

PUBLIC

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON SHORT STAY ACCOMMODATION IN TASMANIA MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON WEDNESDAY, 12 SEPTEMBER 2018

Dr CHARLIE BURTON AND **Ms BERNADETTE JAGO**, TASCOS, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Ms Armitage) - Welcome to public hearings today on the Select Committee Inquiry into Short Stay Accommodation in Tasmania. All evidence taken at this hearing, as I am sure you are aware, is protected by parliamentary privilege. I need to remind you that any comments you make outside the hearing may not be afforded such privilege. We are broadcasting live today. A copy of information for witnesses is available on the table if you haven't read it, or if you are not aware of the process and would like to look at it. The evidence you present is being recorded and the *Hansard* version will be published on the committee website becomes available.

The procedure we intend to follow today is that we will provide you with the opportunity to speak to the submission and then members will ask questions. We are seeking the information specifically related to the terms of reference provided.

Dr BURTON - Thanks for inviting TasCOSS to appear before the committee. Our CEO, Kym Goodes, is in Canberra this week; otherwise she would have appeared here today.

Ms RATTRAY - She makes very regular appearances when it comes to committee work, which we appreciate.

Dr BURTON - Indeed.

I am here as a policy manager and my colleague Bernadette is senior policy adviser, TasCOSS. TasCOSS represents the interest of Tasmanians on low incomes and those who often live in vulnerable or disadvantaged circumstances. Our membership includes individuals and organisations that provide community services to people in these circumstances. We advocate for affordable, appropriate, safe and secure housing for all Tasmanians and for an end to homelessness in this state.

Our main interest in the short stay accommodation market is, therefore, on its impact on the needs and interests of Tasmania who are or might in future experience vulnerability with regard to housing and other essential needs. We regard the short stay accommodation discussion as being about more than housing. Broader issues of displacement from communities and therefore access to services and jobs are also at stake.

Because good policy requires transparent and accountable decision-making, we are also interested in how planning decisions are made that impact on housing and other outcomes for the groups we represent.

The growth of short stay accommodation has brought economic benefits to Tasmania and has helped to address a shortfall in tourism accommodation, particularly in and around Hobart. However, it has occurred at a time of historically unique pressures on housing affordability and availability, particularly for renters.

PUBLIC

It is clear that while the short-stay sector is not the cause of the present housing crisis, it is a contributor and some say a significant one. Without accurate data we are unable to assess the degree to which short stay accommodation is contributing to the crisis, mainly through the removal of entire homes from the private rental market. Nor are we able to assess which demographic groups are being most affected by this displacement. That is why we are disappointed that Airbnb refused the Government's request to share data.

Good corporate citizens want the best for the communities that host them. Allowing access to their data would help achieve a better balance between the profits of online platforms and the housing needs of residents of Tasmania. In the absence of this data, TasCOSS welcomes the Government's announcement that it will legislate to address poor compliance with planning provisions. Cross-referencing permits with short-stay listings will help to build a picture of the level and location of whole home displacements from the private rental market to the short-stay sector. However, TasCOSS believes the rigorous mapping of housing availability and needs across the state, which includes breakdowns of the cohorts who are in housing need now, is also necessary.

Finally, we believe the exemptions for Battery Point and Wapping, included in planning directive 6, should be available for all council areas if they determine a need. The exemptions for these areas resulted from well-resourced communities being able to put their case strongly before the Tasmanian Planning Commission. This has resulted in a fundamental inequity across the state. Many local council areas are also facing significant housing pressure but without the resources to put their case, they now have no recourse to protect the needs of their residents.

Councils in all short-stay hotspots, existing and in the future, should have the discretion to introduce the same exemptions. We therefore support expanding the latest planning directive to allow councils to withhold permits after considering not just residential amenity issues but also the impact of short stay accommodation on the affordability and supply of residential rental properties.

Mr VALENTINE - There seems to be a feeling that whole houses are making a contribution to the lack of rental space. Quite a number of submissions have pointed this out. With an area like Battery Point, where houses are generally in the higher end of the value chain, do you think that taking them out of this space will provide enough trickle down to provide benefit to the lower end of the market where we have most of the problems, the low socioeconomic areas, people who need accommodation? Do you see that trickle down happening as a result of taking those sorts of places out of the market?

Dr BURTON - Last year UTAS hosted a forum called 'The Big Squeeze', which was a discussion but provided evidence that this is one case where trickle down does actually work or is happening. As whole homes even at the higher end of the market are taken out of the market, people who once would have been able to afford to rent them are now no longer able to rent them because they have gone to the short-stay market. They then start looking at houses a little bit out of the CBD that may be at the lower end of the rental market, therefore pushing -

Mr VALENTINE - They are squeezing others down.

Dr BURTON - Yes, and so it goes.

PUBLIC

Mr VALENTINE - You talk about ancillary dwellings in your submission and you seem to be saying the jury is out on that. Am I right? I might be being a bit convenient with your words but there is not enough data to know what effect that is having. Do you want to comment on the ancillary dwellings side of it - chalets in people's backyards that might be granny flats, those sorts of things?

Dr BURTON - Certainly we lack the data on this and we would recommend that if granny flats are being put on short-stay platforms they should be registered and, where appropriate, permits issued.

Ms JAGO - In some sort of very informal analysis we found that they added about 36 per cent in terms of additional accommodation.

Mr VALENTINE - Was that 36 per cent?

Ms JAGO - Yes, that is very informal. We feel strongly that the data should be comprehensive so we can at least gather it and then make some decisions after that in terms of how useful it is or how it might be applied.

Mr VALENTINE - Do you have any evidence at all that they may have been previously used for rental accommodation? Sometimes people might have those places but simply do not rent them out because they do not want the bother.

Ms JAGO - It is all anecdotal or just relying on the Airbnb stats.

Dr BURTON - That's right. One option would be for the permit application process to require a potential host to nominate or to say what the dwelling had been used for previously. Maybe there should be a box to tick asking, 'Was this previously rental accommodation?' I am not sure; that is probably a level of technical detail I don't have.

Mr VALENTINE - It is where you need that heavier data.

Dr BURTON - I think we need to collect robust data however we can.

Mr VALENTINE - Maybe councils can help in that regard. Who knows?

Mr WILLIE - Some of the changes you and others have proposed will take some time to put in place. We have a bill that is supposed to hit parliament before the end of the year to enforce compliance and obviously the data collection will take place and potentially there will be planning overlays to give planning authorities discretion and some guidelines for that. That is all going to take time and we are heading into peak tourism season. Are there any measures you would like to see in the immediate short term to alleviate rental stress in the market, particularly in the Hobart area?

Dr BURTON - I would refer to Shelter's submission and appearance yesterday. They are the peak body for housing in the state, as you know, and we regard them as the experts in terms of solutions. It is a multifaceted and longstanding problem. There are not many quick-fix solutions, but we can say that while Hobart and the Greater Hobart area have been hit pretty hard by the effects of short stay accommodation, we are starting to see that roll out across the state and it is probably not too late to do something about other areas. We know that areas of the east coast and

PUBLIC

around Launceston are starting to feel that squeeze too, so there are some things we could do sooner rather than later to stop those areas suffering the same effects that Hobart and Greater Hobart have.

Mr WILLIE - On that, do you think there is enough evidence in the UTAS Institute of Social Change report that a pause could be put in place in the Hobart municipality, perhaps an amendment to the compliance legislation that will come before parliament? Do you think there is enough evidence there for that sort of approach?

Dr BURTON - This goes to one of our sort of fundamental approaches, which is that it really should be up to local communities, as Battery Point and part of Sullivans Cove have been able to do, to determine what their needs are. There should be very rigorous mapping of housing needs, including particular cohorts. We know that a quarter of the people on the Housing waiting list are young people under 25 and the kinds of dwellings they need are really different to the needs of families, for example. With regard to Hobart and Greater Hobart, proper housing needs to be determined and then through the permit system, a proper understanding of how many homes are being diverted from the rental market to short stay. Then it may be up to Hobart City Council to decide whether a pause on issuing further permits needs to be introduced or some other measures.

Mr WILLIE - To go back to my question, are you saying the evidence is not conclusive enough in the Hobart area?

Dr BURTON - I'm not sure that TasCOSS would want to recommend on behalf of a city council a pause in that regard. I think it's worth putting on the table.

Ms RATTRAY - Charlie, you were obviously part of the Housing Summit.

Dr BURTON - TasCOSS was but I was not personally.

Ms RATTRAY - Okay. Do you know if that was spoken about as one of the initiatives? I did not ask Shelter Tasmania yesterday so perhaps I should have done and we can follow up with them.

Dr BURTON - If you wouldn't mind. I could talk to Kim, who was at the summit, and can come back to you with that, if that's all right.

Ms RATTRAY - I wondered how much detail the summit actually drilled down into in regard to the issues because we had some legislation in the parliament a couple of months ago that was specifically talking about the issues Hobart and the Greater Hobart area had and the bill was specifically for that. We were able to amend it to look at all parts of Tasmania because we feel it is a statewide issue. Would you agree that it is a statewide issue? I know there is a focus on -

Ms JAGO - Not specific to one area?

Ms RATTRAY - Yes.

Dr BURTON - Absolutely. Shelter and UTAS's mapping of the impact of short stay clearly shows it is broader than Hobart, but we are feeling the effects here more strongly at the moment.

Mr VALENTINE - It is a matter of scale really.

PUBLIC

Ms RATTRAY - We also had some evidence yesterday that without the short stay accommodation opportunities in some of the more regional areas, tourism growth would be struggling because infrastructure has not kept pace with demand. Tasmania, the best-kept secret, is no longer a secret. Do you have any comment on that?

Dr BURTON - Only to say that growth in the state should not come at the expense of some of the most vulnerable people in our communities. If we are seeing the conversion of long-term rental properties in more regional parts of Tasmania at the expense of people who used to live there close to services, jobs, friends, family, education et cetera, we would see that as a very narrow and limited notion of growth that we are pursuing. We say inclusive growth is the goal and perhaps we need to turn our minds to other solutions for the tourism market rather than converting houses from long-term rentals.

Ms RATTRAY - We also heard an answer similar to that as well yesterday, so well done.

Mr WILLIE - We also heard evidence from a disability group yesterday about the classification of buildings and the regulation not allowing for accessible short stay accommodation. Is that something you have considered as well? Obviously your focus is on the private rental market and vulnerable cohorts there, but on the flipside are people accessing accommodation like tourists living with a disability something you have considered?

Dr BURTON - Not in detail. I am aware of the witnesses who spoke to you yesterday and I would defer to their expertise in this area. It is not something we have spent a great deal of time on. As I explained - and as you would well know, Josh - our focus is on the needs of Tasmanians, including Tasmanians with disability.

Mr WILLIE - Who also tour the state.

Dr BURTON - That is right. I suppose I was thinking of external visitors to Tasmania who might have those needs.

Mr WILLIE - We had people from Expedia here and they were talking about a code of conduct across the industry that would add an extra layer of quality assurance and customer safety and would also allow communities to have an avenue if there were party houses and things like that. Is that something you would support as well?

Dr BURTON - Certainly. I suppose that goes to the amenity issue of permits in the short-stay market. Yes, it is affecting neighbours. I heard Cynthia Townley from Shelter Tasmania talking to you yesterday about the dogs that all of a sudden started barking because of the change of visitors next door. That is an interesting one. Amenity is not as much our focus as the displacement of long-term rentals.

Mr WILLIE - On Expedia again, probably more relevant is the register system they were proposing not for only investor class-type properties but also for sharing rooms. That would allow for further data collection and evidence-based policy. Would you support that?

Dr BURTON - Yes.

PUBLIC

Ms JAGO - In response to quick fixes or early starts, we would recommend making discernible in this campaign about the permit system, so that we can gather comprehensive data, is if people were made aware of the need for permits and a broader community understanding of the Airbnb short-stay sector.

Mr VALENTINE - It is the whole sector you are talking about, not just the whole houses or insular dwellings?

Ms JAGO - Once that is clear, you then start the campaign. Then the data is informed and the community is informed as well. I think that is one of the problems we have, and most people providing evidence are flagging that lack of measurable data.

Mr WILLIE - Do you think increased compliance will slow growth at all? It is not that onerous to get a permit. It is probably a lack of understanding in the community and probably some of the messaging from the Government talking about deregulation, embracing the sharing economy - all of those sorts of terms - where people have just thought it is a free-for-all.

Dr BURTON - At least one other organisation has presented some evidence on what happened in Japan when it was required for listings to show the permit on the online platform. Many offerings clearly had not obtained the required permit and so that stripped the number of listings by many thousands. That is my understanding.

That process of application - too many clicks and too many forms to fill out - will probably filter some out.

Another option would be - and this goes to the compliance costs on local councils, which I think is a big issue - requiring a fee for permits that could fund compliance officers in local councils and add to whatever is required to collect the right data. There will, of course, be some costs, so permit fees could go some way to addressing that.

Mr WILLIE - There is a fee in place; it is up to \$250. Are you suggesting to increase that? It is only a one-off fee to change use and then there is no other cost involved.

Mr VALENTINE - Two nights' accommodation.

CHAIR - I think Glamorgan-Spring Bay is the only one that does it.

Mr WILLIE - Are you suggesting that should be looked at?

Dr BURTON - Yes, I think it should be on the table.

Mr VALENTINE - On page 10 of your recommendations you say, 'ensure responsibility for compliance lies with online platforms and property owners rather than local government'. Having been there, I know that local government will prick up its ears and think, 'What, more work?'

CHAIR - Not enough staff.

Mr VALENTINE - Not enough staff resourcing et cetera. Is it best with the online platforms and the property owners as opposed to - and then having the Government work with the

PUBLIC

online platform to make sure they are doing their job properly? There would be fewer players to have to deal with. Do you see that as a possible way forward there?

Dr BURTON - Yes. I don't know the details of the discussion between the Government and that particular platform, and I don't want to single out Airbnb.

Mr VALENTINE - That is only one of a number, isn't it?

Dr BURTON - One of many. We know in other jurisdictions - Barcelona, for example - Airbnb now provides all data, including exact addresses of listings, to the city government to assist with enforcement. That was in the Tenants' Union submission. We know that Airbnb and other sharing platforms play hardball when they want to, but if the Government stands up to them, shows real leadership and insists that if they want to be part of our community and our economy they have to play their part, then it is clear that they will step up.

There are obviously some privacy concerns, but it wouldn't be the first time that people have worked out how to de-identify data to provide what we need to make the right assessments around housing needs.

CHAIR - Use a big stick?

Mr VALENTINE - A carrot first.

Dr BURTON - Try the carrot first.

Mr VALENTINE - We had someone here yesterday who said they are willing to share. I guess it's a matter of all of them realising that we need this, so let's hope that happens.

Ms RATTRAY - But only if the others were doing it.

Mr ARMSTRONG - That would all link through taxation and everything, wouldn't it? I was just reading in your submission that 40 per cent of rental stock in the Break O'Day local government area has gone to Airbnb compared to Hobart, where it is 8 per cent and Glenorchy, 1 per cent, of the rental stock. Have I read that right?

Dr BURTON - It doesn't sound right.

Mr ARMSTRONG -

The University of Tasmania notes that in Glamorgan/Spring Bay, the number of Airbnb listings is currently equivalent to 40% of the LGA's 2016 rental stock; for Break O'Day, the figure is 17% (compared to 8% in Hobart and 1% in Glenorchy).

You were saying that short stay accommodation is not the main contributor to the shortage of rentals in the Greater Hobart area; looking at those figures, if you say 1 per cent in Glenorchy, what sort of percentage would you - ?

Dr BURTON - What is the right threshold?

PUBLIC

Mr ARMSTRONG - Yes.

Dr BURTON - I wish there were a simple answer. I'm going to sound like a broken record on this, unfortunately, but I really think it is up to local communities to determine their thresholds. As we know, Hobart is under massive pressure from not only our own residents needing affordable housing, but also regular and increasing numbers of tourist visitors. The situation here is rather in flux; what might be the right threshold this season - these coming summer months - might look different in another year or two. I think flexibility and local solutions need to be the right approach for this. There is no one size fits all. Again I'll sound like a broken record, but this is where the data needs to be available: live data on the number of short-stay listings on each platform and what is happening with housing stock and housing need among our local communities.

Mr ARMSTRONG - When you look at 1 per cent in the Glenorchy municipality - I have to say this is a 2016 figure and it could have changed - 1 per cent doesn't seem to be a lot of housing in the Airbnb area. You are saying you don't believe this is the main contributor. It would be a significant contributor, I would say, in certain areas, particularly in the Glamorgan-Spring Bay area, when you look at 40 per cent. What are the contributing factors?

Dr BURTON - With respect, I am not sure our submission - that might have been the UTAS -

Mr ARMSTRONG - Yes, it is, it is from UTAS. It is in your submission, but it is quoting UTAS.

Dr BURTON - Yes. We know it is a combination of factors: high housing prices forcing potential home buyers into the rental market, so they are staying in the rental market for longer; that, in turn, is putting pressure on available rental stock, and we have a population boom due to internal migration; we have workers in high-demand areas coming into the state. They are multifaceted pressures.

Mr ARMSTRONG - I asked but I cannot remember who it was yesterday, but there are 1000 beds in the tourism industry going to come online with new hotels in the Hobart area.

CHAIR - It might have been Luke.

Mr ARMSTRONG - I think it was Luke. As you most likely know, during the summer months in Hobart you can't get a bed in a motel; they are booked out months in advance. Do you think, when those beds come online, that will then take the pressure off some of these Airbnbs? Do you think that they might find that it is not as easy to make the dollar as it has been? Or do you think that the people who are going for Airbnb will still look for Airbnb?

Dr BURTON - I think you heard yesterday, and we have heard Luke Martin talk about this in the media as well, that there is a sense there are distinct markets for people who want Airbnb experiences or short stay.

Mr ARMSTRONG - Because people cannot get the accommodation in the hotels, I wondered whether they then go to Airbnb. Do you think that might be the case - that they will go back to the traditional accommodation?

PUBLIC

Dr BURTON - Presumably some will but my understanding is that there are short-stayers and they are committed to that form of accommodation.

Mr ARMSTRONG - Certainly there would be some.

Ms JAGO - I think too there is an assumption that the 1000 rooms will be absorbed very quickly without having a lot of impact just because of growth in tourism.

Mr ARMSTRONG - They are saying 3 per cent growth in tourism, I think it was. Did I read somewhere?

Mr VALENTINE - Across the state.

Mr WILLIE - We are interested in displaced people and how many you're coming across and whether you are doing some research around that. Are there any supports the Government can offer to people who have been displaced because of housing pressures? I have heard stories of kids having to change to schools and that sort of disruption in lives.

Dr BURTON - That is one of our major concerns. We know, for example, there are communities in the Derwent Valley. TasCOSS has done some recent work there around transport disadvantage. People are struggling there. We know there are many households without a private vehicle. Those who do own a private vehicle have some of the oldest vehicles in the country. We know there is lack of public transport available there. This all has impacts on people's access to education, schools and work et cetera.

One of our main fears about displacement as a result of the increase of short stay is that people get pushed out past the services, as well as people and connections that offer them the most support. This means then that without those established supports, they are in greater need potentially of support from government and NGOs. We hear anecdotally that more people are presenting to Housing and other support services as a result of housing pressures.

Mr WILLIE - Are you aware of any groups conducting research on displacement?

Dr BURTON - No, not directly as a result of short stay. It would be a great research project. I think a lot of our members are not as concerned to track why did you get here as to how can we help.

Mr VALENTINE - To follow up on that, if the displacement is causing them to lose their job, that's a double blow isn't it? It is not just being unable to find somewhere to live, but if they having to commute to Hobart, or Glenorchy or Brighton or wherever they work, losing their job is a double blow to them. Do you hear evidence of that happening much from the people you work with or the organisations you talk to?

Dr BURTON - Not specifically as a result of short stay, but we are hearing constant stories as a result of the housing crisis more broadly. Yes, people are having more difficulty accessing jobs and kids are having to move schools. Families experiencing multi-forms of vulnerability are experiencing more of them and that is making it more difficult for them to help themselves.

CHAIR - It is harder getting work, more so than losing work because of where they are living or whether they can get a property.

PUBLIC

Mr VALENTINE - That what I was trying to drill down to, to find out whether there are many who are losing work because they cannot get the right rentals.

Dr BURTON - I cannot say, hand on heart, that we have evidence of that but it would not surprise me if that were happening.

CHAIR - Your issue is more around the whole house than the short stay accommodation. People who are renting out one or two rooms are not as much concern to you, as opposed to someone buying a house or buying two or three houses and renting those out? It is more taking the stock out of the rental market than people renting out a couple of rooms or half their house if it's their primary residence?

Dr BURTON - Genuine home-sharing is a great. It is fantastic solution to tourist accommodation issues. I had a look through some of the submissions of short-stay providers. They all sing the praises of the short-stay home-sharing experience. We do not have any issue with that in principle.

Our main concerns is whether it is -

CHAIR - A lack of rentals?

Dr BURTON - Yes, lack of secure, affordable, safe housing for people. If it turns out, through rigorous data collection, that some forms of - and I cannot imagine how this would happen but let us say, speculatively, letting single rooms is also having an impact on housing availability for vulnerable people, that would be something we should look at. At the moment, you are right, it is mainly whole homes.

CHAIR - It is more taking houses out of the rental market that people might be living in all of a sudden. As we have heard on the east coast and in some areas they can get rental accommodation during the winter period, six months. I think the member for McIntyre had an example in parliament about how someone was there for a period, in her area, and then had to move and the children had to leave school and find a caravan park to live in.

Ms RATTRAY - They did.

CHAIR - That is more your issues and your concerns.

Dr BURTON - Yes.

CHAIR - Regulation is probably not something TasCOSS looks at but it is something we have been looking at to do with the primary residence; the regulation to ensure fire safety insurance, regulation issues like those, which probably do not come under TasCOSS.

Dr BURTON - Yes, you need to be looking at that.

CHAIR - Being compliant.

Dr BURTON - Yes.

PUBLIC

Mr ARMSTRONG - You are saying local government should be the authority that licenses Airbnb. With the things that have been handed onto local government recently, it would be interesting to know how you would leave it. It is a user-pays system now, through local government. Glamorgan-Spring Bay has a huge amount of Airbnb residents. If it was \$1000 on each Airbnb, they would possibly raise enough money to pay a full-time compliance officer.

CHAIR - They do register.

Mr ARMSTRONG - I am not aware of many in the Huon Valley, but there is Airbnb there but not in the same league as Glamorgan-Spring Bay. I know compliance would not be so much involved because there are not as many. To employ a person for \$1000 on Glamorgan-Spring Bay, you could possibly do it easily. For the Huon Valley, you might have to put \$2000 on each Airbnb. It is interesting how you could set a fee for Airbnbs across the state where there is such a difference.

Dr BURTON - Yes. This is where we think about what the obligations are of good corporate citizens. If we have businesses profiting from their activity in an area but not having to shoulder any of the compliance costs of their activity, there is an imbalance. If we look to other jurisdictions, what is happening around the world with regulation and compliance with regard to short stay, there are various options that could include short-stay providers bearing some of the compliance cost.

Mr ARMSTRONG - I am saying that one cap doesn't fit all.

Dr BURTON - Exactly.

Mr ARMSTRONG - It is not as easy as just saying we're going to charge every Airbnb throughout the state a \$1000 fee to register. It would nearly have to be broken down into the municipal areas and left to them to set a fee themselves. Would that be an option?

Dr BURTON - It sounds like a local solution, which we support.

CHAIR - As compliance becomes more costly there might be fewer places to rent.

Mr VALENTINE - One group of people who are missed in some of this are boarders. Do you hear any anecdotal evidence of boarders losing their rooms because of the share arrangements, not the whole property? I know they are out there. They are generally people who simply cannot afford to rent a whole premise.

Ms RATTRAY - Uni students.

Mr VALENTINE - As a boarder, could be uni students, it might well be itinerant workers who come in for certain periods. Do you hear any evidence as to how they are being impacted?

Dr BURTON - It's a good question. I haven't heard anything. Are you aware of any?

Ms JAGO - No, I've not heard.

PUBLIC

Mr VALENTINE - I wouldn't know how many of them there are. I know of people who make rooms available for boarders, but I would like to know whether there is any hard evidence. Have you seen anything?

Dr BURTON - Not that I have come across.

Mr VALENTINE - They can be a very disadvantaged group.

Dr BURTON - Indeed, yes.

Mr WILLIE - What is an acceptable time frame for you to implement some of the proposed changes that have been presented to the committee by local government or other groups? This time next year or further out, what would be acceptable to you and your members?

Dr BURTON - It sounds like the compliance legislation will come before parliament this year, which is welcome. That is not very far away, unfortunately. I believe the Government is planning a public awareness campaign but I am not sure when that will begin to roll out. Ideally, we will be collecting data from now. I see no reason why councils, perhaps with the support of the Government, can't start collecting data around short-stay activity. We need to be commencing, as soon as we can, that detailed rigorous mapping of housing need in the state broken down by cohorts. We know different groups in the population have different housing needs. If we are looking at 3000 people on the public housing waiting list statewide, it doesn't tell us much about where they need to be housed and what kind of housing they need. That kind of data will go a long way towards identifying the possibilities for what can happen in the medium time frame versus medium and long term

Mr WILLIE - Would you like to see a greater commitment from the Government for some short-term measures, more commitments to emergency accommodation and things like that if the vacancy rate drops to 0.3 per cent again over summer, while all that work takes place?

Dr BURTON - We know that need is there now, so we support any action that can be taken to support people in those most vulnerable circumstances.

Mr VALENTINE - There are some having to move on from the showgrounds today.

CHAIR - Is there anything else you would like to add?

Dr BURTON - No.

CHAIR - We appreciate you coming in and putting in a submission. It is very much appreciated. Let's watch this space and see what comes forward from here.

Dr BURTON - I am looking forward to your report.

CHAIR - It's been a really interesting and eye-opening inquiry.

Ms RATTRAY - We were quite overwhelmed with the number of submissions. I didn't even realise Airbnb was in towns close to me.

PUBLIC

CHAIR - I realised how difficult it is for councils, for them to try to go onto these platforms to find out which houses. You don't get an address until you book. It was almost impossible for them. It became too hard to do.

Dr BURTON - If it is okay, I will add one more thing around supporting councils: we are dropping them in it a lot today and we know they have a lot of other work to do. They need to be supported to do this work. I think it was Shelter's submission that referred to host-compliant software that appears to match online listings with permits issued. If Facebook starts offering me car advertisements when I talk to a friend about car trouble, somehow we can work out how to match even multiple online listings with permits issued and work out where the gaps are. That kind of technological assistance would certainly help the compliance burden on councils.

CHAIR - It is difficult. I have only heard of one council, Glamorgan-Spring Bay, that appears to be registering it. It is an interesting area we are looking at. Thank you very much for taking the time to put a submission in and to come and see us today.

THE WITNESSES WITHDREW.

PUBLIC

Mr JAMES McILHENNY, MANAGER, PLANNING POLICY AND HERITAGE, AND **Mr NEIL NOYE**, DIRECTOR OF CITY PLANNING, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - If you would like to speak to your submission, we will ask our questions.

Mr NOYE - Thank you. I will start and then hand over to James. As I indicated, my name is Neil Noye and I am the Director of City Planning at the Hobart City Council. I thank you for the invitation to make a verbal submission today. Hobart local government area is certainly at the epicentre in terms of short-stay, self-contained visitor accommodation and the impacts in Tasmania.

We have seen, based on evidence presented by the University of Tasmania, 600 additional full-time self-contained visitor accommodations approved or occupied as self-contained visitor accommodation over the last 18 months. That represents slightly less than 2 per cent of the housing stock within the Hobart local government area. That is a considerable number when you talk about a vacancy rate of less than 1 per cent.

Mr ARMSTRONG - Is that 2 per cent of the short stay accommodation?

Mr NOYE - It is 2 per cent of the housing stock short stay accommodation. That has been presented by the University of Tasmania in their evidence and that is a significant shift when you already have a depressed residential market.

These digital platforms of Airbnb, Stayz and Gumtree are filling a shortfall in demand for visitor accommodation in Hobart. It is a model that is nimble enough to bring additional capacity online fairly quickly. Building hotels to address that demand is a costly exercise. It takes time to plan; it takes time to finance and it takes time to construct these hotels to respond to that market. These digital platforms are filling a demand, quickly. The introduction of the Interim Planning Directive No. 2 has come at a considerable cost in a number of areas. I will hand over to James, who will go into some additional detail in relation to that cost. It was foreseen by the Hobart City Council and we made our position known when it came in. It is pleasing to see that the Government, in its more recent iteration of that directive, has brought about some changes.

Notwithstanding all these impacts that have occurred, particularly in the Hobart local government area, the market will respond in part to diminish these impacts to some degree. In the Hobart context in particular, we are expecting to see a 50 per cent increase in hotel rooms constructed over a four-year period. That is, hotels either recently constructed, under construction or have planning approval to construct. We see that, that will place a pressure on the self-contained market to some degree.

The other area that will assist in improving the access to rental accommodation is the increase in apartment construction that we are expecting to see over the next three to four years. We have over 300 to 400 apartments on our books within or immediately surrounding the CBD that are likely to be constructed in that period, which will bring into play additional housing stock. That is likely to increase over the coming 12 to 18 months.

CHAIR - Can you comment on the type of apartments and affordability? Are they high-end, middle range?

PUBLIC

Mr NOYE - There is a range. There are some high end, but also more affordable, one-bedroom, smaller apartments are being proposed that will fill some of the void we are currently experiencing. Like hotels, those apartment blocks take time to plan, finance and build.

Mr VALENTINE - They might simply boost the share economy market.

Mr NOYE - Some of it may, that is for sure.

CHAIR - That has been a real issue in Victoria particularly, with full apartment blocks being shared.

Mr NOYE - That is clearly an impact the Government has tried to address to some degree but James will go into a little more detail in relation to those impacts. We experienced those back in 1997 with the Sullivans Cove planning scheme and introduced some fairly strong controls to minimise those sorts of impacts. Unfortunately the Government's interim directive took away those controls, which inevitably resulted in those impacts becoming a reality again.

Mr WILLIE - The apartments could take a little longer than that because there is a shortage of construction workers at the moment too, so they could take some time to come online.

Mr NOYE - There is no doubt that some of the issues relating to the capacity of construction firms to deliver the manpower to build these hotels and apartment blocks is resulting in some of the delays we have experienced. The market will respond but the best-case scenario for a hotel from the idea to opening the first door is realistically three years but the realistic time frame is probably five years to get these new hotels opened and operating.

Ms RATTRAY - That is without any appeal process in the middle of it.

Mr NOYE - That is correct.

Ms RATTRAY - We are good at that down here.

Mr NOYE - Yes, people like to exercise their democratic right and protect the values they hold dear. I will handover to James who will go into a little more detail on the specifics of the sorts of impacts we have experienced.

Mr McILHENNY - Thank you. We have made a fairly detailed submission in regard to the issues that council has raised over a number of years in relation to visitor accommodation. A lot of that material was put together for the hearings into Interim Planning Directive No. 2, so it is not all new work but work that council has been quite concerned about.

Mr VALENTINE - Can you outline Interim Planning Directive No. 2 for the record?

Mr McILHENNY - Interim Planning Directive No. 2 was the state Government's planning directive that took control over short-term visitor accommodation out of the planning scheme and put it into the planning directive, so it overrode the planning scheme controls in relation to visitor accommodation.

I will just summarise the key points made in our submission. The first is that the impact of short stay accommodation on the private rental housing market and house prices generally should

PUBLIC

be monitored on an ongoing basis, particularly in relation to supply and cost of housing for permanent residents. The publicly available data on the supply and cost of housing in Hobart and rental vacancy rates indicate that affordable housing is becoming increasingly difficult to find and we have cited a number of sources in our submission in relation to that. One is from SQM Research which reports that the rental vacancy rate in Hobart is now 0.7 per cent, down from a peak of 4 per cent in 2013, so you can see there has been a significant shift in the rental market. Anglicare's research shows the availability of rental housing in Hobart affordable to those earning a minimum wage has decreased significantly.

As you heard yesterday from Richard Eccleston from the Institute for the Study of Social Change, in their recent study they concluded that the rise of holiday letting platforms is having a significant impact on rental supply, especially in Hobart and they are suggesting it demands more careful regulation. There is obviously a direct link between the increase in the number of self-contained visitor accommodation places and the residential rental vacancy rate and increased housing costs, but the data is not there to prove that in a definitive manner so council is suggesting that needs to be monitored on an ongoing basis so appropriate responses can be considered into the future.

Ms RATTRAY - Who should be monitoring that data?

Mr McILHENNY - I think it is essentially a role for the state Government. It is very hard for councils to get the required data in relation to how many self-contained visitor accommodation places are operating. The data availability from the online platforms is limited. For example, we can't tell exactly where a particular property is located.

Ms RATTRAY - Until you actually book it; that is what we heard.

Mr McILHENNY - That's right - until you book it. From a compliance perspective it is very hard for councils to work out where those properties are and where the permits are being granted.

Mr WILLIE - If that data is made available from the platforms so we get down to individual addresses, who will be responsible for compliance then, in your opinion?

Mr McILHENNY - The council is the planning authority and they are obliged to undertake compliance activities, so it would be the local planning authorities who would need to do that.

Mr WILLIE - Would you need resourcing from the state Government to do that or could you put a fee structure in place for the change of use that would be sustainable?

Mr McILHENNY - There is a fee already for planning permits which involve a change of use.

Mr WILLIE - I am talking about having a look at that fee structure to put a sustainable compliance regime in place.

Mr McILHENNY - I think the planning directive has mandated what the fee is for those applications.

CHAIR - It's \$250.

PUBLIC

Mr McILHENNY - Yes, which I think is probably less than our normal application fee, is it?

Mr NOYE - It might well be. I think it probably is. Coming back to your question about compliance, we are probably the best resourced council in the state and I think we are reasonably sufficiently resourced to tackle this issue to some degree, but the scale of it is quite significant so it may test us, and it has tested us. Even before the new regulations came into place we undertook a couple of exercises, particularly in Battery Point where there was an exclusion, to try to gain sufficient evidence in certain circumstances that people were occupying these places as short-term visitor accommodation. To gain that evidence is very difficult. You effectively have to try to book them yourself. In certain circumstances we knocked on doors to try to establish the facts.

CHAIR - Was it 'dob in your neighbour'?

Mr NOYE - That was a suggestion from a certain alderman. It was difficult to obtain that information.

Ms RATTRAY - Almost stalking to get it.

Mr NOYE - That's right, to book a property and the like.

CHAIR - Do you have any idea what charge you would need to ensure and enforce compliance? Obviously more than \$250 when you consider the numbers there would be.

Mr NOYE - Yes, and you are charging the compliant individual. It is the ones that don't seek the approval that -

CHAIR - But you would need to have extra staff, surely?

Mr WILLIE - If there is a big enough stick for the people who are not compliant, a lot more people will be compliant.

Mr NOYE - That is right. The fines have increased over time so there is scope to do that, but often what happens is that you obtain the necessary information, provide that evidence to the offending party and they will say, 'Okay, I've done the wrong thing and I'll stop it now', before you then proceed to infringe, because we would like to give them the opportunity to cease -

Mr VALENTINE - Mend their ways.

Mr NOYE - Yes, mend their ways before infringing. That has been our approach. Obtain the sufficient evidence, confront the offending party and seek compliance.

Mr WILLIE - Are you confident you can enforce compliance to a high level if you are given individual addresses?

Mr NOYE - Yes. We have a compliance unit that has sufficient resources. Once we know of the addresses we can take necessary investigation. It can be difficult to obtain that evidence because you effectively have to book the place.

CHAIR - With sufficient numbers and a sufficient charge, you could put more people on if you needed to increase your compliance area.

PUBLIC

Mr NOYE - Yes, that is right.

Mr McILHENNY - One point worth noting is increased compliance will not necessarily limit the number of accommodation places. It is very easy to comply and get a permit. There are very few tests you need to meet to get a permit.

Mr WILLIE - That is why you would need discretionary planning overlays, wouldn't you? In an instance where the growth is rapid, in Hobart, which you have experienced, you would be able to put a cap on the number of permits issued.

Mr McILHENNY - Even using discretion it is very hard to impose a cap on the number. That would have to be done through some other legislative mechanism.

Ms RATTRAY - Why do you say that, James?

Mr McILHENNY - How do you work out what the saturation point is in a particular area?

Ms RATTRAY - You worked it out in Battery Point.

Mr McILHENNY - The only solution we had in Battery Point was to prohibit.

CHAIR - Was Wapping in your area?

Mr McILHENNY - Yes, that is in our area. The only solution we found was to absolutely prohibit self-contained visitor accommodation.

Mr ARMSTRONG - You have to look at it as a planning issue, don't you?

Mr McILHENNY - Yes. If you made it all discretionary, how would you work out how many was too many or when the impact has reached a certain level?

CHAIR - Council is the only area with the ability to do it, more so than government, because you know your area better than anyone else.

Mr McILHENNY - Yes, but how do you set a limit? Do you say 20 per cent of places in this area are appropriate, or 30 per cent?

Mr ARMSTRONG - When you get a planning application you look at whether it fits the planning guidelines.

Mr McILHENNY - Each one has to be considered on its merits.

Mr WILLIE - You need the housing market data to understand the housing market for the local area.

Mr McILHENNY - In other countries they have introduced a licensing system and we provided some examples of that. They have said, 'This is the number of licences we will have for this city'.

PUBLIC

Ms RATTRAY - That is a bit like the taxi licences.

Mr McILHENNY - It could be that sort of mechanism. There might be other legislative mechanisms apart from the planning scheme that work better.

CHAIR - You do that in planning now, don't you? You have a certain amount of units, a certain street -

Mr McILHENNY - You have density provisions but there is usually an open-ended discretion.

Mr ARMSTRONG - Your parking could come into it. That could be one of the areas you could look at refusing -

Ms RATTRAY - Then you have to do cash in lieu, don't you?

Mr McILHENNY - There is no point in taking cash in lieu unless you are going to spend it somewhere and in most residential suburbs there would not be a place to spend it.

Mr NOYE - There is argument for less car parking requirements for visitors.

Mr McILHENNY - Under the planning scheme a three-bedroom house requires two spaces, whereas a visitor accommodation place only requires one. Parking is not going to be an obstacle in the vast majority of cases.

CHAIR - Is that because a visitor does not necessarily have a car?

Mr McILHENNY - Yes, I think that is part of the rationale.

Mr NOYE - Often it is one travelling group and they will have one car.

Mr VALENTINE - What I am hearing is you are not favouring caps because it is not a level playing field.

Mr McILHENNY - We probably need more data to justify what the caps would be.

CHAIR - It comes back to robust data.

Mr VALENTINE - You are not disadvantaging one person over another.

Mr McILHENNY - How do you work out when the limit has been reached?

Ms RATTRAY - We need legislative reform as well.

Mr McILHENNY - I don't think the planning scheme is necessarily the best way to regulate a cap.

Mr WILLIE - Do you think the UTAS Institute for the Study of Social Change report does not provide enough conclusive data that short stay is having an impact in the Hobart area?

PUBLIC

Mr McILHENNY - Their data is fairly conclusive but they recognise the limitations of their data in terms of the platform listings and what constitutes an entire property being listed. You can't always tell whether it is an entire property, a granny flat or studio that has been converted.

Ms RATTRAY - We have heard quite a bit about the amenity impacts on communities. We had the Battery Point representative group in before us yesterday. We could see the passion in regard to their area and I suspect there are a lot of people in other areas around Tassie with the same sentiment. Do you think that is something that could work around the state, for other local government areas to talk about the amenity of their areas to try to -

Mr McILHENNY - I suppose the amenity issues are greater when you have a concentration in one particular area. The amenity impacts aren't so great if they are spread fairly thinly through the suburbs. Our fear in Battery Point was that there would be a significant concentration in one small area. Our submission does highlight some examples of specific amenity impact of the activities of visitors in visitor accommodation.

Mr NOYE - As I indicated earlier in the Sullivans Cove example, the apartment scenario is a significant concern. Dwellings are a lot closer and the impact of disorderly behaviour is much more accentuated in those types of environments.

Ms RATTRAY - There were even concerns about wheels on a luggage case, I noticed.

CHAIR - It is also concerning if you have apartments with a lot of low-cost housing in them. That is of concern, too.

Mr NOYE - I think we've given a fairly good example of why we think that is relevant in this case. The latest directive has addressed that in some regards.

Mr McILHENNY - It has made visitor accommodation in apartment complexes discretionary rather than permitted, which is what the original interim planning directive allowed.

Mr NOYE - Again, it is difficult to refuse unless you've got fairly rigorous performance criteria.

Ms RATTRAY - You could end up at the tribunal.

Mr McILHENNY - You could. At least it does give people in the body corporate a chance to say what they think of those uses in their building.

Mr VALENTINE - I was thinking local government might push back against being the one to monitor compliance. Generally, with planning development applications and when properties are developed, it is the neighbours complaining that causes councils to act rather than councils going out to see that they are complying. Can you comment on that?

Mr NOYE - If you are suggesting that we need to undertake an inspection regime, I think that is different to whether they are not necessarily using their property in accordance with their planning permit. They are slightly two different things. In terms of people occupying a dwelling for a short-term visitor accommodation that they haven't got planning approval for, we deal with that fairly well. There would have to be a specific fee for that service if you are talking about an

PUBLIC

annual inspection role. We would need to provide additional resources for that type of inspectorial role.

Mr VALENTINE - We have had submissions from other bodies with respect to things like compliance with fire regulations and so on. Do you see that local government would also be taking on some of that, bearing in mind they are talking about certain classes of buildings, Class 3 in particular? With 1A, it might be possible that there could be a reason to institute some of those compliance issues?

Mr NOYE - That may be where the private sector might offer that service better than local government.

Mr VALENTINE - Who pays?

Mr NOYE - The owner would have to have some sort of certification on an annual basis or the like that they would have to -

Mr VALENTINE - So it wouldn't be part of the permit process?

Mr ARMSTRONG - Can't the Director of Building Control audit a building?

Mr NOYE - He certainly can. We do not offer a building surveying service ourselves.

Mr VALENTINE - No longer.

Mr NOYE - No longer. We leave that to the private sector and the regulatory regime allows for that. I think such an inspectorial regime could equally be delivered by the private sector, supported by clear regulatory processes.

Mr VALENTINE - So it wouldn't be a part of the permit to say they have to gain that level of compliance with a certain authority and point them to it, before they can let out their premise for short stay?

Mr NOYE - I think it is quite feasible under the Building Act to require those certifications prior to occupation. You get your planning approval, for example, then you need your building consent through a certification process.

Mr VALENTINE - Although some of them may not be subject to planning approval, will they, because they are already homes and are simply letting out extra rooms under the four-bedroom limit?

Mr NOYE - They may not, and a lot of building applications don't go through a planning processes as well, but they still need to obtain necessary building consent. That might be the same for visitor accommodation. They might not require planning consent but they require building certification prior to occupation.

Mr VALENTINE - What part do you see the Government playing in this whole space? When you are talking about local government being the one that looks at compliance, is it simply just the legislation side of it where you see government playing a part or do you see them as being a monitor in any way, shape or form?

PUBLIC

Mr NOYE - First of all, clearly I am speaking on behalf of the Hobart City Council. We are probably better resourced in relation to compliance and that may not be the case with the other 28 councils or a significant proportion of those. Clearly the state Government has a role for a rational, evidence-based legislative framework to manage that land use. The Director of Building Control has a responsibility to oversee those matters as well. I think it is important to get the regulatory framework correct.

Mr VALENTINE - Are you saying it is important that local government has its hands on the levers in terms of people going into this space in some level playing field way rather than government per se across the state?

Mr NOYE - I would argue that local government has a better understanding of the local conditions. As we know, particularly in the visitor accommodation space, not every playing field is equal across the state. There are different types of pressures and needs. For example, Tasman Council might have a greater capacity for this type of land use than Hobart or vice versa. We have seen those sorts of impacts where an unregulated environment, based on the evidence we have seen, has significantly diminished the availability of rental housing stock.

Mr VALENTINE - So it sits with local government which possibly becomes the one that monitors compliance. Do you see there is a need for a consistent approach to compliance statewide, though? Obviously there is that opportunity for it to be a little bit fragmented if 29 councils are doing their own thing.

Mr NOYE - I would advocate for a consistent approach for the industry generally. I want to be clear in what I am talking about in terms of compliance. If it is planning approval compliance, that should be the domain of local government. If it is building compliance, I think that is a matter for the private sector to deliver and maybe the state Government to monitor in some way. The onus should be on the operator to seek those certifications.

Mr VALENTINE - Possibly prompted through the permit process.

Mr NOYE - Yes, and maybe there is an auditing role for the state Government to instigate in terms of compliance with those building matters.

Mr VALENTINE - Thank you.

Mr ARMSTRONG - You are saying there is a 50 per cent increase in hotel rooms. We have heard about 1000 beds. Is that right?

Mr NOYE - No, it is more than that, in the order of 1600 over that four-year period. We have three international hotels - the Crown, the Hyatt and the Marriott - currently under construction at the moment. They will bring in the order of 900 beds and there are a number of other hotels, such as the Vibe Hotel, and a number of other smaller -

Mr VALENTINE - They have all been approved?

Mr NOYE - They have all been approved and the majority are under construction and some have already been constructed. The Fragrance Hotel in Macquarie Street is currently occupied

PUBLIC

and operational, as is MACq 01, for example. These 1600 additional beds don't include the current applications for Fragrance Hotels, I might add.

Mr ARMSTRONG - And you are looking at 300 to 400 self-contained apartments so you are probably looking at another 1000 beds there?

Mr NOYE - Yes, bedrooms.

CHAIR - Which areas are they in? Can you say whether they are in the city or outlying a bit?

Mr NOYE - In terms of the apartments they are in the city and between the CBD and North Hobart, including North Hobart.

Mr ARMSTRONG - All within walking distance to the city.

Mr NOYE - Yes, and clearly there is a demand. When you have a vacancy rate of less than 1 per cent, you are in some housing stress situation and the market will see that as an opportunity, which is what we are experiencing at the moment. As I indicated, it does take time for the market to respond.

Mr ARMSTRONG - I have raised it with other presenters here today saying with those rooms coming on board they reckon it will free up Airbnb and they might not be as lucrative as they are at the moment. Some say yes and some say no, people will still go for the Airbnb, but my argument was that they went for Airbnb in the first place because they could not get a hotel bed. Whether that is right or not remains to be seen.

Mr NOYE - I know Richard Eccleston has expressed a view that it might not, but I think once you increase the number of beds into the market, it will have an impact and put pressure on those Airbnb places, particularly over the cooler months, the down season, and that might encourage some of those property owners to shift their properties from short-term to more permanent rental. I think it will have an impact, but to what extent I am not sure.

Mr ARMSTRONG - You said that you don't think the planning scheme is the best way to regulate short stay accommodation. If you were in the position there, how would you regulate it?

Mr NOYE - I think it is a legitimate land use. I don't know.

Mr McILHENNY - I think that comment was made in terms of putting an absolute cap on the number. Just the normal day-to-day regulation of the activity of visitor accommodation is appropriate in the planning scheme. But if you want to look at introducing some licensing regime, for example, and putting a cap in certain areas, that should be done through other legislative mechanisms.

Mr VALENTINE - Are you saying for the whole of the short stay accommodation sector, people sharing rooms as well as whole houses?

Mr McILHENNY - No, I think primarily where permanent residential accommodation is being displaced by short stay accommodation.

PUBLIC

Mr NOYE - The self-contained units.

Mr McILHENNY - Yes.

Mr NOYE - That is where the impact is being experienced.

CHAIR - I would like to ask a bit more about apartments. I always have concern about apartments, particularly big blocks. Are you considering how many apartments would be in each block that you are looking at? Obviously you have some idea?

Mr NOYE - It varies.

CHAIR - Is it 40, 50, 60?

Mr NOYE - Under 100. Some of these are smaller -

CHAIR - Four blocks, six blocks of apartments?

Mr NOYE - In terms of the mode of dwelling?

CHAIR - The size of the apartments you were saying you think is going to be a good thing and is going to help. I read in your submission that 70 per cent of whole-premises Airbnb listings in Melbourne and Sydney are apartments. You actually might be compounding the problem.

Mr NOYE - That is a reflection of the housing type within the inner-city area of Melbourne where the vast majority of housing stock is apartments, whereas our vast majority of housing stock is the opposite - it is detached dwellings.

CHAIR - At the moment.

Mr NOYE - At the moment. Even with this uptake over the next three to four years, that percentage -

CHAIR - But 300 to 400 apartments is a lot of apartments.

Mr NOYE - As I indicated before, it would represent about 1.5 per cent to 2 per cent of our housing stock increase. If you treat it in percentage terms, it is still not a significant shift in that housing stock type.

CHAIR - What about liveability though? The type of liveability, all together, lack of space?

Mr NOYE - Apartments within close proximity to the CBD are really where you are going to see growth in your housing stock. People are seeking that type. It is not for everyone and I accept that.

CHAIR - I just think for a city to have 300 to 400 in one council area - that was all, but that is your opinion.

Mr WILLIE - People want to live close to services and that is the only way you can do it.

PUBLIC

Mr VALENTINE - They don't want to have to own a car, probably.

CHAIR - It depends on the type of apartments as well.

Mr NOYE - That's right, but we are seeing a range of three-, two- and one-bedroom units, which I suspect reflects the demand.

CHAIR - You won't be able to choose whether they are purchased or rented out. That is nothing to do with planning.

Mr NOYE - That is not regulated at the moment.

CHAIR - You are not proposing that Housing Tasmania would build one of those apartment blocks?

Mr NOYE - Yes, Housing Tasmania has a proposal in Goulburn Street at the moment.

CHAIR - How many?

Mr NOYE - Sorry, I don't know the actual number. It is around the 30-mark, I think, but it might be a bit less.

Mr VALENTINE - It is over a council carpark, isn't it?

Mr NOYE - That's correct.

Mr WILLIE - Behind the Hobart Workers Club, isn't it?

Mr NOYE - Yes, I'm not sure, but it is in Goulburn Street. This apartment-type of development is what we will see increasingly in the inner city of Hobart because we have the university potentially moving in.

CHAIR - They have purchased the MidCity.

Mr NOYE - They have purchased the MidCity. They have completed their NRAS proposal in Elizabeth Street and they have another proposal nearby at Red Cross for over 430 rooms.

CHAIR - And UTAS hasn't any more proposals for apartment blocks, for the ones you have mentioned?

Mr NOYE - No, not those but 430 additional rooms are proposed, so that will again put downward pressure on vacancy rates and the important availability of rental stock.

Mr VALENTINE - A lot of that would be for international students, wouldn't it?

Mr NOYE - That is correct, and they have been clearly a factor in the increasing demand - university international students, and interstate and intrastate students. The increase in student numbers has contributed significantly to housing demand. The university has been particularly proactive and progressive in trying to address that by increasing student accommodation stock.

PUBLIC

Ms RATTRAY - Following on from that, in one of the local government areas I know fairly well, the council has handed over to CatholicCare, which is building some affordable accommodation in the area. I know land in Hobart is well sought after. Did you give them the top of the carpark for Housing Tasmania? How does that work?

Mr NOYE - No. Housing Tasmania approached us asking whether we had any land potentially available, as I understand it, but it was provided to them on commercial terms. The council has had a history of making land available on commercial terms for elderly accommodation in two locations in Sandy Bay, and also, in this instance, in Goulburn Street, because we see a need for that type of accommodation.

Ms RATTRAY - You are not likely to hand over any on a much lower fee type of arrangement?

Mr NOYE - No, it is unlikely. We have financial and infrastructure needs and we need to ensure we are maximising, in reasonable terms, the return for our ratepayers.

Mr ARMSTRONG - The Local Government Act actually stipulates that you have to, doesn't it? If you are disposing of land, you have to go through a process, don't you?

Mr NOYE - There is a process to dispose of land; that is correct. The other piece of council land we made available was on commercial terms with the university NRAS site in Elizabeth Street. We have a fair history of trying to provide additional housing stock in certain sectors.

Ms RATTRAY - But at a commercial rate.

Mr NOYE - At a commercial rate; that is correct.

Ms RATTRAY - That is interesting. I know they did not pay anything for it in one local government area - about seven blocks. Obviously it is not worth as much as Hobart but still it is going to be a home for a number of people.

Mr NOYE - Yes. That is good.

Mr VALENTINE - On the data side, data capture: have you had much discussion with the Government on this? Obviously local government has a lot of data; whether it is the right sort of data or not, I do not know. Have you had much discussion with the Government about getting the data together to enable proper decisions to be made for some of the things we are talking about today?

Mr McILHENNY - I wouldn't say we've had a lot of discussion. We had a brief inquiry from the Planning Policy Unit about what data we would require to provide for appropriate enforcement.

Mr NOYE - We would certainly encourage these digital platforms to make data available to us so we can get a better understanding on that, but unless the Government regulates that, I am very doubtful that the likes of Airbnb will hand over such data willingly.

PUBLIC

Mr VALENTINE - We had one yesterday saying that they were willing to play in that space - HomeAway or Expedia, its parent company - so one hopes that is a sign of better things to come. I was interested in your 'feel' on that space and where you see needs.

Mr NOYE - Clearly any decision should be evidence-based. Obtaining evidence requires that data be provided, ideally, by those platforms because they have the information. It is very difficult for local or state governments to undertake their own data acquisition. We know that the university and other entities have tried but we know that it is potentially not perfect.

Mr VALENTINE - It is not complete perhaps.

Mr NOYE - That is correct. If you envisage local government being in the compliance space, you would be collecting data on the way through as to the level of compliance which would give some evidence at least.

Mr VALENTINE - It would make our job a whole lot easier if those platforms were required to hand over their data. It would save us countless man hours.

CHAIR - They have the data available but they won't pass it over.

Mr NOYE - Exactly. They have it. It would make a compliance job so much easier.

Mr VALENTINE - I am not sure what page it is as it is not numbered but you say in response to a letter from the council in June 2017, the then Minister for Planning and Local Government advised -

The Government is aware of concerns that some housing stock will be removed from the longer term rental market to provide for the more lucrative short-term visitor accommodation use.

He further advised -

That the operation of the new home-sharing accommodation policy will be reviewed periodically to assess its impact.

You were saying that review should happen sooner rather than later. Have you any further comment as to why that is the case?

Mr McILHENNY - I think it something that has to be done on a regular basis. Given some impacts that are already apparent, they should start that review as soon as possible.

Mr VALENTINE - It is something that should have been built into legislation. I suppose it might have been a little risky to be open slather the way it was in the first instance.

Mr McILHENNY - Bringing the interim planning directive into operation without going through the consultation process did have some risks. I think it is fair to say council would have preferred it go through the consultation and hearing process before coming into operation.

PUBLIC

Mr WILLIE - Do you think there were issues with the message? With the Government talking about deregulation and embracing the platforms, that message might have led people to believe there were no requirements on their behalf?

Mr McILHENNY - I think the planning system in Tasmania is pretty complicated and confusing for a lot of people.

Mr VALENTINE - Even those who work in it.

Ms RATTRAY - Hear, hear.

Mr VALENTINE -

Mr McILHENNY - Yes, it is a hard concept to get over to people what approvals are required in different situations.

Mr VALENTINE - With respect to the increase in the shared-stay market, have you seen a corresponding spike in development applications? Are people upgrading their homes? You may not have the reason why they are upgrading their home, but has the level of relevant applications risen since the open slather. Have development applications been correspondingly up?

Mr NOYE - We are not seeing that as such. No doubt that there are some superficial improvements going on.

Ms RATTRAY - New bathroom, new kitchen.

Mr NOYE - Yes, the sort of thing that would not necessarily require a development application. No, we are not seeing it corresponding. Trying to get a builder in this town at the moment is a challenge in itself.

Mr VALENTINE - Thank you.

CHAIR - Any final comments?

Mr NOYE - Thank you for the opportunity to present and we look forward to reading your findings.

CHAIR - We appreciate the submission you put in and the information in was very interesting. Thank you very much and thank you for coming along today; it has been appreciated.

Mr McILHENNY - Thank you.

THE WITNESSES WITHDREW.

PUBLIC

Ms SANDRA WHIGHT, DIRECTOR COMMUNITY FIRE SAFETY, AND **Mr CHRIS COLLINS**, MANAGER BUSHFIRE PLANNING AND POLICY MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Thank you for coming along. We are very grateful you have come in today and we appreciate that. Welcome to our public hearings on the Select Inquiry into Short Stay Accommodation. All evidence taken at this hearing is protected by parliamentary privilege. Any comments you make outside the hearing may not be afforded such privilege. A copy of information for witnesses is available on the table if you are not aware of it, or you would like to have a glance at it. We are live broadcasting today. The evidence you present is being recorded and the *Hansard* of it will be published on the committee website when it becomes available. You are welcome to make an opening statement, following which members will begin with their questions. We ask that the information that you give us is in line with the terms of reference.

Ms WHIGHT - Thank you very much, committee members. I have an opening statement. Thank you for the opportunity to attend the hearing. My name is Sandra Whight and I am the Director of Community Fire Safety for the Tasmania Fire Service; with me is Chris Collins, Manager of the Bushfire Risk Unit within the TFS.

The TFS submission is informed by its experience in and responsibility for emergency response, prevention and preparedness as it relates to community fire safety. From a statutory perspective, TFS has responsibility for minimising the social, economic and environmental impact of fire and other emergencies. A fundamental issue in the built environment is fire safety. This includes either internal and external fire, or bushfire.

A key strategy to fire safety is to develop community self-reliance to prevent and prepare for fire. This approach not only saves lives, but is economically superior to a simple brigade response-focused model. It is TFS's view that fire safety in the built environment is best achieved through prevention and preparedness strategies implemented via the regulatory pathway. A fire brigade response is therefore considered a last line of defence.

Not only is a brigade response a high-risk activity, but typically only reduces the scale or extent of loss rather than preventing loss altogether. Indeed, we only need to look back at some of the major bushfires and building fires in Australia over the past two decades to appreciate the scale of losses that are possible: 207 fatalities and more than 3500 buildings have been lost to bushfire, with 38 fatalities in buildings used for formal short stay accommodation, and there have been many, many more fatalities in residential buildings.

However, it is stressed that where appropriate fire safety systems and controls are in place losses can be reduced. TFS believes a lack of appropriate regulation and appropriate fire safety standards will inevitably lead to what is considered an avoidable loss of life.

The crux of TFS's concerns centres on short term accommodation within the sharing economy. It is important to acknowledge that the vulnerability of building occupants to fire risk is highly contextual and is influenced by occupant characteristics, building characteristics and building location. These include: Who is inside the building? Are they able-bodied? Are they familiar with their surroundings? Do they know the building well? Could they exit the building in a dark, smoke-filled environment? Are they aware of the risks, facilities, information sources and exits? Are they informed of what to do in the event of bushfire or building fire, and will they be alerted?

PUBLIC

There is a clear distinction between the vulnerability of patrons and short stay accommodation facilities compared with residents of domestic buildings. This distinction is so well understood that the National Construction Code identifies these as separate classes of building and, through the Building Act, prescribes different fire safety requirements for each.

Therefore, in the case of the sharing economy, it is not that there is no risk and it not the case there is no appropriate regulation for this type of use - both exist, but the appropriate regulation is not being applied. These facilities, although the same use, provide neither an appropriate level of fire safety nor a level of fire safety that would be expected by the community. Therefore, TFS submits that short term accommodation that is unregulated or inadequately regulated, as is presently the case for the sharing economy, is placing the community and firefighters at risk. In TFS's view, this represents an extremely poor public safety outcome that is unacceptable.

The regulation we are seeking to have applied is the equivalent to that required by a registered bed and breakfast, a Class 1B building. The requirements for this class of building are smoke alarms in every bedroom, including hallways; evacuation routes illuminated from every bedroom, including the hallways; clear exit paths; provision of a simple evacuation plan for internal fire; and if the building is in a bushfire-prone area, provision of a simple bushfire emergency management plan.

What TFS is seeking is not onerous and until only recently is what the community would expect for this use. Our submission is undertaken in these interests of public safety.

Mr ARMSTRONG - Did you say they should be Class 1B?

Ms WHIGHT - Class 1B.

CHAIR - Do you consider that is for all short stays? Are you including the primary residents when someone rents one or two rooms out, or an entire house? You still have the same thing - you have people coming into a house they are unfamiliar with.

Ms WHIGHT - Yes, I would consider it is for all short stay. If it is a house that is unfamiliar, I would put it like this: you have arrived late at night - and you might be from a foreign country or in an unfamiliar environment - and are welcomed to the home and are shown to a room. During the course of the evening, you hear an alarm being sounded somewhere in the building. You are in an unfamiliar environment with smoke and alarms. The residents of the building will know how to evacuate - they will be familiar with it; it is their permanent place of residence - but you, as a guest, may find yourself trying to exit through a cupboard or something like that because you are not familiar with the environment.

CHAIR - You would think most homeowners would be willing to have exit signs in their hallways.

Ms WHIGHT - It is not what we are seeking.

CHAIR - Wasn't that one you mentioned, the exit signs for passageways?

Ms WHIGHT - No, it is illumination lighting.

PUBLIC

CHAIR - It is just lighting?

Ms WHIGHT - It is illumination.

Ms RATTRAY - On page 7, the table lists Class 1A, single dwelling and fire separation.

Mr COLLINS - Yes, when a building is constructed under today's standards, there must be a distance between buildings to provide resistance for building to building ignition or the construction of a wall or -

CHAIR - Firewall.

Mr COLLINS - Yes, a firewall or the like.

Ms RATTRAY - If you were building on the boundary?

Mr COLLINS - Yes, those concepts. That is not what we are seeking. We are noting that would be a requirement under today's construction -

CHAIR - For new buildings.

Mr WILLIE - Did you say in your introductory remarks there had been 38 fatalities in short stay accommodation across Australia?

Ms WHIGHT - Yes.

Mr WILLIE - That is a significant issue across all states. Are you aware of any in Tasmania?

Mr COLLINS - This data comes from a nationwide search over two decades.

Mr WILLIE - So traditional short stay as well as -

Mr COLLINS - Yes. We are looking at things like the Childers Backpackers fire as an example, where I think somewhere in the order of 15 lives were lost.

Mr ARMSTRONG - That was over two decades, was it?

Mr COLLINS - That is over two decades.

Mr VALENTINE - That is 20 years, 38 lives.

Mr COLLINS - A lot of those early events were the precursor to some of the standards and controls afforded to properly regulated accommodation today.

Mr WILLIE - Given that context, does the Government consult with you around the planning directives and changes about fire risk given the risk profile, or do they come to you and say 'If we go down this path, are there concerns you have'?

Ms WHIGHT - No.

PUBLIC

Mr WILLIE - So essentially fire safety was not a consideration of the Government if they have not consulted with you at all?

CHAIR - Do not lead the witnesses please, Josh.

Mr COLLINS - It is in the public domain that the Fire Service made a submission to Planning Directive No. 6, which was visitor accommodation under LUPAA looking at similar issues. That is common knowledge.

Mr ARMSTRONG - Regulations are in place for accommodation buildings et cetera, outside of the short stay accommodation, though, aren't there?

Ms WHIGHT - Yes.

Mr WILLIE - In your opinion, how urgent is this to rectify? The risk is present now, isn't it?

CHAIR - It has been present for some time, I would imagine.

Ms WHIGHT - With all vulnerable use, our remit is to really look after the public safety.

CHAIR - And your firefighters.

Ms WHIGHT - Yes. With all vulnerable use, as we are seeing with this particular issue, which is why we highlighted it, we see it as important, yes.

CHAIR - And it is certainly lacking currently.

Ms WHIGHT - At the moment, yes.

Mr WILLIE - We don't know what the compliance legislation would look like but potentially it could be a consideration there, or it would be more a planning directive, wouldn't it?

Ms WHIGHT - It is really where it comes into the building code. If you look at the Class 1B visitor accommodation in the building code, we consider that an adequate form of protection. If you have a registered bed and breakfast that is the standard to which you are required to maintain fire safety systems, including, if you are in a bushfire-prone area, to have a bushfire management plan. We are not talking about really complex documents here either.

Mr ARMSTRONG - With the initial inspection done on a Class 1B building, how often do you follow up on that? Is it every 12 months?

Ms WHIGHT - I would have to take that on notice, sorry, and follow up on that.

Mr ARMSTRONG - Are there fire extinguishers? I didn't see anything about fire extinguishers or fire blankets in Class 1B buildings.

Ms WHIGHT - We recommend those for domestic dwellings straight up.

PUBLIC

CHAIR - Would they be a requirement with the short stay? For people renting out their homes, should they be a requirement?

Ms WHIGHT - That is the sort of feature you would usually be looking at addressing through your evacuation plan as well.

Mr COLLINS - If I can add to that, once an extinguisher or blanket is in place, it effectively becomes a maintenance item and adds to the cost to the proprietor of maintaining the residence.

CHAIR - Would that be maintained through Tasmania Fire Service?

Ms WHIGHT - Any number of companies will do -

CHAIR - So you simply have to have a register that you have maintained it. Do you have to have evidence that you have maintained it or would that be left up to -

Mr COLLINS - It becomes the responsibility of the manager of the premises to maintain a register that those systems are in fact maintained. That may be an annual maintenance schedule, which is the case for most sprinkler systems and the like.

Mr ARMSTRONG - Who checks on that? Does Tasmania Fire Service check that or are there any checks and balances on this?

Mr COLLINS - The Fire Service does not audit.

Mr ARMSTRONG - So there are no checks and balances on it and it's left to the owner of the premises to do that?

Ms WHIGHT - It is their responsibility as a responsible building owner to maintain those systems and checks.

Mr COLLINS - They must display a register to say those checks have been undertaken so there is a certification, if you like, and the people undertaking those checks must be competent people.

Mr ARMSTRONG - That is where I am coming from. If they don't do it, who checks the register?

Mr WILLIE - Would it not void the insurance? That is the big incentive to make sure it is up to date, isn't it?

Mr COLLINS - The current regime as it stands for this building is that the building owner is responsible for ensuring the maintenance schedule is contemporary and there is evidence onsite that those checks have been done.

CHAIR - So it's self-complying.

Mr COLLINS - Yes, but there are some pretty hefty consequences for noncompliance in an event, so it is a punitive response.

PUBLIC

CHAIR - I think we are finding now that people are probably voiding their insurance without realising it because many people who might be renting a room or two I have spoken to believe they have insurance and public liability cover for fire for their current household insurance and a lot of them are not aware that once you rent out and are taking money, you are no longer covered with your insurance. I guess some people void it without realising it.

Mr WILLIE - Is the testing and tagging of appliances et cetera a different class of building?

Ms WHIGHT - Generally testing and tagging is for different classes of building.

Mr WILLIE - Like Class 3?

Ms WHIGHT - It can be, all the way through to Class 9, and there are many companies that would offer that sort of service as well.

Mr WILLIE - Is that not necessary for short stay accommodation?

Mr COLLINS - The crux of the matter is getting people out of a building safely or responding to a threat, be that external or internal fire. It is about saving lives, and having equipment in place for people to try to extinguish a fire actually elevates the risks to those occupants and perhaps implies something for those occupants which they may not be willing to subscribe to, which is different to a domestic resident who may have more of an interest in saving their property.

CHAIR - And not putting your people at risk going in looking for someone who might be in a property and then losing life.

Mr COLLINS - Yes.

Mr WILLIE - Yesterday we had representations from a disability group talking about the classification of buildings for accessibility. Are you aware of the changes that would be required under Class 1b in that regard as well?

Ms WHIGHT - Not specifically related to disabled client needs. I honestly can say that my familiarity with Class 1B is really what sits around the fire safety requirements.

Mr WILLIE - Potentially a classification of a building can address those concerns.

CHAIR - Yes.

Mr WILLIE - You have different needs but -

CHAIR - The same outcomes.

Mr WILLIE - Yes.

Mr COLLINS - Really the crux of what we are talking about here, the use, is Class 1B use.

Mr VALENTINE - It is 1B use in a 1A building.

PUBLIC

Ms WHIGHT - That's right.

Mr COLLINS - The systems of protection are not commensurate with the vulnerability of the occupants.

Mr VALENTINE - Do you think the Government is aware of that? In 6.2 of their submission, they talk about compliance with existing regulations and this could be one of them. Has there been any discussion about bringing this up with regard to the class of the building and how that might be rectified in terms of the requirements under the relevant act?

Mr COLLINS - As Sandra alluded to, there has been no discussion directly with us on this matter. I cannot comment on what the Government's submission is alluding to in regard to regulations but I note that the current regulatory regime, the director's determination, doesn't provide the level of regulation that we seek or see as appropriate. Also, the concept of it being under a number of nights or under a certain size doesn't affect the vulnerability of the occupants either. It doesn't matter if it is one night or 365 nights, the risk is the same.

Mr VALENTINE - When you put in your submission to the planning directive, did you actually present to the commission on that?

Mr COLLINS - We did. We presented mainly around the bushfire issue because that is more of a planning consideration.

Mr VALENTINE - But not particularly on this 1A and 1B situation?

Mr COLLINS - No, that example was given.

Mr VALENTINE - The commission is definitely aware of your concerns? That is what I am trying to get that. No doubt they may have informed -

CHAIR - They have taken them on board.

Mr VALENTINE - They may have, but that remains to be seen.

Mr WILLIE - Are you aware of states that are doing this well when it comes to short stay accommodation? Are there good fire safety practices in place in other jurisdictions?

Ms WHIGHT - I think the short stay accommodation is being addressed through different approaches across different states. Where we have had an opportunity to provide some formal submissions, we have taken that opportunity. I know it is a concern to fire agencies around the country.

Mr WILLIE - So it is a shifting landscape?

Ms WHIGHT - Yes.

Mr VALENTINE - Do you see local government in any way having a role to play in this, or is this up to the private market, the people out there doing tag checking and those sorts of things, to pick up on some of these issues - third parties rather than government?

PUBLIC

Ms WHIGHT - If it were a 1B building class, from our point of view, that would provide the adequate level of protection that we are seeking for a good community safety outcome and for a good firefighter safety outcome as well.

Mr ARMSTRONG - Sorry, what was that? Class what building?

Mr VALENTINE - Class 1B.

Mr ARMSTRONG - Building?

Ms WHIGHT - Yes.

CHAIR - Page 7 has it there.

Ms WHIGHT - Then the role of local government would be the same as it always is for how things are managed and maintained around those different building types.

Mr VALENTINE - For new buildings it is obviously a building surveyor role, which is no longer something local governments do. It is private individuals and third parties that are doing that under the act. That was my question: how it's okay for new buildings, but being able to monitor that going forward is a different story. There must be some capacity somewhere along the line for either the Director of Building Control or the Fire Services to make sure that these things are maintained.

Ms WHIGHT - I guess that is a matter for the Director of Building Control.

Ms RATTRAY - Following on in this area, on page 8 of your submission you talk about the home-sharing platform rules. You have given us a list of a number of home-sharing platforms - I did not realise there were so many - and you mentioned that they actually ask for these requirements on their platforms. Do you know if all of the platforms comply with that? Is that something that we know?

Mr COLLINS - We don't and I would be very hesitant to use the word 'compliance' in this context. To our knowledge there is -

Ms RATTRAY - They provide a set of guidelines then really, and you don't necessarily know if the homeowner or the person who is managing the business complies.

CHAIR - It is a self-tick box. I think we learnt yesterday that they don't seek evidence.

Mr COLLINS - It is. We would go as far as to say we wouldn't endorse, in a contemporary sense, some of the equipment being promulgated through some of these providers.

Ms RATTRAY - This doesn't say 'hardwired smoke detectors'.

Mr COLLINS - That's right. I believe it may say or identify ionisation-type detectors, whereas contemporary practice would be photoelectric for smouldering-type fires.

Ms RATTRAY - Where the batteries get changed?

PUBLIC

Mr COLLINS - Yes, that's right.

Ms RATTRAY - Would you expect they should be hardwired?

Mr COLLINS - You can get 10-year lithium batteries and that's acceptable. They just need to be maintained.

CHAIR - Looking on page 7, the Class 1A building, single dwelling, the fire separation - I know we have talked about being between buildings - is fire separation also between floors? In an existing dwelling if someone, for example, had a two-storey house and they lived on a ground floor and they rented an upper floor, would they have to have fire separation or would that be in a new dwelling? If, for example, someone was building a dwelling with the intent to let out part of their home, which would be their top floor, would you require fire separation now?

Obviously you wouldn't from things that are already built. I'm just wondering whether fire separation would be something looked at from now on? Or would you hope that would be in place in planning and building: that you have a fire separation between someone permanently living in their primary residence on the ground floor with the intention that the top floor would be permanently a home share?

Mr COLLINS - I think it comes back to the intent at building. If it is to let out -

CHAIR - Even short stay.

Mr COLLINS - Then that part of the building is 1B and would be addressed through -

CHAIR - But if they don't disclose - having been on local council, as lots of us here have, we know that people will build a house with the intent, but not give that intent.

Mr COLLINS - There is no fire separation.

CHAIR - Even if they were to change that at the time and take people in to stay, it wouldn't be necessary.

Ms WHIGHT - If it is not built with that intent, no, that won't have happened.

CHAIR - I might have missed it in Class 1B - 'the smoke alarms in the bedrooms and hallway and the lighting'. Would you require exit diagrams? My house is an old office and every room - we've left them there - there is a diagram saying 'You are here. This is how to get out.'

Mr COLLINS - That is exactly what we are talking about.

Ms WHIGHT - That simple evacuation -

CHAIR - That is something you should have even in a home-sharing - to have in each bedroom or room a plan showing you where you are, just a laminated sheet for people to have an idea of how to get out?

Mr COLLINS - It's going to be contextual. Your house is different to mine.

PUBLIC

CHAIR - Just so that people can get out safely and quickly even if they arrive late at night? Maybe that needs to be a requirement

Ms WHIGHT - In most Airbnbs there will be a little diagram on the back of the door that will just say 'You are here - here is how you can get out of the building.'

CHAIR - Just a pretty simple thing to let you know how to get out safely.

Mr COLLINS - It's a simple thing, but it can save a life.

CHAIR - Simple things are often overlooked.

Ms WHIGHT - That's right.

Mr COLLINS - You have to remember in these circumstances people's ability to make logical decisions is massively hampered.

Mr VALENTINE - Because of the threat.

Ms RATTRAY - You panic.

Ms WHIGHT - Adrenalin.

CHAIR - Particularly if they don't speak the language, are from some other country and they have just arrived.

Ms WHIGHT - You also don't know what their background might be, what previous exposure to fire risk might already be part of their history, all of that sort of stuff.

Mr VALENTINE - Or their mobility.

Mr WILLIE - The Government has announced compliance legislation by the end of the year, and also an education campaign. Would you like to see an element of that campaign based on fire safety, even though the regulations may not be changed at that time, but highlighting the importance for short-stay operators to maintain their property?

Ms WHIGHT - As part of our commitment and our role in public safety and community fire safety we will take any opportunity we can to put out public fire safety messages, be it for built or bushfire environments. We run programs with that very goal in - school fire education programs and community development programs.

Mr WILLIE - Would it be a good opportunity?

Ms WHIGHT - Absolutely.

CHAIR - Would a lot of short-stay places be in bushfire areas in a nice bush setting?

Ms WHIGHT - We identified that in our submission.

Mr VALENTINE - Page 5.

PUBLIC

Ms WHIGHT - This was done, a spatial analysis, a reasonably quick one. We found a number of short stay accommodation places are in bushfire prone areas, which is not unsurprising if we look at the landscape profile for Tasmania.

CHAIR - It is a nice ambience for visitors.

Ms WHIGHT - That is right. In bushfire-prone areas it is contextual, it is about the nature of the site and how isolated it is. If you think about it, for any guest who is going there, particularly if they are somebody who does not have an awareness of bushfire history or context, and not all of us have grown up in Australia where bushfire is something -

CHAIR - If they are coming from China or somewhere like that.

Ms WHIGHT - That is right. Even people who have grown up in inner Sydney or inner Melbourne have not been exposed to bushfire risk. They are in a beautiful setting. Where do I go to find more information, where is my nearby safer place? It could be a building that has been well designed and it is appropriate for shelter in place. Unless that information is provided to the guests, they are not going to know and you could end up with some poor decision-making as an outcome. Perhaps they would have been safer to shelter in place in that particular building. In another situation the owners may have no intention that someone would try to stay and defend the property; there is a good nearby safer place or evacuation centre that is within easy reach of that property with a quick map for how to get there. If that information is not provided to the guests -

CHAIR - Particularly for those renting a whole house and there is no-one else with them.

Ms WHIGHT - That is absolutely right.

Mr VALENTINE - You are talking about safety of people in these spaces, lighting a hallway, smoke alarms. Do you know the specific technical requirement? Does it have to be a hardwired smoke alarm, given the lighting has to come on if that goes off?

Ms WHIGHT - There are smoke alarms that include lights. When the smoke alarm activates it will provide illumination.

Mr VALENTINE - Will it be at floor level, because it could be filled with smoke? I am trying to figure out how onerous this is on owners to install and the level of complexity we are talking about to make sure we get a full understanding. Is it a row of LED lights that travel below the skirting board and are easy to install or is it a much more expensive exercise?

Ms WHIGHT - I am not an expert in the electrical aspects. The key is that the illumination must activate with the alarm. If it is connected as part of a smoke alarm, we would see that as sufficient. You could set up an independent circuit with recessed lighting that activates with the alarm. I would not be able to tell you how much that costs, sorry.

Mr VALENTINE - I thought you might have had some knowledge of that.

CHAIR - It is becoming a lot more expensive, the more we do with things like recessed lighting.

PUBLIC

Ms WHIGHT - That is also why it is a different preference we have for interconnected smoke alarms as well so that when one activates they all activate. You don't just have the smoke alarm in the room of origin.

Mr VALENTINE - If they rely on electricity and the electricity is cut because of the fire, do they have to be battery operated as well as well as hardwired?

Mr COLLINS - Hardwired smoke alarms have battery backup. In fact interconnected alarms these days can be wireless. You don't even have to have wires. The technology is advancing at such a rate, as Sandy mentioned, that it is not onerous.

CHAIR - The cost of a few nights' accommodation could pay for it.

Mr COLLINS - That is exactly right. We need to consider this in the context that this is a business operation and business operations come with a cost.

Mr VALENTINE - Even with share housing, people putting their spare bedroom on the market, the fact that you are talking about the safety of an individual, fire really does not discriminate, does it? Are you saying that it really needs to apply to share housing as well as to those on the market as a whole house?

Ms WHIGHT - As far as we are concerned the vulnerability is the same, regardless of whether it is a shared room, a shared house or -

CHAIR - The responsibility is the same, isn't it?

Mr WILLIE - If the primary resident is there?

Ms WHIGHT - Even if the primary resident is there I still think the risk is the same for the guest. Sure, it is a little different and the primary resident might be able to knock on their door and drag them out or something, but what if the primary resident has been incapacitated?

Mr VALENTINE - Or is away.

Ms WHIGHT - Or is away, indeed.

Ms RATTRAY - In the last page of your submission you indicated that home-sharing platforms have a role to play. I ask whether they ask their short stay accommodation places to comply and we do not really know. We know they say, 'Here is the guide'. Do you think it is a government role to request that the home-sharing platforms get the short stay accommodation places to comply and then have to provide their certificate, not just do the self-regulation? Is it a government role? Whose role is it?

CHAIR - Who does it need to go? Who needs to oversee it?

Mr COLLINS - I guess it is a shared responsibility. Ultimately government certainly has a role in ensuring that the standards are being applied but equally the platform has a role to play in ensuring the service providers of accommodation have the requisite certificates or systems in place. Then they can be listed.

PUBLIC

Ms RATTRAY - Therefore there is that obligation for the providers to also have a role. It is really everybody's role.

Mr COLLINS - It is a shared responsibility.

CHAIR - We heard yesterday that it is a tick box. Basically they ask, 'Have you got this?', and you say you have but it was not evidence-based. You did not have to provide a copy of your certificate. Some people may say they have something that they do not have in order to be listed on one of these platforms. I think that is where the real concern is and someone needs to be an independent overseer. It is a costly and onerous thing and whether it is the Fire Service or local council, government, someone has to do it but there is a real cost to the administration of that.

Ms WHIGHT - Absolutely there would be.

CHAIR - That would not be a role for yourselves obviously, so who do you think that would be a role for? I would not think the platforms would want to undertake that. So local council? Government?

Ms WHIGHT - This is why we have building codes and regulations and things like that. I see that this would tie into using the already existing regulatory framework.

Mr VALENTINE - With respect to bushfire safety, of those 38 lives that were lost, do you know what percentage may have been in bush locations, or hasn't that data been refined in that sense?

Ms WHIGHT - It hasn't been refined to quite that level. Obviously we have the numbers of lives lost in bushfire, which is a different story, but that would include some tourists and people like that in that. They are obviously all very tragic events where there has been loss of life to that extent.

CHAIR - I can remember in Launceston, it would have been 20 or 30 years ago, some backpackers lost their lives in those situations. Hopefully we have learnt a little bit along the way.

Mr VALENTINE - It is a very good submission and I think it raises some serious questions. I know there will be those out there who will say they don't want to be over-regulated and the like, I guess that is the balance, isn't it?

CHAIR - Safety versus regulation.

Mr VALENTINE - Safety versus a person's life versus regulation.

Ms WHIGHT - We're really not asking for something that isn't already a standard applied elsewhere within the accommodation market. We're certainly not asking for a higher standard either than what we would reasonably expect.

CHAIR - It is even a standard a lot of homeowners should really follow for their own safety and the safety of their families.

Ms WHIGHT - In terms of the interconnected smoke alarms that is certainly our position, in every bedroom and in the hallways and interconnected is our preference. Also through our school

PUBLIC

fire education program we teach children to write an evacuation plan for their own home they are to practise with their family as part of their homework. Everybody in my family knows that you have to go and stand at the letterbox.

CHAIR - I am going to relook at all our smoke detectors in our house.

Mr VALENTINE - You are saying that has actually saved some lives?

Ms WHIGHT - Yes. We know that the school fire education program has had a real impact on people and families getting out of homes safely in the event of a house fire.

CHAIR - The children actually help some adults to get out, don't they?

Ms WHIGHT - Yes.

Mr VALENTINE - Would you say the proposed regulatory changes you mention on pages 9 and 10 are non-negotiable, or is there any balance in there at all?

Ms WHIGHT - We're not asking the existing regulations to change; we're asking that the existing regulations be applied.

Mr VALENTINE - Except for the 1As because they don't have the regulations on them at this point.

Ms WHIGHT - What we are saying, though, is in those situations where it is a 1A building and they are using it as part of a sharing accommodation, they are in fact a vulnerable user, as we put that in our submission, so they ought be considered equivalent to a 1B building.

Mr VALENTINE - It probably take only one death to reinforce that, which is not what we want to see.

Ms WHIGHT - That is really what we don't want to happen. We don't want it to be -

CHAIR - To happen because of a death.

Ms WHIGHT - That's right. That is why we are saying it would be better to be on the front foot with regard to this issue.

Mr VALENTINE - You certainly brought it to our attention.

CHAIR - We are very appreciative of your submission; everyone should be looking at it. As I said, I am going to reassess my own home after reading some of the simple things you can do. Thank you very much for coming in. We really appreciate you taking the time to put in a submission and also coming in to see us, answer some questions and give evidence.

THE WITNESSES WITHDREW.

PUBLIC

Dr ANGELA BALLARD WAS CALLED VIA TELECONFERENCE, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Hello, Angela. All evidence taken at this hearing is protected by parliamentary privilege, and that applies to you as well. If you make any comments outside the hearing, these may not be afforded such privilege. We are broadcasting live and the evidence is being recorded. The *Hansard* version will be published on the committee website when it becomes available. Could you please speak to your submission and then committee members will ask you some questions.

Dr BALLARD - I will go through the formalities. My name is Dr Angela Ballard and I reside at 8 Inchcape Street, Fairfield, Queensland 4103.

I am appearing before the select committee and offer evidence today in my capacity as an urban planning and housing researcher who specialises in planning and complexities and who investigated housing options for herself in Hobart in the fourth quarter of 2017.

My recent doctoral research in urban and social planning took in the Australian private rental system; the case study and the methodological approach I utilised in that research draws on complexity and problems, even computational [inaudible], but with data based in people's arrays of experiences of all the complexities of the human system under investigation.

The approach there was expressive of my own maxim of the issue, the problems and the complexities emerging from within that particular system, the private rental system, and then applying interventions to ameliorate identifiable problems and the nudge system of a more balanced or desired state.

That was kind of the lens that I brought to looking at the Hobart housing market. In relation to the terms of reference, I offer the committee a submission of a grounded experience which was part of my own because the narrative here best and most eagerly illustrates the emergent complexities of that system. By complexities I mean the interdependencies or interrelationships of state-level political, policy and programming decisions and also the whole property Airbnb situation.

The impacts of those factors I discerned were cascading throughout all housing sectors in Hobart, and also now in Launceston. I have only just been to Launceston recently and looked at the situation there. The impact has cascaded most dramatically for individuals attempting to secure housing over tourist accommodation. Thus my submission reflects the macro-, meso- and micro-scale of this housing complexity. So, there is the narrative of a housing researcher investigating her own options and thus fencing the system that she was engaging in while applying for two housing program roles in the Tasmanian Department of Housing. The fencing of the system goes back to last October/November. Some updated figures of the context at this juncture would be helpful, the other figures I already quoted in my submission from last year. Just released from CoreLogic, data shows the annual change in dwelling values for 1 September 2018...

Mr VALENTINE - Sorry, change in what?

Dr BALLARD - I gave you figures in my submission that were based on last year but now we have some updated figures just released from CoreLogic which show the annual change in

PUBLIC

dwelling values to 1 September 2018. This is a property sales-based figure and it shows that Hobart has increased by 10.7 per cent in the past year. The rest of Tasmania has increased 8.1 per cent. It is useful to compare this to the national Australian figure of -2 per cent and the capital cities' figure for the whole country of -2.9 per cent. A brief look at the rentals in the Greater Hobart area yesterday, again at all price points - so this is the total number of rentals that were on the Domain app - and that is Bridgewater to Blackmans Bay and across the Derwent - was 60 properties, and that is worse than the 3-in-1000 vacancy rate of last October that I quoted in my submission.

Mr VALENTINE - Lower than 0.03?

Dr BALLARD - Yes. Bearing in mind that 3 in 100 is considered a healthy market for investment, 3 in 1000 is bordering on obscene. It is a business. The cascading effect has, in all likelihood, derailed. I think the expected outcomes of certain programs and particularly the private rental access program - lots have applied for. Housing prices and the lack of housing availability across those market segments in Hobart and now Launceston has bolted, and that is in terms of sales and rentals. The boom for real estate agents selling properties has become a hell for those seeking rental housing. That data last year was available for all to tap into. Various parties, myself included, were sensing that data and warning of the impact on housing supply, yet government at several levels, it seems, did not have strategic or consistent strategic capability or capacity to see the emerging issues, nor was it prepared to take on board advice and expertise when offered. These shortcomings have, in all probability, contributed to this ongoing housing crisis, particularly in the two key cities.

In closing this opening statement, I make a final key point in support of moving forward. This kind of ties in with my research method. We need to understand the issues, we need to understand the nature of issues and the systems in which they were advised before we design interventions or make a raft of directives without due consideration of the consequences. The name of the decision-making framework I used - I believe a copy has been made available to the committee - is the Cynefin decision-making framework which offers a number of what we might call oncological dialogues [inaudible] through which problems can be better understood.

The question are: Are our issues or problems obvious and simple? Are they complicated or are they complex in nature? Or has the system actually dissolved into an unordered and chaotic state? I wonder where the system might be residing now and I sense that maybe it is moving towards chaotic.

The nature of the issue is actually the best indicator for the type of response required, so I would argue that the wider housing system encompassing all sectors, and particularly as experienced in Hobart and Launceston, is now quite decoupled from the usual constraints of the market. I sense the advent of the Airbnb juggernaut, and in particular Ministerial Directive No. 3 that further enabled it, have both played a major role in this decoupling. An appropriate response now is to catalyse shifting the system back to the main states where things can become more manageable is to engage in what Snowden, who is the originator of this methodological approach and also this framework, calls 'novel practice'. I am happy to answer questions a bit later as to what novel practice here might look like. However, in general terms, it is really about acting first, quickly, and then changing the system. We respond again to new and emerging circumstances, so the act can respond. I will stop here and hand back to the committee. You have read my formal submission. Over to you

PUBLIC

CHAIR - Thank you. We have the sheet just handed to us, showing the 'complex, complicated, chaotic and obvious' diagram. I have one question to ask before I hand to the other committee members for questions. Is your concern primarily whole-house renting out for short stay, as opposed to someone with their primary residence renting out a couple of rooms?

Dr BALLARD - Yes, absolutely. I would see there is no real problem with people renting out their own rooms. Some people who own a home will rent out a bedroom in order to support their own mortgage payments. Share housing is a challenge at the best of times, so people, if they own a home, should have a right to control who lives there.

CHAIR - Is it more the investment properties or someone who might have a holiday house and renting them out short term?

Dr BALLARD - I think it is more so the investment properties. If people have invested in a holiday property for this purpose, that is a problem. It is definitely whole properties.

CHAIR - I believe Rob Valentine has some questions for you.

Mr VALENTINE - Just to follow up on your submission. First of all, you mentioned this Snowden novel practice - I will give you the opportunity to explain that.

Dr BALLARD - Okay. When a system falls into what is considered 'an unordered domain' - and chaos and complexity on that diagram you are looking at is the unordered domain. If you are falling into chaos, you really do need to take action first. Novel practice is always do something; do anything that you think might have an impact. It is not about waiting and seeing, but it is acting first and sensing what is going on in response to that action. Then you respond again once you've got some more information and more understanding of what is happening.

Since last October I have been watching this as a slow-moving train wreck and I have been horrified to see it become even worse since last year. In many respects the situation requires something more than the usual way we go about dealing with these sorts of problems in government. Most government programming and policy work happens in a complicated domain, even though the systems they are working with are actually quite complex systems with social complexities. We attempt to rationalise our policymaking and often we get it wrong. This is a situation where someone got it wrong.

Mr VALENTINE - It would seem the Government is looking at changing things to address some part of this in terms of compliance. We are likely to get something before the end of the year on that. Sometimes some of these interventions might take a while to show any impact on the situation. Do you have any comment on that? We can't wait forever, obviously, before we take other steps as well.

Dr BALLARD - Thanks, Rob; I do have a view on that.

It really strikes at the heart of how quickly you can do something. Compliance will be an issue, and an important part of that remedy. Cities all over the world, particularly our tourist cities and even large tourist cities are plagued with the same problem, but it is amplified in the small arena of the City of Hobart. This is not Barcelona with close to 2 million residents; this is 250 000 people.

PUBLIC

I suggest something like a city-state counter-directive regarding the number of whole properties allowed as short-term, peer-to-peer rentals, at least for a time. I submitted my submission here mainly because I have sat back and watched this slow-moving train wreck. It has taken 18 months or maybe even two years for that train to actually wreck. I think now it probably needs a similar amount of time with a very strong counter-directive to allow the system to shift back towards residential rentals. In terms of regimes of compliance - Barcelona has really heavy fines to the tune of €100 000 or something and compliance regimes to make sure that people who own properties are not renting them out to tourists. In Barcelona compliance officers who literally go around and knock on doors to see who is living there. That is making an impact. I think the time period needs to be congruent with how quickly the problem emerged. You need to keep tabs on how that action is working in terms of balancing the system.

There is going to be some pain, but at the end of the day housing primarily needs to be for people who work and live in the city. If there is no housing available anywhere else in order for them to access, you need to work within the confines of your city.

Mr WILLIE - We have heard from a number of stakeholders who said to us that they need the data before they can act. They want evidence-based policy and that is going to take time. Listening to your comments, you are suggesting we need to act now. Some of the stakeholders want individual addresses; they want the platforms to provide that sort of information so compliance can be improved. What I hear you saying is that we need to act now through a range of measures. You are talking about significant fines in Barcelona and other ways of trying to disrupt the market. Is that what you are suggesting?

Dr BALLARD - Yes I am. I would like to speak to the question of data and evidence. We have all the data that we need. Certainly, if you want other particular types of data you can get it a hell of a lot more quickly than the standard research projects the universities might put forward. Social research is not the way to go here. The real estate data is publicly available. That is what I was looking at. CoreLogic does annual, monthly and all sorts of reports. The data is already available in terms of the basic statistics, and the data is also available with regard to impacts. You have had people sleeping in the showgrounds of Hobart.

You have all the data you need. You do not need long-term, highly specific data. It's a rule-of-thumb kind of thing. All you need is a sufficient level of data. In the apps on realestate.com and Domain, what you are seeing is a visual, heuristic evidence of data on the system. You can look at that any time and get a sense of what is happening in Hobart.

Mr WILLIE - Are you saying there is enough data at a macro level to act now and we don't necessarily need the micro data at an individual level focused around compliance?

Dr BALLARD - You don't, because Airbnb will fight tooth and nail against handing over data about its properties, and that in itself will take up huge amounts of time. The process is often [inaudible] and I suggest that is time you really don't have. In terms of compliance, Hobart as a city is a hell of a lot easier than Barcelona. It is a smaller city and you can put on a couple of compliance officers. It is easy enough to look at Airbnb properties on the Airbnb app and figure which houses are which and where they are. You could walk the streets of the city and that would not be a hard thing to do.

PUBLIC

Mr WILLIE - It is an interesting thought process you are presenting to us because it challenges what we have heard from other stakeholders. We appreciate you putting in a submission and appearing today.

Dr BALLARD - Thank you.

Mr VALENTINE - To follow up on that answer, to find out where the addresses are you have to try to book in, I believe that is the difficulty with finding out that information from the sites themselves.

Dr BALLARD - Yes and no. I don't know Hobart really well, but I know it a bit and I know Launceston. I looked at Airbnb in Launceston when I was there recently visiting family and I could tell by looking at the photos and views from the photos which building it was in. It only takes someone who knows the place to go and knock on the door and ask, 'Are you the person who owns this place?', and if they're not, the people renting this place are not going to be in trouble, it will be owners.

Mr VALENTINE - I appreciate that; it's just the issue of being able to verify these things. If they are listed on two or three different platforms, which they might be, you have a duplication issue, haven't you?

Dr BALLARD - Potentially. This is one of the things the directive may have prevented, but from memory, applications for using a place for short-term rental were going through planning procedures in Hobart City Council but that was put a stop to, I understand. For any housing that has gone through the Hobart City Council system there is a record.

Mr VALENTINE - Thank you.

Ms RATTRAY - Angela, obviously family in Tasmania gives you an interest and some knowledge of the state. We have been told by previous presenters that without Airbnb and other home-sharing platforms and locations we have in more regional areas, our tourism industry would struggle. When you talk about us getting off the mark now, taking action, is that specifically around the Hobart situation or would you suggest that for all Tasmania?

Dr BALLARD - I have not looked at all of Tasmania. I have looked at Hobart and Launceston. I have not looked at the smaller places on the east coast such as Bicheno and Coles Bay, those traditional holiday places. I don't know enough to comment there. Going back to your original statement about people saying that the tourism industry would collapse or suffer greatly if there was no Airbnb, where is the evidence for that? I am aware of no evidence for that, but it is also not my field so it obvious I would say that categorically.

Ms RATTRAY - Perhaps a bit more homework for myself, Angela, is to see whether I can find out some more information about that. I would not like to see our tourism industry, which has some good growth at the moment, stifled by not having any accommodation in some of those regional areas which people rely on.

Dr BALLARD - Yes, I think that is why I mentioned at the outset in terms of novel practice, for it to be a city-based project. The city council, whether they are the major cities or the smaller cities and towns, are the ones that have the on-ground knowledge of what is going on in the state.

PUBLIC

They are the ones who can make those decisions. Overarching decisions by ministers of planning have not helped the situation.

Ms RATTRAY - Thank you very much; we appreciate your submission. Josh was right in that you certainly have challenged us with your view about getting on with it without waiting for more data, so thank you.

Mr VALENTINE - In your work, I am interested to know whether you have any hard data - and if you have looked at data in Hobart, in particular, as you have said - about displacement of individuals as a result of share housing happening in the accommodation market? What about people who are boarders? I am interested in trying to find out a little more about that and whether you have any data on that side of things.

Dr BALLARD - I don't have any data on that at all, Rob. I didn't collect data from Tasmania because I ran out of time to get the networks happening in terms of online data collection down there, but what I discovered across the country - and I have strong reason to believe that this would be reflected in the Tasmanian situation because it relates to how private rental housing systems work across the country generally - is that share housing is a difficult scenario and essentially for young people. This is something that the ABS statistics don't accurately reflect, but my own data reflects that a lot of older singles are now staying in share households because they cannot afford a rental place of their own.

Mr VALENTINE - I was actually more thinking of boarders, not so much a share house where people might be paying half the rent each or something but where families take in an individual and provide accommodation and meals. They might be quite vulnerable to being displaced by the share accommodation market.

Dr BALLARD - I don't think so, mainly because if it is a family home and they are the ones who are bringing in a boarder, it is the family who owns that place who has the power in that situation. The boarder is there at the behest and grace of the family.

Mr VALENTINE - I understand that. I guess a boarder is likely to be paying far less than somebody seeking accommodation for a night or two - do you know what I'm trying to say?

Dr BALLARD - Yes, and I think that may be the case. Certainly in my data - again, nothing for Tasmania but I do not see why it would be any different - people who own properties often use boarders to help them pay their mortgage. Yes, boarders can be more problematic because even though you own a place - there's two different ways of managing it. If you are charging them a bond, technically you are a landlord, and there are some rights reciprocated there. If you haven't charged a bond and you have a boarder, boarders can be more easily taken in but also moved out. What I was sensing in my own data - and the Tasmanian context is coming back into intuition - yes, Airbnb displaces boarders from the owner-occupied houses of people who are attempting to pay off their mortgage. It is a much easier option in terms of managing who is in that house and how they operate in the house. Basically, Airbnb people are really there at the grace and favour of the owner-occupier. I ended up with a similar situation, when I tossed out an Airbnb person because they trashed the place.

Mr VALENTINE - Sorry, could you repeat that? I did not quite hear it.

PUBLIC

Dr BALLARD - I, too, have been in a situation in which I brought in an Airbnb boarder and I was really unhappy with the way they treated my belongings and my place, and I asked them leave. I could do that because I am under no tenancy-related obligation to keep that person housed. Airbnb is a good kind of scenario for homeowners wanting other people to help pay off their mortgage.

Mr VALENTINE - Thank you.

CHAIR - We have Josh Willie.

Mr WILLIE - I am interested in your research and we have been looking at trends. Where do you see, say, the Hobart housing system in a year or two if we are still bumbling along as we are? Is it going to get worse? Is there light at the end of the tunnel, say, with developments? Do you have any thoughts on that?

Dr BALLARD - Given the amount of time it takes development to get up, in a year's time, no, it is not going to be any better - it will be worse. What will be worse is that the prices of rental housing and property values - i.e. sales - will just continue to go north.

There was one council, the name of which escapes me at the minute, but they were very serious and concerned about Airbnb. They were solidly looking through their own planning research and reporting about infill development on old brownfield sites to ramp up some housing as quickly as possible. That is a three-year window for higher density housing. It is not like putting up a domestic house, which could take eight months, or six months if you are lucky. We are talking three years or more before more dense developments can get up. That is why I am harping on the notion that you have enough data to act now, act now. If you don't start to pull it back very quickly, I think you are condemning many, many Tasmanian people - I am not talking about investors from overseas who can fly in and purchase something; I am talking about people who live and work in Tasmania - to a severe flow-on impact on housing prices and housing availability.

I had a conversation with my young nephew in Launceston when I was there about a month or so ago and asked him, 'Now that you are 18, are going to try and move into town?' He lives out in Lilydale. Then, just as an exercise, we looked up flats under \$300 a week in Launceston and there was nothing. Why would a young person without a vehicle go to find a job in the city if they cannot actually live in the city? It has such big flow-on impacts for Tasmanians.

Yes, tourism has been bringing in lots of money. To go back to Tania's question about tourism impacts, from what I understand, most of the tourism input that has been so dramatic in Tassie in recent years has a lot to do with Hobart, with MONA in particular. That is a wonderful thing for the city and for the state. However, it can't be to the detriment of people who are there trying to do good work throughout the state.

As I said in my original submission, I, as a reasonably well-off, middle-aged, highly-educated professional woman, was having realistic, serious doubts about how I was going to find rental housing. When I say that, it is not just about paying for it. Had I landed the job I wanted and was earning \$100 000 a year, paying for rental accommodation would not have been a problem but finding it in the first place, when you have 40 to 50 people showing up for a viewing for 10 minutes and the same 40 to 50 people are showing up time and time again, is very disheartening and time-consuming. I would think there was impact on productivity there. People never talk

PUBLIC

about the productivity lost while people are trying to find, yet again, more convenient rental housing.

CHAIR - Thank you very much, Angela. We do not have any more questions, but we very much appreciate you putting in a submission and taking the time to speak with us today. Thank you for your time and we will certainly take your comments on board.

Dr BALLARD - Thank you for the opportunity.

THE WITNESS WITHDREW.

PUBLIC

Mr ROSS MURPHY, CASTELLAN CONSULTING, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thank you for coming along today. Welcome to our select committee inquiry. Just to let you know it is being broadcast live today and all evidence taken at this hearing is protected by parliamentary privilege. However, we need to remind you that anything said outside the hearing may not be afforded such privilege. A copy of the information for witnesses is available if you need to have a look at it or if you are not aware of the process. The evidence you give is being recorded and the *Hansard* version will be published on the committee website when it becomes available.

The procedure we follow today is that you may speak to your submission if you wish, and then members of the committee will ask questions. We ask that your information specifically relates to our terms of reference

Mr MURPHY - Thank you. My name is Ross Murphy. I am the managing director of a fire engineering bushfire consultancy, Castellan Consulting, here in Tasmania.

Mr VALENTINE - Did you say fire engineering?

Mr MURPHY - Fire engineering, yes. Our speciality is the development of performance solutions and novel solutions in the area of bushfire safety and fire safety in buildings in general. In response to a brief summary of my submission, essentially I am responding to item 4 of the committee's terms of reference, which is really about the regulatory reform process. In particular my area of interest is in building fire safety and the application of the process through the Building Act. Health and safety in buildings are governed by the Building Act. Section 11 of the Building Act references the National Construction Code; the Building Act also allows the director to make determinations about modifications to the building code that may apply.

In my submission I have respectfully submitted that the director's determination may not have adequately addressed the issue of the change of use of buildings under the building regulations. The basis for that is the building code establishes three classes of building that apply in this particular situation. The first is a Class 1a building, which is a dwelling. The second is a Class 3 building, which is a motel or hotel of whatever size. It could be a 19-storey building in Hobart, which is not uncommon these days.

The National Construction Code and the Australian Building Codes Board, represented by the Tasmanian Government, have actually adopted a reduced or a cut-down version of the requirements for accommodation buildings and that is the third class, the Class 1b building. Already in the National Construction Code we have some concessions and compromises built into the way we have small accommodation buildings. There are some reduced levels of stringency that already apply: significantly, that there is no fire separation between rooms and there is no sound attenuation between rooms. These are concessions were allowed so that people could have dwellings and they could live in the dwelling. They could have a bed and breakfast, a boarding house or a guesthouse and they did not need to go to an enormous amount of expense to refurbish these buildings. It is very onerous to try to retrospectively achieve that level of protection. So, already we have a class of building where some reduced stringency applies.

In that context, the director's determination has stated that there are no additional requirements in the building code for a Class 1a dwelling. You have less than four bookable

PUBLIC

rooms and the inference is that there are no additional requirements under the National Construction Code.

In my submission, my interpretation of the building code is that if you have any more than one of the people who are living in the dwelling, if there are any tenants to that building, it becomes a Class 1b building and it is therefore a change of use under the Building Act. Through that process the change of use means that if no building work is involved, a building surveyor needs to assess the safety elements in the building and then they would issue a new occupancy permit for that change of use. It can be quite a simple process if the building is up to scratch.

The other limitation I just raised about the Class 1b buildings is that only up to 12 people can be normally accommodated in the building with a maximum of 300 square metres. Again it defines a small accommodation unit where some of these concessions can apply. It is understood that the Building Act allows the director to make a determination that allows for some variation away from the building code. It may be that he has sought to vary the National Construction Code to allow for another class of buildings but in my submission I respectfully suggest that has not been achieved in the director's determination.

In my submission I go through a range of issues in terms of bushfire protection, balustrades, stairs, safety glass, wood heaters, smoke alarms and emergency lights that would normally be considerations in a building surveyor determining whether an appropriate level of safety is provided in the building. In the absence of that process and where we rely on the self-certification of somebody that is inexperienced and unqualified in that area, there is a potential for that process to go astray and for unacceptable solutions to be arrived at.

The second issue is about where somebody commercially purchases a property and then leases it as a tenancy for short-term accommodation where they are not the occupier and it is not a Class 1b building.

Mr VALENTINE - It is not?

Mr MURPHY - No, unless there are multiple tenants in that building. There is a distinction there. A Class 1a building is a dwelling but it does not define the term of the stay in a Class 1a building if it is just a single person. Within the building surveying community in Tasmania there has been some uncertainty about this process and the definition of Class 1a for shacks. For example, on the east coast if someone had a shack they wanted to rent out to a family for a couple of weeks over the holidays, whether that changes the class of building from a 1a to a 1b. While there is some ambiguity around that, I think generally it is accepted that it doesn't change the class of the building so therefore we haven't had a new occupancy permit for those situations.

I think that is a bit of a gap because through that process we are still not getting those checks and balances on those safety issues that should be implicit in buildings, in my opinion. I am suggesting that the Director of Building Control could issue another determination that changes the classification of a building so that a Class 1b building also includes a dwelling used for a single tenancy for short-term and medium-term purposes. That would overcome a deficiency at the moment with capturing those particular classes of buildings.

I have some other issues about the director's determination, but I suspect that might be modified through this process so I do not want labour on the director's determination. I am happy to take questions.

PUBLIC

Mr ARMSTRONG - In your submission you say it is estimated that in excess of 90 per cent of the existing dwellings in Tasmania in bushfire-prone areas were built prior to the introduction of statutory bushfire protection requirements. I wonder where you got that 90 per cent from.

Mr MURPHY - That is just a number I plucked out of the sky, but I have worked in this industry a long time and the vast majority of buildings in remote and rural locations have been there a long time and there is no retrospectivity to making them come up to compliance other than through this change of use process where there would be some requirement for them to be looked at.

Mr ARMSTRONG - So some of them have no approvals.

Mr MURPHY - They would have approvals, but for things like bushfire protection -

Mr ARMSTRONG - But some of them that have been built don't have any approvals.

Mr MURPHY - No. They would be built in flame zones where there is a real risk, in my mind. When people live in those buildings, they are switched onto the media and they understand the risks around them and they know to listen to the ABC and respond to the alerts and warnings provided, but if you are a visitor, you may not understand English and you may not know to listen to the warning signs, so it is a different situation, in my estimation. People may not get the right signals to evacuate those properties when they need to.

Mr ARMSTRONG - That couldn't be picked up in this process here because of the retrospectivity, could it?

Mr MURPHY - No. If we said it was a change of use, that would trigger the building surveyor to say the person, 'This is in a bushfire-prone area', and you would need to get a bushfire hazard management plan prepared for that property, and then there is a formal approval process and an appeal mechanism if it seems excessive, all those other mechanisms that protect the applicant and the regulator from excessive behaviour.

Mr ARMSTRONG - What did you call it, a 'flame zone'?

Mr MURPHY - A flame zone. There are five different categories of bushfire exposure based on radiant heat flux. At one end there is BAL-LOW, which is a low level of ember exposure to buildings in a fire, through to 12.5, 19, 29 and 40 kilowatts per square metre radiant heat exposure on a building. The final level is the flame zone where it is anticipated in a credible scenario that you could have flames impinging on that building.

Where you have vegetation up to the building, which is the case in many situations, even in more modern buildings built in accordance with the approval process, often people in a Class 1a building are not maintaining those hazard management areas that exist around buildings. There is no reinforced action to instil upon them the need to do that because, as a Class 1a building, you don't need to maintain your essential safety and health features and measures, whereas if it is a Class 1b building, there is an onus under the Building Act that the owner or occupier needs to make a declaration every year that they have done that. Somebody has to put in writing they have committed to performing these actions to make sure there is an acceptable level of bushfire hazard management area around the building. If we take this process where we follow the director's

PUBLIC

determination at the moment, there is no ongoing need for people to make that sort of commitment or volunteer that commitment.

CHAIR - I am just checking I have this right. You are saying if someone has a home and it is their primary residence and they rent out a room or two, that should still be 1b because they have balustrades and a lot of the older houses have that very thin glass and it is certainly not safety glass, so there are a lot of issues that still need to comply with 1b as opposed to 1a?

Mr MURPHY - Correct. If you have a dwelling and you open it up so there is one room for visitors on a commercial basis, that changes it to a 1b. The limit under a 1b is you can only do that so you can normally accommodate 12 people in that building. Anything from one person to 12 people, and that includes the family who are living there, is a Class 1b. If you go beyond that or if the floor area of the building is greater than 300 square metres, it becomes a Class 3 and then there is a significantly more stringent expectation on the building.

CHAIR - Is that the part they are renting out or is that the whole building and the part they are not renting out?

Mr MURPHY - The whole building. In a Class 3 building where you have hotel rooms, for example, it is about protection around the room, so you have fire separation around the entire room, but you are also fire separating the whole corridor through to the exit pathway. You are separating off any other room that opens onto that corridor to protect the pathway in a Class 3 building. You don't have to do that in a 1b. 1b has a much less stringent expectation.

CHAIR - Because 300 square metres is fairly small.

Ms RATTRAY - It's now 200, isn't it?

Mr VALENTINE - I don't think it's 200 for this purpose, is it?

Mr MURPHY - Two hundred square metres is what is described in the director's determination for the four bookable rooms. Some of that language, again, is inconsistent with the building code and for people like me it just creates uncertainty and confusion.

Mr VALENTINE - In the building code it is 300 square metres. That is not to be confused with the 200 in the planning directive -

CHAIR - And you would propose that for those particular dwellings a building surveyor should issue a new occupancy permit for those people?

Mr MURPHY - That's correct.

Mr VALENTINE - If somebody wants to go to short stay, under your scenario, if a building surveyor goes in and assesses that building and says yes, it has to have this, this and this, and the person puts that in, how do you see it being monitored? Who is responsible for making sure that that continues to be the case and that they do have working alarms, lighting and all of those sorts of things? Is that something local government is going to do or is it something that the Director of Building Control is to do? What is your take on that?

PUBLIC

Mr MURPHY - With all buildings, if it is a hotel room in a 19-storey building, the same maintenance expectation exists. That is, you get approval, the building surveyor issues an occupancy permit and that provides a list of all of the essential measures you need to maintain and the frequency of that maintenance. The only expectation in all the buildings in Tasmania is that once a year, the owner-occupier needs to say, 'I have done these things.'

Mr VALENTINE - It has to be an annual thing.

Mr MURPHY - The frequency of those inspections, for example, if it is a fire detection system in a 19-storey building, the service contractor has to attend on a monthly basis sort of thing, but at the end of the day the owner gathers together all of those certificates and says, 'Yes, I am satisfied that all that is done and I can sign off and say, hand on my heart, that all of that is done.'

Mr VALENTINE - That is self-regulation in that sense.

Mr MURPHY - Self-regulation in a sense, but there is also an audit function that exists through the General Fire Regulations for the Tasmania Fire Service and for the Director of Building Control; I think it may be even the Permit Authority. If they have some concerns about whether things are being maintained, they are able to enter the property and check to make sure that work has been done.

Mr VALENTINE - What brings it to their attention, though?

CHAIR - It can't be random?

Mr VALENTINE - It's like council things, unless there is someone there to say, 'Find out that is the case', and sometimes neighbours might report, but it's not a physical inspection.

Mr MURPHY - I guess there could be two mechanisms there. The first is if there are tenants staying there and they are dissatisfied with the outcome, they might make a complaint through channels to the Director of Building Control's office that they think an inappropriate level of safety is provided. The second issue is that for those owner-occupiers of those properties if they don't do that maintenance as it is required by legislation, they are at risk of voiding their insurance coverage.

Mr VALENTINE - I realise that, but I just wonder whether it is the platform operator, HomeAway or Airbnb or one of the other operators, that has to make sure that those certificates are in place before they allow them to advertise on their site. Is that something you see as a way forward, or not?

Mr MURPHY - That could be a way of them providing some quality assurance through that process.

Mr VALENTINE - Otherwise they could be putting a property out there that is not compliant and it could come back on them.

Mr MURPHY - The documentation needs to be done under a statutory requirement anyway. To actually provide that to a third party in terms of the Stayz website people would seem to me to be appropriate.

PUBLIC

Mr WILLIE - We had a disability group appear before the committee yesterday and they were talking about classification. I don't know if you were watching yesterday.

Mr MURPHY - No.

Mr WILLIE - They were talking about the trigger for a 1b building being above four or more bookable rooms and the accessibility requirements under a Class 1b. Are you aware of those?

Mr MURPHY - The four bookable rooms is the provision coming from the Director of Building Control's determination, but I am saying I think that is inconsistent with what the act is saying needs to happen. If more than one person is renting a room in a house so it becomes a bed and breakfast for one person, it becomes a Class 1b, so those provisions apply then.

The accessibility provisions apply where there are more than four Class 1b buildings on the one property. If you have four units on one property, one of those needs to be an accessible unit. That may be where the four bookable rooms concept might have come from; I am not 100 per cent sure about that.

Mr WILLIE - Are you aware the Tasmania Fire Service made a submission along similar lines to yours?

Mr MURPHY - Yes, I downloaded it and saw it on the website.

Ms RATTRAY - That is good.

CHAIR - It is fairly self-explanatory; your submission is good.

Mr VALENTINE - About typical distance, when you are talking about flame areas - I am not an expert in these things, nor do I have anything on Airbnb or any other platform for that matter - what is a typical distance away from a dwelling for this flame area you are talking about as far as vegetation is concerned? I am trying to understand how onerous it would be for a person wishing to get into this space, even if it is only one bedroom they are renting out. What would they have to cope with in terms of clearing?

Mr MURPHY - It is not a complicated process, but probably beyond reach of somebody that is not skilled or experienced or trained in that particular area -

Mr VALENTINE - Are we talking about 50 metres, 20 metres or 10 metres?

Mr MURPHY - The two variables that apply are the gradient of the ground underneath the vegetation and the type of vegetation. These are the two variables that drive that. There is a very simple model that is applied in the Australian Standard AS3959 that establishes that radiant heat flux based on the gradient and the type of vegetation. If you had a forest and you had 10 metres or less on a moderate grade of slope, that would be flame zone.

Mr VALENTINE - It depends on the density and the height of vegetation and the fabric that the building is built out of et cetera?

PUBLIC

Mr MURPHY - That is right. In a normal bushfire assessment, the bushfire practitioner would assess the gradient of the ground, the type of vegetation - that is, different classifications of vegetation, it might be forest, rainforest, scrub, heath, grassland, different ranges of different vegetation - and then they apply these simplistic load tables that say, this situation gives us a radiant heat flux of 19 kilowatts per square metre at this location where the building is going to be built, so then they apply the construction standards out of the AS3959, and they have to build it to resist that radiant heat flux.

Mr VALENTINE - If it is an existing building and it has been built well before any of those regulations came into play, are you saying it is still the case that they would have to comply with the new regulations if they were going to rent their room out?

Mr MURPHY - There are building regulations that deal with alterations to existing buildings in terms of bushfire.

Mr VALENTINE - There is a certain number where you don't have to comply, a certain square metreage?

Mr MURPHY - Yes, about hydrant cover, firefighter appliance, response and firefighting water supply, for some of those there are some concessions that exist in some of those areas. Essentially, it says that the building regulations still have an expectation that there is some hazard management area. You are right, you will get a situation where there are some blocks where they have built, for example, in flame zone locations, where they are close to the property boundary, where they have no control over the vegetation over the property boundary, and it will be nigh on impossible for them to get approval for that situation.

Mr VALENTINE - If you institute this, what you are suggesting is somebody in a fire-prone area has not had to comply with the regulations, with the building fabric considered to be acceptable. In other words, it is not acceptable fabric but they want to rent out a room. What is putting this in place going to mean to them? Do they have to make sure they might have to clear a certain amount, even though they are not going to change the building fabric, and/or apply other mitigations like the lights, smoke alarms and things like that?

Mr MURPHY - As I say, it might be that their property boundary means they cannot clear that vegetation. In that situation they might not be able to have approval if they cannot mitigate that risk. If they have space around their property and they have an ability to manage the vegetation in that area, the expectation would be that they manage that vegetation and achieve an acceptable level of risk as defined by the minimum standards in the National Construction Code.

Mr VALENTINE - They would not have to change their cladding.

Mr MURPHY - No. They are the options, I guess. That might be an option. You can increase the treatment of the façade of your building and reduce the width of your hazard management area. You have an option of one or the other.

Mr VALENTINE - Thank you.

CHAIR - On the last page in your recommendations, you have mentioned in passing, 'Where discretion is provided for the self assessment of safety risks for vulnerable people by people with

PUBLIC

a vested interest,' I guess that is anyone that is renting out to someone that is in a situation that could happen. It goes on to say -

... it is essential that there is clarity in the requirement for an acceptable level of safety. If certainty is not possible in the standards because of the complexity of the environment an independent person needs to be tasked with the assessment.

We heard yesterday from HomeAway that they ask certain questions on their forms and it is self-certifying. People tick a box or say they have met certain requirements. In this situation, who would you consider to be the independent person? Would you use a building surveyor for this? Some can be independent, it could be from council, or would there be another authority?

Mr MURPHY - When I was writing that, it was a building surveyor. The building surveyor is the person who is trained to be at arm's length and has no vested interest, is independent from the process and able to apply the standards in a measured way to achieve the acceptable community outcome. If we cannot get greater clarity and certainty so that everybody can look at these quite complex issues and see in a simple way what the expectation is, it needs to be done independently.

CHAIR - What do you think about self-certifying?

Mr MURPHY - Not in these particular types of issues. For example, if you have safety glass in a house and there are clearly defined standards that establish that next to bars, in showers and in side lights next to doors, if somebody could trip and put their hand out to resist themselves you need human impact-resistant glazing in those locations. Some of these buildings might go back to the time before these standards existed. Normal plate glass windows will exist in these locations and that might not be appropriate. The change of use is the trigger to allow us to bring them up to a contemporary standard.

CHAIR - Look at Battery Point, a few there are rented out as home-stays. A heritage house has old glass - that thin, wrinkly glass. Before those homeowners could rent out a room in that heritage house - whether it be Battery Point or somewhere else in Tasmania, that the glass, perhaps on the shower if they had a shower, or the glass in the windows if it was in a room that was used by everyone - would you propose the glass needs to be changed?

Mr MURPHY - Most showers, if there is glass involved, are going to be modern installations because they are -

CHAIR - It would all be safety glass.

Mr MURPHY - Yes, that will be safety glass. You might find that if somebody has put in a bath, there is a potential to slip and fall when someone is standing in the bath. There is a requirement in the standards to have safety glass in windows adjacent to a bath, for example. It may be that if there is glazing in that location, you might need to apply a film to the glazing element to give it some lamination so that it is not going to shatter and be as dangerous. There are retrofitting options that might be applied to windows in that situation.

CHAIR - That would not affect the heritage value of the house.

PUBLIC

Mr MURPHY - No, as long as it is a float glass window. It will be difficult to apply that sort of retrospective film to it if it is stained or is a textured glass that has some shape to it. Otherwise, if it is a float glass window you can treat those.

CHAIR - Thank you.

Ms RATTRAY - In regard to undertaking those assessments, Ross, and if it was a building surveyor, what sort of cost would somebody be looking at? Considering these houses might be more remote than in the CBD or around Hobart, what sort of figure would it be?

Mr MURPHY - It is probably going to be a differential scale that reflects the distance that you need to travel.

Ms RATTRAY - I am thinking of St Marys.

Mr MURPHY - There are building surveyors. The building surveyor might be someone from the local council or a private business. In my opinion, we are not differentiating between whether they are a council building surveyor or a private building surveyor. They are both independent people. You would have someone at the Break O'Day Council who would be able to do an assessment in St Marys. My fee scale arrangement would differentiate whether a bushfire protection assessment was necessary because that might make that a little more complicated, but for a straight conversion of a building, you would provide a new occupancy permit for that owner for maybe \$400.

Ms RATTRAY - What about assessing for bushfire management?

Mr MURPHY - Again, the building surveyor could not do the bushfire assessment. We -

Ms RATTRAY - No, because you have to be a qualified -

Mr MURPHY - That is right. The building surveyor needs to be an independent person. There is a statutory bar on a building surveyor being a designer for a building because you cannot design and approve your own design. There would need to be an accredited bushfire practitioner engaged by the owner to do that assessment if it was in a bushfire-prone area. There would be a cost associated with that. The cost associated with a normal bushfire assessment is around \$700 or \$800.

Ms RATTRAY - Are they still as scarce as hen's teeth, those qualified people?

Mr MURPHY - No, I haven't heard that there is a shortage of supply of accredited bushfire practitioners any more.

Ms RATTRAY - There was.

Mr WILLIE - If the determination has changed, you have 4500 to 5000 properties. There are a lot of people who will need to get an assessment. It would have to be phased in over time, wouldn't it?

Mr MURPHY - That is the number of existing -

PUBLIC

Mr WILLIE - Airbnb, or short-stay listings in the state.

Mr MUPRHY - How many of those are in bushfire prone areas?

Mr WILLIE - The fire service said 47 per cent on their desktop analysis.

Ms RATTRAY – That is 2177.

Mr WILLIE - You are talking about a significant number of properties that would need to go through an assessment, all at once.

Mr MURPHY - Yes. That would be a stretch but not impossible. It probably does need to be phased in.

Mr WILLIE - What I am asking, would there be -

Mr MURPHY - Nothing else is happening in Hobart at the moment, either.

Mr WILLIE - There would be scope within the determination to phase that in over time, wouldn't there?

Mr MURPHY - Yes, I think so.

Mr ARMSTRONG - Smoke alarms are identified as an element of self-assessment. When a new residence is built and they want to make it into a short stay, do they have to be hardwired in or can they be battery-operated?

Mr MURPHY - The Building Code of Australia says for a Class 1b building and a Class 1a building is that they need to have hardwired smoke alarms. There has been a rollout of lithium battery smoke alarms that last for 10 years. Interestingly, we had some of those smoke alarms 10 years ago so I am not sure who is determining when that 10 years has lapsed and it is plausible they might no longer be functioning.

Mr ARMSTRONG - Ten years' time, you write it on the calendar but it's gone, isn't it?

Mr MURPHY - There is no way of distinguishing it from looking at that smoke alarm. You don't know when it has been installed.

CHAIR - Who polices it? Self-regulating again.

Mr MURPHY - That is right. The same applies to houses. When you install a smoke alarm in your house - and they have been installed for decades - AS3786 says that all smoke alarms need to be designed to operate for a minimum of 10 years. They are all designed for 10 years.

CHAIR - But you are not charging yourself to live there - I think that is the difference.

Mr VALENTINE - Are they battery backup?

Mr MURPHY - These are hardwired but even those still have a 10-year lifespan.

PUBLIC

Mr VALENTINE - But they still have to be battery backup?

Mr MURPHY - That is right.

CHAIR - Does the battery have a 10-year life?

Mr MURPHY - The hardwired systems, depending on whether it is an ionising or photoelectric smoke alarm, have different actions but they deteriorate with time. The power supply will still work but its ability to sense smoke diminishes with time. They say at the end of 10 years you should replace those. That doesn't happen; nobody enforces that and nobody is probably even aware their smoke alarms have a shelf life.

CHAIR - We all think we are covered and maybe we are not.

Mr MURPHY - They will still probably operate; there is a good way of testing that by pushing the button but you probably need to do a smoke test.

CHAIR - If your ceiling is not too high.

Mr MURPHY - That is right.

Mr WILLIE - In the interests of transparency, if a determination was changed, would you be able to do a lot of this work for people?

Mr MURPHY - I practise as a fire engineer. Most of my work is in performance solutions so I prepare solutions for situations where it is challenging for people to comply with the prescriptive standards and come up with other novel ways of dealing with it. We might use sprinklers or something else.

Mr WILLIE - Change cladding?

Mr MURPHY - Yes. I do not generally get involved in the day-to-day of those assessments but you are right, I have an interest in this area.

CHAIR - Thank you very much for coming along. We appreciate the submission you put in and taking the time to come and speak with us today.

Mr MURPHY - Thank you.

THE WITNESS WITHDREW.

PUBLIC

Mr KIM NEWSTEAD WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Welcome. We appreciate you coming in today to the Select Committee Inquiry into Short Stay Accommodation. We are broadcasting live. All evidence taken at this hearing is protected by parliamentary privilege. I need to remind you that any comments you might make outside the hearing may not be afforded such privilege. A copy of information for witnesses is available on the table if you are not aware of it. The evidence you present is being recorded and the *Hansard* version will be published on the committee website when it becomes available.

If you would like to first speak to your submission, members will then ask you questions. The information you provide should specifically relate to the terms of reference.

Mr NEWSTEAD - I prepared some notes rather than just speaking off the cuff, which I will read through and table, and then answer any questions.

CHAIR - Thank you.

Mr NEWSTEAD - My name is Kim Newstead and I make the following brief points as a previous general manager marketing for Tourism Tasmania and an Airbnb host for the last seven years. I can support all of my statements with detailed evidence.

First, I consider it essential the committee defines what is meant by short stay accommodation. That is, what rental period comprises a short stay? Without this simple definition, anything that follows is subject to commercial abuse.

Second, most reporting regarding the Airbnb booking platform is inaccurate and often misleading because all properties are reported as a total, while in reality there are many different types that can be grouped into three broad categories.

Category A is commercial accommodation that includes units, flats, hotels, lodges, motels, houses and self-contained accommodation all operated as a business. The operator is registered as a business and has an ABN and often is a large company, including most hotel operators in Tasmania, often marketing multiple properties.

Category B is a homestay in a private home with the owner in residence, who may or may not provide meals. In providing food they are subject to local health regulations. This category is provided by private individuals who do not have an ABN, are not registered as a business and in most cases it is one room only. Airbnb was originally founded on genuine homestays but nowadays this only represents approximately 30 per cent of the total offerings in Tasmania and I suspect it is declining.

Category C is a variety of private offerings almost always self-contained with the owner absent. It can be a unit in a body corporate, a controlled building, a holiday shack, a private home or even timeshare unit or a yacht. This is the category that presents the most issues and residents' complaints. In reality, it is a rental property but what needs to be determined is what type of rental property.

Third, much is incorrectly stated by the commercial operators about non-registered, noncompliant operators without any knowledge of the facts. What are these regulations regarding

PUBLIC

all of the above accommodation styles? The commercial operators attempt to use this as a barrier to market entry. For instance, Airbnb properties are required to have CO2 monitors in every bedroom. I doubt any hotel in Tasmania has one. Councils and government have an appalling record of simply defining and communicating the regulations for all types of accommodation.

Point 4 - The current situation is that category A is for a commercial operator legislated as a business that has an ABN and is subject to industry and local regulations; category B is for private individuals and residents, who, depending on circumstances, may or may not be subject to rules and regulations; and category C is for private offerings with owners absent, who may or may not abide by current rules and regulations.

Point 5 - My interest is in homestays defined as staying in a private residence and, most importantly, with the owner in residence while the stay occurs. This is important because absent owners are where most of the issues are. This is the missing definition in any current legislation, rules, regulations or permits. It is often inaccurately lumped into bed and breakfast category. Many homestays of choice do not provide breakfast and to imply they do is misleading advertising. Without a private homestay category, the existing legislation is totally flawed, inoperable and incapable of any meaningful compliance being enforced. I use the term 'private homestay' because many smart marketers will stretch the singular homestay definition. You could end up with a whole range of homestays being advertised in the commercial end of it, not in the homestay end of it.

Point 6 - There is in my opinion an emerging concentration on regulating the short stay accommodation industry without rigour to the intent, producing unintended consequences. For instance, defining the size of a bedroom or length of stay is an illogical metric; it is meaningless. Is it to increase state or local government revenue? Or, more importantly, is it designed to improve the visitor experience, which in my opinion is the only justification for regulating private homestays to improve the quality and visitor experience combined with basic safety?

Forego the current fixation with booking platforms such as Airbnb and create a new accommodation category of private homestays, supporting our tourism industry with the following suggested simple annual, self-assessed licensing requirements via Service Tasmania for an initial fee under \$50, and annual renewals under \$25.

I have a few points to cover the self-assessment: evidence of third party public liability insurance, a minimum of \$10 million; smoke detectors in any guest bedroom - I guess you can debate whether they are hardwired or battery-operated; fire extinguisher in any guest bedroom; bedroom size compliant with local building regulations; if providing breakfast or meals, then subject to existing health regulations; compliance with local council parking rules; compliance with any local neighbourhood rules; and a safety instruction card for fire escape, power failure and emergency contacts. This registration process could be extended to all short-stay types of accommodation providing it distinguishes between genuine private homestays and commercial operators. It could generate the statewide data so urgently needed on which to base policy decisions and remove the reliance on flawed, biased data from various booking platforms.

CHAIR - Thank you very much. That is great. Thank you so much.

Mr ARMSTRONG - You are saying a short stay is for one bedroom with an owner being on the premises. Does that mean that if the owner goes away for three months' holiday, that building is not to be used for short stay?

PUBLIC

Mr NEWSTEAD - I am not saying it should not be used; I am saying it falls into a very definite different category. The whole conception of homestay was people, travellers from other countries coming and being with a local resident who could guide them, inform them, immerse them in the local community et cetera. It was primarily conceived for people to use their own private residences, whatever type the residence was.

If the individual is not in residence when the homestay occurs, it defeats the underlying principles of why homestays have become so popular. They are so popular because the marketplace demands them because the marketplace sees value in immersing themselves into the local community. I am not saying they should not be able to rent out their home if the owner won't be there, but I think it becomes a very different type of arrangement.

Mr ARMSTRONG - One thing that has been raised with us is the land tax on a home. Once it is short stay or whatever other use, then land tax comes into it. I don't know what your feelings are.

CHAIR - Are you thinking of capital gain tax?

Mr ARMSTRONG - No, land tax because it is not your home.

Ms RATTRAY - It is your principal residence.

Mr ARMSTRONG - Then 23 per cent of it is possibly then subject to land tax?

Mr NEWSTEAD - In my case, it is a single room and it is probably 5 per cent. I have two a month, so I have a maximum of 24 a year. I don't usually do it over Christmas so I have about 20 a year.

I am the genuine homestay and I am not running a business. I turn over less than \$8000 a year. I am in Battery Point. I pay \$4000 in rates. I am not doing it for the money; I am doing it to meet people from all over the place and for the social interchange and for all sorts of other reasons. I would be absolutely horrified if there was any suggestion of changing my land tax. I pay enough land tax as it is.

Mr ARMSTRONG - I have been in that position where I had a home and business in front of it. I was cautioned I had to pay land tax on a portion of that.

CHAIR - But that was a business -

Mr NEWSTEAD - I would not do it. I would stop being an Airbnb. I have a choice. I think I am providing a really nice little service to a busy little port and helping with our accommodation until all of these hotels come out of the ground. I think when they do, you might find the equation changes.

Mr ARMSTRONG - It is interesting you say that.

Mr NEWSTEAD - I do not have to do it. I do not want a whole lot of regulations. If I get all these regulations I will go back to using the property when my son comes from Melbourne or my friends come from northern Queensland. It is the same thing. The name of the person

PUBLIC

sleeping in the bed might be different, but exactly the same activity is occurring. They might not be paying for it; they would probably shout me to a meal at a local restaurant. It is the same thing.

Ms RATTRAY - Or buy you a nice bottle of wine, Kim.

Mr NEWSTEAD - Yes, exactly. I do not feel there should be, in the private homestay area, any increased costs other than maybe a little fee for registering so the data is available.

Ms RATTRAY - Fifty dollars.

Mr NEWSTEAD - Yes, an initial \$50 self-assessment fee and then \$25 a year to renew it or to keep it current would be fair, but a \$400, \$500 or \$600 registration fee and all the compliance is not practical.

Mr ARMSTRONG - I will be the devil's advocate - then you will get other businesses saying that it is not an even playing field.

Mr NEWSTEAD - I disagree. I have had to extend the insurance on my house to specifically include a third party public liability, which bumped my insurance premiums up about \$400 a year. I had to spend \$250 on a CO2 monitor. Because Airbnb is American, a lot of houses in America have garages, you drive into them and they are under the roof of the house and so CO2 can become an issue. It is not an issue in Australia, but they will not put you on their site until you have a CO2 monitor. I have had to buy fire extinguishers, put in smoke alarms and I am as compliant as any motel or hotel in the state.

CHAIR - Do you have to prove that to them or do you tick a box? You self-regulate.

Mr NEWSTEAD - I have to advise them that I have a compliant smoke alarm, a fire extinguisher and a CO2 monitor.

Mr VALENTINE - That is their defence so they are not culpable and they can say the owner has told us.

Mr NEWSTEAD - No. I told them I have it and I am not suggesting that all private Homestay or Airbnb operators will have it. Some would tick the box but wouldn't do it.

CHAIR - You mentioned you have the third-party insurance; you paid the extra public liability premium. Does that cover you if you had someone staying in that room who then accidentally burnt down your house?

Mr NEWSTEAD - It specifically covers me for everything. I only wanted to rent one room.

CHAIR - The more rooms you have, the higher the cost for your public liability insurance?

Mr NEWSTEAD - Probably, but they only let you have two, or it might be three. You cannot have 20 rooms in the house. I could send the information in because I would rather be accurate about it. You are only allowed to have so many days - not a maximum number of days, but a maximum number of days per occupant.

CHAIR - At one time.

PUBLIC

Mr NEWSTEAD - Yes. I don't know why, but I think it was 14 or 15. I have a minimum of four days' stay and a maximum of seven because I am not trying to run a full-time motel. I think I am not allowed to have anyone there longer than 15 days at a time. Then I could have a day off if I wanted to and go another 15 days, and I could do that 365 days of the year.

CHAIR - If they stay with you for two weeks, went to Launceston for a week and then came back, they could stay for another two weeks?

Mr NEWSTEAD - Yes.

Mr ARMSTRONG - Do you only have to have a one-day break?

Mr NEWSTEAD - Yes, as I understand it. That is why I am open. I am a bit pedantic about criteria and objectives, and everyone bandies around the term 'short stay' but nobody has defined what it is. I suspect it is under 30 days, but I don't really know.

CHAIR - The insurance aspect is the interesting one for me.

Mr WILLIE - Thank you for your definitions. A lot of the stakeholders we have heard in the few days have been working around those categories. Most of the evidence we are hearing is that in that third category you are talking about it is not commercial with an ABN, is not genuine home sharing, which is what you are doing; it is that investment property potentially that is being used on a short-stay platform.

My question, in light of the insurance questions being asked is: do you see a need for change in that area? You are getting tarred with the same brush over the issues in the community in the business you are operating, which is very different to that scenario, but do you see a need for change in that category?

Mr NEWSTEAD - Yes. I've said I live in Battery Point. In my street there was a house, and I am not sure how many were in it, but there were four or five students renting it, year in and year out. There were all sorts of rumours about their behaviour and their drug habits, which I think was all a furphy. Somebody bought it and on the pretext of how they cleaned it up and got rid of all these rowdy students and the drugs, they converted it into two Airbnbs by splitting the hall in the middle and just blocking off the front and blocking off the back. They spent a lot of money to do it. Then they said they were going to have their daughter out the back managing it and out the front was going to be the Airbnb. That didn't ever happen. It immediately turned into two Airbnbs.

That is my knowledge of one rental property two doors down from me that was in the market as a rental property and is now in the market with Airbnb. There are people doing that on multiple fronts. It has significantly changed from the original Airbnb.

The original Airbnb is not altogether faultless in this whole discussion because although they portray themselves as the sharing, caring economy, they are a hard-nosed, commercial, profit-driven business. Their main aim in life is to get listed on the New York Stock Exchange under Apple or Google or someone.

PUBLIC

Mr VALENTINE - Just for clarification, you are not just talking about Airbnb the company, you are talking about any company in the share economy?

Mr NEWSTEAD - Yes. Airbnb are the dominant ones because they started first and they got such a head of steam up that they have probably got 80 per cent of the market. They come down and they tell the university all these numbers and they share bits of information selectively. They cherry-pick very carefully. They are very clever and they are very astute. They play most of our bureaucrats on a break. They just cherry-pick the information, feed it out and tell people what they think they want to hear. It is often quite removed from reality.

I think there is enough evidence to suggest they have affected the long-term rental market in Hobart. It depends on your philosophy - whether you think the market should rule or whether there should be some interference with it. I don't wish to put a view to this committee about that.

Mr WILLIE - On the example you provided, too, there is obviously the rental affordability issue that you raised, but in the example you provided there are also issues with traditional bed and breakfast operators that have commercial rates and other overheads that are now competing against that new category you describe without all those accreditations.

Mr NEWSTEAD - At least one company has started in Hobart, and I suspect there is probably more than one, that is now servicing those commercial Airbnb-type properties. They are just running around doing all the laundry, cleaning and provisioning. There are other companies starting up around it.

Mr ARMSTRONG - When you book on Airbnb, you actually book on a website and a percentage of that property you are going to stay at goes back to the company in wherever?

Mr NEWSTEAD - Airbnb has two ways of getting their revenue. I will speak first from the host side. When somebody wants to book with me, I determine my rate, not Airbnb. I determine what my rate is. Airbnb often has suggestions, usually it wants it lower; often I don't meet its suggestions because it just wants to sell the rooms, it doesn't care what the rate is. I determine the rate and - this is another important point - I determine whether I accept the person. You can book with Airbnb two ways. You can have an automatic booking, which is that you automatically accept whoever is making the booking. To me you are then operating as a hotel. You are no different then to a hotel. But there is provision for the person who wants to book with me to make contact with me via email, tell me in a sentence or two a little bit about themselves and me to make a judgment whether our interests are aligned and whether I would like to have them staying with me in my house. I have that control and that is really important to me.

Airbnb charge the people - say, I charge \$85 a night for the room -

Ms RATTRAY - What night can I come?

Mr NEWSTEAD - I want to see the little bio - \$85 a night and then, on top of that, Airbnb charged the person making the booking a booking fee, I think, of 15 per cent. One of the other advantages to me with Airbnb is that I never see any money. We do not have to handle any money or talk to people who come to stay with us about money. It is all done through Airbnb and then the day the client arrives, the money goes into my account.

CHAIR - Sounds a bit like Uber.

PUBLIC

Mr NEWSTEAD - Yes, it's very similar.

CHAIR - Do you and they get rated?

Mr NEWSTEAD - Yes, we all get rated on every visitor and on about five criteria on cleanliness and safety and so on.

Mr VALENTINE - The visitor gets rated as well, don't they?

Mr NEWSTEAD - We also rate the visitors, so as soon as a bad visitor pops up, they don't get to stay anywhere with Airbnb because it is all out there for everyone to see.

Mr VALENTINE - Do they see your rating?

Mr NEWSTEAD - Yes.

Mr VALENTINE - What you say?

Mr NEWSTEAD - Yes. When a visitor leaves we get an email asking us to rate them to a certain criteria and we do so. We do not see their rating on us until they have done it and then once both ratings have been done they both get published simultaneously on the website. Airbnb charges a booking fee from the client. In addition, they charge me a handling fee because I am attracting people through their website so they have to recover some of that. It is very simple and well refined nowadays and works absolutely seamlessly. I think they charge me 2 per cent.

CHAIR - That's 2 per cent of your \$85?

Mr NEWSTEAD - Yes, it is not much. Every time a booking comes in, they are getting their 15 per cent from the booker and 2 per cent from me.

CHAIR - Then you have to pay tax on top of your \$85.

Mr NEWSTEAD - Yes.

CHAIR - Do they send that off?

Mr NEWSTEAD - No. I am responsible for the tax and I don't pay any tax on it because I am retired and under the threshold and I deliberately keep it under the threshold. If it looks like I am going over, I just block out two months and don't have anyone for that time.

CHAIR - And have a holiday and invite your family down.

Mr NEWSTEAD - That is right.

CHAIR - Do they send that amount you have received off to the ATO or just rely on you to do that?

Mr NEWSTEAD - They are in America so I don't think they'd have any communication with the ATO whatsoever.

PUBLIC

CHAIR - Okay, I thought they might have.

Mr VALENTINE - The ATO might want to have communication with them.

Mr NEWSTEAD - That is a different issue, though. It is part of the online economy and again, I think the commercial operators would have to be paying tax.

CHAIR - It is looking quite attractive, actually.

Mr WILLIE - They would have an Australian office and the ATO could demand the data.

Mr NEWSTEAD - They could. The ATO could come and look at my books any time they want to because I just keep it under the threshold.

Mr WILLIE - You have been using it for seven years, did you say?

Mr NEWSTEAD - Yes.

Mr WILLIE - So you would have been an early adopter in Hobart.

Mr NEWSTEAD - I was one of the very first.

Mr WILLIE - Has the platform changed in that time?

Mr NEWSTEAD - The reason I did it is my son told me to use it when I went overseas. My wife and I were in Tunisia and funny places, and we stayed at Airbnbs at his recommendation and we just thought it was so refreshing in terms of meeting locals.

Mr VALENTINE - The personal touch?

Mr NEWSTEAD - Yes - so we came back and we had the top floor of the house that we never used so we did it.

Mr WILLIE - Over those seven years has the platform and the requirements changed at all in that time?

Mr NEWSTEAD - Not really, and nothing has changed for us in terms of the profile of the sort of people that come. In our description of our place, we carefully thought about what we said to attract the sort of people we want. We have a minimum of four nights and they all want to come for two but it is not worth doing for two nights so we made it a minimum of four nights. They go to MONA and Bruny Island and they love all the food -

CHAIR - Port Arthur.

Mr NEWSTEAD - Not so much Port Arthur. They do sometimes but -

CHAIR - A bit far to come back.

PUBLIC

Mr NEWSTEAD - They are all age groups and about 80 per cent of them are from Australia and 20 per cent are internationals. We never get any Chinese because I know the Chinese travel in large groups and what we are offering wouldn't appeal to them.

CHAIR - You have a maximum of two people?

Mr NEWSTEAD - Yes, we have a maximum of two people and no children.

Mr VALENTINE - No pets?

Mr NEWSTEAD - No pets.

CHAIR - Sounds good.

Mr VALENTINE - With respect to the regulation side of things of it - and I know that you are pretty keen not to see too much more regulation - you heard the professional in that sphere and then the Fire Service earlier talked about the need for proper lighting in hallways and smoke alarms linked to the lighting, and they were pretty strong on that. Do you see any issue with that? They say people who are going to be staying in these locations - even with the owner there - are not familiar with their surroundings and may well not be aware of the issue of fire and how to react and where to go to find their way out, so you need the lighting on the floor or above into the hallway. Do you see that as a problem if you had to install something like that?

Mr NEWSTAD - In my single bedroom on the back of the door I have a permanently affixed laminated sheet with very specific instructions as to what to do in the event of a fire. I feel that has gone some of the way to alleviating it, but people being people, who knows? In principle I do not see it any differently to you coming to stay in my house or me going to stay in my friend's house in Canberra or whatever. My son is an architect, so I have enough knowledge about designing homes and I think the bushfire one is probably critical, particularly the way the temperature is going. I see a lot of bad building design in bushfire areas. As to whether the lighting in my home should be tied in with the smoke alarms, if it became a rule I wouldn't like it but I could probably wear it.

Mr VALENTINE - Given the human safety issue is what they are saying. Obviously they are not just plucking this stuff out of the air, they are saying it is regulation for type 1b buildings and it ought to be extended to 1as if there are people who aren't used to being in that building.

Mr NEWSTEAD - I don't know what my building classification is because it is a 175-year-old nationally listed cottage on the Heritage Register. The wires are all embedded in lathe and plaster.

Mr WILLIE - Under the building code, it is a primary residence so you would be a 1a.

CHAIR - But the Fire Service did say as well that a lot of the smoke detectors have a light combined in the smoke detector so when it goes off a light comes on. I think they are the newer ones.

Mr NEWSTEAD - Mine haven't. I have a fire extinguisher in the bedroom I have serviced every 12 months; I have all the servicing recorded of it. As to smoke alarms, we've got five in the

PUBLIC

house all over the place because we have an inside open fire, and I replace the batteries in the smoke alarms every year.

Mr VALENTINE - No-one is causing you to do that, you just do it of your own volition - and the same with the extinguisher?

Mr NEWSTEAD - Yes. No-one is saying I have to do it. If you have to have these things, it is pointless having them unless they're serviced.

CHAIR - It is protecting yourself as well.

Mr NEWSTEAD - Yes.

Mr WILLIE - Thanks for coming and sharing your experience. It is good to hear.

CHAIR - It is great to hear from someone who is in renting out in a true genuine homestay.

Mr NEWSTEAD - It has been a wonderful experience.

CHAIR - I can see what I am going to do in my retirement now.

Mr VALENTINE - I will say TCIT did say that the rental of entire dwellings was more desirable than homestay. I think they mentioned a figure of 7 per cent, didn't they?

CHAIR - I think so.

Mr VALENTINE - That is whole houses being let out under the short-stay arrangement rather than the homestay. That was interesting. Do you have any figures?

Mr NEWSTEAD - I have followed the debates, and there have been plenty of them. I have also spent quite a bit of time trolling around the Airbnb site trying to get some of my own measurements. You can go onto a site where a little flag will pop up for every property in the state. I cannot remember which way it goes but green dots are room only and red dots are full house, or around the other way. In Battery Point there is about 20 per cent, if that, of rooms only. They weren't when we started but most of them are houses now. Under the old -

Mr VALENTINE - Whole houses, absent owner.

Mr NEWSTEAD - You will be fully aware of the Battery Point planning scheme, which was thrown out with the bathwater when they brought in the new planning rules, unfortunately. That - and I am being parochial here - protected Battery Point because you could not get a permit in Battery Point. You haven't been able to get a permit in Battery Point for 'self-contained' for the last 20 years. That captured all of these total buildings. You could get a permit to be a licensed bed and breakfast or you could do what I did, you could let a room. They have never had any legislation that properly captures me. Every time the council comes around and tells me I can't do this or that, I ask them to show me the legislation and they can't and they go away.

CHAIR - You meet the requirements with your insurance and -

PUBLIC

Mr NEWSTEAD - They still don't have any legislation that captures what I do because I don't provide food. I fall into a different category as soon as I provide food. I would say it would be no more than 20 per cent in Battery Point and it would be -

Mr VALENTINE - Is that 20 per cent -

Mr NEWSTEAD - Yes, room only, and it would be no more than 25 to 30 per cent statewide. When I started, it was probably the other way around or even more. It was probably 80 per cent genuine homestays and all of this other stuff has come up over the last seven years.

CHAIR - You would agree that when people are renting out a whole house or some of them have one or two, and they are not living in that house, it is not their primary residence, you would agree with those being classified as Class 1b and having much more stringent requirements put upon them?

Mr NEWSTEAD - Yes, I would. I went overseas last year for two months and I thought, oh well, having had the Airbnb experience, you get confident that people are not going to come and wreck your house. I thought it would be nice to have someone come in and live in the house for two months, look after the dog and pay me some money. I advertised the house to be rented, the whole house, walk-in, walk-out, on specific dates for two months. I had one taker, one person applied to do it and I was not confident. It was a Chinese man. He lived in China and I was not confident -

Ms RATTRAY - You weren't sure he was coming on his own?

Mr NEWSTEAD - Yes, so I didn't do it.

CHAIR - Yes, they want to come for nothing if they are house-sitting, not pay you?

Mr NEWSTEAD - Had I rented it out, I would have been prepared to operate under a different set of rules as to if I had been there.

Mr VALENTINE - You are not suggesting that whole houses shouldn't be in the short stay accommodation market, you are simply saying your type of business needs to be classified as a private homestay?

Mr NEWSTEAD - Yes, and I am supportive of a shack owner, a person who goes on sabbatical for whatever time or a person like me, who goes away every couple of years for two months or so, having the ability to rent their property. I accept it is a different type of arrangement and I accept there will probably be different types of rules applying to it.

There is one thing I would say is that it is never going to go into the rental market. If I want to rent my home for two months because I am going overseas, to someone of my choice, then that is okay. Either that is going to happen to it or it is going to stay empty because it is not going into the rental market. I find the rental argument rather strange. Nobody in the so-called normal rental market is going to be able to afford the amount of rent I can get for my house in Battery Point. I am not depriving anyone of anything.

CHAIR - They are not likely to want it for only two months.

Mr NEWSTEAD - No. They are not likely to want to pay the rent I want for it.

PUBLIC

CHAIR - If they are looking after your dog, you might have to adjust that. Thank you very much for coming in. We appreciate your submission and you coming to speak with us today. We appreciate hearing from someone who is in that space.

THE WITNESS WITHDREW

PUBLIC

Mr STEVE OLD, GENERAL MANAGER, Mr GREG ASTELL, DEPUTY CEO, AND Ms SHELLEY RICHARDS, THA BOARD MEMBER AND MANAGER, RACV/RACT HOBART APARTMENT HOTEL, TASMANIAN HOSPITALITY ASSOCIATION, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Just to let you know we are being broadcast live today. All evidence taken at this hearing is protected by parliamentary privilege but anything you say outside the hearings may not be afforded that privilege. A copy of information for witnesses is available on the table if you need to have a glance at it if you have not read it or not aware of the process, which I am quite sure you are. The evidence you present is being recorded and *Hansard* will be published on the committee website when it becomes available. By way of introduction to the way we are running these hearings, if you would like to speak to your submission, members will then ask you some questions.

Mr OLD - I will start off with an apology. I was supposed to come back to Jenny with the names of who was coming but I only sent it to her about an hour ago. I think you are all familiar with me, I am the CEO of the association, Greg Astell is the Deputy CEO of the THA and a life member of the THA, and Shelley Richards is a THA board member and manager of RACV/RACT Hobart Apartment Hotel. We brought Shelley as one of our board members for accommodation and an operator in Hobart. It is good for Shelley to come along, be part of the conversation and hopefully answer some of the questions you might have.

Our submission is fairly short; it was more the point to come in and answer questions on behalf of the committee. From the THA's perspective, we are full supporters of the sharing economy. We want to make that clear from the start because the THA looks after accommodation providers, pubs, restaurants, cafes, clubs et cetera. One of the things we get involved with is making sure visitors coming to Tasmania, wherever they are staying, are obviously eating in our restaurants, and eating and drinking in our pubs. The vast majority of our members and also non-members don't necessarily care so much where people stay, it is about the fact that they are coming to Tasmania and they are eating and so on in our venues.

From our accommodation members' perspective, there are two key elements our members always talk about. That is having a level playing field, so that any operator in the industry is on the same playing field. I guess we believe that is fair in any industry. If you are a hotel and you want to sell alcohol, you need to get a liquor licence. If anyone else wants to sell liquor, they should have to get a liquor licence. Our members see that if you want to play in the accommodation field and run as a business in the accommodation field, you should have all the same requirements as other businesses. Whatever process is put in place in relation to how you monitor these venues, and I am talking about the whole industry, all we say is that whatever is put in place needs to be policed. It is one thing to put a system in place but the other is to make sure it is policed and monitored by someone.

CHAIR - Not self-regulated?

Mr OLD - Not self-regulated because the end result is that you are relying on people saying the right thing. We need to make sure that if we are going to have the level playing field, someone is going to need to police it. If that is local council, local council are the ones who will get increased rates and those sorts of things if they find businesses that are competing in the

PUBLIC

market and want to be in the accommodation market. There is an interest for them to follow those venues. The main thing is whatever you put in place needs to be policed, otherwise it is pointless.

Around the sharing economy debate, there has always been a long debate about Airbnb and whatever it might be. From our point of view it is not about Airbnb; it is about the platforms that people advertise on. We have members who advertise on those platforms and are also regulated and go through all the checks and balances. Our issue is not with Airbnb or any of those platforms, and we want to make that clear from the start. We have had a very good relationship with Airbnb over the last two or three years. We have had five to 10 meetings with people from Airbnb and we have a good relationship with them. We don't agree on everything, but we also agree that Airbnb is a platform and definitely has a role in any market. Our beef is not with them so much; it is about making sure there is a level playing field for people who want to play in the accommodation sector. We don't have any issues with Airbnb and what they do. It is more around regulation.

We didn't want to say much more than that now because we are probably more interested - we know you've had a lot of witnesses come in - in answering your questions. One of the things we did have to table - we do the THA occupancy statistics every month and we have done a bit of a trend analysis to show you comparisons of tourism numbers of the last four years to December 2017. If you are happy, Chair -

CHAIR - It would be great if you could pass this around.

Mr OLD - Attached to the trends in occupancy levels - based on our statistical data - are the Tasmanian tourism snapshots put out by Tourism Tasmania; we are talking about their statistical data that is collected. We wanted to show where we get that information from, which is readily available to everyone. Our occupancy statistics we can send out to our politicians and other people.

CHAIR - I receive it regularly.

Mr OLD - In that table the dark blue line is an analysis of numbers month by month. The dotted blue line is the occupancy levels on average. The dotted red line up the top is the tourist numbers. You can see the tourist numbers over that same period have gone up 18 per cent. Our occupancy levels across our data have gone up about 2.9 per cent. You can see the dips in June and July. The interesting part is that our data also shows the little spikes within the winter periods, which you can attribute to festivals like Dark Mofo and those kinds of things. It shows you those events work for the state. You can see the peaks and troughs.

If you look at that as an overall analysis, a lot more visitor numbers are coming to Tasmania, as I said, 18 per cent over that period, but if you look at our occupancy statistics overall, it probably does not resonate the same levels. The occupancy statistics are based on going through our accommodation venues. It shows you they are staying somewhere. We have more tourists coming here but they are probably staying in other properties that are not through our occupancy statistics.

Ms RATTRAY - Thank you, Steve. You always come up with the goods when we need them. You talked about the no problem with Airbnb or the platforms we have in the sharing accommodation area. Are you interested in their statistics? The Government has not been able to

PUBLIC

get them and nobody else has been able to get them. Is that something you would be interested in?

Mr OLD - We have conversations with Airbnb about their statistics and they will talk generally.

Ms RATTRAY - How did you go getting the statistics?

Mr OLD - They won't hand you the statistics. They will talk in general numbers, which can be a little frustrating. They have not only done that in Tasmania though; I think they have done that in other parts of Australia and around the world in relation to what they hand over.

Mr VALENTINE - Obviously they see that as commercial-in-confidence.

Mr OLD - I am not sure how you could claim that it is. Providing people's individual names, I am not sure how it is commercial-in-confidence. From our point of view, it would be great if they did put that on the table because then you can compare like for like and some of the statistics that are out there and then talk some numbers.

Some of the people who advertise on their platform, we need to be clear, from our point of view, are operators who do, in our eyes, meet regulation. They have all their fire checks and all those things. You don't think you can look at raw numbers of what Airbnb has and say they are all non-accredited venues because some of them are accredited venues. We are saying that, as a platform they should make sure people must meet all state regulations - and that is one of the rules for advertising on the Airbnb platform,. Our point is that they should have some kind of checking system to make sure that people meet those regulations. I do not know why the system couldn't be that, if I wanted to advertise my property there and said that I want to advertise on Airbnb, I should have to prove to Airbnb that I have the necessary things - prove it to them, they would record it, lock it in their system and say, 'Steve Old is now allowed to have that property on record because they have all the data.' They are basically saying venues must comply with it, but they are not checking to see whether they do comply.

CHAIR - It is self-regulated.

Mr OLD - Yes, and I don't think that is the way it should be, but that is an Airbnb issue. In fairness, if you are going to have a parliamentary inquiry, you hope they would supply the data to you so you can have an equal conversation in relation to it.

Ms RATTRAY - A licence fee or a registration fee for all properties - who do you think should be taking that money? Should it be local government or state government? Should it be the platforms? Who should be looking after that?

Mr OLD - There is an accreditation model currently. If you look at the Tourism Industry Council's accreditation model, there is an accreditation model in place already that venues go through. We are not saying there necessarily has to be a model. What we are saying is, there is already regulation in place. If Shelley has RACV apartments and she has to meet all the fire checks and all the council regulations on food safety and all those things, all we are saying is that all properties should be subject to the same things. If they are subject to those things, generally you will find the local government or state government will be the ones that will get that income in. Then they can maintain the services they need to service. In Tasmania at the moment, we

PUBLIC

have had all these water and sewerage issues for a long time - we have talked about it. If you have people who are not paying into the system to make sure that local governments have the funding they need to make sure they keep up these services. Half the problem we have at the moment is that you have people who are potentially illegally feeding into those systems and local councils are not getting the funds that they should get to look after their infrastructure.

We have said this before to Airbnb. If an Airbnb property that doesn't have any regulation or any of the fire checks et cetera, and they argue that we want to drop red tape, we are not trying to say that you need to increase red tape. There is red tape already in place for venues to have to follow. All we are saying is that it should be consistent. If we are going to say that those properties don't need to do it, I would argue that I don't know why RACV Apartments or some other place has to meet them as well. Why should they have to do their fire checks, their food safety checks? Shelley has a bit of a list of what venues have to go through in their checks and some of the estimated dollars, which I am happy to hand over to Shelley. Again, we are not trying to increase regulation. There is regulation in place for accommodation venues already. All we are saying is that everyone should have to administer it or, if you are not going to, drop it back for the other venues. I am sure -

CHAIR - A bit like the food vans, isn't it?

Mr OLD - I am sure some of the accommodation venues would welcome the fact they are not paying out hundreds of thousands of dollars a year and they could drop those, but I think it should be a level playing field for everyone. If you are going to run a business in the accommodation market, I don't know that anyone could ever argue that it shouldn't be a level playing field. Having said that, we also want to be clear under the current regulation what the Government has done in relation to HomeShare. If, say, Mr Valentine has a property and lives in that property and wants to -

CHAIR - Primary residence?

Mr OLD - Primary residence, we are comfortable with that. That is what the sharing economy started as; if he wants to do that by sharing out a couple of his bedrooms, from our point of view, that should be his entitlement if he lives there. But if you are going to talk about renting it out to people and it is not your primary place of residence, I think it changes the argument.

CHAIR - You are talking about the whole house, where people have one or more whole houses?

Mr OLD - Yes.

Mr VALENTINE - To follow up on that, seeing as you are talking about my property.

Mr OLD - I just used you as an example.

Mr VALENTINE - I don't have a property on Airbnb or any other platform, I will just let you know that. Even though those HomeShare arrangements are there, we have heard from the likes of the Fire Service and a person who is into the bushfire side of it as well that individuals that are staying in these bedrooms are not familiar with the surroundings, saying that there should be safety features like smoke alarms and lights from the ceiling during a fire event and those sorts

PUBLIC

of things. Are you saying they shouldn't be subject to that if they are on HomeShare? Or are you saying that is part of the level playing field and they ought to have those?

Mr OLD - When it comes to safety in relation to fire and stuff, I think it should be paramount in any venue. I guess what we are saying for a HomeShare property up to the four bedrooms, as it currently stands people should be able to do it with minimal - but I think safety should always be our number one issue. The one thing we don't need in this state and in the tourism and hospitality industry is a fire and fatalities. That would be the worst possible -

Mr VALENTINE - It wouldn't go well for the state, let alone for the person who is letting it out.

Mr OLD - For everyone concerned it would be the worst possible outcome. Safety should be the number one issue and then we look at all the other issues around it.

Mr VALENTINE - They were talking also about safety glass and windows near showers, if people slip in a bath and put their hand out and through the window - those sorts of things. There is a fair bit of regulation there.

Mr OLD - Yes. Shelley is a venue operator and other venue operators have to follow all those things. Whether we apply that to a primary residence, we haven't gone so much into that thought process, to be totally frank with you. I guess, as a general comment, we are more comfortable with the person sharing their accommodation, but there are still things that need to be looked at. As I said, I am not an expert on fire regulations and all those sorts of things but I think they should be paramount in any discussion or outcome that we get.

CHAIR - When no-one is living there.

Mr OLD - Yes.

Mr ASTELL - I think that is a good point. It is fair to raise that normally someone with their principal place of residence is residing in the property, whereas we know that in properties that are rented out through that platform commercially, there could be four bedrooms but you might get 10 or 15 young people staying in it. Therein lies the problem, where they are putting undue stress on all the utilities in that region.

Ms RATTRAY - Not to mention the ambience of where they are.

Mr OLD - You have the situation now as you know, Rob, being an ex-mayor, of council elections coming and candidates talking about having a tourism tax or whatever it might be. You could say that if we had one level playing field for all those people in the tourism accommodation sector and people are on a level playing field paying what they need to pay, you would not have conversations around having a tourism tax.

Mr VALENTINE - Do you have any short stay accommodation people who are members of the THA?

Mr OLD - Yes, and we would have people who advertise on Airbnb and other platforms. Our problem is not about the platform.

PUBLIC

Mr VALENTINE - No, I am asking: would they be your members?

Mr OLD - Anyone could be a member if they are in the hospitality industry.

Mr VALENTINE - Do you have them as members? Do you know what percentage of your membership would be people in that short stay accommodation space?

Mr OLD - On short stay accommodation I don't think we would have any, Rob.

Mr ARMSTRONG - These stats are interesting where you never actually meet 100 per cent occupancy; we were told today you have another 1600 hotel rooms coming online in the next four years in the Hobart area.

Mr OLD - I should have probably made this clear too. That data is annual state, and if you are familiar with our monthly statistics - and I apologise because I could have brought a monthly statistic to show you - the synopsis is that Hobart is always the highest, and then the north and then the north-west. For instance, if you took June-July 2014, the average is about 50 per cent occupancy for the month around the state. Hobart would be around 60 to 65 per cent roughly, the north would be around the high 40s, and you would probably find the north-west would be around 30 per cent.

CHAIR - Steve, I have one if you want to have a look at it. It is for July.

Mr OLD - I was right - Hobart is generally around the mid-60s, the north is around 50 and the north-west around the 30 per cent to 35 per cent when you average that out. If you went to January, for instance, we have had months in January where Hobart is around 93 per cent to 94 per cent; and over January, February and March, Hobart could be around 93 per cent, Launceston could be around 70 per cent and the north-west could be around the mid-50s to 60 per cent. This is average annual occupancy for the state. We do it for the south, north and north-west as well, so we break it down ever further. If you look at the busy months of our accommodation statistics - busy being December, January, February, March - then Hobart will be very much around 90 per cent to 95 per cent. As you go north, they obviously get a lot lighter.

Mr ARMSTRONG - That is what I thought. I do not know whether you would have any statistics or anything to back this up, but when these hotels come online, a lot of the people who are coming to Tasmania at Christmas are probably looking at Airbnb because when they try to get into three or four of the prime hotels in Hobart, they are booked out, so they go to Airbnb. Do you think that is a fact or do you think people staying in Airbnb actually want to stay in Airbnb?

Mr OLD - Potentially, both. I think there would definitely have been periods where people would have struggled to get accommodation in Hobart because the reputation of Tasmania used to be that you could basically book at the last minute if you wanted. I think over the years that has changed and governments of both persuasions have done a great job in relation to making the winter period not as bad as it used to be and the summer periods are busy. The situation now is that people have to book earlier, but you have some people who want to stay with Airbnb. I am being general when I say that because I class an Airbnb property as one that could be meeting all the ticks and boxes or one that isn't. I guess our concern is that the people who are staying in the venues that do not have all the fire safety and stuff are at risk.

PUBLIC

We just want to make it clear that we are not having a go at the ones who stay in Airbnb properties. The end result is that travellers get to choose whatever they want to do. We are not telling them whether they should stay in Rob's four-bedroom house we talked about earlier or they should stay at a place in Cygnet in some accommodation venue. That is their choice. All we are saying is that it should be a level playing field and safety should be paramount in any of those discussions.

Mr ARMSTRONG - I think you said Shelley has a list of compliance, regulations and everything. Is that going to be tabled? It would be interesting if we could see.

Mr OLD - Shelley did it very late this afternoon for me. We could table it but I guess when we are saying factual, she has done it without looking at her P&L. I think I am probably speaking up for her but we could tidy it up and send it back.

Mr ARMSTRONG - We could take it on notice. That would be interesting to be able to see what costs are associated with your -

Mr OLD - Shelley is happy to talk to what she has written there as well.

CHAIR - If you want to talk to it and then maybe send us something later on.

Ms RATTRAY - You gave Shelley plenty of notice then, Steve.

Mr OLD - I think I gave her 15 minutes or something, Tania. I thought that was a lot of time, to be honest. Then when I rang her and said we were going to be 15 minutes earlier and that just panicked her a bit more.

Ms RICHARDS - A lot of the costs Steve is referencing primarily come from our occupancy permits as well. I have broken it down into a couple of sections. There is a whole list of general licences. We are talking about things here that have relevance to all different types and sizes in different volumes. We have licences around music and Foxtel, for example, and they are all commercial fees when we are talking about the licences and the costs to have these things available to our guests, so food licences, liquor licences, as Steve was referring to before.

Some of the things around building compliance sit around plumbing, being backflow testing and compliance. Testing and tagging of all our electrical appliances for me is well over a \$10 000 cost at my hotel with 125 rooms. I have switchboards and other major electrical plant, fire panel testing and fire door inspections, and these things are done whether they be monthly, six-monthly, annually or quarterly and there are a number of things that fit into five-year testing. When we are looking at refrigeration, air-conditioning compliance, cleanliness, hygiene, dangerous goods auditing, that is sort of sitting at around \$90 000 plus per annum for an average-sized hotel.

There are occupancy costs, so when we start looking at utilities, rates, land tax, waste removal et cetera, that is obviously all at commercial rates where some of the non-regulated properties would be sitting with domestic costings; I think there are considerable differences in those rates. We are looking at things like insurance, WorkCover insurance et cetera, and then there is a whole world of staff training and compliance that comes along with these as well.

Mr ARMSTRONG - And you have to comply with all the disability acts on top of that.

PUBLIC

Ms RICHARDS - Absolutely, accessibilities. Some of our regional properties obviously also have other things to deal with such as pool compliance, water samples, bushfire management plans et cetera, and they are considerable costs.

Mr ARMSTRONG - Thank you.

Mr WILLIE - You would be a Class 3 building under the code, so are you saying that a single dwelling that has, say, three rooms and is a standalone property should have to comply with all of those same regulations, or would they be a step down?

Ms RICHARDS - Not necessarily with the relevance to the size of the property but when it comes to the safety compliance, I think it should be a level playing field.

Mr WILLIE - Yes, at an appropriate level for the size of the property. That is good to clarify.

I know it is not your core business but we have heard evidence that the investor-type scenario that is being let out on short-stay platforms are having an impact on the private rental market. Do you worry about that and the impact it has on the tourism industry's reputation? It is an industry that provides a lot of economic benefit to Tasmania with employment and a whole lot of other things, but I am sure you want the support of Tasmanians too behind that. Do you worry about that and some of the debate that has happened in recent times?

Mr OLD - Most definitely. The issue is that we are all Tasmanians; we live here; I have young stepchildren et cetera. You want to be able to make sure of house affordability and those sorts of things. House affordability is a key for my stepkids as they grow up and it is becoming harder and harder. I had a conversation with another person about the university only two or three years ago where they were struggling to find accommodation. Obviously now the university is buying up properties like the MidCity hotel and others to accommodate those people but not everyone is in the privileged position like the university to have a balance sheet that can deal with that. I know anecdotally from talking to people that they used to have their houses through private rentals and have now gone to the short-term stay one because they can make a lot more money. I have talked to a lot of people; Joshua said that, to be frank. That is just the way it is. I have had people say to me, 'We can get \$20 000 rent per annum at our venue or we can get up to \$70 000.' Let's be honest. You can't blame that person for doing it. As I said, having short term is a great thing. From a safety perspective and so on all we are asking is that they should have to tick a box like any business if they are going to make money out of it. They need to tick the same boxes as any other business does.

There are issues around insurance, commercial rates, water and sewerage and all those things that local government looks after. Local government continually says that they don't have enough income to run local government. The first thing is they need to make sure they have people on the correct rates under their own local government acts. If they have everyone on the thing, they can then cry poor if they want to. At the moment I think they are missing out on a lot of revenue that they should be entitled to.

Mr WILLIE - You would like to see a level playing field, no doubt. Should housing supply in the short term be given in consideration of a future change?

Mr OLD - We're not the experts in it.

PUBLIC

Mr WILLIE - It's not your core business.

Mr OLD - No, to be honest it would be me making my own personal property opinion, which is irrelevant, to be frank.

Mr WILLIE - Can I test some evidence then? We have heard from other stakeholders about potentially handing over some of the decision-making in that investor-type scenario I talked about at a local level, so planning authorities have some discretion and they can manage it within their own local communities. Is that something that you would support?

Mr OLD - Always happy to look at what powers local government has. I think local government needs to have the powers to grasp at the moment the things that can be under their power already. I don't have any problems with them looking at what powers they have under planning codes. As a general principle, I don't have any problem with that.

CHAIR - Each region has different challenges, obviously.

Mr WILLIE - Even if it resulted in a scenario where a cap is put in place so there would be limited places in the inner Hobart area?

Mr OLD - In the end, local government or state government have the power. They can make whatever decisions they want to make. That is in their power. Our issue is that there is a very uneven playing field at the moment and we want to see that straightened out. That is our number one priority in this market.

Mr VALENTINE - Whatever they do, you want to see them do it equitably?

Mr OLD - Yes, I think it should be fair.

Mr WILLIE - Appropriate to the size of the buildings?

Mr OLD - Yes, the building sizes are relevant. My insurance on a five-bedroom accommodation compared to Shelley's 165 is going to be based on the fact that I have five rooms, but I should still have to have public liability and all of those sorts of things.

CHAIR - Not worrying about Rob Valentine's primary residence. We take that out and are looking at stand alone?

Mr OLD - Rob made some good points in relation to the safety side of it. The safety side should be paramount, but we have always generally agreed with the philosophy. I have had this conversation with Airbnb and other platforms. The sharing economy really started in relation to somebody having their place and letting out a couple of rooms. Fundamentally, we don't have a problem with that.

Ms RATTRAY - Their lounge room floor, actually.

Mr OLD - Whatever it might have been, but if you want to take it to the extreme. People have asked us, 'Do you stop at four bedrooms or do you stop at 10?' I jokingly say that if I owned Wrest Point, do I say that I live at Wrest Point and I rent out all those rooms privately, but I live

PUBLIC

there? Of course not. You have to put a restriction somewhere. I think we agreed with a four-bedroom place. Could you argue five? Yes, you maybe could. If you start getting over that, it starts getting -

CHAIR - Like the gentleman that came before us earlier. He had public liability insurance, paid that, covered himself.

Ms RATTRAY - He ticked all the boxes.

CHAIR - He ticked all the boxes because he felt he needed to.

Mr WILLIE - There is a level of frustration that there isn't that level playing field. A parliamentary inquiry is in place. The Government tells us some compliance legislation will hit the parliament before the end of the year. What time frames are acceptable to you to look at some of these things and then implement them?

Mr OLD - To be brutally frank with you, mate, this has been going on for a fair while. This sharing economy debate has been going on for a few years.

I think it's great you have a parliamentary inquiry about it, but we are not unrealistic in what time frames we put on it. The importance from our point of view is just starting to be addressed through having a committee like this. We don't expect it is going to be done in the next two or three months. The key principle for us is that we get to the right decision. If it means that it takes until next year, we are comfortable with that. The only proviso I put is our argument in relation to safety. We would hate to see something happen to a property or have a fatality before that. That always has to be paramount in our mind. If people are not doing the right thing from a safety perspective, we have to make sure we cover that as quickly as we can.

Mr WILLIE - You could try to address the fire risks and so on of straightaway. Then look at some of the other stuff.

Mr OLD - Potentially, if that was agreed, you could. Josh, the first thing we have to think about is safety of people - the worst scenario. THA thinks the first thing is that the safety of the tourist or the local who stays in one of those should be paramount in all our discussions. If we achieve nothing else, not being rude, that would not be a bad outcome. What that would do for our brand, for the family concerned, would be untold. That is the first issue we ought to address.

CHAIR - Knowing where they are and how many we have. People do not know how many Airbnb or short-term rentals there are. They started doing it in Launceston. Airbnb or short-stay sites do not tell you where it is until you book.

Mr OLD - If you had a multi-complex or whatever you are also putting the other people at risk. If you lived in an apartment block or whatever it might be - I am sure you've seen the issues in the *Herald Sun* this week about some of the big complexes on the mainland. We do not have such things. It is not always about a whole house being rented out that might have some safety concerns. There are unit complexes and other things that raise safety concerns about other people who stay in there.

PUBLIC

CHAIR - We won't have them soon. The Hobart City Council said that they have 300 to 400 accommodation units coming on board in an apartment block. Who is to say who takes those over?

Mr OLD - We focus on Hobart because Hobart is the capital. You could look at Hobart accommodation statistics data and in certain parts you are at 90 to 95 per cent. You could argue there is nowhere for them to stay. When you start talking about the north-west coast and the east coast and some other places and you start having operators coming in who do not have to play on a level playing field, it has a massive detrimental effect on occupancy statistics.

If you talk to our accommodation president, John Banner at Tall Timbers at Smithton and his accommodation numbers, they are not in the same field as Shelley's. You start getting what is called 'a legal competition'. It has a massive impact on employment, and other investments in a town like Smithton or the west coast or the east coast. You have to take those things into consideration.

Mr ARMSTRONG - We received some statistics from Airbnb on the east coast and it was huge.

CHAIR - Since Airbnb opened, have you noticed your occupancy rates have gone down? Do you think more people are picking up Airbnb?

Ms RICHARDS - Absolutely. There is always going to be a certain type of person who will choose to stay in an Airbnb or they will stay in a hotel.

CHAIR - Once they choose it and like, they then keep going there, so your numbers are down. I have been told a couple of the larger hotels in Launceston are not concerned by Airbnb at the moment, but they feel once all the new hotels come on board, then they will.

Ms RICHARDS - Any new inventory coming into your space is going to have some form of impact on you as a business.

CHAIR - Have you felt it already?

Ms RICHARDS - In general, we have all felt it to a point but my business is still young.

Mr OLD - It all goes back to the data, Chair. Look at the increase in tourism numbers and work out how many extra people it is bringing to the state. Our occupancy data shows it has stayed stagnant. It's great it hasn't dropped. It says to you that they are staying somewhere else. Every venue in Tasmania is not in our occupancy statistics, but it has been consistent for 25 years.

One line goes in an 18 per cent increase and the other goes just under 3 per cent. That suggests they are staying somewhere.

Ms RATTRAY - We received some evidence yesterday, Steve, about the regional areas. They suggested that if we did not have sharing platforms and Airbnb in those places, it would impact the tourism numbers. Those figures tell me it is correct; they are staying somewhere else and it is probably in Airbnb or homestay on the east coast and in other areas.

PUBLIC

Mr OLD - You are better than me on this, but there are not that many accommodation venues on the east coast, and there has not been a lot of development.

Mr ARMSTRONG - Do caravan parks come into your statistics?

Mr OLD - No.

Ms RATTRAY - We have had an upgrade at St Helens.

Mr OLD - At Orford at the Eastcoaster there has been a bit of an upgrade and stuff, but if you think about new developments on the east coast you are talking a lot of kilometres up there. There has not been a lot, but again, and we have to make sure we don't generalise here, when we talk about Airbnb or whatever we keep coming back to the fact that there are still some of those properties listing on Airbnb that have all the compliance stuff. I guess we keep going back to the fact that it is those who don't have the correct safety and compliance that are our concern. I always want to make that clear because otherwise it sounds like it is an industry v Airbnb fight. It is not. Airbnb is just a platform. As I said, it is more about the operators who are operating without the same controls. I do not like it becoming a debate because Airbnb I think is a good, legal business. We meet with them continually. The main thing for us is about making sure there is a level playing field for those people who operate, whether they are on Airbnb, Stayz or whatever it is. It is not an issue about those platforms; it is about people meeting the same regulations. I wanted to make that clear because Airbnb and all those things have a role - it is more about the safety and the regulation side where we want to see a level playing field.

Ms RATTRAY - I booked a room this week and the actual venue was \$20 cheaper than the platform.

Mr OLD - Yes. If you want to get into the online booking debate that could go for a few days but you're right. There are all different platforms out there to book now and there are all different prices. I think the ACCC has been investigating that recently as well.

Mr VALENTINE - I went onto one myself to stay in Launceston. What was on the platform was the same as what was available at the venue.

You made the statement that this data could be useful for the committee in looking at impacts of short stay accommodation on the state. I want to drill down on this a little bit. You've got the tourism numbers there and your occupancy stats, and you are saying the tourism numbers are outstripping and you are staying roughly the same. If you take into account people staying with family and friends, what would that look like if you were to project that into that graph? It might be that there are more people coming to the state but it might also be that they are staying with family and friends. Do we know how much that would vary?

Mr OLD - All I could say is that our data goes back about 20 years and is about recording occupancy data for venues and people have always been staying with family and friends and other things, so all those mediums have always been there. Our stats do not lie in what they tell us but I would argue that back in 2014 people were still saying with friends. I don't think that has increased to what the data shows back in 2010, if that makes sense.

Mr VALENTINE - I am trying to figure out how that could help us in determining what is happening in these short stay accommodation spaces because quite clearly that is total visitors.

PUBLIC

Mr OLD - If you went back to January 2014, the statewide annual occupancy was 80 per cent and you can see where the tourism numbers were. If you then go along to the far end and say that the occupancy numbers are still here, there is a massive gap between the red and the blue lines that says there are lot more people, but they are not saying in our venues.

Mr VALENTINE - But do you know what percentage would be family and friends out of that?

Mr OLD - No, I honestly couldn't tell you, Rob. I would suggest the stat is probably the same as it was 10 years ago percentage-wise.

Mr VALENTINE - Thanks.

Mr OLD - But that is not factually based either. It is a gut feeling.

Mr ASTELL - It is interesting to note that in 2014, according to the TVS, those who came to visit families and friends decreased by 1 per cent, so I think that reinforces what Steve says.

Mr VALENTINE - That either means that family and friends are dying off or moving out.

Ms RATTRAY - Families have become smaller too. If you look at the number in your family, it is smaller.

Mr OLD - I think, Rob, in fairness you will find that the caravan and campervan market has drastically increased as over the last five to 10 years in relation to what they have in Tasmania too, so you have to factor that in. I think you hinted about that before, Rob, and there are other mediums that have grown considerably as well at the same time.

Mr VALENTINE - So this is just one aspect of what could be in the mix but it is not going to going to tell the full story?

Mr OLD - No, to be frank with you it is a bit of guide to say they are the tourism numbers factually from Tourism Tasmania. They are our occupancy statistics and you can read into it however you would like. There are other factors, like Mr Armstrong said, which is in relation to campervans and all those sorts of things have increased as well. You could argue that some of the extra people have gone to that market, which is great. There have been other benefits from it as well.

Ms RATTRAY - They are substantial homes being carted around on the back of a large SUV.

Mr OLD - East coast probably sees more of them than anywhere else, I would argue. That is great. It is great they are going into that market and we welcome people who want to go into the accommodation industry. All we want to make sure of is that we see a level playing field. I think Josh highlighted that there are going to be other impacts though when it comes to housing affordability and other things, but fortunately there are decisions governments can make.

PUBLIC

Ms RATTRAY - You said you have some friends who have put their house into the short-stay market rather than the longer term rental. Do you think it is predominantly for money? Are there any other factors you might share?

Mr OLD - Not that I have heard. To be honest, Tania, no. The information I have heard from all the people who have said they have done it is that it was purely based on a numbers game. Averaging out what they have said, they can generally get three to three-and-a-half times more letting it out short term over a 12-month period than they can with a 12-month lease.

Ms RATTRAY - I wondered about bad experiences with tenants.

CHAIR - If you're not happy with your tenant, they are not staying long.

Mr OLD - No.

CHAIR - You don't have them for 12 months.

Mr ARMSTRONG - Once you get them in, you have to get them out, though.

Mr ASTELL - Steve referred to the uni; they contacted us a couple of years ago and said they were short 100 rooms for their staff. To reinforce what Ms Rattray is saying, it is all about the money. These people were getting \$150 off a uni student for their room each week and now they are getting that for a night. It is very clear to me what is happening. With the ease of entering your property into the market and into the sharing economy with the noncompliance that is available at the moment, it is putting enormous stress on our industry on the east coast.

The east coast is really interesting. We had a call from some members up there recently and they are saying they are short about 30 rooms to accommodate their staff coming into the season because the rooms they used to have are in the sharing economy. Their concern is that they don't know whether to build accommodation, and what will they do with it in the winter if they do.

Mr VALENTINE - Is this a business that has seasonal workers?

Mr ASTELL - That is right. A lot of people in our industry rely on seasonal workers. The season starts any time from now, when it starts to ramp up, going into November-December when it really takes off. They have nowhere to accommodate their staff and they are really concerned.

Ms RICHARDS - I don't think it is just isolated to regional or seasonal. Even in my place of work and business, I had a full-time staff member earning a good salary and living in a backpacker for over nine months, who has since left because he could not secure permanent accommodation. We talk about all the new rooms coming online. One of my bigger concerns is how we staff our business in some venues. If we have a situation like that right now, it is going to be more challenging -

Mr VALENTINE - So it is not about expense of venue, it is about actual availability?

Mr ARMSTRONG - It is a particular issue on the west coast, too, at Strahan. I was staying at the RACT up on the hill last year and the girl waiting on the table that morning was living in a campervan down the road with her husband. I think he was a chef.

PUBLIC

Mr OLD - Without dobbling him in, Greg ran Strahan Village for 10 years. I am sure Greg probably experienced this.

Mr ASTELL - We used to lease 15 houses down there for staff. I would imagine, and I have not been there for some years, those days are gone. The rent increased by about 50 per cent whenever they heard it was us coming.

CHAIR - Was it King Island where one of your members is building the hotel? Is that a chain? We heard they have nowhere for their workers, which increases the price of the hotel.

Mr OLD - We visited Kind Island about three years ago. We haven't been up there for two or three years but it was a major issue then. They were saying that one problem was that the locals could get a job pretty much anywhere on the island they wanted, but to get non-locals to come across they had no accommodation there. That was two or three years ago, so I would only imagine, with things taking off with the golf course and other things on the island, it has become worse. I haven't touched base with them since, but two or three years ago they had a massive issue with it.

Mr VALENTINE - Putting them up in tents, by the sound of it.

Mr OLD - There was also a business or a private person who owned a few houses and took them completely off the market. That was a couple of years ago and that was also causing some shortage issues. Whatever issues are faced in Hobart, we always have to remember they are exacerbated when you go further out. To be honest, a lot of our major concerns have always come from the regional properties. Not being rude to Shelley - she has run through the compliance - but being in Hobart, most tourists come to Hobart. The problems for us always just get worse as you go out to regional areas. That is always a real concern for us because that is where it gets harder. They are not working off the same numbers as venues in Hobart, to a lesser extent Launceston et cetera.

Ms RATTRAY - Very seasonal.

Mr OLD - Seasonality is not as bad. Again, if you go away -

CHAIR - Winter is not good, talk to Bruce.

Mr OLD - No, no, I was going to say it is not great, but it is better than what it was 15 years ago. Both governments have done a great job in relation to shortening the winter period. I think with things like, as Josh might have said, festivals, AFL and all those things that have happened over the last eight years have fixed it. All I would say is that for Launceston and the north-west the stats are nowhere near as good and are coming off the base of what Hobart's are.

CHAIR - It does depend on the event. If you have an event that is free and takes people out of venues, as we have had just recently, that makes winter very difficult, too.

Mr OLD - It does. Winter is still difficult. In Hobart your average annual occupancy is around the mid-sixties. I know when you start getting down to winter on the north-west coast properties, you are talking 30 per cent or something; you are talking three out of 10 rooms with people in them. When you start asking about long-term investment, job security and training, it is all about venues asking, 'How do I reinvest in staff, property and infrastructure?' and those sorts of

PUBLIC

things. If they are at 30 per cent occupancy for three to six months, you can imagine it is pretty tough to do.

CHAIR - Do any of you have any other comments you would like to make?

Mr OLD - We have occupancy stats that go back for 15 or 20 years or a bit longer, so if any member walks away and says, 'Can you give us a further example?', we are happy to supply it. Again, the statistics are there; they are not there to baffle. There are multiple reasons. It is not going to prove anything other than give you a bit of an idea and feel, and a lot of it is going to be that you will have to make your own assumptions off the data. I guess the data is there and it does give us an idea that our occupancy numbers show that they pretty much stay stagnant around the period. Visitor numbers and stuff have gone up dramatically.

Mr ASTELL - Just in closing, Glamorgan-Spring Bay Council has been very proactive in this space. It is doing inspections.

Ms RATTRAY - They register.

Mr ASTELL - They do. They are getting a fee for it.

CHAIR - It is the only council that does, I believe.

Mr ASTELL - I don't know why the others don't.

Ms RATTRAY - LGAT didn't even know they were until the Chair mentioned it.

CHAIR - When I mentioned it, they said, 'No, they don't.' I had my EA ring them and confirm and that, yes, they do.

Mr ASTELL - They do, yes. I have a friend who just paid \$200 to register their property.

CHAIR - And it is a one-off fee.

Mr ASTELL - That's right, but they comply. There were a couple of things they had to address; they did, and the property owner feels better for that now.

CHAIR - I think it is a bit hard for some of the councils. As I mentioned earlier, Launceston tried to do that and had a staff member actually going through the Airbnb sites, but of course all it told them was the general region unless they actually went on it and booked. It became such a time-intensive thing to do with little outcome that they stopped doing it.

Mr VALENTINE - Just one last question. With these stats, would the number of hotels and motels that aren't in your organisation be as great? Is this presumably only from your members?

Mr OLD - Yes, we have had in the past some non-members do it. They are generally properties with over 10 or 15 rooms available per night that are put into the stats. We don't have two- and three-bedroom properties put in. But over the period, the consistency of the venues has pretty much stayed the same. Our annual monthly stats are anywhere between 80 000 and 100 000 room nights per month and it has stayed like that pretty much for the 20 years.

PUBLIC

Mr VALENTINE - But how many hotels are out there that aren't in your organisation?

Mr OLD - I couldn't tell you how many are not in it. The ones that contribute would be -

CHAIR - How many members do you have?

Mr OLD - Hotels and accommodation properties, 200 to 220.

Ms RICHARDS - There would be very few larger operators -

Mr OLD - That wouldn't be in it - there are a couple - but in Hobart we have the vast majority.

Mr VALENTINE - The Federal Group would be part of you?

Mr OLD - Yes. The Grand Chancellor and those sorts of places are all members. Customs House has 30-odd rooms and it is in it. I guess the key part of it is the data has been consistent -

Ms RATTRAY - I am in those statistics. I have been down here a lot lately, I can assure you.

Mr OLD - You are the spike.

Mr VALENTINE - You are.

Mr OLD - The key part of that is that the nature of who puts the statistics in has been very consistent.

Mr VALENTINE - I understand that; I am looking at the quantum and wondering how much of that represents the whole.

Mr OLD - The one I could come back to is tell you how many actually put in the statistics, but I couldn't tell you who doesn't because the number of venues that open and shut, they are the ones that are different.

CHAIR - Thank you very much for coming along, and thank you for putting a submission in as well. Thank you too, Shelley.

Mr OLD - Thanks very much.

Ms RICHARDS - Thank you.

Mr ASTELL - Thank you.

THE WITNESSES WITHDREW.