RESIDENTIAL TENANCIES AMENDMENT BILL 2023

Second Reading

Resumed from 27 February.

HON NEIL THOMSON (Mining and Pastoral) [2.47 pm]: I rise to speak on the Residential Tenancies Amendment Bill 2023 as the lead speaker for the opposition, and state that the opposition will not support this bill. A number of bills seem to come to this place with a stated intention but without careful thought around the consequences of what the legislation is trying to achieve. The more cynical minded in the community might view those sorts of legislative amendments that come through this place as being more about window-dressing and a diversion from the real challenges that we face in our community, and that is why the government has put a bill like this before this place today.

The issue is clear: rental affordability challenges have been escalating in Western Australia. We know that there are a number of causes of that. One of the major causes has been the government's failure to deliver on social housing. We know that this issue is complex and there are a number of pressures. In the last 12 months in particular, we have had record rates of migration to Western Australia.

That is posing challenges. We are seeing the welcome return of international students to Western Australia, but that is also placing pressure on the rental market.

Despite a raft of legislative amendments that have come through this place under the planning portfolio, which I recently had responsibility for in the opposition, there has been a failure of the construction sector to develop both apartments and single dwellings at a rate that is comparable with the rate of population growth in Western Australia. That is creating a structural problem in the Western Australian economy. We know that there are key structural issues because of the significant red tape hurdles that still exist today, despite the raft of legislative amendments, many of which we supported in this place. Opposition members take a very considered position on these matters. We do not come to this place lightly in opposing a piece of legislation; we take a considered approach. We have supported many of the amendments that have been put forward. We have raised concerns about many of the amendments in the planning space, and certainly about some of the significant changes that have worried the community, but we also understand the need for a lower cost regime for, and the more rapid development of, housing in the creation of affordable houses and rentals in Western Australia. In fact, we want to see the promotion of the rental market in Western Australia. We want people to invest in the rental market in Western Australia.

Despite some of the rhetoric, we know that home ownership is still part of the regime, notwithstanding that over the years, there has been a slight decline in the number of people who own a home. Some of the younger generation and many members, like me, who have children who want to enter into home ownership will know that it is not an easy thing. The rate of home ownership in Western Australia is still relatively high, with 69 per cent of Western Australians being home owners as opposed to 28 per cent being renters. The rental market is significant. We know that the rental market is supplied in large by mum-and-dad investors, who are certainly not institutional investors. We would like to see more institutional investment in Western Australia. There is a reason there is not more institutional investment, and that is the sort of thing that needs to be examined by this government to see how partnerships could be developed with, for example, the not-for-profit sector to try to create greater availability in the rental market. The simple reason there is not a huge amount of institutional investment in the rental market is that it is a risky business. Notwithstanding that, many people continue to invest in the rental market. I am talking about people who earn moderately high incomes through to people who earn less than $100 000. I will touch on that a bit more later because I have some data on it.

It is certainly not fair to characterise landlords as greedy individuals seeking to maximise their return on their investment. Many people in the investment sector would suggest that it might be better not to invest in the rental market because of all the challenges. Certainly, with some of the rental controls that seem to be in vogue now around the world, there is a growing perception that it is getting harder and harder to be an investor in the rental market. That is why we believe there are other mechanisms. We can support the intent of this bill. However, other mechanisms could be implemented by the government to improve the rental market in Western Australia, to improve access to rental properties for the most disadvantaged, to improve access to appropriate rental accommodation for those in the disability sector and to make sure that those in the most disadvantaged sector of our community are properly treated.

We know that the government has agonised over this to some degree. Some of the original thoughts that were floating around within the sector were about some of the restrictions. I think the government reflected on some of those. Certainly, if my honourable colleague Hon Wilson Tucker, who is away on urgent parliamentary business at the moment, had his way, there would be significantly more restrictions on landlords. I know that in response to some questions in this place, the government rightly said that that would be inappropriate. The government has concerns about the impact on the investment market from people's willingness to invest in rental properties. I know that because of the responses to some of the more radical and probably ill-thought-out ideas put forward

by Hon Wilson Tucker, and I agree with some of the responses. Today, instead of a package of support for the social housing sector to make it easier for the not-for-profit sector to provide more rental opportunities for some of the most disadvantaged in our community, some sort of window-dressing has been put forward to give the impression that the government is doing something about it. I am concerned, and the reason that the opposition is opposed to the bill is that there could be quite the opposite effect over time as more pressure is placed on landlords, some of whom have the lowest incomes and are among the most disadvantaged in our community. As I said, I will go into who those people are later. Some of those people are not multimillionaires or the most advantaged and have very good reasons to want to place some restrictions on the type and form of their tenancy.

The opposition could have taken the easy line and said that the 12-month moratorium on rental increases is not so bad and will not have much of an impact. I know that many landlords would say that they can live with that. However, it sends the message that the market cannot respond to supply and demand. We could take the easy line and just agree with the government. That would be the easy thing to do, and maybe even a more popular thing to do for the vast majority of those who might not consider the details. I certainly hope that those watching today will consider the impact. For example, we do not take the same approach to interest rate rises. We deregulated the Reserve Bank. There are interest rate increases three or four times a year; in fact, last year I think there were four rate rises within a 12-month period.

There will be no change to that. There will be no change to the capacity to pay other costs that might increase on the market. If the free market is properly and decently managed with a light hand, to deal with some of its more extravagant excesses, we ultimately end up with the best result. We encourage people to invest. We encourage young families to invest. Young people who might be on a reasonable wage and going through a period of thinking about forming a family might decide that before they form a family, they will purchase another home, mortgage that home and hopefully negatively gear it. We hear much rhetoric in the federal scene about negative gearing being bad. These are losses that have been incurred. Any person of sound mind probably would not invest in a loss-making venture. We know that from time to time, because of the phases of the investment cycle, a person's long-term plans can create wealth, and maybe that is a good thing. It is only fair that, like every other business, they can offset those losses through their tax arrangements. The fact is that many people, particularly those on lower incomes—I am talking of retired persons—rely on the modest income they receive from their rental properties. That is why the Liberal Party supports the notion of the free market and home ownership specifically. We would like to see that figure of 69 per cent increase. The Liberal Party would like to see more people, even the likes of Hon Wilson Tucker, purchase a home that they could potentially rent out to somebody and become landlords themselves. That is certainly aspirational. I am sure many young people are considering this. That is why we come here. It is not to be popular, but to raise the red flag on this legislation because it is sending the wrong signal.

I want to reiterate something that I said in this place not that long ago and got the most vehement response from Hon Dan Caddy. He put it upon himself that he needed to provide a response in this place, but he struggled to provide a coherent argument on the issues regarding the Osprey Village development in Port Hedland. The hypocrisy of the government! It has brought on this bill on the back of the double whammy of rent increases at the Osprey development, which was set in place to provide accommodation for the least advantaged people in Port Hedland—that is, people who are subject to really tough market conditions in Port Hedland. The Barnett government took it upon itself to actually do something about it. It had a go to try to change the situation so that essential workers could access affordable accommodation. On 1 July, this government increased the rent for a one-by-one home from $310 a week to $372 a week, and for a three-by-two, from $540 to $648 a week. They are significant rent increases. Was that not enough? This government should apologise to those people for having the audacity to bring on this bill in this place and say, "If you're a private landlord, you can't follow the market." In the meantime, six months later, on 1 January, this government takes the rent for a one-by-one home at Osprey Village from $372 a week up to $435 a week. Under this legislation, this government would be in breach of the act and would be suffering the penalties.

I would like to make this legislation retrospective, quite frankly, just for the government sector. That is a great amendment we could make here today. I would like to see the Minister for Housing in the dock facing a magistrate on why he decided it was okay to twice in six months increase the rent of the most disadvantaged renters in Port Hedland to the tune of 30 per cent. The rent for a three-by-two home went from $648 to $760. Then we heard the pathetic response from Hon Stephen Dawson who said that somehow the increase was bound by some contractual obligation made by the previous Barnett government. When will this government take control of the reins? The only government that has occurred in this place was between 2008 and 2017. This is what it tells me. Since 2017, this government has done nothing but sit back—I do not know what its members do. Maybe they sit with the minister and have cups of teas or something; they hang out and just let it all go by itself. That is what this government does. As soon as something happens, it says, "Oh, that was a contractual obligation. We had no control and couldn't deal with it. That was all because of the Barnett government." Now, like then, the government does not have a business case. The Barnett government delivered affordable housing in the form of Osprey, folks. I would dearly like the Treasurer in 2025 to undertake another review of the effectiveness of investments made under the royalties for regions scheme and demonstrate the amazing results.

The Labor government's rapaciousness on these rate increases is completely hypocritical with respect to this bill before us today. Think upon that. Members can reflect. I think it is time for the government to reflect. There is a little bit more that I would like the government to reflect upon. I am sure my colleague Hon Steve Martin will have more to say in this contribution to the second reading debate. Hon Steve Martin has done a tremendous job in the area of social housing and standing up for the most disadvantaged people in Western Australia.

Hon Peter Foster: We are still waiting for a policy, though.

Hon NEIL THOMSON: We have the interjection from the other side, "Where are your policies?" I tell you what, where is action from this state government? It does nothing. All it can say to the opposition is, "Where are your policies?" Where is the action? That is what I want to say. I can say this because here are the facts. The Leader of the House often gets up and bleats, "Follow the science, follow the data." It is like a mantra.

Several members interjected.

The DEPUTY PRESIDENT: Order, members. I do allow some cordial interjection, but it does reach a point where I struggle to hear the member speaking. I remind members that everyone, in good time, will get an opportunity to contribute to the second reading debate.

Hon NEIL THOMSON: Thank you, Deputy President. I think this is the least scientific government that has graced the government benches in this place. Here is some science and some data. Look at the data in terms of total public housing dwellings across the state. The government members should hang their heads in shame. The *Productivity Commission housing data review* on total public housing dwellings across states was undertaken by Urbis in June 2023. What happened in WA? In 2012, we had 33 896 public houses. That number has been relatively stable. In fact, by 2017, there were 33 836 public houses. It hardly changed. Yes, it could have increased, and that would have been a great outcome, but it hardly changed. In the time of the Labor government, since 2021, it has dropped by six per cent, to 31 919, as outlined in the Urbis report. Those are the facts. That is the data. The government is running around at the last minute with additional funding trying because it has been caught out on housing affordability and the rental crisis. That is what this government has done. The Minister for Housing should hang his head in shame. The Premier should hang his head in shame on this matter.

Since 2017, we have seen that impact in total housing dwellings across the state. In 2012, under the Barnett government, we saw the great growth in total community housing dwellings across the state, starting at 4 931 and increasing to 6 722 homes. I remember that period well. A big effort was put in by the government of the day to increase community housing because we know that it plays an important role. If we can potentially divest some assets, which is what the government was looking at—I know that some of my Treasury colleagues are not too happy about that because divesting some of those assets impacts a bit on the balance sheet—it creates a leverage for the community housing sector to then go out and borrow money. For example, if we were to divest 10 homes—I know there was some divestment to Aboriginal housing organisations and others in the not-for-profit housing sector—although it would have an impact on the balance sheet, the long-term impact would be net positive for the state because the not-for-profit housing sector could then take those homes and use them as equity when seeking loans. We do not normally do that in the government sector because we do not like our government agencies borrowing money to build houses; we just pay out of the consolidated account. That is how that is done. Those not-for-profit organisations can leverage that equity and create a couple of new homes on the back of the homes they are able to secure. Therefore, there are various ways the community housing sector can be encouraged, and that is just one of them. There are also other ways. The government could be putting policy settings in place to encourage the community housing sector. I am not saying the government must do it that way, but there are other ways, and we are not seeing enough of them. In 2017, there were 6 722 homes in WA in the not-for-profit sector and in 2021 there were 6 638 homes, so the rate has gone down.

Until recently, New South Wales had a Liberal–National government. This is the science. This is the data. These are the facts. The governments on our side of the fence have done a lot better. If we go state by state, people might like to familiarise themselves with the data and actually read the facts available in the *Productivity Commission housing data review*, which was undertaken by Urbis in June 2023. Those are the facts. What has this government done? It has done nothing. It should hang its head in shame in relation to the most disadvantaged renters in our state. We have seen an incredible reduction in social housing when we compare the number of available houses with the growth of our population in Western Australia and the state revenue.

We are about to debate the Treasurer's Advance Authorisation Bill. The revenue in this state sees the pouring in of riches from the decision of the Morrison government to set up the GST floor. Today, there is an article in *The West Australian* on GST. I hope that Premier Cook and the Deputy Premier; Treasurer, Hon Rita Saffioti, stand their ground on the GST deal because the knives are out. We will see what sort of a backbone the Western Australian government actually has and whether the Western Australian government has the capacity to stand up to the most extreme, radically left —

Hon Peter Foster interjected.

The DEPUTY PRESIDENT: Order! Members, there is a point at which interjections just become a constant response, and at that point I need to bring the chamber back to order. I remind members that in 33 minutes and 49 seconds, it will be someone else's turn.

Hon NEIL THOMSON: Thank you, Deputy President.

The Albanese government is the most extreme left government, and it is getting out the knives. I am sure people in the federal Treasury are talking about this. I point people to today's article in *The West Australian* in which Saul Eslake says that the GST deal is terrible and Western Australia is the richest state. We can see the narrative. This is a test for the Cook Labor government. Despite the amazing wealth of riches that has come through from the GST decision and the royalties from iron ore, this government is unable to deliver the most basic service, and, in this case, the most basic service is accommodation for the most disadvantaged people in Western Australia. That is the challenge.

We have the worst eligibility criteria in the country for renters in our social housing estate. It is an embarrassment. Meanwhile, this piece of Pyrrhic victory–type legislation tries to give the impression the government is actually doing something about the rental crisis in Western Australia. We have seen this in the constant stream of minor amendments that tinker with the planning system and try to give the impression that it will achieve something and tries to say that it is all about reducing red tape. We even see this in the broad approach to environmental approvals, reducing all those tiny details, one strike at a time, but hardly doing anything and not dealing with the big structural issues that we face in Western Australia.

Let me focus on the eligibility issue of social housing in Western Australia. We know there is a real problem with it because in Western Australia we have single-person households that are potentially eligible for public housing based on low income, according to a 2021 Australian Bureau of Statistics census. This material was provided very kindly in the *Productivity Commission housing data review*. Let us compare the data. There is a table with greater Perth, greater Brisbane, greater Melbourne and greater Sydney that shows the median weekly household income. For WA, it is $1 865. It goes up to $2 077 in greater Sydney. That is a little bit higher. The median incomes and annual incomes are close to $100 000. It is a bit higher in Sydney at around $108 000. Then we see the eligibility limit in Western Australia wherein it has the total single person weekly income eligibility limit to get onto the waiting list in Western Australia. This has all slipped under the radar. The government does not say a word about it. It says, "Look at us; we are trying to get the waitlist down." It is unsurprising given that a single person weekly income eligibility limit in Western Australia is $486, according to this report, whereas in greater Brisbane it is $609, in greater Melbourne it is $1 007, and in greater Sydney it is $690. We are the lowest! Someone has to be on $486 a week before they are eligible for social housing. Meanwhile, the government is reducing the number of available social houses. No wonder we have a housing rental crisis in the state. We are not catering for the most needy people in Western Australia.

That single person income eligibility limit equates to $25 000 a year. I am not sure how someone survives on that. That is a very low income. That is before someone can access social housing in Western Australia. I could go on. There are similar numbers for families, which is a terrible fact of Western Australia. People pick on those "greedy landlords" and see what they do. But let us actually see who those people are who sometimes get characterised as such in this debate. I am not necessarily saying that anyone on the other side says that, but the general perception that is put out there is somehow we have a problem to solve. By bringing the bill to this place, the implication is that somehow there is a problem to solve in Western Australia, and that it is the landlords who are putting up rents. The only landlord that we have evidence of doing that is the Western Australian government, which certainly put up rents in Port Hedland. Those are the facts. I like facts and sticking to the facts because the facts really highlight how we should focus on this policy.

Last Friday was International Women's Day, and I was proud to attend an event at the Planning Institute of Australia. It was great to see so many young women coming up through the planning industry and making a difference. Diversity in the planning sector is great because it is important that designs are sensitive to the needs of everybody in our community as we plan our world. That is really exciting.

Who is the biggest cohort affected by these changes? It would not be mentioned in this place unless I mention it, and we have to go to the data. The characterisation is that slumlords run the place and just want to whack up rents, but we should look at the data and the science. Information from the Australian Taxation Office for 2020–21, which my notes describe as table 4, individuals, shows income cohorts in $100 000 increments, and 32 per cent of women earning $100 000 or less have an interest in a rental property. That is the largest cohort of landlords: women who earn less than $100 000. For some reason, women choose to invest in property. Women's average superannuation balance, compared with men's, is a challenge because—although there is discussion—in the main the consensus is that women of childbearing age take time out from work or maybe work part time and do not accumulate superannuation benefits as do men, who continue to work through that period in higher numbers. For example, the

average superannuation balance for a man between 50 and 54 years is $289 900, but the balance for a woman of the same age is $191 400. At the age of 60 to 64 years, the gap is still there; the balances are $338 704 for men and $261 000 for women. For some reason, women have more interest in property, and that is really important. Obviously, property is seen as a way forward. The total number of women who earn less than $100 000 and have an interest in property is 85 527 or 32 per cent. For the same cohort of men, the figure is 56 671 or 21 per cent, according to the ATO. The group of people earning less than $100 000 is the largest cohort for both men and women. For people earning more than $200 000, the percentage of women who have an interest in property is three per cent, and the percentage of men who have an interest in property is 16 per cent. Clearly, we know about the gender pay gap, and that disparity is a problem that we are all committed to resolving over time. We are addressing it and doing what we can to make it work. A very good presentation on that subject was made at the International Women's Day event I attended.

In the meantime, the government's characterisation of landlords is just shallow thinking. The government feels that the pressure is on and people are worried about rents going up, but it caused the problem because it did not build enough houses, did not have enough approvals and did not build enough social housing. The government was the cause of the problem but, instead of addressing it and apologising to the community of Western Australia through a motion on the floor of this house, the government came up with this half-baked legislation, which is supposed to do the job.

We know that this will be a problem because the government is setting up more opportunities for conflict and stress for the people who are trying in good faith. The vast majority of landlords and tenants have good relationships and a contract that sets the rent. Some have six-month contracts, some have 12-month contracts, and some have two-year contracts. Some might even have longer. Sometimes, they will have a fixed-term contract. So many contracts are already in place thanks to the good graces and goodwill negotiations with home owners, including the 32 per cent of landlords who are women earning less than $100 000. In good faith, they negotiate with tenants who seek to have access to a property and a roof over their heads. There is so much good faith in the sector. The core issues are the supply of housing, population pressures and the failed Cook Labor government.

We will bring in all these rules, and I will go through a few of them to highlight some of the points. We will allow tenants to make minor modifications. Again, we could take the easy option. Minor modifications are not such a big issue, but sometimes they can result in more stress and pressure for the landlord. The landlord has a bond, but sometimes the bond does not cover all the make-good costs. I have some data about the number of times bonds are disbursed but the bond is insufficient to cover the cost to make good the property, so the poor old landlord is left out in the cold and has to deal with the loss. There should be some quid pro quo here. Some landlords probably do not mind, and some landlords might say that the only reason they want to rent their property is that they do not want tenants to do modifications to the property.

A clause here is about domestic violence victims wanting to make changes quickly without having to seek the support of the landlord. I do not have a problem with that, and we could put that in as a very minor amendment and just introduce that. I also want to say that perhaps a really good idea would be for the tenant to talk to the tenancy manager. Instead, the Labor Party creates this virtuous class war, which keeps coming up all the time. It drives me mad. They keep saying that tenants will not be able to get a snap decision from the tenancy manager. Those things can usually be done in a few days or less. How about tenants ringing the tenancy manager and talking to them? At the end of the day, the landlord is probably able to come up with some better ideas about safety and security than the tenant can. They should work together. The Labor Party is running an agenda of demonising one group and a half-baked, low-level class war to try to present itself as virtuous on rental affordability. Meanwhile, there is a gaping hole in the delivery of social housing. That is the issue.

The 14-day approval period may be inadequate for these modifications. That just puts administrative pressure on people. I just do not understand some of this. There must have been a massive list on a whiteboard somewhere in the Minister for Housing's office of all these things the government would do. Over time, the government would have realised that it could not do this and that because the industry said no and that it would destroy the market. The government was then left with a few things that pretty much did not do anything and it cobbled them together in this complex legislation with a whole bunch of penalties—more penalties. I love the way the Labor government loves bringing in more penalties. It will have to double the number of courts in Western Australia with the number of penalties it has introduced in the three years I have been here. The government wants to constantly belt people over the head. It is trying to solve a problem that does not exist. In fact, the government is trying to solve a problem that it created through its neglect of the social housing sector. We see this constantly with the WA Labor Party. I have been through this. There was this thing on pets, and then the government had to bring in these reasons for refusal—more complexity.

What is the problem when the vast majority of landlords are probably quite happy to have a pet on the property? But we know that pets can do damage. There could be a big dog on a small property. Landlords have to go through

reasons against it; they have to come up with a big, long list. There are more rules and regulations. The only legitimate reasons for refusal are that the property is unsuitable for keeping a pet, that keeping pets at premises would exceed a reasonable number or keeping pets at the premises would likely cause damage. There is even the reason that keeping pets on the premises is likely to cause the lessor undue hardship. All these vague rules have been created.

The Labor government just wants to create conflict and class war between people because it still lives in the 1930s, or the 1950s, and it cannot get over the fact that people work together and collaborate and that the best way for that to happen is to let the market deal with this issue. It is the government's job to make sure a safety net is in place. This bill is all about driving conflict—us and them, constantly. The government has to bring in these rules because now it has brought in other rules; it has to bring in more rules because the landlord might retaliate because there is a pet. This is what the Labor Party does. This is the mindset of the Labor Party: creating conflict all the time. The Labor Party does not understand that under the current rules, the vast majority of people have very satisfactory arrangements with their landlords.

How about bringing in some changes to taxation arrangements for landlords to make it easier for people to invest or reducing red tape so there is more available housing? Then, more people earning less than $100 000, including women, could purchase a home. I think of my own daughter, who is on a very low income, who wants to buy a house. She has saved up diligently over the last few years and still finds it difficult to buy a home. But do members know what? There is still an opportunity. She might be a landlord one day because she is aspirational, she has that aspiration in her mind and she wants to be able to look after that hard-earned property. If a landlord does not want a large dog, for example, on their property, they should be able to say no. The renter can then check with another landlord. There should be enough properties out there so that if someone wants to keep a great big dog, they should not have to go through this process of an exemption and then be subject to legal action. They then have to make a case. That is more conflict, more drama and more laws that say, "You can't." It is just unnecessary. I wish the government would do its job and provide for the most disadvantaged in our state.

We will talk about this bill. I found it turgid reading. This bill covers just a few things like locking in rents once a year, upgrades to properties, a bit about pets and that somebody can paint their bedroom. Because there are so many rules and regulations, we have ended up with a bill that might be 78 pages long, with all the potential traps for people involved in the market. The consequence is that the bill, quite frankly, sends a message from the government saying, "If you own a property, get out of the industry because you do not have as many rights anymore. You will be treated as if you have evil intent looking to try to screw over your tenants." This is the message this government is trying to send. I am standing up for those thousands of women who own a property—who are aspirational. The Liberal Party stands up for the aspirational people in this state. We will stand up for them because we believe the only people doing any decent work in the rental market are the small mum-and-dad investors who have saved their pennies. They take pride in their properties and in the relationship, in the main, that they have with their tenants. They love to look after their tenants. Instead, we have this grandstanding approach by the Labor government with this rubbish bill it has presented. That is why we oppose the bill.

HON STEVE MARTIN (Agricultural) [3.35 pm]: I rise to make a contribution to the second reading debate of the Residential Tenancies Amendment Bill 2023. I believe that the Leader of the House has carriage of the bill.

Hon Samantha Rowe interjected.

Hon STEVE MARTIN: Will the parliamentary secretary do the Committee of the Whole House stage?

Hon Samantha Rowe: No, I am just taking notes.

Hon STEVE MARTIN: The parliamentary secretary is taking notes. There will be extensive notes of my contribution—extensive notes will be required!

This bill has been some time in the making.

Hon Sue Ellery interjected.

Hon STEVE MARTIN: That was brief!

There has been consultation with the sector and obviously some feedback. There has been relief that the bill did not go as far as similar bills in some other jurisdictions have. The bill still seeks to do a number of things and I want to run through some of the key parts of it and maybe put some questions to the Leader of the House that we can deal with at the committee stage.

Before I get to that, I want to put these remarks in the context of the housing situation in Western Australia, as my colleague Hon Neil Thomson did. As members would be well aware, at the moment in Western Australia we have a private residential vacancy rate in the rental market well below one per cent, and it has been stubbornly stuck there for some time. That is a historically low number. There are 50, 60 or 70 people turning up to home opens for rentals, and it is very, very tough in the private rental market. It is tough in the metropolitan area, and it is impossible in some

parts of regional Western Australia. That impacts our economy in all sorts of ways as we desperately try to attract people, again, particularly to regional Western Australia where we badly need a skilled workforce, and a workforce in general.

We then come to the social housing market, which is a small part of our rental market, but probably covers the most vulnerable people in it. Obviously, not all of the 35 000 people on the social housing waitlist are homeless—a small number of them are—but because that number has blown out substantially in the past number of years, it gives an indication that the housing situation is getting worse. The numbers on the priority housing waitlist have gone up by about 50 per cent in a very short time. That tells us that even the list of people that the state government recognises as having the greatest need for social housing is significantly growing. Anything we can do to provide more homes—state or privately owned—is desperately needed.

I want to comment on the provision of state housing, and in particular social housing, because, as my colleague Hon Neil Thomson mentioned, according to the Productivity Commission, the number of those houses in the past seven years until the middle of June last year has been less than it was at the start of 2017. That is not my data; it is the commission's. With the population growth we have had in those seven years, that is a serious failing of this government in adding social housing when the state needs it more than it ever has. Some of the houses the government has added to its list, by the way, have been spot purchased. I encouraged the housing minister to get involved in that system when it was first flagged, but as a niche, almost a crisis, response to housing in certain really tough areas. If the government takes away housing from the private sector and puts it into social housing by spot purchasing it, all it does is shift the same number of houses around; it does not add to the state's housing stock. If we strip away the spot-purchased homes from the number of state homes the state has, it is a very ordinary result after seven long years; in fact, it is a deplorable result after seven long years that this state has significantly fewer social houses than did in 2017.

That brings me to some parts of the bill before us. As explained in the explanatory memorandum, one of the aims of the bill is to limit the frequency of rent increases to once every 12 months. That might come across as a noble aim—to give renters some security about what they are paying. As we have seen with the rather extraordinary situation of 10 rent rises in 12 months, that would place a landlord—the owner of a rental property—in enormous financial stress if they could not make up some of the extra costs of those rate increases six months into a rental period, for example. I know that is an extraordinary set of circumstances—we have never seen it in this country's history—but it has happened. If landlords were restricted to a 12-month rental review, they would be going under for a good number of those 12 months. We hear a bit about negative gearing. Negative gearing comes into effect when a landlord makes a loss. That is not the aim of any investor.

Another issue involves the impact on the tenant. If a landlord or an owner of a property knows that a rental review will occur once every 12 months and, let us say, that review fell at the start of a series of rate rises and they were two or three months in, the obvious message from the Reserve Bank and everybody, the landlord's bank included, was that interest rates were going up fast and they were not sure how much, the temptation at the start of the next 12 months would be for them to put the rent up more than they needed to as the increase was going to hit them—it was going to hurt. There might be built-in increases over a 12-month period.

We heard about the provision to provide new processes to allow tenants to make minor modifications. I believe that some of the details relating to what constitutes a minor modification and so on will be in the regulations. Minor modifications depend on one's point of view. I would guess that tenants and landlords might have slightly different points of view about minor modifications. That would need to be very clear. I hope it does not cause anxiety and complaint between those two groups of people. That is a risk.

The process for refusing consent will go before the commissioner. The commissioner will have enormous authority and power under this legislation. I am guessing that they will be kept very busy. I certainly hope they are resourced to deal with what I imagine will be a steady stream of quite legitimate concerns from both sides of the various arguments.

Then we get to a particular bone of contention, literally—the ability to keep pets such as labradors, Great Danes and Alsatians in rental properties. I have to confess that a very small poodle runs around my Perth accommodation—a property that I own. That little thing does a reasonable amount of damage, which I will pay for. I am concerned that larger pets, in particular, might be a concern for landlords. Clause 50E refers to the possibility of refusing consent to keep a pet at premises. It states —

> Examples for this subsection:
>
> 1. For the purposes of paragraph (a), premises may be unsuitable for keeping a pet because of a lack of fencing, open space or another thing necessary to humanely accommodate the pet.

I am unclear what "open space" in apartments means. Can tenants have a pet in an apartment with no open space? Does a balcony count as open space? During consideration in detail in the other place, the minister said that cleaning up urine from an apartment balcony would be an appropriate way of keeping a place clean. There are some broader

issues around the keeping of pets that may cause friction between renters and landlords. That will need some work in the committee process.

I return to the explanatory memorandum. Some other issues were raised. We heard from Hon Neil Thomson about the issue relating to retaliatory action. The bill seeks to allow a tenant to seek a remedy. We need to be very clear about what that looks like, otherwise we will have all sorts of issues.

The bond disposal process needs to be streamlined. Again, there are some issues in that process that we can talk about during the committee process. The bill seeks to provide the commissioner with the power to determine certain types of disputes, including disputes about the disposal of bonds. More complex disputes and appeals determinations of the commissioner will be heard by the Magistrates Court. I know that various issues presently end up in the Magistrates Court. I hope that number does not increase because that would be expensive and time consuming.

Rent bidding is dealt with in clause 27AA. The aim is to stop an auction process at a home open. At the moment, there is a guide about what the appropriate amount of rent will be. Someone can make an offer above that amount and then find out whether they have the property. After reading the clause, I am not sure whether that will be prohibited. I will seek some guidance from the Leader of the House during the committee process. The bill states —

> (1) A person must not advertise or otherwise offer a tenancy for residential premises unless —
>
> (a) the amount of rent stated in the advertisement or offer is a fixed amount; or
>
> (b) the advertisement or offer states that the amount of rent is calculated by reference to the tenant's income.
>
> Penalty for this subsection: A fine of $10 000.

From my reading, the proposed section does not say that a person cannot accept an offer for more than that. I will be keen to clarify that. It goes on to state —

> (2) A person does not commit an offence against subsection (1) if the person places a sign advertising or offering residential premises for rent at or near the premises and the sign does not state an amount of rent for the premises.

I can imagine some very crafty rental agents desperately trying to play that game to see just how far they can get or put up a sign and see how they go. I am keen to see how rent bidding looks when it is rolled out.

I would like to close my remarks on the general premise of what we are doing in the middle of a rental crisis. I understand the intent of the government—seeking to make it fairer for people who rent properties—but it would be a shame if the outcome of this legislation made it more difficult or less attractive to own rental properties. That is the risk. If just one fewer person is willing to invest in property, we have a problem. From my reading, it will certainly not make it more attractive or incentivise people to invest in property. Given the situation and the rules in place at the moment, we are still not flooded with people investing in enough rental property. Rental yields are quite high and rental tenancy laws are what they are at the moment, and we are still facing rental vacancy rates of under one per cent. My fear is that this legislation will make it harder or less likely for people to invest in rental property, which would be a very disappointing outcome. It is a market. People will put their money, first of all, where they can get a safe and secure return. As we have heard, people who invest in rental properties are not huge conglomerates; they are usually single people and couples and it is their single biggest investment, apart from their home and their superannuation fund. They do not want any extra stress in their lives. If they are concerned—I will use the labrador in the apartment example—that that is an issue, they might think, "Maybe not; the share market is going okay at the moment and I can do that. I can tip some more money into super and I will let someone else take the hard decisions for me. I don't want to end up in the Magistrates Court if there is a problem; I don't want any grief in my life that I do not necessarily have to have." That would be a shame if that was the outcome of this legislation. I conclude my remarks and look forward to detailed consideration in the Committee of the Whole House stage.

HON MARTIN ALDRIDGE (Agricultural) [3.51 pm]: I rise to contribute to the Residential Tenancies Amendment Bill 2023, which is a bill to amend the Residential Tenancies Act 1987 and the Residential Parks (Long-stay Tenants) Act 2006, the primary instruments that regulate the legal relationship between tenants and lessors in Western Australia. Looking at some of the data around this issue in anticipation of the debate today, it is interesting to see that approximately a quarter of all Australian households now live in the private rental sector, and in WA it is slightly higher at 28.3 per cent of occupied private dwellings being rented. It should be no surprise to members that we are seeing home ownership rates falling and demand for the rental market continuing to increase. The minister's second reading speech makes reference to this following a national trend in states and territories moving to modernise rental laws. This process dates back to 2019, when consultation first commenced and concluded on 30 June 2020. resulting in more than 350 submissions being received. The second reading speech also mentions that 92 per cent of respondents supported reforms; however, when we delve into the detail, we will see that there were some quite polarising and conflicting views around the policy proposals that were considered as part of that reform and consultation process, which I will come to in time.

The bill will do a number of things, including limiting the frequency of rent increases to once every 12 months; providing a new process to allow tenants to make minor modifications to premises, with a lessor permitted to refuse consent only in certain circumstances or with the approval of a Commissioner for Consumer Protection; allowing tenants to keep pets in most premises, with a lessor permitted to refuse consent in only certain circumstances or with the approval of the commissioner; allowing a tenant to seek a remedy in the event that a lessor takes retaliatory action in response to a tenant exercising their rights; streamlining the bond disposal process; providing the commissioner with a power to determine certain types of disputes, including disputes about disposal of bonds; the ability for more complex disputes and appeals from determinations of the commission to be heard by the Magistrates Court; prohibiting the solicitation of rent bidding; and permitting the disclosure of bond data to better enable the bond administrator to conduct its functions. I will work through many of these things during my second reading contribution.

I will start with the new dispute resolution procedure and streamlined process for bond disposal. Certainly, on the surface it appears to be a good reform; however, we will be adding some considerable burden on the Commissioner for Consumer Protection. I would like to understand how the commissioner or their delegate will be resourced sufficiently to manage what I suspect will be an increased demand for their services, keeping in mind that decisions of the commissioner will be reviewable by the Magistrates Court. I understand, unlike the Magistrates Court, that the Commissioner for Consumer Protection will be required to issue a written determination, which will, I guess, have two benefits. Firstly, it will allow for a more specific review of the decision, should it be appealed to the Magistrates Court and, secondly, it will also help inform, for want of a better phrase, the case law with regard to disputes that will be resolved in future by the commissioner rather than by a court. Currently, as I understand them, all bond disputes fall within the jurisdiction of the Magistrates Court, which can be timely and costly. One of the limitations of the commissioner dispute resolution process will be that the commissioner will be unable to award damages beyond the value of the bond. Effectively, if there is damage to a property that exceeds the value of the retained bond, the commissioner will be unable to award damages beyond the value of the bond, and therefore the matter will have to be considered by the Magistrates Court. I want to understand—perhaps it is best when we are in the Committee of the Whole House stage—how that flow chart might look and whether a dispute will have to first be considered by the commissioner or whether a dispute like that can proceed straight to the Magistrates Court.

With regard to rent increases, the bill will reduce how often rent can be increased from once every six months to once every 12 months. I understand that this will apply to what is called a "continuous tenancy agreement". I am not sure whether that is interchangeable with what I might consider a periodic tenancy agreement. Often, when a fixed-term tenancy agreement comes to the end of a fixed term and it continues, it is then often treated as a periodic tenancy. I do not know whether that is just another word for a periodic tenancy agreement, but it will apply nonetheless. I heard something at the briefing that holds some concern for me. I must say that I do not think limiting rent increases to once a year cannot be supported. I do not think it is particularly contentious, but the retrospectivity of it could be. I am told that it will apply retrospectively. I am a lessor. When my property manager provides me with a recommendation of whether a tenancy should be renewed and what terms it should be renewed on, they quite often want me to consider a six-month review clause. I understand there are some limitations and I think that limitation—I am really stretching my memory now—might be in financial terms. It might be limited to $50 a week after six months. I am talking about a tenancy that might be entering into a fixed-term tenancy for 12 months, with a review clause at six months regarding the rent paid. If we apply this legislation retrospectively, we could have existing fixed-term tenancies with rent review clauses at the six-month mark that I suspect will be disrupted by this bill. I want to understand whether that is the case.

Hon Sue Ellery: I will provide you with an answer. There is a point from which you need to do the calculations, but for existing agreements, you will wait until that is finished and then you will start calculating.

Hon MARTIN ALDRIDGE: That would be a preferable outcome, but I thought I was told at the briefing that the bill will have retrospective application. It would be good to confirm that. I listened today to the Chair of the Standing Committee on Legislation talk about fundamental legislative principles, and I am sure that one of those is the retrospective application of laws. One thing that we could certainly envisage occurring when rental agreements are being renegotiated is a staged approach for rent increases. A lessor might say, "Market conditions are such that the rent should increase by $100, but what I'm going to do is to increase it by $50 now and, then, in six months' time, it's going to increase by another $50." A staged implementation of the rental increase would lessen the impact on the tenant of that property. I want to understand whether we will interfere with existing rental agreements.

Clause 22 of the bill is about rent bidding. Proposed section 27AA basically sets out that property must be advertised at a fixed price and that a person must not solicit or invite a person to make an offer at a higher price. I just listened to the contribution of Hon Steve Martin and I think his assessment is correct that the bill will not prevent somebody from making an offer above the advertised price. This is probably where the problem of rent bidding lies. I went through about 500 listings on realestate.com.au while I was waiting to get the call and I did not find one that said, for example, "Offers from $500 a week". We quite commonly see that with properties for sale, which will advertise for offers from $500 000, for example. I must say that it is not something that I have noticed with rentals and I have

been struggling to find evidence of it. It would be interesting to know whether the government can identify the extent to which this might be a significant problem. Notwithstanding that, I do not think the bill will prevent the situation that Hon Steve Martin talked about—that in a constrained supply market with an increasing demand for private rentals, there will be competition on price to secure a property. There may be other factors as well, but price will be a particular factor. I understand that Hon Wilson Tucker has anticipated this problem, because I have noticed that we have a supplementary notice paper with an amendment that I suspect seeks to address it. It is not something that I have been able to consider. I will be interested to hear the government's view on that, because it does not appear that the bill, in its current form, will prohibit an offer of a higher price. I am not saying that I support the amendment—I have not turned my mind to it—but it appears that the honourable member is trying to address this problem.

I might group together two provisions, referred to as the feel-at-home provisions; that is how the government has characterised them. They are probably the provisions that I cannot support. The first relates to the issue of minor modifications. Unless my memory is failing me, I am pretty sure that we considered this issue in the last Parliament when the government brought forward a bill to provide for a whole bunch of COVID-related measures. Prime amongst those measures was a moratorium on evictions, but I am sure that one measure related to minor modifications, although different terminology might have been used at the time. That Parliament rejected that measure; it said that it had nothing to do with COVID-19. That might have been the basis for its rejection then, but I believe we are seeing this issue come forward again. The bill contains provisions that provide that minor modifications can occur with the consent of the landlord; however, the landlord will have a very limited right to refuse such consent. The second reading speech suggested a couple of things—installing a flyscreen or a vegetable garden. I remind members that "minor modification" is defined only with reference to a future regulation. I asked at the briefing whether we could be given some understanding of what the government intends to include in the regulation. Members should keep in mind that some of the implementation, which we will come to in a little while, is not all that far away. I assume that to ensure engagement and consultation with key stakeholders, the government has a more definitive view around this. It would give me some comfort—not necessarily to the extent that I might be able to support this provision—if I could understand where the government plans to land on the definition of "minor modification".

The best I could get from my briefing was that it is obviously going to be subject to regulations, but I was told to look at other jurisdictions. I was reminded that we have modelled our approach on the Victorian legislation. I turned my attention to the website of Consumer Affairs Victoria. If our legislation is modelled on Victoria's legislation, it is interesting to look at where Victoria landed. Perhaps in defining what a minor modification is we might be following Victoria's path, but certainly with respect to many of the other provisions in the bill we are not. For example, a range of things can be done in Victoria without permission. The website states —

> A renter can install any of the following items without permission:
>
> - non-permanent window film …
> - a wireless doorbell
> - curtains …
> - … child safety locks on drawers and doors
> - pressure mounted child safety gates
> - a lock on a letterbox.
>
> A renter can install any of the following items without permission, as long as the property is not listed in the Victorian Heritage Register:
>
> - picture hooks or screws for wall mounts, shelves or brackets on all surfaces except exposed brick or concrete walls …
> - wall anchors to secure items of furniture on all surfaces except exposed brick or concrete walls
> - LED light bulbs which don't need new light fittings
> - low flow shower heads …
> - blind or cord anchors
> - removable safety devices such as alarm systems or security cameras …
> - hardware mounted child safety gates on walls other than exposed brick or concrete walls.

That is in the section for things that do not require any consent from the landlord. The next section on the website states —

> If the renter wants to make any other change, they must ask the rental provider's permission. However, there are changes that the rental provider cannot refuse permission for unless they have a good reason:

This is where our legislation will probably be in a similar vein to Victoria, with consent of the lessor needed but limited grounds on which a lessor can refuse. The list includes —

- picture hooks or screws for wall mounts, shelves or brackets on exposed brick or concrete walls
- hardware mounted child safety gates on exposed brick or concrete walls
- wall anchors to secure items of furniture on exposed brick or concrete walls
- draughtproofing in a property without open flued gas heating. This includes installing:
  - weather seals
  - caulking or gap filling around windows, doors, skirting and floorboards
- a security system if an invoice with the name of the installer is provided to the rental provider at time the consent is requested. The system must be installed by suitably qualified person and must not impact on the privacy of neighbours
- flyscreens on doors and windows
- a vegetable or herb garden
- a secure letterbox
- painting of the premises
- modifications to secure external gates
- any modification which contributes to the conservation of a registered place and is proposed to be undertaken in accordance with Part 5 of the *Heritage Act 2017*.

There are limited grounds on which a landlord in Victoria can refuse, and they are quite similar to ours, such as if the property has heritage protection, if the changes would mean that the property did not comply with other legal requirements, if the changes would significantly change the property, if the changes required modification to other premises or common areas, if the changes would result in additional maintenance costs for the rental providers if the changes were not reversed when the renter left, if any action required to reverse the change was not reasonably practicable or if the property was about to be sold or vacated and the renter had been given valid notice to vacate. They are not exactly the same, but there are some similar provisions.

What is interesting is that Victoria has taken a different approach to the bond; that is, a rental provider may require a renter to pay an extra bond to cover the cost of undoing changes at the end of the rental agreement. However, they cannot ask for an extra bond if the extra bond would be less than $500. Although we might say that we have modelled our minor modifications provisions on those in other jurisdictions—namely, Victoria—there are quite different approaches, particularly with the last point, which enables a lessor in Victoria to require a bond in light of the modifications that are being done to their property.

We have been told that certain modifications will have to be undertaken by a qualified tradesperson. Again, this is all anticipated to be in the regulations. I do not know, and nobody can tell me, which minor modifications will need to be undertaken by a qualified tradesperson. I would assume that rectification after the tenancy ends would equally need to be done by a qualified tradesperson. I am still none the wiser about that matter. All we can do is wait for the government to draft and provide the regulations after the passage of the bill. I do not think the regulations will be tabled during the committee stage of the bill, but it would be good to seek some understanding, if not some certainty, about where the government intends to land on this issue, particularly given the implementation time line that is anticipated. I understand that the minor modifications provisions are part of phase 2 of the implementation, which is anticipated for mid-2024. It is not all that far away. If the implementation is going to remain on track, I suspect that stakeholder consultation will have started or, if not, it will be imminent. I think the government will have some understanding of where it is going to land on this.

We are told that if the lessor requires it, restoration or rectification as a result of the minor modifications will need to occur, but keep in mind that we have not followed Victoria's approach, whereby an additional bond can be required to protect the lessor in circumstances in which rectification has not been done or has not been done properly. Our only protection for lessors in those circumstances will be the existing bond arrangement, which is that the bond is limited to four weeks' rent. Currently in Perth, the median rent is $640 for a house and $580 for a unit. That means that the maximum bond capacity would be $2 560 for a house and $2 320 for a unit. If the government provides that the repainting of a house is a minor modification, which is the approach that Victoria has taken, good luck finding a painter who is going to repaint the house from the lovely shade of purple that the tenant desired to the 50 shades of grey or some other neutral colour that the lessor prefers. Good luck finding a painter on top of the other potential needs for that bond, including for non-payment of rent, property damage or some other issue such as cleaning the

property. That will be the lessor's only protection for rectification, unless, of course, they want to trot off to the Magistrates Court. Keep in mind that the government's argument for this bill is that it wants to try to stop people going to the Magistrates Court because it is timely and costly. I think that what will happen more often than not when these disputes occur is that lessors will be disincentivised to recover the costs associated with the tenancy and, in this case, it might be exacerbated by the so-called minor modifications pursued by the tenant with a very limited bond capacity, unlike in Victoria, where there is a provision that allows lessors to seek an additional bond that is linked to the likely costs of rectification of the property if it does not occur.

The second feel-at-home provision is the issue of pets. This bill will establish a right to keep a pet and, again, it provides limited grounds for refusal. It is interesting how this is crafted. The government of course will say that the consent of the lessor must be sought, but it is handcuffing and twisting the arm of the lessor behind their back and saying that only on these very limited grounds can they say no. It is an interesting way that this has been crafted. It will put lessors in a very difficult position of effectively having to provide consent, except in very exceptional circumstances. What is also interesting about this provision is that it will not apply to strata properties. The by-laws of strata properties will remain and will not be disrupted by this bill. We are effectively disrupting the property rights of lessors of freehold property, retrospectively I should mention, but we are not doing the same for strata properties. Perhaps there is some technical or legal reason for that to be the case, but I would be interested to know. This could be a good question for the government on clause 1: does it have an understanding of how many private residential rental properties exist within strata schemes versus freehold properties? I suspect that quite a lot of them do. Why is it that under this bill, we are prepared to disrupt the rights of owners of freehold property, but not the rights of owners of strata properties? Will this bill result in more strata companies amending their by-laws to prohibit pets, which they are entitled to do? Although there might have been some moderate, middle-ground, case-by-case negotiation between a lessor and a tenant within a strata property, will we see strata companies move at the next AGM amendments to their by-laws to prohibit pets, as they are entitled to do, because that will be lawful? The government says that there is some protection here because what we and the government will do through this bill is expand the use of the pet bond for not only fumigation, but also general pet damage. The pet bond stands today, as it will after the passage of this bill, at $260. I do not know whether that is indexed or when it was last increased, but landlords would struggle to do much more than fumigate their property with $260, let alone replace the carpets and the skirting boards or repaint or professionally clean the tiles and grout or deal with who knows what other issues they might have from pet damage. I do not know whether the government turned its mind to it, but it could have said that $260 is clearly inadequate and that if it is going to effectively force lessors to no longer have a choice whether they will have a pet at their property, it could at least do something about the pet bond. The government could allow a lessor to charge the equivalent of two weeks' rent as a pet bond. Therefore, it would be four weeks' bond plus two weeks' pet bond and at least then the pet bond would be commensurate to the value and the size of the property, but also it will, over time, increase with the cost of rent, and may well fall with the cost of rent, rather than remain at some fixed amount that who knows when it was last implemented. However, the government's response is that it is being quite generous, and it will allow lessors to claim on the $260 pet bond beyond fumigation. I am sure that each member will either have a personal experience or know a lessor who has been through an experience with a pet on their property. It is and can be a very, very costly exercise.

One of the things that disappoints me the most is that this bill has been couched, to some extent, as going some way towards positively affecting housing affordability and/or housing supply. I cannot see any provision in this bill that will do anything positive about either of those two issues. I am genuinely unconvinced. I look forward to the government trying to convince me that there is anything positive. Quite often, as is the case with government members, they like to talk the talk, but do they actually walk the walk? This issue came up during the consideration of the Workers Compensation and Injury Management Bill 2023 amendments last year when the government was espousing how it was doing a great thing in stopping employers from asking employees about their previous medical history and previous workers compensation claims because that was just a horrid thing to do, and that it was going to pass a law to ban them. I then had an exchange with the parliamentary secretary at the table, and I showed him the Department of the Premier and Cabinet employment application form that asks both of those questions! As a model lessor, the government could lead by example here.

I note that the government does not have a lot of skin in the game. I refer to some data provided by the shadow Minister for Commerce in the other place. In Western Australia, there are 271 906 rentals, and that is 26.4 per cent of the market. Rentals are made up of 3.5 per cent social housing and 22.7 per cent private. Therefore, by and large, the rental market is private investors; it is not government investors. The government is still not insubstantial; it is still 3.5 per cent of the market. As probably the single largest lessor in Western Australia, the state government could actually be leading by example, and it could have been doing this years before this bill. The government could have said that it was going to lead and that it was going to show the private market what it should be doing. Did the government even turn its mind to a way to incentivise the private market to do more and be better or follow the government's lead? But the government was not even leading.

This morning I got on the Department of Communities' website, and I downloaded a little fact sheet about people's rights and responsibilities as a tenant. This was extracted today from the website. It was interesting when I looked at the section on pets on the property. It states —

> **Yes, your pet is welcome, but under certain conditions.**
>
> - Dogs and cats can be kept, provided your property has a separate, non-communal yard. It is your responsibility to ensure the yard is enclosed and kept clean, tidy and free of animal waste. You also need to make sure your pet does not damage the property or disturb the neighbours, otherwise you may be asked to remove the pet from the property.
> - If you live in a flat or apartment without a separate yard, dogs and cats are not allowed; however, you can keep other pets such as a caged bird or a fish.
> - Check with the local council about any specific rules for your suburb. Most local councils allow up to two dogs on residential properties, but this can vary.
> - Cats and dogs must be kept in accordance with the relevant Act, Regulations and local government by-laws.
>
> **Things you must know:**
>
> - Communities will not install additional fences or gates to enclose a yard for a pet.
> - You must not keep any dog listed in the *Dog Regulations 2013*; these are …

There are a number of breeds listed here, some of them I cannot even pronounce. I assume that they are dangerous dogs.

If this is very important, as the largest lessor in Western Australia why is the government not moving on this? The government has set the standard: if someone lives in a flat or an apartment without a separate yard, dogs and cats are not allowed. I am interested to know whether that is changing in the bill because this was the example that Hon Steve Martin just gave about a labrador and an apartment or a unit.

I turn to the *Tenant handbook: Government Regional Officers' Housing*, again published by the Department of Communities, and it says the same thing almost word for word. Therefore, if it is good enough for the government, why is it not good enough of the private sector? Is this changing as a consequence of this bill or are we accepting the Department of Communities' standard as the largest lessor in Western Australia that people cannot keep a dog or a cat in an apartment? We need to know because this will give some certainty on this issue and confidence to the lessors who are the majority of the market in Western Australia. Keep in mind that we are offering no protection to them whatsoever apart from the generosity of the government that they can use their $260 pet bond for something other than fumigation.

It would be interesting to know from the Department of Communities as the largest lessor in Western Australia how much pet damage the agency incurs on an annual basis that is not recoverable from tenants. I think it would be considerable. It would be an unthinkable number, and it is worthy of a parliamentary question. I suspect we will not have that information available to us in the course of the Committee of the Whole House stage because this is a commerce bill and not a communities bill. I would love to read the cabinet comment sheet from the Minister for Community Services, when it went to the cabinet, that said no longer will the Minister for Community Services—effectively the Minister for Housing—have any discretion with respect to whether pets are allowed in state properties.

Debate interrupted, pursuant to standing orders.

[Continued on page 606.]