

ECONOMICS AND INDUSTRY STANDING COMMITTEE

INQUIRY INTO SHORT-STAY ACCOMMODATION



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 8 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 10.43 am**Mrs LYDA HAYWARD****Property Manager, Pass Your Keys Pty Ltd, examined:****Mrs AMANDA WALKER****Director, WA HomeStay Pty Ltd, examined:**

The CHAIR: On behalf of the committee, I would like to thank you for agreeing to appear today for a hearing into our inquiry into short-stay accommodation. My name is Jessica Shaw and I am the 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; and to my left is 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 proceeding.

Before we begin with our questions, do you have any questions about your attendance here today?

The WITNESSES: No.

The CHAIR: Would you like to make opening statements?

Mrs Walker: Thank you, Madam Chair and members of the committee, for this opportunity to talk today. I believe some background about myself might be helpful for this inquiry. My husband and I own a registered holiday home in the City of Busselton, and with three young children, I use holiday homes when I travel around the state. We have also just launched WA Homestay, which is an online booking platform for WA holiday homes and other short-term accommodation. As part of this, I have been working with local councils to ensure that only registered holiday homes list on our platform.

Through my experience in the short-term accommodation sector, I have been talking with a number of different stakeholders who are directly involved with short-term accommodation and the matters before this inquiry. It is from these discussions that we decided to list only registered holiday homes on our platform. There were three main reasons for that. Firstly, we spoke to the same passionate, local, traditional accommodation providers that you guys spoke to in the south west—I am talking of farmstays and the bed and breakfasts—and their pain is real down there. Although I believe there are more factors at play than the rise in unregistered holiday homes, we felt it was just the right thing to do, being a local company, to speak to the local councils and work with them to allow only registered holiday homes to list on our site.

Secondly, we own a holiday home because we love the south west. We do not make as much money as we would had we long-term rented it, but it affords us the opportunity to travel to the area. From a logical point of view, you can see that a sharp rise in unregistered holiday homes with a tourism boom could force locals out of their area. Locals really give that area the flavour which attracts tourists there in the first place, so if we can be a part of ensuring that does not happen, we wanted to be involved with that.

Finally, from our point of view, it just made good business sense. There is a sense of relief from a guest's point of view to know that the houses are there and that there is a minimum standard adhered to for the platform that we are creating.

I think it is worth noting, though, that in our discussions, we had meetings with people who have been operating holiday homes as property managers or owners that are not registered but they are not necessarily doing the wrong thing; they have been operating for years, providing A-class service and just do not see the need to register. Just by being unregistered does not mean that they are a social nuisance in the areas that they are operating. I think there is a lot of miscommunication in that some people just genuinely do not know that the local council requires registration, and it is only when they go to list on our platform and we have to turn them away that there is an understanding there that the local council is requiring some sort of registration.

We would put to the committee that holiday homes are a unique experience that have been enjoyed for generations. If the committee feels that a statewide register is the best way forward, we would be happy, obviously, to support that—we are already making efforts to do so. However, it is an onerous process given the different local councils' approaches to holiday home registration. I would suggest that perhaps the committee might look at more of a carrot approach rather than a stick approach when looking at regulation of holiday homes. If you have too much onerous regulation with holiday homes, we will cease to operate—our profit margins are not such to sustain it—and you will lose that unique ability to holiday with family and friends, which generations have enjoyed.

There is also the capacity where these holiday homes will remain underground and the compliance issue will become a nightmare. How you would determine if someone is living in a holiday home and going on holidays only during peak periods compared to someone who is just renting it out as a holiday home in total would be a nightmare. So, rather than having this kind of stick approach of onerous burdens put on the homeowners, have this kind of "trust the tick" registration process where they have to show—I know you have spoken about it in this committee—a registration number on listings for platforms so people know that this is actually a positive thing. This means that this property is meeting a basic set of standards that the local government requires, it actually exists and homeowners can put it up there as a point of difference. Then on the other side, the platforms have to ensure that these are the only properties that are listed on their site. There are complexities with the different number of years that certain councils allow approvals for, but that is something that the committee can think about in how you want to move forward.

That is basically all. I am happy to answer any questions you have about my personal experience as a holiday home owner and user, the different stakeholders that I have spoken to, or how hard it has been to ensure that registered holiday homes list on our site.

The CHAIR: Thank you very much, Mrs Walker. Mrs Hayward, would you like to make a statement? It is an opportunity for you to tell us about your perspective.

Mrs Hayward: Thanks for having me today. I am similar to Amanda in that I started off as a property owner. I have a holiday property. It is in Scotland. The reason I have that home is so that I can visit whenever I want to, but I could not possibly sustain a home like that without renting it out myself. I have been doing that for over a decade and everything has been going along nicely.

When I decided I needed to go back to work after having a family, I was looking around for a job for myself. I tried many different things to go back to work and then I thought: What do I like doing? What am I interested in? What do I know about? I knew about renting holiday accommodation, so I decided to see what it was like to be on the other side of the coin, as it were. I live here in Western Australia and I have to have somebody manage my property when I am not there because it is on the other side of the world, so I thought I would see what it is like to manage other people's

properties here, and not be the owner but be the person who is responsible for looking after it. I retrained. I worked at a local real estate agent as property manager for a year, working on residential tenancies. I found that that did not really suit my personal circumstances, because I still have a family and obligations and my husband works overseas, so I am here on my own. I set up my small business and I manage property on behalf of the owners. I manage them on the short-stay market for them. I do almost everything for them and I do it as though the property was my own. I just pretend that it is my property and make the decisions.

I have a small group of clients. I manage 15 properties now. That is my limit, because that is as many as I can take on as a single person running the business. We get along very well. We are dedicated to responsible hosting. I work very hard on vetting the people who stay at the properties. I build relationships with the people who stay at the properties. I run a very successful business and my portfolio of clients are all very happy.

The CHAIR: Excellent, thank you. Thank you both for appearing today. You are the first facilitators, I suppose, who are not one of the big corporations for short-stay accommodation providers that has appeared in front of the committee. I would just like to pick up on some of your comments, Mrs Walker, on how onerous registration can be and making sure it is not too heavy handed. I would like to tease out your views on what you think should be registered. What is about these properties that should be registered? What should be done by the state government and what should be done by the local government, recognising that there can be some real differences in localities? I wonder if you both have some views to offer on those sorts of issues.

Mrs Walker: I have been dealing with a lot of different local councils. Basically, when I get approached by a house, if it is in an area that I have not had dealing with before, I will then speak to that local council about their requirements for holiday homes in that area. Depending on the outcome of that question, I will go back to the home owner and they basically have to provide proof of their registration if they so require it. I have been dealing with the City of Busselton and the Shire of Augusta–Margaret River quite closely, and they are extremely proactive in what they do. They are happy to look over a list of addresses that I provide them yearly to ensure ongoing regulation of registration, because that is part of the issue—you have the City of Busselton, which has a yearly registration fee, but there is not really any other approval process you have to go past after that initial process.

Then you have got someone like the shire of Margaret River that might do a various number of years. You might have an initial approval from a first year, reassess in three years or five years' time frame and then again. Then you have got some other local governments that just require one registration fee and then forget about you. The differing time levels and dealing with—from my perspective, I am trying to do the best thing by the local government. I will ask them what they require and I will get the company or the owners to show me their registration documents. If there was a statewide policy advertised, which everyone is aware of, that you have to be registered, then that cuts out the miscommunication that is happening with some of these property managers and home owners that have operated for decades and never had to register, because it has never been enforced or they do not know about it. If there was a statewide push for some communication around there, I think that will really help.

The CHAIR: What I am trying to get to the bottom of, because there seems to be a fairly consistent tenor in the evidence that everybody needs to be registered, but it is not clear for what purpose, is: What needs to be registered? Is it just that 15 Smith Street is a short-stay accommodation house, and that is it? It is owned by this person and to contact them after-hours, here is a mobile phone number, or is registration about more than just acknowledging a listing? Is it about: you must be

compliant with certain building regulations, you must have certain safety features at your property, there must be disability access, you must comply with food preparation and cleanliness standards? What is it and what is appropriate for the state government to require of everyone across the state? And what is then appropriate for the local government to try and tailor to their specific circumstances for their particular local market?

Mrs Hayward: I definitely agree with the registration from the safety perspective, because as a property manager, if you are renting a property on residential tenancies, you have to provide a safe environment for your tenants that are paying to stay there. It is no different for somebody that is coming on holiday. They need to know that the property that they have rented that they are paying money for is safe for them, too. I think that there should be some safety inclusions in the registration. However, with the short stay, I am not sure that the exact same standards apply to short stay, because it would put people off renting their properties if they were not able to tick all the boxes—for example, the disability access. That might be too onerous. I think that the registration needs to be simple and possibly self-regulation.

Mr D.T. REDMAN: On that issue, there are jurisdictional differences in what the expectations are on the registration list. The experience that it is a mandate is that both the shires you work in, particularly Margaret River and Busselton, are pretty good in terms of how they work. Do you think the state should be seeking to play a role in ensuring, for example, that there is a basic safety standard, or are you satisfied that local government has the capacity and is able to ensure that all the minimum requirements are met? I asked a question down at the Margaret River hearings to the Shire of Augusta–Margaret River about whether there was a requirement in a holiday homestay, like a holiday house short stay, to have disability access, and the answer is no. Presumably, there are tiers of responsibility, depending on the facility and the nature of the facility that they are able to respond to. Are you satisfied that local government is able to manage that aspect of it?

Mrs Walker: I personally think, yes. They are able to identify what areas in their local area are significant enough to warrant registration or regulation. Whether that be a bush fire zone for the shire of Margaret River, whether that be high-density living and they want to ensure that there is an equal amount of long-term accommodation for locals compared to short term, I think the problem comes down to compliance. I have had local governments who have contacted me and said, “Please don’t tell me what addresses are listing on your platform, because we do not have the people to check whether they’re registered or not. And even if you tell me, and we know they are not registered, we don’t have the resources to go and do anything about it.”

They have said that to me, verbally. I think it comes down to compliance being an issue. I think that is where a carrot rather than a stick approach might be helpful. If you can market it in a way where it is a benefit to the holiday home owners and property managers to be a part of this program of registration, they themselves want to do it, because most of them are business owners. They want the best for their business.

If you can move it in a way where it does not hurt their business to do so, they are going to jump on board. That means that the local governments can then have the control they need to help with overcrowding issues, make sure the parking is okay, and make sure these houses have enough rooms, so you are not cramming 12 people into a one-bedroom apartment. This is a very different conversation to what I have heard in front of this committee of people trying to bypass business regulations with whole-scale apartments that do not have disability access, and hotels. So although you are asking me, Madam Chair: is there something the state can do overall to say, “This is the minimum standard”, perhaps, but you would have to go into what does a holiday home look like

and define that. What would the registrations process be for that? What would a home share look like? It is not just a one-size-fits-all approach.

Mr D.T. REDMAN: Further to that, one step the committee could take in its deliberations is to just look at a state responsibility for ensuring registration. You are suggesting a carrot rather than a stick approach to that—I am going to ask another question and follow up with that in a second—but leave the responsibilities of what is a holiday home and where should it be, and what the nature of it is to the local authority. You would be satisfied with that?

Mrs Walker: That would be my approach. From what I am seeing out there, the local governments, if they have an appetite for it, are very good at it—the City of Busselton. But saying that, they also have quite considerable resources, but they are getting paid. We pay a levy for being a holiday home. I have worked out, they have got about 750 homes in that area, and they get about \$250,000 a year for this registration levy to help with this sort of stuff. Perhaps that might be something that other local governments need help with—their regulation and registration enforcement.

Mr D.T. REDMAN: There has been pretty strong representation to us, particularly from the traditional accommodation providers, that a carrot approach probably would not get the level of compliance that they see as appropriate, and that you would need to have something with a bit more authority. Have you got a view around that? Would it be your view—and if you do say a carrot approach would be sufficient, what would that be?

Mrs Walker: I believe that the majority of people you are dealing with are genuine business owners and property managers—I am talking about people who have several, tens, or 40 properties. This is their business. They want to do the right thing. If there was a strong line taken by the state government to say, “All homes should be registered”, well, they want to be on the right side of that, because they are running a business and they want to be seen as doing the right thing to the public. Individual home owners, who run their own holiday home remotely, they may not be as incentivised to jump over those hoops, but if you then get the platforms involved and say, “You can only advertise if that registration number is visible”, then that kind of solves that issue.

Mr D.T. REDMAN: You are suggesting in that last comment that it is actually more than just a carrot. If you have a formal requirement to have a registration number on your site, that would need to be something that would have to be enforced in some way—a mandatory requirement. Is that what you are suggesting?

Mrs Walker: I guess this is up to the committee’s deliberations, but I know it is doable, because I am doing it myself as a platform. It has taken a lot of time. But, if you have the want, you can ensure that only registered homes list on platforms and I think there is evidence that platforms have done that in other areas. Although you are saying it is not necessarily a carrot, I do not think it is a stick approach. You are talking about platforms just ensuring that they uphold the state’s requirement of registration.

Mr D.T. REDMAN: And/or local government requirement.

Mrs Walker: I do not necessarily see that as a stick. I think that is just enforcing what could be seen as a positive thing for local governments and the state overall.

Mr D.T. REDMAN: I take on board that the business model that both of you have is that you are local, and you are providing a service to a bunch of people who have holiday accommodation and want to be in the short-stay market, and you want to comply with all the rules that are there. One of your competitors is organisations that are on international platforms that do not require that. The evidence we have so far suggests quite a high level of noncompliance—knowing or unknowing—to that. Do you have any comments on that?

Mrs Hayward: Amanda's business is quite different, in that your business is more about providing a platform for people to book on, whereas my business is about managing properties. I do not provide booking facilities. I just facilitate the bookings once they come in, and I look after the property. Going back to your question about statewide versus the local council, my business is based in Perth, and I live here in the City of Nedlands, and I only manage properties that are within a 20-minute radius of a drive from my house, because I am that responsible person that has to turn up if somebody has lost their keys or whatever.

It is a very different business to the Margaret River rural accommodation, because they are seen as being holiday destinations for Western Australian and international tourists, and they have that traditional—they are local groups of people with the vested interest of the business owners and so on, so they are quite a different thing, whereas my properties are more varied, and the owners have them for a variety of different reasons. They are not like holiday properties. They are generally a second home for people. My clients tend to be retired professionals out of the city who maybe want to use the accommodation themselves from time to time. It is just a bit like me when I go home to Scotland. They want to use the property themselves, but they need to get the cash investment from other people using it at the same time.

The thing about Perth is you have all the different local councils around, and they all have a very different approach to registration. I do not know whether all my properties are registered or any of them are registered, because I do not want to get involved in that at the moment because it is in the too-difficult category. But I do know that when I follow the press, I see a lot of owners who have stuck their hand up. I know there is one in Nedlands, because I live in Nedlands. Somebody went to the local council to register their property, and it was like putting their head above the parapet, and they just got shot down.

The other 500 people who rent out their properties in Nedlands are all sitting there quite happily, renting their properties, and not putting their head above the parapet, because they are too frightened of what is going to happen. Yet there are other councils, like Fremantle council, which is very progressive and it has a clear policy. It is very simple. It is just basically fill in the form to tell us about your property, pay the money, and you are registered and it is all good. The fact that it is disparate amongst all the councils is still confusing, and that is what puts people off registering.

But if there was a statewide mandate that said, "These are the things that you need to provide or you need to prove for your property", so you make sure it is safe for your guests, that it is a well-run property, that the property manager can be contacted, and so on, and then let the local councils handle it, and pay the fee to the local councils. But they need some guidance from the state as to what those rules are.

Mr S.K. L'ESTRANGE: I really appreciate those two answers, and they gave us a really good perspective from both sides of this. I suppose for yourself, Mrs Walker, on page 3 of your submission, the third paragraph, you outline a four-point plan of what you think is needed. You call it a multi-tiered approach. You talk about ensuring that houses are approved for registration with the appropriate council requirements, registered with the local government, the state government should assist with the compliance side, and then the booking platforms should be made to show that registration number, so it is pretty clear. One of the other things you talk about here is appropriate council requirements, and you were touching on that from the manager perspective as well just then.

What we found down in Margaret River, for example, is that we had one example where there was a bed and breakfast provider, on an acre, and then right next door, just a house on Airbnb, on an acre, and very different requirements, obviously, for one business operator compared with the

other in terms of regulation and compliance. Do you see it as the role of the council or do you see it as the role of the state to try to make it a more even playing field between those two examples I gave, when you are talking about appropriate requirements?

Mrs Walker: My gut feeling is local, because I think it speaks to whether the local government wants to encourage the short-term accommodation sector. I think that varies. Even in the Perth metro area, different councils have different approaches, and they have different reasons for that, given their local constituents and the rest. There is no way a holiday home like my own could retrofit to have disabled access. It is just not practical. So, that would then take me out of the market. I think that is the reality. I think some of the stakeholders down there would like to see that happen, because that makes their business plan easier. Now, whether that is in the best interests of tourism for the state, I would argue not, because although these platforms, these multinationals, have grown rapidly, it is not just the agendas of these multinational platforms; it is also sparked by consumers and their patterns and the fact that they are enjoying these types of holiday options.

Certainly for myself, as a family of five, two hotel rooms just does not make that affordable, let alone the experience of communal living, where my daughter gets to run into nana and poppa's room and jump on them in the morning, and they get to make breakfast together. You do not get that experience in a hotel. So I think that does appear unfair, and that is why we are trying to do our best of only allowing registered homes to list, to say, "Look; we don't want just anyone." They have to be able to at least pay their fees to council. Council can put whatever requirements they require around these holiday homes. I think making it mandated that they have to be disabled friendly, even exit signs and stuff like that—you are getting into a space where you are talking a large amount of money to make those things happen.

That is very different from bushfire safety. The Shire of Margaret River identifies that as a real safety issue for tourists, and I think that is something that should be adhered to and is a very serious implication. It is the same as what I mentioned with those high-rise apartment buildings. No-one wants a repeat of what happened in London with unsatisfactory building codes, just to try and circumvent a residential versus hotel requirement. There are just so many layers to this.

Mr S.K. L'ESTRANGE: One of the other real areas of concern from our visit to the south west was in and around amenity in the street. We have even heard statistics, like one in seven homes in the Margaret River region are now on Airbnb. So you might have one local resident who has four Airbnb homes around them, and the party home on the Saturday night, the dogs that do not know the area are left unattended while the people staying there go off and do their holiday thing, creating a lot of disturbance for the locals living in that street. Obviously, that would be managed in a legitimate bed and breakfast, because there is a manager on site. Do you have a view with regard to how some of these properties should be managed to alleviate some of those amenity concerns?

Mrs Walker: I would put to you from my discussions with the City of Busselton, they have 750 holiday homes in their area, which is a substantial amount. From talking to the City of Busselton planning area, they have indicated to me that the number of complaints they have from short-term accommodation is on par with long-term rentals. This is not a situation where every single holiday home is causing disruptions and disturbances. My holiday home sits alongside two small families. I take that very seriously when I consider what guests I allow into my holiday home, because the relationships I have with them are incredibly important to me. The property managers that manage properties down there live in that local area and they have to work alongside these people, live with these people, so they do not want to have people complaining about their properties. I think, yes, of course, there are holiday homes that are going to have loud parties, but in the same way, there are long-term residents that have those issues and long-term rentals that have that problem as well.

Mr S.K. L'ESTRANGE: I think the issue is the follow-up; so, for example, if somebody puts up their property through a manager in the town, then the manager can respond to a complaint from the neighbour and go out there and talk to the tenant and say, "Look, we've got 10 o'clock quiet policy here; you need to tone it down and stop." But if it is just going up on a web platform with no actual point of contact, that is when I think some big problems start to arise.

Mrs Walker: I think the registration helps with that—the contact with the local council. That is with why we pay the fees to the City of Busselton—in case there are noise disturbances and they have to attend or deal with that. I think with the registration side of things, if everybody knows that holiday homes have to be registered, they call up the local council and say, "Look, we didn't get to sleep until 2 am last night; that's ridiculous." They have that address on their file, they know exactly who to contact to try to ensure that does not happen again, so I think that would help.

Mr S.J. PRICE: My question is an extension to that one; it is in regards to your platform. Mrs Walker, do you actively, I suppose, play a role in any sort of complaint or dispute resolution with the local governments that you deal with should they arise?

Mrs Walker: I would be happy to help. I see that as being part of my role. If there are ongoing complaints from neighbours about a particular home, I would be happy to facilitate discussions with the property managers and the holiday home owners to work around that. In my experience, the people I am dealing with pride themselves on their home; they do not want it trashed. We are talking about assets that are over \$700,000. Mine is a very standard four-by-two home; it is nothing special. I want to be sure that the guests are using it appropriately, and if my neighbours are complaining about noisy parties, I want to know who those guests are because they will not be welcome back. So I am happy to play a role in that. I do not know what that would look like and I would have to speak to the local governments about how I could help.

Mr S.J. PRICE: Mrs Hayward, do you ever encounter any difficulties with the properties that you manage?

Mrs Hayward: I have not. I do spend quite a considerable amount of my time ensuring that that does not happen in my properties. The online booking platform that I use mainly is Airbnb, and one of the first things that I do when I get an inquiry for a property is I start to build a relationship with the people that are booking. Airbnb does allow that; in fact, it actively encourages this sort of ongoing communication between me and the guests. They expect to talk to me and I will ask questions like, "What brings you to the area?", and, "Who's coming with you?" I want know who is coming because my first responsibility is to the owner of the property. I can see this from both sides of the coin actually, because in my own house in Scotland, I have neighbours on either side of the house and they do not like the fact that I rent my house out to holidaymakers even though it is a holiday town. I respect and sympathise with their point of view. I like to have neighbours in my own home in Nedlands know who is coming and who is going to be there. I do see both sides of the coin.

I work very hard to make sure that the people who are coming to stay in the properties that I manage are genuine people who have a genuine reason to stay. I do not have a problem in stopping people from coming to stay if I do not believe that their intentions are good. It is something that happens on a regular basis. I might, for example, get somebody from—I do not know—Ocean Reef booking a property in Subiaco for a Friday night. Well, for me, that is a big red flag and I just say, "Why do you want to come?" If they have a good reason, "Well, my wife's having a baby in the hospital opposite", then that is all very well. But if they have not got a good answer, then I do not accept the booking. I live within 20 minutes of every property and I have, on occasion, where a person has done an instant booking on a property—you can do instant bookings, I am sure you are aware—that I have not been happy with, I have just got in the car and gone straight out to the property to take

the keys away and make sure the property is security. That is my role in making sure the place is safe. I have never had a problem with guests trashing the place or parties or anything like that because I am actively stopping that before it gets to that point. That is why I think the property manager is super important; they know who to contact if there is a problem —

The CHAIR: The neighbours as well?

Mrs Hayward: Yes. Because if you register in Fremantle, you have to put a sign outside saying who your contact is, and that property contact has to respond to anything within 12 hours. That is the regulation, which I think is good, but I think 12 hours is still quite a long time to wait if you have got a party happening next door. Two hours would be better.

The CHAIR: If a party is going for 12 hours, it is a good party!

Mr D.T. REDMAN: With your cases, Mrs Walker, you insist on registration and you have got an audit process to check that. Do you do the same thing with regard to insurances for accommodation providers?

Mrs Walker: I do not, and it is something that we tossed up. I believe that should be possibly part of a registration process. I have it; I do not understand why you would not have it as a home owner. It makes sense. It is not an onerous amount to cover yourself adequately and cover your guests adequately, so I would welcome that as part of a registration process. I do not believe it was for the City of Busselton. I guess, from their perspective, maybe they assume that you are looking after your own asset. It is a house just like anyone else's house and people usually take out insurance and such things. But, certainly, I do not personally check for insurance. I just check for registration in the council. That is the limit that I go to because, otherwise, there is only so much you can do.

Mr D.T. REDMAN: In the case of yourself, Mrs Hayward, you manage properties on behalf of others. Is that a relationship where you simply take a monthly fee, or do you pick up on an accommodation basis, an occupancy basis? And is there any insurance relationship in the relationship you have with your clients?

Mrs Hayward: I charge a percentage of the rental income. That is my fee, so it is within my interests to make sure the property is let and money is being made. What was the second part of the question?

Mr D.T. REDMAN: In terms of insurances, is there a relationship in respect of that or do you simply accept that that is the business of the property owner?

Mrs Hayward: It is the business of the property owner. I encourage it, but I do not enforce it. If they do not want to have insurance, then that is their call. They would have to have their own property insurance anyway, but the short-stay landlord insurance is different from a residential tenancies landlord insurance.

Mr D.T. REDMAN: Do any of your clients use Airbnb as a platform for booking?

Mrs Hayward: Yes, and they do get insurance with Airbnb, as you know.

Mr D.T. REDMAN: But an interesting point is that we have got some suggestion to the committee that they only have insurance if they are compliant with local government law. You made an earlier comment about some of your clients; you do not know, in fact, whether they are registered or not, which would suggest that Airbnb, if that is the booking platform that they are using, does not have insurance. Do you have any level of awareness about the nature of that and whether there is a level of knowledge within your client base about that fact?

Mrs Hayward: No, and I am not sure that that is a fact, because I have claimed on insurance for my owners through Airbnb before and it has not been a problem. It has never been questioned.

The CHAIR: Even if they are not registered or even if they are not compliant with local government regulations?

Mrs Hayward: Not registered; they have never asked about compliance.

The CHAIR: There is a reputation that insurance companies have for looking at ways that someone could potentially be noncompliant and coming up with a reason not to pay out a claim, or pay out a claim to a customer who potentially has stayed in a property, or a homeowner. If somebody has to tick a box to say, “Yes, I have complied with local government registration”, and, therefore, Airbnb takes a booking for them and everybody thinks they are covered by insurance, and then I go and stay at that property and I break my arm because I slipped over on a dodgy deck, and actually the owner had not registered, they had not complied with the local government, I am potentially, with my injury that could destroy my ability—I write a lot for a living; I may never be able to use my right hand again. There goes my income. I am potentially not covered by insurance as the person staying in the property, because the property owner had not complied with the local law.

When it comes to pay out, the insurance company or the insurance, the Airbnb provider, they go, “No, hang on a minute, you ticked a box. You weren’t compliant, therefore, the person staying in your place isn’t covered.” That is something that has been flagged to us as potentially a bit of a gap here—this whole consumer protection and making sure that the people who in good faith book and stay in these properties are covered, are being looked after.

Mrs Hayward: Yes, I understand that.

The CHAIR: It has not come up in any of your discussions with any of clients?

Mrs Hayward: No. Just simply I just encourage them to have landlord insurance of their own in case the Airbnb insurance decides, for whatever reason, not to pay or if there is a discrepancy there.

The CHAIR: Right.

Mrs Hayward: But the fact that Airbnb are perhaps saying that you have to register your property and the owners are not registered, it is something that I have not involved myself in.

The CHAIR: Fair enough; it has just been flagged with us.

Mr D.T. REDMAN: You just mentioned landlord’s insurance then. Do you know whether such insurance requires registration to local government?

Mrs Hayward: No, I do not know. I do not know if that is a question that is asked by the insurance companies.

Mrs Walker: I was going to say, because I have insurance for my property and I do not recall being asked. I mean, I am registered, so it could have just been a box that I ticked without consciously thinking. But, certainly, because I list on other platforms as well—I have got my holiday homeowner hat on—and although you are saying that Airbnb requires compliance with local laws, that is literally just a textbox saying, “Please make sure you comply with your local laws”, and there is no follow-up. I have never been contacted by a booking platform to confirm whether I am actually compliant.

The CHAIR: I have a little bit of a random question. There is a submission that has been made to this inquiry about the use of these sorts of properties being used not necessarily for staying but as venues. So they are licensed to have eight people staying under the roof, but it is a really great property, rural, great outlook, you can put up a marquee, and, what do you know, 40 cars turn up. The property has been booked, very few people are staying overnight, but there is a big event happening. I wondered have you ever had experience with that? A property being listed but being used as a venue which causes amenity impacts as opposed to an overnight stay? Have either of you found that?

Mrs Hayward: I have had an inquiry from someone who looked at a property that I manage and asked about hosting a wedding party there, so that fits the scenario that you have just mentioned. I did not accept the booking because I questioned, “Well, how many people are you going to have? We’ve got only one toilet. I don’t think it would be fair on the neighbours. Where would you park? Would you register with the local police?” I asked these questions, so the booking did not go ahead. But it is an interesting one, because from my perspective I just think it is not what the property is for, and it is not a good use of the property. Also, they would be getting a venue for next to nothing.

The CHAIR: Absolutely.

Mrs Walker: The majority of houses that list on our platform specifically say no events allowed. Property managers and holiday home-owners just do not want the headache. I, myself, have been approached on Airbnb for a twenty-first and, you know, “Oh, there’s only going to be eight of us to start, and on Saturday night there’s going to be this many.” “Well, where are you going to stay?” “Oh, we’ll go out the back.” No, you will not!

The CHAIR: Famous last words!

Mrs Walker: Of course, there are people out there trying to utilise the property for things that they cannot, but on our particular site, if it is only registered for eight people, that is the maximum booking that they can accept.

The CHAIR: I have one final question. Obviously some issues have been raised with us in the south west about the income stream of traditional accommodation providers. I am interested in your views in terms of the people who own these properties. They are obviously doing this for an income stream. Can you give us a sense of how many of your clients are just a mum and dad who own another house, or have you got some clients who own 10 of these things and they contract with you to run the properties? The third category, if you like: have you seen that there are rumours that there are entire apartment buildings that are either in whole or significant swathes of apartments within them, being utilised for alternative accommodation to hotels? If you could maybe give us: who are your clients and who are owners, and have you come across any of these sorts of issues?

Mrs Walker: I think it is worth noting that on the scale of these other booking platforms, we are tiny. We are just starting up. I can certainly speak to the people that have listed so far. The majority are property managers that have taken advantage of our platform. Some have as many as 90, some have 20, some have 30. I am not sure who actually owns all those properties. I know the property managers have been managing those properties for a very long time. I think possibly a property manager would be able to speak more to the diversity of who puts their properties under that care.

As far as individual home owners who have chosen to list, the majority are just one person that owns their holiday home. I have had one occasion where a person who lives in the south west has eight properties that they choose to use as short-term accommodation, and sometimes they will use that seasonality. They may have children who work in Perth who come down and use it, or vice versa; there are a couple of family homes, if you like, that they have used on a short-term basis otherwise. But the wide majority, I would put to you, are just investors: they may have one or two properties, but we are not talking whole-scale apartments that are being transferred across to short-term rental.

The CHAIR: Mrs Hayward?

Mrs Hayward: Same for me. The first thing I do if somebody contacts me and asks me to manage their property is to look up and make sure that they are actually the owner of the property, and that came from my days as a property manager, making sure that they actually had the right to do that.

Most of my owners just have one investment property that they use. I have one client who has two, and they are both within the local area.

I am a member of a Facebook group in the UK for short-stay accommodation. That scenario you talked about with the whole-scale apartment blocks is something that I see is happening in the UK; there is a whole shift. It is called “serviced accommodation” in the UK and people are renting whole blocks of apartments in order to rent them out in the short-stay market, but I have not seen evidence of that here.

The CHAIR: I am interested in your previous career as a real estate agent or as a property manager for real estate agents. Are you seeing any appetite for real estate agents to move in to start managing this short-stay accommodation as well as the longer-term rentals that they traditionally manage?

Mrs Hayward: I have seen some of them dabble in it, but they are actually very different jobs. Property management for a real estate agent is a whole different ball game—it is about real estate—whereas property management in the short-stay accommodation sector is about tourism, and dealing with tourists or guests, the people that come. In real estate, they are called “tenants”; in short-stay accommodation, they are called “guests”. I manage 15 properties, and it takes a lot of management to manage 15 properties, whereas for a real estate agent, you would manage a hundred properties, and you would not have anything like the amount of touches that you have with the guests. It is a very different job. But some of the estate agents are being asked to manage properties on short stay.

For example, in the last few years, WA real estate prices have fallen, the rents have fallen, the owners are not getting the income, which is partly what is leading them to say, “Well, perhaps I can make more money on short-stay accommodation”, and moving towards that. So they have approached some estate agents, and the estate agents might have tried it, but they just do not have the time to deal with it. It is so time-consuming, and a very different job.

The CHAIR: We had one suggestion put to us in the south west that also, if someone is having trouble selling their property and it is sitting there vacant, sometimes real estate agents will say, “Hey, how about listing it on one of these sites?”

Mrs Hayward: Definitely. I have actually stayed in one myself. I went to Luton, which is where my husband comes from. We did not want to stay with my husband’s parents, so we rented a house, and found when we got there that it was on the market.

Mrs Walker: Can I quickly say as well, in relation to real estate agents, in Jurien Bay, they do both short-term and long-term, and they have done so for quite a while. In the south west, I have been approached by a couple of real estate agents who have decided that that is a market that they are now going to be entering into—short-term accommodation as well as long-term accommodation—so there are real estate agents out there that do it. I would suggest, because they are so different, they probably have completely different sections or arms, some deal with the long-term, some with the short. But, yes, certainly the real estate agents are branching out.

The CHAIR: I guess it depends very much on the local market dynamics.

Mrs Hayward: Definitely.

The CHAIR: Thank you. 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 correction of minor errors. Any such corrections must be made and the transcript returned within seven days of the date of 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 by 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. That was excellent.

The WITNESSES: Thank you.

Hearing concluded at 11.35 am
