

ECONOMICS AND INDUSTRY STANDING COMMITTEE

INQUIRY INTO SHORT-STAY ACCOMMODATION



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 15 MAY 2019**

SESSION TWO

Members

**Ms J.J. Shaw (Chair)
Mr S.K. L'Estrange (Deputy Chair)
Mr Y. Mubarakai
Mr S.J. Price
Mr D.T. Redman**

Hearing commenced at 10.57 am

Mrs ANN HARROP

Senior Planner, City of Mandurah, examined:

Mr BEN DRECKOW

Manager, Planning and Land Services, City of Mandurah, examined:

Mrs STACEY GRAHAM

President, Tourism Rockingham Inc, examined:

The CHAIR: On behalf of the committee, I would like to thank you for agreeing to appear today for a hearing on our inquiry into short-stay accommodation. My name is Jessica Shaw, and I am Chair of the Economics and Industry Standing Committee. I would like to introduce the other members of the committee. To my right is Yaz Mubarakai, member for Jandakot; to my left is the Deputy Chair, Sean L'Estrange, member for Churchlands; Stephen Price, member for Forrestfield; and Terry Redman, member for Warren–Blackwood. I advise that the proceedings of the committee's hearing will be broadcast live within Parliament House and via the internet. This broadcast may include documentation provided by you to assist the committee in its investigations. It is important that you understand that any deliberate misleading of this committee may be regarded as a contempt of Parliament. Your evidence is protected by parliamentary privilege; however, this privilege does not apply to anything you might say outside of today's proceedings. Before we begin, do you have any questions about your attendance?

The WITNESSES: No.

The CHAIR: Would you like to make an opening statement?

Mrs Graham: Yes, I am happy to. First of all, thank you for the opportunity to address the standing committee. Tourism Rockingham was established in 1970 and trades as the Rockingham Visitor Centre. It commenced operation as a small self-funded, not-for-profit organisation, with memberships from local tourist operators and commissions from accommodation bookings as its main sources of income. Over its 49 years of operation, Tourism Rockingham grew, and tourism in Rockingham grew along with it, and it has become the voice for its members as well as building a strong relationship with the City of Rockingham and the Rockingham–Kwinana Chamber of Commerce, which has a combined membership base of approximately 450 to 500 businesses.

When the city built its Gary Holland Community Centre, a major infrastructure development in the city, it asked Tourism Rockingham and the visitors' centre to move there, for a seven-day-a-week presence, and to generate interest in the facility as well. We did that willingly, and we worked with the City of Rockingham. We have now taken on the management licence of that facility, which we do in conjunction with the city, and we get a fee for service for that. We also hosted the Rockingham Mussel Fest for 13 years. We do not do that anymore. It was a free community event, and we were unable in the later years to attract sponsors or finance, so we always, really —

The CHAIR: I am assuming it is "mussel" as opposed to "muscle"!

Mrs Graham: Yes, but we used to advertise it with a muscleman!

The Rockingham Visitor Centre has reduced its commissions on accommodation bookings because the many like-minded visitors centres, online bookings, either through a booking app or direct

bookings, have taken their toll on the generation of finances. Certainly our accommodation bookings have reduced probably by \$100 000 over the last three years. However, fortunately through excellent management by our visitor centre manager, Scott Hewitt, and his dedicated team and the active Tourism Rockingham board, we have been able to maintain operations through our contingency fund of approximately \$180 000. But that is being whittled away, so now we are in a situation where it is whether we keep operating or not.

However, in saying that, the City of Rockingham has recognised the role Tourism Rockingham plays within the city, and it has substantially increased its funding over the years, and they have just developed a new tourism destination marketing strategy, and that is currently going through the council process. If approved, Tourism Rockingham and the visitor centre will continue to operate comfortably over the next three to five years.

I suppose it goes without saying that our registered short-stay accommodation members are feeling the same downturn, with the introduction of uncontrolled pop-up accommodation trends such as Airbnb and Stayz. Our members are put under great scrutiny by the local and state government regulation, through meeting their acts, including the Planning and Development Act, the Health Act, and the Food Act, and having parking provision, both with paying necessary fees, and regular inspections by authorised officers to ensure that regulations are being met. Registered operators have added greatly to local employment and economic development, however, many are facing, or have already faced, reducing staff numbers or in fact thinking about closing down after several decades of operation. We believe that more than 230 unauthorised short-stay accommodation providers are in the City of Rockingham, and they are not registered and they are not meeting the standards in the acts previously mentioned.

Tourism Rockingham and its tourism accommodation members are now working closely with council in relation to this problem. However, we are of the strong belief that unless the state government takes a firm stand against unlawful short-stay accommodation providers, those who have met all the lawful requirements will be put out of business, and those allowed to continue, along with the new providers coming in, seeing the way to make a fast buck with no outlay, will eventually prove detrimental to all, with possible public liability issues falling on local councils and their ratepayers, not to mention the safety of those using such facilities.

In the City of Rockingham, they have only received 18 complaints since 2018, and they have submitted that they only act on complaints. Of those 18 complaints, eight were granted development approval, five ceased operating, one was not short-stay accommodation, and four complaints are currently being investigated. That means that there is more than 212 operators that are not compliant. It is therefore prudent for all, we believe, that we bring this current phenomenon into line.

The CHAIR: Thank you. Would the city like to make an opening statement?

Mr Dreckow: Yes, thank you. Thanks for the opportunity to address the committee. Holiday homes in particular have been an ongoing issue that our council has dealt with over many years. Historically, Mandurah has been a holiday destination. I assume most of you will be aware of the geographic location of our city, and there has been a high percentage of holiday homes in our traditional suburbs. I guess, in more recent times, they have been caught up within more suburban locations. But we do have a historically high percentages of unoccupied dwellings, which are used as holiday homes. Just by example, approximately 20 per cent of all of our dwelling stock—we have over 40 000 dwellings in Mandurah—are actually unoccupied private dwellings, which is a fairly high number, twice the amount as in the Perth region, which is about 10 per cent. We have noticed that that is a fairly consistent percentage across many years.

Beyond just the holiday homes, the City of Mandurah is actively involved in tourism in a fairly broad way including investment in events, and we also facilitate the operation of the Mandurah and Peel Region Tourism Organisation, which has been set up for not only promotion of tourism, but also looking at many opportunities for increasing that product mix. We also run the visitor centre. Unlike the Tourism Rockingham model, which is operated as a not-for-profit, the visitor centre in Mandurah is actually operated by the City of Mandurah currently.

Obviously, online booking has increased the awareness of the availability of holiday homes. Where previously it was fairly unregulated, and word-of-mouth, the online booking system has increased that awareness. As a result, our council has asked us over a number of years to look at avenues to either regulate or not regulate. In 2015, and then again reinforced at the end of 2018, council has actually adopted a responsive approach rather than a regulatory approach to holiday homes, primarily, in terms of dealing with complaints up-front and giving them a higher recognition than a standard complaint for a normal house, and primarily in regards to noise, waste, emergency management and parking.

What we have done, rather than requiring a planning approval, is actually giving those complaints a higher priority. The review that we undertook during 2018 continued that process on, but also reviewed a number of other elements to the operation of holiday homes, particularly in terms of how the building regulations operate. Smoke alarms and emergency access came to the fore there, so we just started working back through all of the holiday homes that we are aware of and notifying those owners that they do have some obligations under those relevant provisions.

We have found that, since 2015, this responsive approach has been effective. When we do receive a complaint, the home owners are notified to ensure that management practices are in place, and that may stretch to a number of criteria. It really depends on the situation of that particular house. We have had a number of instances where hens' nights or party houses have been operating. They may be actually complying with other registrations beyond the city's control, but that communication method actually has helped regulate some of those issues. As a result, we are, through some of our evidence, saying that complaints regarding holiday houses are a very small proportion of the complaints we receive, particularly on the noise front. We have only had five known holiday homes that have been subject to complaints. What we have done is, rather than ensuring that all holiday homes require an approval, dealing with those that actually have the issues, which has helped us with our resourcing, and does not result in punishing those that are operating appropriately in the neighbourhoods, but just managing the ones that are maybe not operating appropriately.

From the land-use planning perspective, which is where Ann's and my background primarily comes from, we have seen that that additional regulatory control does not add any value to the operation, and we do see that there are other locations where that may be appropriate, such as where housing affordability is an issue—we have seen that in many other large cities around the world—or areas of high bushfire risk. However, these are not issues that we currently address in Mandurah, so we do not feel the need for any further regulation.

Our only request is that, if there are any recommendations coming out of the inquiry by the committee, some flexibility remains in place for local governments to adopt an approach that works best for them.

[11.10 am]

The CHAIR: Thank you. Ms Graham, I am very interested to hear that the \$100 000 reduction in revenue—is that an annual figure that you have had eroded?

Mrs Graham: That is over three years—approximately three years.

The CHAIR: Over three years? Okay, so the non-traditional short-stay accommodation providers, are they contributing in any way towards what Tourism Rockingham is doing in terms of marketing?

Mrs Graham: Only through their membership, which is a minimal membership.

The CHAIR: So people are members? A mum and dad who have a holiday house are members of Tourism Rockingham?

Mrs Graham: Not necessarily that side of it, but the registered short-stay accommodation through council, the majority of them are members.

The CHAIR: Right, so irrespective of whether they are using Airbnb or they are more traditional, like bed and breakfast forms of accommodation?

Mrs Graham: Yes.

The CHAIR: What is the breakdown of your membership? How many are these new forms of accommodation and how many are the more traditional ones?

Mrs Graham: We only have a minority of the Airbnb. We would probably be looking at around about eight to 10.

The CHAIR: Really?

Mrs Graham: Yes, and the other would be up around 20.

The CHAIR: Right, so eight to 10 members, but there are 240 properties that you aware of who are making no contribution towards your efforts to market Rockingham as a tourism destination?

Mrs Graham: No—that is correct, but in saying that, the city markets Rockingham as a destination, and we service those who come into the city. We do our holiday planner, and we do get involved with what we can—not as much as we used to, because of the funds that we do not have.

Mr D.T. REDMAN: What are the membership fees, to join?

Mrs Graham: It is \$120 a year.

The CHAIR: We were down in the south west last week—or the week before last; they all seem to run into one another—and down there the evidence came through loud and clear, very consistent with your evidence, that there really is a downturn in the demand for traditional accommodation providers. My question is, how much of that do you think is due to the emergence of these new forms of accommodation, and how much of that is just due to a general change in the market over the last three to five years?

Mrs Graham: In Rockingham's case, Rockingham, like Mandurah was always a holiday village, but then it became more residential, so all the holiday homes that we had were bought out and people came to live, so our accommodation, because we do not have a major hotel—now we have got Quest Apartments, and we have new management in our Ocean Clipper Hotel, so that has been done up, but that used to be more for working people to stay at. It was not really a tourism-type destination—so we do not have a major hotel as such, so the majority of our accommodation providers are short-stay accommodation like the Quest Apartments or a bed and breakfast or a guesthouse, so that is the kind of accommodation that we have. With the Airbnb, we are only going on those that are advertised. That is how we come to those figures, because we look through and we see who is advertising in our area on Airbnb or Stayz. That is how we know who is not registered.

Mr D.T. REDMAN: Just by way of clarification, you said that your income or your revenue is down by \$100 000 over three years. Are you attributing that to holiday homes that would have normally

used your services, and therefore a commission would have been applicable to that, now using online platforms and bypassing the visitor centre?

Mrs Graham: Not necessarily the Airbnb or Stayz. It is purely from online booking. So that could be from online booking, but that could be online booking direct to the owner, and the others as well, but definitely our commissions have dropped substantially.

Mr D.T. REDMAN: And there is nothing to suggest that there is any broader change in the marketplace? You can directly attribute it to the online booking platforms?

Mrs Graham: Yes—the online booking platforms, because all of our commissions came through because owners of properties would register with us, so we would do the bookings for them. So if you went onto a site and it was an apartment on the foreshore, then they would direct the booking through to the visitor centre. Now that has changed, because it is easy for them too, so the booking goes direct to the owner, although some of the owners still maintain the booking with us.

Mr D.T. REDMAN: Do you know how your commissions compare to, for example, Airbnb's commissions for a booking?

Mrs Graham: No, I do not.

The CHAIR: I was very interested in your comments about not having a hotel in Rockingham, and it is probably a similar sort of question for Mandurah as well. One of the things that has been suggested to us is that these new forms of short-stay accommodation are steppingstones and actually a facilitator of economic development in regions that do not have the scale, particularly where there is high seasonal variability in demand for accommodation. What are your views on the degree to which this actually helps economic development in your communities?

Mr Dreckow: Well, that is probably an avenue we have not done too much research on, to be fair. In Mandurah, there are a number of formal accommodation providers. One of our challenges is probably to increase that availability in appropriate locations. I guess, from the land use planning side of things, particularly outside of our city centre core, a number of slots have been long-time recognised for future tourism development—that has been eroded by suburban housing—and how we actually use the planning framework to protect those locations so that we do not just become complete suburban locations. That is probably where we have spent some of our time. But in terms of the benefits economically, broadly in terms of that, we probably have not done too much research on that, in that regard.

Mrs Graham: I do not think that they add much at all to the local economy, or certainly employment, because most of the places are not hosted, so there is no staff. You just walk in; you get what you pay for. With the registered B&Bs and short-stay accommodation facilities that we have, they will have staff that will be cleaning; they will outsource laundry services; they will use food, because they will provide breakfast. They are always adding to the local economy, whereas a lot of people, they might go out to eat at a restaurant, but other than that, you sort of do not know what they are doing.

Mr S.K. L'ESTRANGE: In the Mandurah submission, I note on page 7 you say, "Home sharing, if ultimately defined, should be treated in the same manner as Holiday Houses". Then, on page 9, at the top, you state, "Currently within the City of Mandurah, no additional approval is required to utilise a residential dwelling as a holiday house". If homesharing is defined as a holiday house, and there is no additional approval required, then there is no requirement for anybody listing their house on Airbnb to register with the City of Mandurah. Is that correct?

Mrs Harrop: That is correct.

Mr S.K. L'ESTRANGE: You then go on to say, "With 40 000 dwellings in the City of Mandurah, holiday homes make up 0.3% of the housing stock." Does that 0.3 per cent that you have calculated there include anybody who is not using a holiday home but is instead using their residential dwelling to put up on Airbnb while they themselves might go on holiday, for example? Is that captured in that 0.3 per cent?

Mrs Harrop: The figure that we have captured there is basically undertaken from the known holiday homes. There is no determination whether that is being used by the primary home owner, or as a second home. On a biannual basis, we go through a couple of the online platform providers and do a search of properties that are available for rent, but we do not have that distinction of whether they are being rented for one week out of the whole year or whether they are available full-time.

Mr S.K. L'ESTRANGE: Okay, because one of the things that we are getting feedback on in this inquiry is a differentiation between people who are buying investment properties to put up on Airbnb as a commercial enterprise, so they might own one or they might own four, for example. The purpose of it is never to live in it; it is just to put them up on Airbnb, for example, or another online platform, and rent it out that way. Then you have a separate category of people, which is those residential landowner and occupiers who go on holiday, and to subsidise the cost of their travel, they put their house up on Airbnb, for example, on the rental market, and do it that way. Are you making any efforts to distinguish the difference between those two categories and how you treat those two categories with regard to policy?

Mrs Harrop: At this point in time, no.

Mr S.K. L'ESTRANGE: Okay. Do you have any inkling to do so, or not?

Mr Dreckow: No, not at this point in time. I guess we have taken the view that if it is built as a house and appears as a house and fits into the neighbourhood as per the relevant requirements of the residential planning codes, how the house is actually used within the four walls is really primarily up to the landowner. If they are having negative impacts on the neighbourhood, then we will deal with them on a complaint basis, but if the design standards are met, we will be using sort of a—I guess, in essence, we are using more of a form of development approach to manage that, rather than a regulatory land use approach. It is a different approach in terms of planning, but that is the approach we would like to take.

Mr S.K. L'ESTRANGE: Thanks for that, because one of the things we are also getting feedback on is that the ones who are putting an investment property up continuously for a short-term rental—overnight, two nights, whatever—if that is in a street or in a unit complex, it is impacting on the amenity of the owner-occupiers who surround that particular property. I note in your submission here that you are leaving it to the strata management of multi-unit facilities.

Mr Dreckow: Yes.

Mr S.K. L'ESTRANGE: Who is taking care of the non-strata households in a suburban street that might have, for example, three investment properties around them, where they are impacted by having changing people consistently coming to their street?

Mrs Harrop: Based on our records, we get very minimal complaints regarding amenity issues relating to holiday homes. All our known holiday homes are linked to our database, which is accessible by all our officers, whether they are in the office or outside the office. If a complaint gets received, whether it be noise, refuse, parking et cetera, we get the complaint and it is immediately recognisable whether it is related to a known holiday home or not, and we respond to that as our priority, essentially, in relation to all our other complaints.

Mr S.K. L'ESTRANGE: Right, and what happens with your Airbnb that is not a registered holiday home?

Mrs Harrop: We do not require registration. It is basically a list of known holiday homes. If there is an Airbnb which we are aware of and a complaint comes in saying it is related to a holiday home, it will still be given the same priority.

Mr D.T. REDMAN: What is the cost of putting a residence on your short-term residential accommodation register?

Mrs Harrop: There is no cost.

Mr D.T. REDMAN: No cost. Just come in, register, go?

Mr Dreckow: Well, not even that.

Mrs Harrop: We do not even require that. We update based on if we receive information from people that there is a holiday home operating; or just purely through our biannual review of the platforms, we update it ourselves.

Mr S.J. PRICE: Is there any restriction within the City of Mandurah on where you can have a holiday house?

Mr Dreckow: Well, other than where you cannot have a house, so an industrial area, for example, no.

Mr S.J. PRICE: Then there is no impediment for someone who has lived there 10 or 20 years, decides to move somewhere else, and wants to keep their house as a holiday home, so they go from a standard permanent residence to —

Mr Dreckow: Yes.

Mrs Harrop: Council stance is, essentially, in all zones where a dwelling is permitted, a holiday home is permitted also.

Mr Y. MUBARAKAI: Sorry, can I ask a segue question on that, as well? From a planning perspective, it is quite interesting to see how the city is managing its holiday home or short-term accommodation, and obviously Mandurah is identified as a tourist destination. It is interesting to sort out the submissions that we have got and people that have come before the committee making their evidence heard. It just seems to be a little confusing for me to understand.

Can you just tell me, from your planning perspective, are there then other zones—obviously identified as the Mandurah foreshore—where short-term accommodation is not a permitted use? Is there any area in your planning framework where you identified holiday homes to be able to do whatever the owner wants, within those four walls? By the same token, are there any measures within the city to allow motels and hotels—I guess I am trying to provide a level playing field here—where certain tourism operators have to go through a whole lot of different regulatory planning frameworks within the same city to provide a similar outcome for tourism reasons? I am just trying to understand, from the city's perspective, where is the balance here from policy and regulations which allow a use to do a service and then, by the same token from a commercial perspective, if hotels and motels want to go into the same space of providing tourism accommodation or short-stay accommodation, where is the balance from the city's perspective? In your submissions you have given clear lessons learnt from all different cities and other states, so it seems to be like the city is well aware of the evolution of the short-term industry and how it is evolving with holiday homes or apartments and houses, with hosted and un-hosted service providers. On the other hand, you have got a traditional sort of platform on which they are being regulated heavily, under the same city's framework. Where is the angle in which I hear you all say that they can do what they

want, but, on the other hand, if I wanted to open up a six or eight-unit apartment to serve as a motel or short-stay accommodation, I would have to go through a different planning process?

Mr Dreckow: I guess there certainly are locations where a single house is not appropriate or permitted, and some of those locations you mentioned would fit into those, and we do have a number of locations where residential is not permitted on the ground floor, for instance, of a key mixed-use precinct. Therefore, a holiday home would not be appropriate there because the single house is not permitted. On the flipside, yes, we do have areas where we do want development other than single residential. Whether that is accommodation, office or commercial, that is really up to that particular location, and one of our challenges is to ensure that we do still have a form of tourism accommodation provided.

Mr Y. MUBARAKAI: So is there a strategy that the city has?

Mr Dreckow: Yes.

Mr Y. MUBARAKAI: Every city has got a vision of where urban sprawl is going to happen and certain planning schemes are provisioning certain R-codes as to what that particular land will be used for. Your opening statement gives an indication where holiday homes are open to clarification and then, on the other hand from a planning perspective, you are saying we have got these provisions in certain areas for X use. I cannot understand—I will just ask a more simple question. Has the City of Mandurah in the last three or five years experienced hotels or motels running out of business and shutting down?

Mr Dreckow: Anecdotally, I am not aware of any particular ones. The key ones we do have are operating. We have had no evidence that they are closing down. Our biggest challenge is on sites that we have previously identified for tourism services not to be converted to residential in the longer term. I guess the city's role—I forgot to mention this when the economic question was asked, but we have had a number of major events in our city recently. At the end of last year, there was the Australasian Police and Emergency Services Games. Every hotel room was booked, and there needed to be a heavy reliance on holiday homes to accommodate the number of people visiting Mandurah for that event. Our challenge is actually to keep that event momentum going, to keep both the formal accommodation occupancy maintained, and ensuring that holiday homes are supporting that.

Mr Y. MUBARAKAI: So, just a follow-on question: Has the city received any applications for new hotel or motel investments in the city? When was the last hotel approval provided?

Mr Dreckow: Not in recent times. I think the Sebel would have been the last one built, probably about 2007 or 2008.

Mr Y. MUBARAKAI: One last question: with regard to holiday homes, does the city have a different council rate provision for holiday homes?

Mr Dreckow: No.

The CHAIR: Mrs Graham, you mentioned in your submission that you understand the City of Rockingham does not monitor or control these types of accommodation. Yours is quite an interesting perspective, and one that we are interested to hear more about in terms of your engagement with the City of Rockingham on these sorts of issues—how well that you think they are responding to this issue and what you think, and what you think they are doing to adequately address this issue.

Mrs Graham: We have openly said to the city that there is a problem. They have come back to say that they do not have the resources to monitor the unregistered short-stay accommodation

providers. Probably our biggest concern is the hosted accommodation, where people are renting out a room or an area in their house, so you do not know where they are or what they are doing, unless they advertise, and that cannot be checked.

The CHAIR: So that is a concern for you—the hosted accommodation?

Mrs Graham: None of it is really a concern. We are quite happy to see, similar to Mandurah, those facilities being provided. The concern we have is that we have our members who have to go through the hoops with council to meet all the regulations and rules and pay the fees, and then they have got opposition, who can come in and not have to do any of that and can undercut the rates that they are charging because they do not have to meet any of those obligations. That is what our concern is, that there is no level playing field for everyone. It is one lot for those who have registered and done the right thing by all the acts that is expected through council, and the others that are doing exactly the same and not having to do anything.

The CHAIR: Let us tease out this level playing field concept a little more. Is it that the new forms of accommodation should be brought up to a certain standard, or is it that existing forms of traditional accommodation should have their requirements relaxed a little; and, if so, what do you think the core things are that everybody should have to comply with?

Mrs Graham: I think it should just be one or the other. It should be that they all pay and have to go through the same standards and regulations. Our committee has resolved that we believe that it is in the best interests of those that are coming into the accommodation that if there is food being provided, that everything is safe for them to enjoy their holiday stay. The last thing you want is for someone to come into the city, stay and get ill, and then they are going to go back and tell everybody that they know to never go and stay in Rockingham because you get sick. The other is what our registered accommodation people have to go through. I do not think there is—have I answered the question?

The CHAIR: Yes, absolutely. I have to chair at the same time as I am questioning. I have to keep everybody happy. I am sorry, I did not mean to interrupt you.

Mrs Graham: That is okay.

Mr Y. MUBARAKAI: In the earlier question that I asked about hotels, you gave us an example about Mandurah recently hosting an event, and obviously the outcome was quite promising, with hotels and motels in the area at full capacity. On the flipside, when there are not any events, has the city done any homework or engaged with them about their occupancy in the last 10 years, as to whether the market has shifted for them, and has the city also been able to work through the impact holiday homes really do have in terms of the relationship with hotels and motels?

Mr Dreckow: We would primarily rely on any research and advice from Tourism WA in that regard and the Mandurah and Peel tourism organisation has been established, which is primarily a marketing and destination approach. We definitely would rely on primarily Tourism WA's research in that regard.

Mr Y. MUBARAKAI: The reason being is I am going off your submission on pages 14 and 15 where you talk about the economic implications—precisely what we are discussing now. In there you have mentioned that the tourism industry is important to Mandurah and holiday homes are a key component of tourism accommodation available within the region and that increased regulation will add cost to this component of industry. Again, cost is a common theme with compliance across all the submissions and evidence that we have received so far. Furthermore, you have also written that the Australian Hotels Association, I guess we can all read it together, argues that this would put holiday homes on a more equal playing field with the existing commercial operations. The last

paragraph is where I am interested to know where is the City of Mandurah. Has the council or planned department done any homework or have you guys gone through any frameworks about addressing this problem at all, or is it just part of your submission that it is just a bubble-thought about the process but there is nothing really behind it?

Mr Dreckow: Part of this report is directed at our council as well as our submission, so the way that those paragraphs are structured is probably more directed at our council in terms of receiving this information.

Mr Y. MUBARAKAI: I understand, but it talks about the benefits of adding more regulation.

Mr Dreckow: Yes, so we are operating on a number of strategic objectives of being one of the easiest local governments to deal with and cutting red tape, being open for business and so on. The approach of that in regulation does not actually align with any of those strategic objectives that our council has adopted. As a result, we have not crunched any numbers to determine what the impact would be boot camps that does not align with our council's strategic objectives. The simple equation is that we estimate that about 150 dwellings in Mandurah, the application fee is about \$150 per dwelling, but the compliance and chasing up those residents to get an approval we could not put a cost on without going through that exercise. For our approach, it does not change how the holiday home is managed or is operating whether they have an approval or not. As a result, the regulation is adding no value to that approach, particularly in the holiday home field. That is where we focused our efforts recently, because that is where our council has asked questions about holiday homes rather than tourism accommodation as a whole.

The CHAIR: Can I ask a final question: the City of Mandurah has obviously chosen to adopt a very hands-off approach—a real laissez faire, let it happen as it happens and if there is a complaint we will respond—do you foresee any problems with a ratepayer or a neighbour of an Airbnb challenging this either through SAT or otherwise? Your framework is based on a resolution of council rather than on a local law or a planning requirement, scheme or policy. Do you see any issues around that with you having such a hands-off approach?

Mrs Harrop: In its council's resolution, they have previously adopted that a holiday home is an unlisted use and then we have dealt with the unlisted use as per the regulations and we have considered it to be permitted use in all those zones where a dwelling is permitted. So, in essence, we have dealt with it in accordance with the abilities under our planning scheme and the planning regulations. With regard to the neighbours of holiday homes, in instances where we have had an issue with holiday homes, either our health officers or our planning officers or our compliance officers have been able to work both with the neighbours and the owner of the holiday home to negotiate a better management of the holiday home and tend to resolve those issues on a case-by-case basis. Our approach has been seen to be working since we have adopted the responsive approach back in 2014.

The CHAIR: Great.

Mr Dreckow: Our new planning scheme will formalise that they are exempt from planning approval. Rather than change our existing one, we will just wait until our new planning scheme goes through its process.

Mr Y. MUBARAKAI: One last quick question: has the city come across in the last three or five years, with the liberal approach with holiday homes and short-stay accommodation where the long-term rental market in Mandurah has had any significant impact to it?

Mrs Harrop: Over the last five years, if anything, the rental market value has dropped purely due to the economy.

Mr Y. MUBARAKAI: It is a good way for the committee to understand how different pockets and different local governments do work in terms of their reactive way of—and it clearly identifies for us the approach that needs to be taken where one-size-fits-all does not work; it needs to be tailored to individual councils to be empowered to execute the regulations. Thank you for that.

The CHAIR: I will proceed to close today's hearing. Thank you for your evidence before the committee today. A transcript of this hearing will be emailed to you for the correction of minor errors. Any such corrections must be made and the transcript returned within seven days of the date on the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you very much coming up; we really appreciate it.

Hearing concluded at 11:45 am
