there is, in my mind, a noticeable reduction in the number of street present and homeless people in the CBD of Perth, typically at night time when I run. The member for Carine outlined the trial of 20 homeless people who have been taken to the Pan Pacific Perth hotel as part of the response to the COVID pandemic. That is a very important initiative, because a concern that everyone shares is that in vulnerable communities, those who cannot separate themselves or cannot find suitable lodging where there is appropriate social distancing, any particular outbreak may become a cluster and spread quite quickly. I cannot remember the article that I was reading recently, perhaps it was an article in *The Economist* or Bloomberg, but one of those two publications outlined international examples that demonstrate a significant disparity when it comes to the socioeconomic indicators in international jurisdictions, and how people cope with an outbreak of COVID. That obviously speaks to areas across the globe where there might be a high level of poverty and widespread homelessness. In that situation it is very hard to avoid an outbreak, because people congregate together quite regularly. This goes to the point that the member for Carine made, and something that I was quite concerned about when I was running through the city in the last couple of days.

I appreciate that we are talking about residential tenancies with the Minister for Commerce, and that is the very nature of housing; however, I would be very interested to understand the process by which the government and the Department of Communities selected the 20 people who went into the Pan Pacific hotel. I would love to know the methodology behind that. I became quite concerned and worried about the nature by which the selection might have happened. I appreciate that at some point in time we may hear from the Minister for Community Services

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about what that might look like. I am certain that selecting those 20 people was done in good faith and intent by the department. I suspect perhaps it was those who are most at risk or most vulnerable. But I was thinking of a scenario in which an individual from a couple may have been chosen and the other was left behind, or a person who might be reliant on friendships, network groups and support in very difficult circumstances on the street was taken away, leaving their support person behind. I would be very keen to get more insight, and I hope at some point in time we get an understanding of what that looks like. I raised this issue with the member for Carine, and he and I were both similarly concerned and interested in that process. In a scenario in which one partner was chosen and the other was left on the street, that is a concern to all of us. I hope at some point in time we get some insight from the Minister for Community Services what that looks like and the process that was followed. I am interested, generally, in how the figure of 20 was landed on. How did the government decide that 20 was the best number for a trial, what the trial would look like and what did it look for? When of course it ends, will there be a greater expansion of the trial, and what would have been achieved?

The other thing I get quite concerned about, still, is that I remain deeply worried about a possible outbreak in the Aboriginal communities in Perth and regionally. I spoke to my good friend the member for Kalgoorlie, who is serving his district as we speak. He speaks to me and indeed to the Leader of the Opposition on a regular basis, updating us on the fact that it is very clear that in some cases, unfortunately, the Aboriginal community is still not heeding the message or getting the message delivered to them by the government that they need to be social distancing. Of course, we know that in those circumstances it is a longstanding practice to congregate and sleep as a group outside on the lands. I am very pleased to see that intrastate regional borders have been established, but I am very concerned that the information is not being provided to these communities. In particular, I am very concerned about the goldfields and the Kimberley. I get feedback from community members I have met there that, unfortunately, the message that people should practise social distancing does not appear to be distributed quite enough by this government. I will leave my brief contribution there, noting the two genuine concerns I have. I realise this bill deals with residential tenancies and we are of course talking about housing, but after having a conversation with the member for Carine, I thought it an opportune time that we discussed the two issues I have. They are two concerns we raise and echo jointly with the member for Carine. I hope to get some more information on the process by which the Pan Pacific Perth hotel trial has been undertaken. I could be wrong, but I do not believe that the Minister for Community Services has provided an update, a brief ministerial statement or the like, to the house on what that could look like. I look forward to more information on that. Otherwise, I will continue to work with a member for Carine in his vigilant pursuit to stand up for homeless and street-present people in Western Australia. I remain genuinely concerned about the impact that this might have on Aboriginal communities and the lack of information that seems to be coming from the government, and I have raised it with the Minister for Aboriginal Affairs. I leave it there and I commend the bill to the house.

**MR J.R. QUIGLEY (Butler — Minister for Commerce)** [4.41 pm] — in reply: Because of the hour, I shall not address in detail each member's contribution on the Residential Tenancies (COVID-19 Response) Bill 2020. I do not want to insult members by not going through each contribution separately, but I am mindful of the hour of 20 to five in the afternoon. Each member raised some recurring themes, and I would rather address those themes than address each member's specific concerns, which we will no doubt deal with in consideration in detail.

One of the first things is that this bill is not about rental reform; it is not about commercial reform. This bill is about health in that it endeavours to ensure and maintain the relationships between landlords and tenants. Landlords do not want to lose tenants at this point in time because they will be pressed find another tenant, and tenants do not want to be put out of residences at this point in time when they are being told not to move, not to go anywhere and to keep themselves and their children at home all weekend to avoid this virus. Therefore, the objects of the bill are driven by health concerns, not by rental reform or commercial considerations. Having said that, commercial considerations do loom large because, obviously, any rental property has a landlord behind it, and nearly all landlords have a mortgage behind them. Although one or two members said that if the rent is not paid for six months, there will be no income to the landlord, the reality is that very, very few owners have 100 per cent equity in their rental property, because according to Dr Nahan, who gave the figures, most investors are negatively geared. When one speaks of the mum-and-dad investors in rental properties, I dare say that most of them are definitely negatively geared, like the members of this chamber, who negatively gear to effect the tax break. We know this from the last federal election, when Labor went into the election promising to do away with negative gearing and the Prime Minister in his successful re-election campaign pointed out that this would damage so many mum-and-dad investors who rely on negative gearing. We know that the banks have already indicated to investors that they will give a six-month interest deferment for investment mortgages and that this rental deferment will then be added to the end of their loan, but they will be able to keep their properties because they will not be under mortgage default.

The Leader of the Opposition touched heavily on a theme that was raised by many members, and if I could give it a heading it would be something like "Financial distress leading to rental deferment". I do not know whether that is a good heading, but I think that is what it is. Mr Damian Collins refers to that, and Mr Collins and I have had direct

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discussions on this issue. This is one of the things that were troubling me all weekend, having been a property investor myself. I have many friends who also are and I have discussed this, one of the things that worries me, with them. However, coming from a health point of view, it is important that this scheme be set up quickly, not recklessly. It became imperative for me to get this bill into the chamber this week. I am not critical of the Prime Minister, but after national cabinet he announces things without any detail and without federal jurisdiction. We have a federation in this national cabinet. We seem to get to a consensus inside the national cabinet, and then all parties go home and speak to their separate state Treasuries and a different result comes back. I had several goes at writing this bill, and that applies especially to the next bill, the Commercial Tenancies (COVID-19 Response) Bill 2020.

Quite often, I would be working at home, because I have been working remotely, and I have got the bill to a certain stage and then I have turned on the news to watch the latest press conference and realised that what was on my desk has just been made irrelevant because of what the Prime Minister has announced, so I tear up that version of the bill and ring up Colleen Egan, my chief of staff, and say, "Here we go again." I say in all sincerity to the Leader of the Opposition that I would have had her around to witness this, because this has been a most testing 10 days. It has only been about 10 days—it was Tuesday last week—since the Prime Minister's last enunciation in this matter, and not until the national cabinet meeting on Thursday did it firm up, which then got us belting into it on Friday, Saturday and Sunday. The imperative to get this bill before the chamber was that the issue was being misreported around Australia and people were being given the belief because of some words that had been said after the national cabinet that they did not have to pay rent and that they could have a rental holiday. Unless we got this bill in quick and made it absolutely clear, people would claim they had been misled by the government. We have to get and maintain trust in government. I am not talking about the McGowan government; I am talking about government as an institution in a national crisis. The community has to have confidence in its government at a time of national crisis because it looks to all of us, hence the need to get this bill in quickly.

I turn to financial distress. This is the wrestle that I had, Leader of the Opposition, and I tried to explain it to Mr Collins. If it had been that there could be a moratorium on eviction only after it was demonstrated that the tenant was in financial distress because of COVID-19, our systems would be overrun. Who would make this determination? Everyone would want to know. There would not be one tenant who did not want to know. We would have to keep them away from the Magistrates Court or we would not be able to get a crook or an ice head before the Magistrates Court. Every magistrate in town would be busy deciding whether this or that person is in rental distress or financial distress. The next thing is that it might not be the tenant who is in rental distress and who has suffered because of COVID-19; it might be his wife. He might have a modest job. The tenancy is in his name; he has seen the real estate agent and signed off on the agreement. He has a job but his wife loses her job and they rely upon the joint income, as most families do, to discharge the obligation.

**Mrs L.M. Harvey:** I thought that under the current legislation, any tenant over the age of 18 needed to be recorded on the lease, which would mean —

**Mr J.R. QUIGLEY:** It is any occupant.

**Mrs L.M. Harvey:** Presumably, if they were husband and wife, you would hope that they are both over the age of 18 and recorded on the lease as joint tenants.

**Mr J.R. QUIGLEY:** No, not as tenants, as occupants. The contract would be between whoever signed the lease and it would then record how many people are going to stay in the house. A landlord would not want to rent it to me, and then all my relatives move in and we have four to a bedroom! It can be because of the happenstance of the wife's circumstances that the family fall on hard times. Before we can put a freeze on evictions, it would be very hard to say that everyone first has to establish that. There is a way, however. What if John Quigley was renting a property, and because there are no rental evictions, decides to stop paying his rent. The landlord says, "Crikey! He is the Attorney General; Minister for Commerce. I will look up in the *Government Gazette* how much he is worth a week or a month. He's having me on! He's just not paying his rent because I can't evict him." The landlord in those circumstances could serve me with a notice to attend a compulsory mediation conference on payment of penalty if I do not attend. The Commissioner for Commissioner Protection can then inquire into that and make a binding order and say, "No, Quigley's got the money. He should be paying his rent. He is in default". The way to get home and filter out those who are bludging on the system is by the landlord going to the Commissioner for Consumer Protection under the mandatory mediation process; that is very important to remember. We have tried to cover all stops, but as I said in the second reading speech, in the given time—I think this is version eight of the bill—this is the department, the State Solicitor, John Quigley and his staff's best effort. We are not perfect. If there is some behaviour out there by landlords or tenants that is abusive of the system, we will be back here. The Leader of the Opposition might recall that it is like lifting the statute of limitations. We introduced a scheme of voluntary payment by the churches of discharging these million-dollar judgements against them because the churches have their assets in trusts. We devised a voluntary scheme that permitted them to use trust money to pay these judgements, but we said that if they do not pay it, we would come back into this Parliament and legislate that the judgements can be

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executed against the church's property. With that threat, the church has been paying all the judgements and we have not had to come back here. Under this scheme, evictions are deferred, but if it is being scammed, a landlord can approach the Commissioner for Consumer Protection for a compulsory conference and if the tenant does not come along they receive up to a \$5 000 fine—thank you very much.

Members, especially the member for Hillarys, asked where the resources are coming from for the department. Because of COVID-19 and the downturn in business activity—the department of sport has just about closed down because there is no sport, arts has closed down because there is no performing arts, and we could go on—public servants will be available. Other portfolios such as, regrettably, Attorney General and Commerce are on fire and we do not get a moment's sleep. Senior people from other departments such as sport and art—there will be others—will be available to be seconded. The member referred to the Treasurer and asked what he will do, but we will not need extra money. Some people will be redeployed, admittedly they will have to be senior people, to this section.

One member said that it would be good if we can at least serve a notice of default during the emergency period. We cannot issue a notice of default during the emergency period. We have to wait until the emergency period is over and then issue a notice of default. A landlord can write to the tenant and tell them that they are behind in their rent and it is silly to keep on going, but they cannot issue a formal notice of default. It might have been Dr Nahan who said it would be good if we could issue a formal notice of default because, when the emergency period is over, the notice of default period has already run and the case can go straight to court. However, issuing a notice of default would traumatise a lot of tenants who have been told that there is a moratorium on eviction and they might think that the landlord is not obeying.

As to what happens at the end, people have their choices to make on the way through. What I have tried to do when reviewing all the matters that have come before me is to be faithful to the Prime Minister's entreaty: we need a system that promotes good-faith bargaining between the parties. We have tried to introduce that by mediation. If one party does not come to the mediation, they can be fined. If they get to the mediation and become resistant or refuse to show their financials to prove the point that they are trying to make, or they become obstreperous, the mediator can note that down. When the case goes off to the Magistrates Court, no doubt the way the parties have conducted themselves in mediation, which was being promoted by the Prime Minister, nonetheless, will have a huge bearing on the case. It is all very well for the Prime Minister to say that he wants this done by mediation, but it is the worker bees like me and my team who have to sit down and work out the nuts and bolts of how that mediation can be brought about, who it will be assisted by and the disincentives for not going to mediation.

It is a potpourri of problems when a government starts to interfere with binding commercial arrangements. We are only doing it because this nation faces its biggest crisis since World War II. We are only doing it because it faces its biggest economic crisis since 1929, which was 90 years ago. We are doing it with reluctance, but we are trying at all costs—that is a bad word in the context of this bill—to use all endeavours to try to maintain the relationship between the landlord and the tenant because, if they break down, firstly, the tenant and his or her family will be displaced and will have to move, and everyone is advised against doing that at the moment or during the six months that the Prime Minister identified, and, secondly, the landlord will find it hard to replace the tenant at that rental, so it would also be in the landlord's economic interests to try to maintain the tenant. I know what it is like as a landlord to lose a tenant for two months. If a landlord loses a tenant for two months and that tenant was paying \$600 a week, that is nearly \$5 000 that is being burnt, or the equivalent of a \$100-a-week rent reduction. Commercial exigencies will be playing out on both sides between landlord and tenant, and it is this government's intention to promote the stability and continuum of the relationship between the landlord and the tenant in these most difficult and extraordinary times.

I think I have covered most of the major themes raised in members' second reading contributions. I thank them all for their contribution and hope that they are gentle with me during consideration in detail.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

*Consideration in Detail*

**Clause 1 put and passed.**

**Clause 2: Commencement —**

**Mr P.A. KATSAMBANIS:** I thank the Minister for Commerce for his summing up because it answered some questions, but it also raised a couple of questions that I will try to deal with during consideration in detail. Like the minister, I do not want to prolong this process. I point out, as an Orthodox Christian, that today is Holy Thursday and I would be in church if we did not have the COVID-19 crisis. But since we are going through the COVID-19 crisis, I would rather be at home tonight watching the service of the Holy Passion and the Twelve Gospels, so I do not particularly want to prolong this.

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Clause 2 has four paragraphs. Proposed sections 1 and 2 come into operation on the day the bill receives royal assent. Proposed sections 25 and 42 come into operation on the day after assent day, and there is a good explanation in the explanatory memorandum of why that is needed, so I will not go into that. I will skip to the fourth paragraph of the commencement clause, which states that the rest of the act is deemed to have come into operation on 30 March. I think it is understood that that is the starting point for the six months ticking of the clock based on one of the announcements made by the Prime Minister. Paragraph (c) states —

sections 14(3)(b) and (4) to (7) and 26(3)(b) and (4) to (7) and Part 4 Divisions 3, 4 and 5 come into operation on a day fixed by proclamation;

Obviously, that points to the fact that a number of acts need to take place and perhaps some regulations need to be drafted. Because this is a very time-limited bill and because it is critical for people who are going to be impacted—landlords, tenants and representatives of both landlords and tenants—what is the intention when these particular proposed sections are going to be proclaimed, and what needs to happen before they can be proclaimed?

**Mr J.R. QUIGLEY:** The government's intention is to proclaim them as soon as possible. The hold-up, or what we have not finished yet, is putting in place the detail of the dispute resolution process within the department. To be able to issue a default notice under proposed section 14(3)(b), a person has to go through the mandatory mediation process. It was important to get this legislation into Parliament so that all Western Australians know it is a moratorium on evictions only, not rent. We have to get that message out loud and clear, so we wanted to get the legislation in. We are working furiously on getting the dispute resolution process up for Consumer Protection.

**Mr P.A. KATSAMBANIS:** Clearly, people are working on it now. There might be some minor changes, but effectively there is a legislative form around the scheme. Is there any indication of how long after it passes both houses that this could take place?

**Mr J.R. QUIGLEY:** We are confidentially predicting within four weeks. But everyone here knows what the legislation is. We will get the dispute resolution structure in place within four weeks.

**Mr P.A. KATSAMBANIS:** I will ask the question here, but I know I can ask it later. Again, we are trying to deal with this in a quick but comprehensive format. Before the dispute resolution process is put in place—the minister indicated around four weeks and we understand that it might be earlier or it might be a bit later, but everyone is working as hard as they can and we recognise that—will people who are affected by this scheme, be they landlords or tenants, be able to make an application to access the dispute resolution scheme, or will they have to wait until the scheme is finalised and these proposed sections are proclaimed?

**Mr J.R. QUIGLEY:** It is not as though a mediation process is going to be initiated at the department; there is already a voluntary mediation process at the department. People can go along voluntarily to have the department mediate, but what we are introducing under this scheme is compulsory mediation, so that a tenant can force the landlord to come to mediation or the landlord can force the non-paying tenant to come to mediation. There has to be a way that we do not flood the courts, as the member for Riverton said.

**Mr P.A. KATSAMBANIS:** I understand that, but it did not actually answer my basic question. Do not forget that I said in my contribution that I hope that if this process works, the state could possibly look at introducing mandatory mediation more broadly across our system in the future, prior to a person going to a Magistrates Court or the State Administrative Tribunal, as the case may be, depending on the type of tenancy, because I actually think that mediation is far preferable to going to court. Obviously, people who want to take advantage of this scheme need to be able to access that compulsory mediation rather than going off and doing the voluntary mediation, because unless they have done the compulsory mediation, the other remedies that flow, including potential court action, will not be available to them. In relation to the mediation mandated by this bill, will people be able to make an application before all of this is proclaimed on a date to be fixed?

**Mr J.R. QUIGLEY:** Certainly. The member is just a little ahead of the play. I take the member for Hillarys to clause 48(3), which states —

A submission must be made in a manner and form approved by the Commissioner.

One of the first things we are doing is preparing that form so that we can have it approved by the commissioner. That will then go up on the website. As soon as it goes up on the website, people will be able to make their application on that form. We hope that by then we will have the structure in place. This is like building a house around you while you are living in it. We will get the form right. The forms will come in before we have the rest of the structure in place, but by the time we are ready to deal with the forms, the structure will be in place. This is being done on the run. I dare say that if it had not been for COVID-19 and we had wanted to attend to something like this, it would have taken a year.

**Dr M.D. Nahan:** When we changed the long-stay residents legislation, it took a decade.

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**Mr J.R. QUIGLEY:** There we go! The member for Riverton said that the long-stay tenancy legislation took a decade. We do not know whether we have dropped a stitch here, but if we have, we will be back in here to pick it up.

**Mr P.A. KATSAMBANIS:** Again, the minister emphasised in his answer the precise question that I am asking. I asked whether people will be able to apply before these clauses are proclaimed and the minister said yes, because there will be a form under clause 48(3). However, clause 48(3) is part of part 4, division 3, which will not be proclaimed until a date to be fixed. How can a form that is reliant on a particular section in an act of Parliament, which this bill will become, be in place before that operative section is proclaimed? That is the vicious circle we are creating by doing things on the run. I like the fact that the bureaucracy is being pushed—I was going to use another word, but I will use that word—to act with a bit more haste than has been the case in the past, but we cannot do things outside the legislation. I guess the minister has answered my question and, unfortunately, to access this scheme, we will have to wait until things are ready and proclaimed.

**Mr J.R. QUIGLEY:** No. I do not want to say anything that the member might think is critical, but the preceding subclause, subclause (2), states —

A submission may be made irrespective of whether the event giving rise to the submission occurred before or after the coming into operation of this Part.

The submission can be made whether or not this part of the legislation has been proclaimed. We do not have to proclaim it for the commissioner to just print a form and put it on the website. Irrespective of whether this part has been proclaimed, people will at least be able to send in their application, of which I think we could get quite a few, and by the time we get to deal with those applications, we will have the next—what do the Americans call it, member for Riverton? It will be just in time.

**Dr M.D. Nahan:** That is Japanese, actually.

**Mr J.R. QUIGLEY:** It is Japanese, is it? I thought it was the Ford Motor Company.

**Dr M.D. Nahan:** It may be.

**Dr D.J. Honey:** It is American.

**Mr J.R. QUIGLEY:** It is an inventory system that involves getting the differential just in time to put it on the axle.

**Mr P.A. Katsambanis:** I am sure it was invented by McKinsey or somebody like that.

**Mr J.R. QUIGLEY:** I am sorry, but in this state of emergency, and in dealing with these emergencies, we are getting everything done just in time. We will get the form out. People will first of all talk to their landlords and if they do not get any satisfaction, they will then be able to look on the website for the form. By the time we are ready to deal with the form, the next part will be built. I am sorry, but that is the best we can do in this state of emergency.

**Dr M.D. NAHAN:** I have two questions. Firstly, what are other states doing, because this is a national approach? They have different mediation and conciliation processes and different powers. Maybe the minister could highlight those. Secondly, and importantly, what about having a code of conduct that informs and gives guidance to residential landlords and tenants of what the government expects the boundaries of negotiations will be, like there will be for commercial tenancy arrangements? For instance, it could detail how much someone's income has to go down by to be able to ask for it, or the priority for reducing expenditure, such as whether it should be rent or car payments first. I ask for some indication of that. My analysis of the situation is that many tenants are quite young and will be cash-strapped by definition. The government might be able to facilitate the process with some guidelines that can be used in the conciliation process.

**Mr J.R. QUIGLEY:** I thank the member. I will deal with the last part of the question first. The commissioner is in the process of developing guidelines and will publish them. I do not mind tabling them in here, but there will be guidelines to guide people. As to the first part of the member's question, I have a table that summarises part of it. There are variants. They go to national cabinet. I do not know what happens in there, but afterwards the Prime Minister says something and then the Treasurers all get to meet in a treasury meeting and everyone goes off and says, "Boss, where am I up to? Tell me!" What I can say is that only one other state is going down the mandated mediation process, and that is Queensland. The rest are leaving it to the courts.

**Mr P.A. Katsambanis:** Some of those states don't use the courts for these sorts of tenancy disputes.

**Mr J.R. QUIGLEY:** They use the tribunal.

**Mr P.A. Katsambanis:** They use tribunals that have built-in mediation processes already.

**Mr J.R. QUIGLEY:** Of course. I forget the name of the High Court case that has thrown a bit of a spanner in the works there, because the High Court said that a tribunal cannot make determinations for citizens of different states; it can only bind citizens of its own state. There was an example of someone who had moved to the eastern states for work. They are stuck.



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**Mr P.A. Katsambanis:** There are ways of dealing with that. I think it was specific to the nature of that case.

**Mr J.R. QUIGLEY:** I appreciate that, but it would mean more legislation, and I do not think this week is the week to do that.

**Mr P.A. Katsambanis:** No, not this week.

**Mr J.R. QUIGLEY:** I do not think now is the time for that. As has been mentioned before in the debate this afternoon, some states are providing up to \$400 a week for six months—it is quite a lot of money—to distressed tenants and landlords. As to rebates of land tax and payments to distressed tenants, all I can say is that those levers are not in my wheelhouse as minister, even though I have a pretty full sackful to use to try to write the legislation. As to what other monetary or fiscal relief could be given to people, that is for the Treasurer and the Expenditure Review Committee. I had to go full speed—pedal to the metal, as it were—to write this up so that everyone knows that they have to pay their rent, and everyone knows that there will be mandated mediation conferences. Might I say, at the moment, the voluntary mediation conferences are achieving over a 90 per cent success rate, so we are hoping that this will filter out, triage or wean out some of those cases so they will not clog up the Magistrates Court. I hope that deals with those issues, member.

#### **Clause put and passed.**

#### **Clause 3: Terms used —**

**Mr P.A. KATSAMBANIS:** Clause 3 is the definitions section—“Terms used” is the new format—and a comprehensive list of definitions are in there. For the sake of brevity, I again use this clause to emphasise my point. Many of us indicated in our contributions that one of the question marks around this piece of legislation is that it is open-ended and available to everybody; that one of the principles was that—as enunciated by the national cabinet, agreed to by the Prime Minister, Premiers and Chief Ministers of the states and territories, not a pronouncement from the mount by the Prime Minister—there ought not to be evictions of tenants who are so financially affected by the COVID crisis that they cannot afford to pay their rent. If they cannot afford to pay their rent, they will not be kicked out onto the street; they will not be evicted. I think one of the real failings that has been identified is that there is no definition of an “eligible tenant”. What is the hurdle that the tenant needs to meet? It does not have to be a very high hurdle at all, but it strikes a lot of us as passing strange that this clause is so open-ended that any tenant can utilise this. Any tenant can say, “I’m not paying rent, and you can’t throw me out for six months.” Or they might say, “I’m only going to pay a portion of rent, and I don’t care what you think.” Any tenant can take the other opportunity, which I think is going to be misused more. People who are not impecunious, who are not in financial trouble, will take the opportunity to seek out a bargain for themselves and break a valid lease under the provisions that are being introduced here. One of the things that could have been considered, and I ask the minister whether he considered this in its deliberations at the time that he was toing and froing when he was in self-isolation, and rightly so because he is at risk, as am I with my health conditions —

**The SPEAKER:** We are getting older by the minute, member; so let us keep it moving!

**Mr P.A. KATSAMBANIS:** I realise that, but I would be getting older by the minute whether I were here or elsewhere. I could not think of too many other places I would rather be, apart from in front of my TV watching the church service.

Minister, was any consideration given to limiting the eligibility criteria to people who can establish that they are under financial hardship? To the point that the minister emphasised in his reply to the second reading debate that it might not be direct financial hardship, we can utilise words that put a broader definition around financial hardship such as “to them or their family” or “to them or any other occupant in the premises” or whatever the words may be. We are not restricted to very narrow criteria. Was any consideration given to that; and, if so, why was it rejected? Why has the clause been made open-ended to apply to every single tenant irrespective of whether they are actually suffering financial hardship?

**Mr J.R. QUIGLEY:** That is because under this bill all the tenants are covered. It is not a financial hardship test at that point of the moratorium on evictions. However, if a landlord believes that a tenant is pulling the wool, or if a landlord believes that a tenant has the capacity, the landlord immediately fills in the form and goes to mandatory arbitration, and that can be pulled on very quickly. The mediator can arrive at an outcome. Although it is a mediated outcome, it can become enforceable by taking the next step and taking it to the magistrate. The alternative is that before the moratorium and before a person has an effective moratorium on their eviction, they first have to go along and prove financial hardship. This would plug up the system. The Prime Minister was trying to promote discourse between the landlord and the tenant, to come to their own resolution if possible. As I have stated, even under voluntary mediation, the department is achieving upwards of 90 per cent of mediated outcomes. Therefore, if it covers everybody, for those who want to cheat the system, the landlord can serve them with a notice of mandatory

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mediation and the officers at the department will go through that lickety-split. We then have triaged most of those people out. There might be a small cohort that need to be dealt with in the Magistrates Court.

**Mr P.A. KATSAMBANIS:** In relation to the minister's answer, can that mandatory alternative dispute resolution process be used in any way if a tenant serves a notice on the landlord pursuant to clause 19 of this bill?

**Mr J.R. QUIGLEY:** The member said clause 19, did he not?

**Mr P.A. Katsambanis** interjected.

**The SPEAKER:** The minister is on his feet.

**Mr J.R. QUIGLEY:** Sorry, clause 19—a lease break with no fault—does not required a mediation or a determination by a mediator or a court. We have included clause 19 because some people might raise their hands and say, “I can't afford this. The economic circumstances have changed; I can't afford this. I could, reasonably, when I got in. My wife's lost her job. I'm on reduced wages; I can't afford this.” We do not want to drive these people into bankruptcy in this state of emergency, so we have to say, “You can break your lease and move. No order is required. No mediation is required. You can break your orders and move.” This is a great incentive for landlords to negotiate because then the landlord has a decision to make. The tenant has made a decision that he or she cannot afford it; we as a society cannot force them into pecuniary; we should not force them into pecuniary; we should not force them into greater debt, given the circumstances of the state of emergency; and so we have given the capacity to break the lease.

In the mandated mediation process, no doubt that will be pointed out to the landlord as well, so the landlord has a commercial decision to make as well. We know that the tenant cannot afford the lease, so the landlord has to make a decision. Does it come down to what the tenant can afford, or does the landlord keep the rent up and have the tenant break the lease so the landlord will have to go and get a new tenant? A lot of landlords will say that they are not keen to go out and get a new tenant because, as I explained before, if a landlord loses two months' rent while they are looking for a tenant in this market, it is the equivalent dropping the rent \$100 a week, and so we are trying to incentivise both parties to sit down and talk.

**The SPEAKER:** Members, I remind you that we have 74 clauses.

**Mr P.A. KATSAMBANIS:** Sure, but we are working through them really quickly, despite the fact that we are still on clause 3. It is really good.

The minister has raised two issues. The first issue is eligibility for clause 19. Tenants who are suffering can put up their hands and say they are walking out. We fully agree with that, but the clause is not limited to those tenants. That is the point we are making about having a term in clause 3 about the eligibility of tenants to do this. That is the first point. It is not limited to those tenants. It is available to any tenant, including those who think they can break a validly entered into lease because they can get a better bargain today, in a depressed market, penalising the landlord through no fault of the landlord. Secondly, and more importantly, there is no obligation whatsoever, that I can read in this bill, on anyone—tenant or landlord, but particularly tenants because they will exercise clause 19—for them to undertake any negotiation or discussion with the landlord without implementing the provisions of clause 19. They can wake up one morning, decide to walk out of the lease, not communicate with the landlord, not seek a reduction in rent, and not give an opportunity for anyone to attend a mandatory or voluntary conciliation process. They can simply, unilaterally, exercise the provisions of clause 19. If they are suffering financial hardship, we are all in the vehement agreement that they ought to —

**Mr J.R. Quigley:** Can I interrupt?

**Mr P.A. KATSAMBANIS:** Yes, you can. I was just about to finish anyway.

**The SPEAKER:** You can interject from your seat, minister, so the member can still be standing.

**Mr P.A. KATSAMBANIS:** My point is that we are in vehement agreement that if they are suffering financial hardship, they ought to be given the benefit of this clause and every other clause. But if they are just seeking a financial bargain, and basically seeking to breach a contract, without financial hardship or any impact, I do not think we should be facilitating those people, especially at this difficult time for other people.

I am not sure whether the minister is taking a photo of me as he is holding up that phone.

**Mr J.R. QUIGLEY:** I know the time. I am persuaded by the member's argument. We want, as a Parliament, to work together. We are not presenting an ideology here. This is 59 members of this Assembly working together to offer relief for people in this state of emergency. I was not taking a photo of the member. I was having a look at the amendment that I have drafted for when we get to clause 19. We are not there yet, but I will give the member a preview of what I will scribble out and do. I wanted it checked by Parliamentary Counsel's Office and not just be drafted here at the table while the member speaking. A few words may change between now and then but the

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meaning of it is that if a tenant, in relation to a tenancy agreement for a fixed term suffers financial hardship caused by the economic effects of COVID-19 pandemic, notice given under this section 1(a) by the tenant—and it goes on. We are going to do it. It is going to be for financial hardship of COVID-19. I will move that government amendment in those words, or words similar to it when we get to clause 19. I thank the member for raising it.

**Mr P.A. KATSAMBANIS:** That goes some way to our allaying our concerns. I thank the minister for taking that on board. If it is not possible to be done today, it can be done over in the other place and brought back here. That is fine, too. It introduces a concept in that. It does not move it to the other area, the area around the barring of evictions, but perhaps we will discuss it when we come to that clause. I thank the member for making that offer. I think that is worthwhile.

**Clause put and passed.**

**Clause 4: Term used: emergency period —**

**Mr P.A. KATSAMBANIS:** Trust me. I am not going to go through it clause by clause. I promise.

**The SPEAKER:** You will not be seeing your TV show!

**Mr P.A. KATSAMBANIS:** Clause 4 defines the term “emergency period”. It is very critical because this bill will apply during an emergency period. It begins on 30 March 2020, so it is slightly retrospective. We know why that is the case and do not raise that as a hurdle or objection, because it is giving effect to a decision made by the national cabinet and announced by the Prime Minister. The termination of the emergency period requires some questions. Clause 4(b) states —

- (b) ending on —
  - (i) a day prescribed by regulations for the purposes of this paragraph; or
  - (ii) if a day has not been prescribed for the purposes of this paragraph before 29 September 2020 — 29 September 2020.

The intention clearly is that this entire bill and its provisions will apply for, effectively, six months. That was the agreement reached by the national cabinet. I will try to be concise. My question has two parts. The first part is: what are the sort of circumstances that the minister might envisage would require a day being prescribed by the regulations that either ends before 29 September, as unlikely as that sounds, or extends beyond 29 September 2020? That is the first limb of my question. The second limb of my question is about clause 63, just to speed things up, so I do not have to ask this in clause 63. Clause 63 is the sunset clause, which repeals the act after 12 months. I seek confirmation from the minister, for the record more than anything else, that because clause 63 is a sunset clause, any extension of the act, as this bill will become, can go only as far as 12 months after the emergency period —

**Mr J.R. Quigley:** 20 March.

**Mr P.A. KATSAMBANIS:** Yes. Is that right? Because I do not think it is.

**Mr J.R. Quigley:** If we do six months—from proclamation.

**Mr P.A. KATSAMBANIS:** The second part of my question is: can regulations made under 4(b)(1) extend the repeal date because of the way that clause 4 and clause 63 interact? Can a regulation proclaimed under 4(b)(1) act to extend the sunset date in clause 63?

**Mr J.R. QUIGLEY:** Just to explain, the sunset provision is designed to operate for 12 months after the emergency period. The reason for that being that there might be cases before the courts or in the dispute resolution process that have not worked through the system at the end of the emergency period. There still might be some outstanding dispute that has not been resolved in mediation or the court, if it has been referred to the court. It could even be prosecutions for failing to attend mediation—that \$5 000 fine we were talking about. Those all might be in play after the emergency period finishes.

**Mr P.A. KATSAMBANIS:** I think that is worthwhile pointing out. Some of the other acts we have passed for COVID, essentially, have fixed sunset dates. They are either by reference to royal assent or by reference to commencement of particular sections. It is important to point out that the interrelationship between clause 4 and clause 63 means that the sunset date of this legislation will not be a fixed date if regulations are made under clause 4.

**Mr J.R. QUIGLEY:** That is true, but we need the time to resolve the disputes.

**Clause put and passed.**

**Clause 5 put and passed.**

**Clause 6: Act binds Crown —**

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**Mr P.J. RUNDLE:** This is probably the only section I could relate to. My question earlier, which the minister did not respond to during the second reading debate, is in relation to the mandatory code of conduct. We are dealing with a mandatory code of the national cabinet. Will there be a state code that will apply to this legislation?

**Mr J.R. QUIGLEY:** No, there will not. I appreciate that we are all working under stress. A mandatory code will come into play in the Commercial Tenancies (COVID-19 Response) Bill 2020. A code of conduct is in the Residential Tenancies Act, but there will be a code for the commercial tenancies bill.

**Clause put and passed.**

**Clauses 7 to 9 put and passed.**

**Clause 10: Rent cannot increase after renegotiation of lease during emergency period —**

**Mrs L.M. HARVEY:** I have a couple of questions on this clause. I understand that this clause is about tenancy agreements that have been signed and settled during the emergency relief period. I want to know whether there are any restrictions around the terms of those leases that can be signed during an emergency period. For example, it may be that a fixed term tenancy is coming up for renewal as we speak, and because of the financial situation of the tenant, they may wish to try to negotiate, if you like, a three or four-month extension. I want to understand whether there is any limitation on the extension of a lease that may be re-signed during this period.

**Mr J.R. QUIGLEY:** There are two parts to the response. Firstly, if the landlord and tenant sign a new lease during the period, it is not operative, because that is an agreement made during that period. Secondly, if the parties have agreed to a new fixed term, there will be a new fixed term on the agreement of the parties, which is what I just said. If the parties do not agree to a new fixed term and the fixed term expires, then the occupancy will revert to a periodic tenancy month by month until the end of the emergency period, so that people will not be out on the street. If the year's tenancy expires today, then from today until 20 September, they will be occupying on a periodic tenancy. They can either quit the premises by giving 21 days' notice, or they can stay on the premises. They cannot be evicted, but they will know they have a debt building up. I hope that helps.

**Mrs L.M. HARVEY:** Obviously, some tenants and landlords will be looking at their options. A tenant in the scenario of a fixed lease expiry may be reticent to enter into another fixed term agreement and may prefer to be on a periodic occupancy program. For example, if the tenant signs a lease for a further three-month period, is there a minimum term that could be applied for the extension of the lease?

**Mr J.R. QUIGLEY:** No, there is none. It is what the parties contract to agree. If they are silent, if they do not talk to each other, the periodic tenancy will roll on until the end of the emergency period. If they talk to each other, the landlord might say, "I'll give it to you for \$50 a week, but for six weeks", whatever the parties contract to agree. If they then agree for a fixed term lease of two months at \$50 a week, it would be silly of the landlord because after that it would revert once again to periodic tenancy until the end of the emergency period. The whole purpose of the legislation is to try to keep our population in the houses they are currently in as far as possible, and not have this blessed virus being transported by moving men and people looking through other houses. We are doing well though; what was it today? Three? It is this isolation.

**Dr M.D. Nahan:** There is only one outside the ships.

**Mr J.R. QUIGLEY:** Only one. We are doing well. The isolation of Australia—it is one of the best countries in the world and this state is just about the best state. I would rather live here than anywhere else in the world—people cannot fly here—because we are safe.

**The SPEAKER:** Minister, back to the bill please.

**Clause put and passed.**

**Clause 11: Owner not required to maintain and repair under tenancy agreement if unable to do so during emergency period —**

**Dr M.D. NAHAN:** Clause 11(2), basically states that if there is hardship or an inability to access the premises, there is less requirement on the landlord to provide improvements. We have to have limits to this. In fact, if the roof is leaking, something has to be done. If the fence is broken down and the tenant's dog gets away, the owner has to do something. There has to be some limits on this to make the house liveable. This is at subclauses (2)(a) and (3)(a).

**Mr J.R. QUIGLEY:** It means that the landlord does not have to do normal repairs. I have a daughter who is in accommodation at the moment with three kids, and the cafe blinds that she relies on to keep the wind out of the play area are all torn and gone. I said, "As soon as this legislation comes in, you won't be able to ask your landlord to repair it, because he doesn't have to repair it." However, I draw the member's attention to the last part of his question and clause 11(3), which states —

for a residential tenancy agreement — the *Residential Tenancies Act 1987* section 43(2)(b) and (3)(b); ...

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That is the section about essential services. They will be required to undertake essential services, and water coming through a roof would be regarded as essential, as would damage to any electrical or gas fittings. If I could use the member for Riverton's words, things that make the house liveable would be regarded as essential. All other repairs, like my daughter's cafe blinds, she will have to winter without the cafe blinds, unless the landlord wants to replace them. That is it.

**Mr P.A. KATSAMBANIS:** Clause 11 gives rise to a question I raised in my second reading contribution, which I do not think was covered off by the minister; it was really more of a confirmation. This clause provides that owners will not be required to do non-essential and non-urgent maintenance.

**Mr J.R. Quigley:** Cafe blinds are non-urgent.

**Mr P.A. KATSAMBANIS:** I will use the cafe blind example. I ask the minister to confirm whether a tenant will still be required under the usual obligations of the Residential Tenancies Act or the Residential Parks (Long-stay Tenants) Act to report maintenance that needs to be done even though the landlord will not be obliged to carry it out. I ask that because, as we know, the average landlord would want to keep up maintenance solely for the benefit of maintaining the value of their asset and their ability to seek the highest possible rental when we revert back to a normal state of affairs. Of course, although they are not obliged under this provision to carry out repairs, they may be in a position to be both willing and able to fund those repairs.

**Mr J.R. QUIGLEY:** Member for Carine —

**Mr P.A. Katsambanis:** Member for Hillarys.

**Mr J.R. QUIGLEY:** I am sorry, member for Hillarys.

**Mr P.A. Katsambanis:** I've still got a bit of hair!

**Mr J.R. QUIGLEY:** My mistake.

**The SPEAKER:** I am losing mine, members. Come on, let us get on with the bill!

**Mr J.R. QUIGLEY:** I made a mistake. I am sorry, member for Hillarys. What I want to say is that the Residential Tenancies Act will still apply. Under the Residential Tenancies Act there is an obligation on the tenant to report. It is then up to the landlord to make the decision as to whether to effect non-essential repairs. But the obligation to report still resides with the tenant.

**Clause put and passed.**

**Clauses 12 and 13 put and passed.**

**Clause 14: Giving rent default notices under tenancy Acts for failure to pay rent during emergency period —**

**Mr P.A. KATSAMBANIS:** The heading of this clause is "Giving rent default notices under tenancy Acts for failure to pay rent during emergency period". I raise this because in response to a question posed by the member for Riverton in his second reading contribution, the minister indicated in his summing up that default notices would not be issued during the tenancy period. I think that might have been just a bit of shorthand. This clause works together with clauses 26 and 36 to provide alternative ways in which rent default notices will be issued during this period. To summarise how they will work, a rent default notice cannot be issued during the period unless an agreement has been entered into under this bill to vary the rent. Firstly, under that agreement the tenant will not pay and, secondly, although the default notice can be issued, it cannot be for a date prior to the expiry of the emergency period, which, of course, validates the agreement of the national cabinet relating to no evictions for a six-month period. I give the Minister for Commerce the opportunity to put on the record that default notices can be issued in this period, but they must be in a format and in compliance with all the requirements of this bill rather than under the requirements of the Residential Tenancies Act. In any case, they cannot be for an eviction during the emergency period.

**Mr J.R. QUIGLEY:** Yes. The member is quite right. I confirm that. I think I misspoke before; I am sure I did.

**Mr P.A. Katsambanis:** That is why I gave you this opportunity.

**Mr J.R. QUIGLEY:** The default notice can be served during the emergency period, and the reason for that is if the landlord is able, or still has the capacity, to issue the default notice during that period, it will preserve the landlord's insurance position. That was a result of discussions between the department and the Insurance Council of Australia. If a landlord issues a default notice promptly, it will cover their insurance policy and their insurance policy will not be vitiated by reason of the fact that the court cannot hear and determine the default notice until then because it is outside of the insured's control.

**Dr M.D. NAHAN:** That is a very important point. I received an email from a landlord about that issue—that if they were not to issue a default notice, the landlord's insurance would be null and void.

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**Mr J.R. Quigley:** Correct.

**Dr M.D. NAHAN:** That has to be communicated very clearly. They were very concerned about that.

**Mr J.R. QUIGLEY:** That will be communicated clearly in a notice to all landlords at the same time as we advise all tenants that there will be no moratorium on rent.

**Clause put and passed.**

**Clauses 15 and 16 put and passed.**

**Clause 17: Termination of tenancy agreements during emergency period to be in accordance with Division —**

**Mr P.A. Katsambanis:** Thank you, Mr President.

**The SPEAKER:** Withdraw.

**Mr P.A. KATSAMBANIS:** I withdraw with extreme apologies; yes.

**The SPEAKER:** Wash your mouth out with soap!

**Mr P.A. KATSAMBANIS:** I have transported myself backwards three years.

**The SPEAKER:** Come forward now, please.

**Mr P.A. KATSAMBANIS:** Although could we wipe out 2018!

Clause 17 will essentially legislate for the “no evictions for six months” agreement that was reached by the national cabinet, particularly in relation to tenancy agreements. That is fair. We have debated it up hill and down dale. In the discussion earlier in consideration in detail, the minister indicated that he would be prepared to move an amendment to section 19 to introduce a proof of hardship provision. I think the debate today has been about ensuring that people who take advantage of the provisions in both clauses 19 and 17 are suffering some form of hardship related to COVID-19. I seek from the minister whether there is any intention either now or in the process in the other place to also incorporate some form of ring-fence, if you like, to make sure that the right people benefit from this provision. I do not know whether there is any other way to implement all the other provisions to enliven mandatory conferences so that lower rents can be worked out along with all the other provisions without putting some sort of ring-fence around this provision. That is all I seek at this stage. I realise that that may need to be considered by greater minds overnight, but I am just putting that out there.

**Mr J.R. QUIGLEY:** I will give the member my current thinking. As I said, this is not a question of ideology; this is a question of the joint wisdom of this chamber. I have already indicated that I will move an amendment to clause 19, “Termination without specifying grounds”. I indicated earlier that I would move it in this clause, but I will not move it now because that would require the bill to be reprinted before it is presented to the other place, and the other place might insist on some other amendment, which would result in a second reprinting of the bill. Members have heard what I have to say on that matter. I differentiate clause 17, however, because if the test is that there can be no eviction notice without hardship being demonstrated, even if that burden is carried by the landlord there is going to be a glut of the system by which thousands and thousands of people will be making applications that they are stuck by the system, whereas if it existed in its current form and the landlord has any reason to suspect that they are being gamed because the tenants do not have depleted or diminished income due to COVID-19, the notice for mandatory conciliation can be issued and there is a whole team of people to get to the bottom of whether it is a try-on or not. To do that as a prerequisite when there are tens of thousands of tenants will, in my view, be a bit of a game-stopper. I am in the hands of the Parliament here. Whereas in the other example—that is, people wanting to terminate—it will be a lesser cohort. Everyone who is a tenant today is not going to wake up in the morning and say they want to quit their tenancy. Those people should be able to demonstrate that they are quitting on the grounds of hardship. We have given that undertaking. With the other one, I do not want to see the system bogged down by proving in advance and then people saying, “What about your wife, she works?” This whole thing becomes litigious. We leave it to cover all tenancies, and the landlords are the best people to supervise this. They will know their tenants, and if they say that the tenant is parking a Porsche Cayenne wagon in the garage and has three kids at St Hilda’s, the landlord will say, “Where is that form I filled in for a mandatory conference? I want to talk about this!” We can back-end it instead of front-ending it, as we do with the other one.

**Mr P.A. KATSAMBANIS:** I understand where the minister is coming from. None of this is ideological. I totally agree. I just think that the Premier has been very, very strong in his rhetoric around people who can afford to pay the rent paying the rent. It may not necessarily be in this clause, but I think there needs to be some trigger, some mechanism, that sends that message to tenants not to try it on if they are not in difficulty. There are enough people out there in difficulty. I recognise what the minister is saying that if a landlord thinks that they are being gamed, they have recourse. I agree that that distinguishes the provisions enlivened by clause 17, but it is not clause 17 that does all that; it is all the other provisions that are enlivened by the fact that someone cannot be evicted. Those

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provisions are distinguished from that unilateral right in clause 19. I recognise the difference. Like the minister, I will wait to see what form the bill comes back to us in when it is considered in the other place.

**Clause put and passed.**

**Clause 18 put and passed.**

**Clause 19: Termination without specifying grounds —**

**Mr P.A. KATSAMBANIS:** The minister has indicated that he is open to an amendment and that he is going to be working on a government amendment to this clause, and I really welcome that. I think that indicates how the more light we shine on these bills that are produced in the manner the minister described in his earlier contribution, the better the bill becomes. I think there was a concern that this provision is well intentioned and it will help people who are really suffering, as I and others said in our second reading contributions, but people perhaps recognise that a deferral of, or reduction in, rent will not help them. It gives those people that opportunity to look at other options, and their other options may well be moving in with friends or family. I know that is already happening with my neighbours and their adult children. They may choose to go to a different type of tenancy with less rent or the like. That is all well and good. It is properly calibrated to help those people under financial hardship, but there was the potential for gaming. The minister has recognised that. Again, we will wait until the provision is drafted and see what we get back. I thank the minister and the government for taking those concerns on board, because I think they are going to allay the fears of a group of people in our community who were going to bear the brunt of any gaming of the system. We hope it does not happen, but if we put a ring-fence around it, it is less likely to happen.

**Mr J.R. QUIGLEY:** I will jump up before the member for Riverton, because he might want to comment on what I am saying. I want to say this: if we could just turn to clause 19(2) for a moment, member for Riverton and member for Hillarys, and strike out the first two lines of that clause—run a pen through those—and in their place I will put these words. I will read them slowly. I have not got the amendment with me. The words are —

If a tenant in relation to a tenancy agreement for a fixed term suffers financial hardship caused by the economic effects of the COVID-19 pandemic, a notice of termination given under subsection (1)(a) by the tenant may specify a day earlier than the last day ...

The member can have a look at it when it comes in writing from the other place. It is a prerequisite for termination that a tenant demonstrates financial hardship arising from COVID-19, so, in spirit, it meets the concern that I think the member for Riverton and member for Hillarys had.

**Dr M.D. NAHAN:** One of the issues, and it has come up in reality, is that I have a constituent who has a rental property and the tenant has claimed hardship. He is actually not in hardship at all. It took us a while to find out. The tenant's definition of hardship is that COVID-19 has thrown everything up in the air and he wants to take advantage of it. How are the economic effects of COVID-19 tied to the limitation of clause 19? That was my question. I might add that in the definitions in clause 3 there is no definition of COVID-19. How is it tied to the definition of economic effects of COVID-19? How do we define COVID-19 and the economic effects of it?

**Mr J.R. QUIGLEY:** There are two questions there. COVID-19 will be given its ordinary meaning in statutory interpretation. COVID-19 was announced by someone from the World Health Organization, I think, who said they had to come up with a name. They wanted it distinctive, easy to pronounce and not confusing. It will just have to be given its ordinary meaning—that is, that disease that comes from a coronavirus—which is what I think the courts would do. Whether or not the economic consequence of a person suffering is from COVID-19 is a question of fact, and that will be because the person can just issue the mandatory mediation notice and have the department look very quickly at whether it is a diminution of income due to COVID-19 or not. The department will say, "Show us your books; show us your bank statement and tell us what is going on." The tenant might say they had their hours cut in half or whatever. The experienced people at the department should be able to arrive at that conclusion very quickly, and we will put enough staff on to have that arrived at quickly. Just to wrap up in answer to the member's question, as a result of the amendment that will be moved in the upper house by my colleague Hon Alannah MacTiernan, there will be the capacity in this clause for a person to ask for a compulsory mediation conference—"What's he doing with the Porsche Cayenne in the driveway and telling me he cannot pay my rent?" The officer will have a look at that and say, "This is poppycock. On your bike."

**Mr P.A. KATSAMBANIS:** On that point, I note that the minister has read out a proposed drafting. It could work or it could not. I was trying to follow it as the minister was reading it out. We will have a look at it overnight, and no doubt all the wise heads will get together and they will tell us what works and what does not. I am comfortable with that.

**Dr M.D. NAHAN:** I was warned by a very experienced landlord today that the person with the Porsche and the kids at the private school are the biggest risk of default.

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**Mr J.R. Quigley:** What?

**Dr M.D. NAHAN:** The renters who are the biggest risk of default are the ones with the Porsche —

**Mr J.R. Quigley:** The Porsche and the kids at the private school!

**Dr M.D. NAHAN:** Yes!

**Clause put and passed.**

*Sitting suspended from 6.09 to 6.26 pm*

**Clause 20: Termination in other cases —**

**Mr Z.R.F. KIRKUP:** I was hoping that the minister might outline to us some examples of causes for termination in other cases. He has described the Porsche Cayenne example. I was hoping he might provide us with some real-world examples of terminations in other cases.

**Mr J.R. QUIGLEY:** Under section 63, a tenancy agreement could be terminated if the agreement is a periodic agreement and the purchaser of the premises requires vacant possession. Section 69 deals with the frustration of the agreement—for example, the premises are no longer habitable; they could have been burnt. Section 60(1)(f) deals with a tenant who abandons the premises. Under section 60(1)(g), the landlord and the tenant could agree in writing to terminate the agreement and the tenant vacates the premises. Section 60(1)(i) deals with circumstances in which every tenant dies. Under section 73, the court could terminate the agreement if the tenant is causing serious damage to the premises or injury to the landlord, property manager or any person on adjacent premises. Under section 74, the court could terminate the agreement on the grounds that the landlord or the tenant will suffer undue hardship if the agreement is not terminated.

**Dr D.J. HONEY:** Just to clarify, I had an inquiry from a concerned resident who has purchased a property that has a tenant. They are concerned that although it was originally the case that once they had purchased the property, the tenant would vacate the property, that tenant may now be able to stay. Is my understanding correct that under clause 20, when a person purchases a property, the tenant will be required to move out and cannot stay in the property?

**Mr J.R. QUIGLEY:** That is correct; they will not be able to. If it is a fixed-term tenancy, the person who is buying the property will know that the tenant has a fixed term.

**Dr D.J. Honey:** No, it is periodic.

**Mr J.R. QUIGLEY:** Periodic? Yes, the member is right.

**Clause put and passed.**

**Clauses 21 to 30 put and passed.**

**Clause 31: Termination without specifying grounds —**

**Mr P.A. KATSAMBANIS:** I had to rush up here, as there are no bells in the staff cafeteria where dinner is being served tonight.

The reason I raise this clause is that it is analogous to clause 19, but it relates to accommodation agreements rather than tenancy agreements. I am seeking the minister's concurrence that the same amendment that will be moved to clause 19 will also apply to clause 31.

**Mr J.R. QUIGLEY:** It will do the same. I should say it in longhand for *Hansard*. The government will move the same amendment to clause 31 as it has undertaken to move to clause 19.

**Mr P.A. Katsambanis:** To similar effect anyway.

**Mr J.R. QUIGLEY:** To similar effect.

**Clause put and passed.**

**Clauses 32 to 42 put and passed.**

**Clause 43: Terms used —**

**Mr P.A. KATSAMBANIS:** Again, for the sake of brevity, I will refer to clause 43 because it is the first clause in part 4. Part 4 deals with the new mandatory dispute process that is being introduced under this bill. I could cover this on any of the clauses, but I will cover it on clause 43 and then move on. The minister indicated that no additional resources will be made available through a budgetary mechanism, the Expenditure Review Committee or anything like that, but he did indicate that good-quality, hardworking members of the public service may not necessarily have that much work going on right now because of the nature of the businesses and industries that they are regulating, and that there would be a pool of willing workers who could be repurposed to the Consumer Protection division



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and therefore assist in this dispute resolution process. Are the people who could be repurposed from agencies such as the Department of Local Government, Sport and Cultural Industries mediators? Do they have any qualifications or experience in mediation? Apart from the need to have some administrative staff to deal with the volume of new work that will be coming in, the real requirement to get these matters dealt with expeditiously will be to have a ready pool of mediators, so where are we going to find them?

**Mr J.R. QUIGLEY:** The member would be surprised by how many legal mediators there are throughout government. There are quite a number of them in the department already, and I suspect there are a number of mediators in other departments. There will be a reallocation of staff, obviously, but getting enough mediators over there will not hit the budget bottom line. There will be a reallocation of staff. When I said that there are other departments such as the Department of Local Government, Sport and Cultural Industries, I was not in any manner thinking that a policy officer for soccer would go over to mediate tenancy disputes, but senior executives and people who are experienced in mediation are spread throughout government. There are qualified mediators at the department. There are qualified mediators at the State Solicitor's Office. They are all around. We can find enough qualified mediators to make this work. We are bringing in this system to try to filter out those claims before they get to the Magistrates Court and swamp the court system.

**Mr P.A. KATSAMBANIS:** I would be interested in what sort of process has been established internally within government to harness these resources and bring them to bear so that they can be used. Has a formal process been introduced or are we wishing that this might happen in the near future?

**Mr J.R. QUIGLEY:** It is happening at the moment. Even in ministerial offices, it is happening at the moment. Ministerial officers from slow ministries are being assigned to other ministerial offices every day to cope with the workload. As I have said, the Attorney General and commerce portfolios are on fire. Everything is around commerce or making up a new law—not everything, but near as. We have to bring in people from everywhere, and there are other areas of government that are a bit slower because of the downturn.

**Dr D.J. HONEY:** This is more in the form of a comment as much as anything. I suspect that if the government communicates the test of genuine need versus want, the amount of mediation required will substantially diminish. If people are clear in their minds that it will apply only to people who are suffering genuine COVID-19-related distress, the amount of mediation required will be significantly less. I guess there is encouragement that that is widely communicated once the bill goes forward.

**Mr J.R. QUIGLEY:** As I have explained, the commissioner is working on criteria at the moment. By the time the form goes up, the criteria will be up, so the people who go onto the site will see the form they can apply with and the criteria they have to meet.

**Clause put and passed.**

**Clauses 44 to 59 put and passed.**

**Clause 60: Delegation of powers and duties in relation to conciliation —**

**Mr P.A. KATSAMBANIS:** Clause 60 deals with the power of the commissioner to delegate his or her duties to a person. It is very specific. Clause 60(1) states that the power can be delegated to a person either —

- (a) employed in the department of the Public Service principally assisting in the administration of the *Fair Trading Act 2010* whose duties consist of or include conducting conciliations under this Part; or
- (b) who is approved by the Commissioner as a person who may conduct conciliations under this Part.

Clause 60(1)(a) makes it very clear that they have to be part of that department and that their duties must consist of or include conducting conciliations, so they are people who are used to this—mediators, conciliators and the like. Alternatively, under clause 60(1)(b), they may be a person —

who is approved by the Commissioner as a person who may conduct conciliations under this Part.

Ordinarily, in the normal course of events outside the COVID period, that sort of power would give the commissioner the opportunity to perhaps hire on a contractual basis, mediators, conciliators, and perhaps legal practitioners—people who are experienced—to act on a sessional basis, as the case may be, to backfill any demand. However, in the context that the minister indicated there may be other people in the public service who have experience in this area. What criteria will the commissioner use to determine who is a person who may conduct conciliations under this part?

**Mr J.R. QUIGLEY:** First of all, the person has to be employed in the department. The person could be from the Department of Justice, for example, but could go over to the employ of the Consumer Protection division of the Department of Mines, Industry Regulation and Safety.

**Mr P.A. Katsambanis:** That is fine.

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**Mr J.R. QUIGLEY:** Okay. I am told that around government there are a lot of mediators. I have not spoken to all of them but a senior officer in the Department of Justice has just advised me, for example, that there are victim mediators at the Department of Justice, Aboriginal mediators—there would be Aboriginal tenants as well—reparative justice mediators and lots of other mediators. I am not confining it to just those. Throughout the other departments are a lot of mediators. If we need more mediators because we are getting a flood of claims, we will bring them in from other departments and employ them in the Consumer Protection division of the Department of Mines, Industry Regulation and Safety. The department also has its own lawyers. If we get swamped, this clause will not be a bar to employing sessional mediators. However, with all the money we are spending on stimulus measures et cetera, if we have mediators on hand, we will use them first.

**Clause put and passed.**

**Clauses 61 to 72 put and passed.**

**Clause 73: Transitional regulations —**

**Mr P.A. KATSAMBANIS:** This is an interesting clause because it falls under part 7, which introduces a series of transitional provisions. We understand why they are needed. It is because default notices were issued prior to 30 March that come into effect after 30 March and because when we are interfering with the operations of long-established legislation, we need to have transitional provisions. I have looked at the provisions and, in the main, they work well. However, clause 73 is interesting because it allows for transitional regulations. The minister can correct me if I am wrong, but if we extrapolate from the clause what it is trying to do, we can see that it basically says there might be things that we have missed in the transitional provisions that we have included in this bill. In case we have missed them, we will bring them in by regulation. I will not ask the minister what might have been missed because obviously this provision is a catch-all. However, I am concerned about how the potential disallowance of regulations would operate in this very limited period. Regulations might be brought in during the emergency period when Parliament is not sitting as regularly as it might otherwise sit or it is sitting under the emergency provisions rather than its normal operating standing orders. Therefore, the disallowance may happen for any transitional regulations that are found to be beyond the power provided for here or that are disallowed by the other place in its usual operation, because it can disallow regulations, including transitional regulations, but the thing that the disallowance was trying to stop may have already occurred simply because of the countdown period and the way the clock operates on disallowances in the other place. How can we ring-fence these transitional regulations made under clause 73 to ensure that no harm is done inadvertently to innocent people?

**Mr J.R. QUIGLEY:** The transitional provisions are widely known because they are contained in clause 70(1). Subsection (2) has been included in case there is a transitional event that we are not yet aware of so that we can quickly bring in a regulation. If that failed, it would require us to come back here and legislate. However, I repeat and emphasise that subclause (2) is like us trying to look over the horizon. We cannot see what is on the other side of the horizon or where we will be in six months, but a transitional event might occur and so we want to cover that off by providing a head of power to deal with it, if required, subject to disallowance. It is very hard in this environment to foresee all the things that might happen in the future, and that is why we have subclause (2) in there. I hope it meets with the member's approval.

**Clause put and passed.**

**Clauses 74 and 75 put and passed.**

**Title put and passed.**

*Third Reading*

**MR J.R. QUIGLEY (Butler — Minister for Commerce)** [6.47 pm]: I move —

That the bill be now read a third time.

**MR P.A. KATSAMBANIS (Hillarys)** [6.48 pm]: I thank the minister. I think that was a very useful consideration stage of the Residential Tenancies (COVID-19 Response) Bill 2020. However, it was limited by two factors: firstly, the short time that we have had to consider the bill, obviously, and, secondly, the desire of everyone to expedite the bill's passage so that we could deal with the foreshadowed amendments. I thank the minister for accepting the point that some requirement to at least establish a prima facie case of financial hardship ought to be a step in the process to allow a tenant to walk away from a lease with 21 days' notice. I look forward to seeing amended clauses 19 and 31. I accept the minister's explanation that it is probably best that it be done in the other place to avoid reprinting and the like. We have had some discussion on the broader issue of the renegotiation of rent, which is essentially triggered by the non-eviction provisions. I refer to the small minority of people that even the Premier has spoken very directly to through the media and in this place and said, "Make sure you pay your rent

**Extract from *Hansard***

[ASSEMBLY — Thursday, 16 April 2020]

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if you can afford to pay your rent.” We will see how that plays out and what comes back from the other place. I think this has once again shown how productive the debate of the bill and the consideration in detail stage can be.

It is unfortunate that in emergency situations such as this we cannot take a little more time to come up with even better amendments to what is a good attempt at legislating from the principles that have been agreed to by the national cabinet, to which we all ascribe. Those principles are that people who are suffering financial hardship right now will not be thrown out of their homes and will be given the opportunity to renegotiate their rent or make other living arrangements. We want to look after those vulnerable people and do not want to see any further hardship. The minister made it very clear in his contribution that it is outside his powers, and I agree with him, but the point remains more broadly for the government that it is asking landlords to shoulder a particular burden. Some of those landlords are mums and dads, and small investors who rely on that income, whether it be to pay their mortgage commitments or to fund their retirement. Again, we as an opposition ask the government to bring forward relief for these people in the form of land tax relief, council rates relief, water rates and charges relief and the like. Even if these people are shouldering the burden, that burden can be somewhat alleviated by not forcing them to pay state and local government levies and charges in a period in which they may be needing to discount or completely not accept rent. Otherwise, we wish the bill speedy passage in the other place and await its return in an amended form.

Question put and passed.

Bill read a third time and transmitted to the Council.