

PRIVATE RENTAL HOUSING

Rental reform that enables renters to thrive

The private rental market is a critical part of the WA housing system with almost 700,000 people (or 27% of the population) living in rental housing.^[1]

In 2024, the rental market is in crisis with rents rising 16% in WA over the previous year and critical shortage of available properties across the state. Data from 2024 reveals that 85% of WA is experiencing severe rental conditions.^[2] Low income and marginalised households are particularly vulnerable in this environment. For example, the 2024 Anglicare Affordability Snapshot found that, across the state, 0 advertised rentals were affordable to a person receiving Youth Allowance or Jobseeker payments and only 1 per cent were affordable for a couple with two children earning the minimum wage.^[3]

An increasing proportion of Western Australians are now seeing renting as their only housing option, including substantial growth in 'renters for life'. However, the quality, availability and security of tenure in the rental market is inadequate, leaving renters highly vulnerable.

The Australian rental market is dominated by small scale 'mum and dad' or 'amateur' investor-owners, who are driven by tax incentives and welfare settings in retirement. Research suggests that we need a significant shift in the private rental market that reframes landlords as housing service providers rather than investors.^[4] This requires significantly increasing the rights of tenants while at the same time transitioning towards a private rental sector with a greater presence of institutional and community housing ownership and management.

[1] ABS (2022) Quickstats: Western Australia. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/5>

[2] Suburbtrends (2024) Rental Pain Index, April 2024.

[3] Anglicare WA (2024) Rental Affordability Snapshot 2024. https://www.anglicarewa.org.au/docs/default-source/advocacy/anglicare-wa-rental-affordability-snapshot-2024_final.pdf?sfvrsn=7331c80a_10

[4] Hulse, K. et al (2018) Private rental in transition: institutional change, technology and innovation in Australia. AHURI.

While the last two Commonwealth budgets have included modest increases to Commonwealth Rent Assistance (CRA), research shows that levels are still inadequate.^[5] **Shelter WA supports National Shelter in calling for an urgent review of CRA and an increase to the maximum rate of at least 50%.** In addition, Shelter WA supports calls to raise the rates of other income support payments, including Jobseeker and Youth Allowance, to at least \$80 a day to enable everyone to keep a roof over their heads and meet everyday costs of living. ^[6]

In WA, recent reforms to the *Residential Tenancies Act 1987* (RTA) have made some minor improvements to tenant rights, however there remains an urgent need to introduce minimum rental standards and rent stabilisation measures. In addition, an end to no grounds evictions is essential to ensure the effectiveness of the recent reforms and improve overall security of tenure for renters. **Shelter WA continues to advocate for the full implementation of the 'Tenancy Ten'** (see over page).

Shelter WA recommends the RTA reforms of minimum rental standards cover a clear list of the 'bare minimum' people can expect in their homes, alongside 'healthy homes' minimum standards to raise energy efficiency, thermal comfort and health of renters. This should be accompanied by additional investment (eg. grants, subsidies, low interest loans) to assist landlords to meet the 'healthy homes' minimum rental standards as well as a program to retrofit all social housing. These measures would provide significant cost of living relief for tenants while also creating healthier living environments and reducing state emissions.^[7]

https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI-Final_Report-296-Private-rental-in-transition-institutional-change-technology-and-innovation-in-Australia.pdf

[5] Duncan, A (2022) Behind the line: poverty and disadvantage in Australia 2022. Bankwest Curtin Economics Centre. Curtin University. Retrieved from: <https://bcec.edu.au/assets/2022/03/BCEC-Poverty-and-Disadvantage-Report-March-2022-FINAL-WEB.pdf>

[6] See ACOSS 'Raise the Rate' campaign for more details. Shelter WA is an organisational supporter of this campaign. <https://www.raisetherate.org.au/>



PRIVATE RENTAL HOUSING

The RTA in WA is also silent on the rights of tenants with a disability. Greater consumer protection and clarity on tenant rights must be built into the RTA and tenant support services for people with a disability must be expanded.

Shelter WA also supports a long-term shift to a rental sector that facilitates institutional investment into affordable rental housing.

To do so would involve ongoing reform to remove barriers to affordable build-to-rent products,^[9] and new opportunities for the community housing sector to partner with the WA State Government (and local governments) to deliver new social and affordable housing.

In the interim, additional assistance is required to keep tenants in their homes, reduce demand for social housing, and prevent homelessness. This would include greater investment in rent relief initiatives and the expansion of tenancy support services.

Other trends, such as the growth of Short Stay Rental Accommodation (STRA) in WA continues to drive a loss of long-term rentals in desirable locations. Shelter WA acknowledges recent reform, including the introduction of a state-wide registration system for STRA properties. However, this is an issue the WA State Government will need to continue to monitor and regulate as required to maintain the availability and affordability of rental properties across the state.

Shelter WA recommendations:

- That the WA State Government accelerate reform of the Residential Tenancies Act 1987 to provide better conditions and greater security for tenants (implement the Tenancy Ten in full – see over page).^[10]
- That the Commonwealth Government review and increase the maximum rate of CRA by at least 50%.^[11]
- That the Commonwealth Government raise the rate of income support payments to at least \$80 a day to enable everyone to keep a roof over their head and meet the costs of living.
- That the WA State Government urgently and significantly increase investment in the expansion of private rental assistance programs, including rent relief and tenancy support services, to prevent homelessness and keep people in their homes.
- That the WA State Government establish permanent, adequate, rolling funding and financing mechanisms to deliver a pipeline of affordable rental housing in line with evidence-based need.^[12]
- That the WA State Government formalise the rights of tenants with a disability within the RTA and increase investment in tenancy support services for people with a disability.

[7] For more detail about proposed minimum standards please refer to Make Renting Fair's 'Out with the Mould: The Case for Minimum Standards in WA' report releasing in October 2024 at

<https://makerentingfairwa.org.au/resources/reports/>

[8] For more details on what is needed, please see: Building Tenancy Skills Project's Response to the Senate Inquiry: The Worsening Rental Crisis in Australia. Improving outcomes for people with disability who are renting. Submission can be found here:

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Worseningrentalcrisis/Submissions

[9] 'Build to rent' is the process whereby developers and their financiers build multi-unit buildings and, instead of selling the units, retain them to rent to tenant households. Rents may be set at market rent or, for affordable and social

housing, at an appropriate discount to market rents (AHURI, 2017, 'Could Build-to-Rent create affordable rental housing?'). Note: It is important that tax incentives and barrier removal for build-to-rent products are tied to the delivery of below market affordable housing. Shelter WA acknowledges recent tax reform at a state and federal level to enable the development of more affordable build-to rent products.

[10] This would include the introduction of 'reasonable grounds' for eviction and rent stabilisation measures. It would also include setting clear minimum rental standards to ensure all rental homes meet a set of 'bare minimum' standards, and in addition, 'healthy homes' energy efficiency standards that are progressively phased in.

[11] This is a recommendation of National Shelter.



PRIVATE RENTAL HOUSING

- That the WA State Government (with Commonwealth Government co-investment where possible) establish and invest in a program (including rebates, grant, subsidies or low interest loans) for energy efficiency upgrades, electrification and rooftop solar for private rental properties to complement 'healthy homes' standards and assist landlords to meet them.^[13]
- That the WA State Government use the data from the new STRA registration system to, as necessary, develop further regulation that protects the availability and accessibility of long-term rental accommodation for local communities^[14]
- That the WA State Government facilitate participation by tenants and owners in longer term leases (2+ years) through common and commercially available contracts and investigate incentive schemes encouraging landlords to offer long term leases.

[12] These mechanisms should work proactively to leverage federal investment and facilitate growth of the community housing sector.

[13] A rebate or grant program could draw on the Victorian Energy Upgrades (VEU) program. See: ACOSS 2024 analysis for the cost and benefits of 'quick fix' energy efficiency upgrades, electrification and rooftop solar here: https://www.fairfastclimateaction.org.au/the_benefits_of_home_energy_upgrades.

The Tenancy Ten	Status (as of October 2024)
End unfair evictions <i>Stop tenants being evicted without a valid reason. Introduce reasonable grounds for ending a tenancy</i>	Still to achieve ✗
Allow reasonable modifications <i>Renters should be allowed to make their house a home</i>	Partially achieved but greater clarity still required for tenants with a disability to make the necessary modifications to make their home safe ?
Create mandatory minimum standards <i>Housing should be fit for people to live in and not make you sick</i>	Still to achieve ✗
Stabilise rent increases <i>A mechanism to cap unfair rent increases</i>	Still to achieve ✗
Include boarders and lodgers and students <i>Extend legal protections to boarders and lodgers</i>	Still to achieve ✗
Allow pets <i>Tenants shouldn't have to choose between a family member and a home</i>	Achieved ✓
Quick, fair and consistent dispute resolution <i>Introduce mediation and reported decisions for greater clarity</i>	Achieved ✓
Better deal for public housing tenants <i>Remove provisions that discriminate against public housing tenants</i>	Still to achieve ✗
Increase access to tenant advocacy and information <i>Make advocacy services and tenancy information available to all renters</i>	Partially achieved but adequate funding for tenancy services still required ?
Climate change readiness <i>Government funding and incentives are needed to adapt existing housing stock, including rentals, to address climate risk</i>	Still to achieve ✗

[14] New regulation should be developed in partnership with local governments and ensure that local governments retain the right to impose stricter controls where necessary to manage the impact of STRA on their local communities and environment.