

TRANSCRIPT

LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

Inquiry into the Rental and Housing Affordability Crisis in Victoria

Melbourne – Tuesday 10 October 2023

MEMBERS

Trung Luu – Chair

Ryan Batchelor – Deputy Chair

Matthew Bach

Michael Galea

Joe McCracken

Rachel Payne

Aiv Puglielli

Lee Tarlamis

PARTICIPATING MEMBERS

Melina Bath

John Berger

Moira Deeming

David Ettershank

Renee Heath

Wendy Lovell

Sarah Mansfield

WITNESSES

Eacham Curry, Director, Government and Corporate Affairs, Expedia Group; and

Will Creedon, Director, Founder and Chief Executive Officer, Alloggio, and Australian Short Term Rental Accommodation Association.

The CHAIR: Welcome to the fifth session of today's hearing. Joining us are Eacham Curry, Senior Director Government and Corporate Affairs, Asia-Pacific, and Mr Will Creedon, Director, Founder and CEO of Alloggio. Gentlemen, my name is Trung Luu. I am the Chair of the Legal and Social Issues Committee. To my left is the Deputy Chair Mr Ryan Batchelor and Mr Michael Galea –

Michael GALEA: Hello.

The CHAIR: Dr Matthew Bach, Dr Sarah Mansfield, Mr Joe McCracken, Dr Renee Heath and Mr Aiv Puglielli.

Aiv PUGLIELLI: Hi.

Eacham CURRY: Hello. How are you?

The CHAIR: Welcome to this afternoon. I just want to remind you that all evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council's standing orders. Therefore the information you provide during this hearing is protected by law. You are protected against any actions for things you say during this hearing; however, if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record, could you please state your full name and any organisation that you appear on behalf of, please.

Eacham CURRY: Sure. Thank you, Chairman. Eacham Curry, Senior Director, Government and Corporate Affairs, Asia-Pacific, for the Expedia Group. I am here representing Stayz predominantly, which is a part of the Expedia Group family.

Will CREEDON: Hello. My name is Will Creedon. I am the Founder and CEO of Alloggio; however, I am here today as a member of ASTRA, which is the Australian Short Term Rental Accommodation Association.

The CHAIR: Due to time constraints, there will be no opening statements; we will go straight to the questioning. I just remind members again that we are restrained to 5 minutes of questions please. If you would like to start, Deputy Chair?

Ryan BATCHELOR: Thank you, Chair. Thanks for coming in today. The part of Melbourne that I represent, Southern Metro, is Southbank, Port Melbourne, South Melbourne, St Kilda and all the way down the bay, but in that part of the electorate in particular we get quite a few local residents raising issues about the increasing number of short-stay rentals in their residential apartment blocks and the noise and disruption that occurs, resulting in a loss of amenity for them in what they thought was a residential building when they bought into it. Can you explain to me a bit either from Stayz perspective or from the peak perspective what you do to try and minimise poor behaviour from people who are renting out the properties that are put on your platforms and what action you can take and do take when there are sustained breaches of rules?

Eacham CURRY: Sure. The Stayz business, just as a bit of background, has been around for nearly three decades. It started out as a production of an annual book which would list properties to which people could go and rent for a period when they were taking their Easter or Christmas breaks. They were usually available to buy but more often they would be held by a local real estate agent. You would rock into town at your preferred time of year. You would go and find the house you wanted and in you would go. So we have got a rich history

of actually dealing with the way in which this works well in communities. That changed a bit when the internet came along and things turned online. What we have discovered is there was a massive boom in the growth of the sector, but it was not necessarily accompanied by all of the experience that we have had in how to manage these things. Around that time we developed what we considered to be a best practice code of conduct, which was engaged by us and by the body that Will now represents as a voluntary code, and that has since morphed into something which has been adopted in New South Wales and is being considered in other jurisdictions. That code is the one which we have used when we onboard our partners so that they know what is expected of them in their communities. That is about engagement and outreach to their neighbours, letting others know their expectations for travellers about what is reasonable behaviour when you are there. Those are the things which form the core of the way in which we used to try and deal with the issues, but of course that is morphed a bit now.

Ryan BATCHELOR: I have limited time so just want to get to these questions. If there are breaches, what happens?

Eacham CURRY: The worst case scenario: we boot people off the platform.

Ryan BATCHELOR: What does it take for someone to be booted off the platform?

Eacham CURRY: We advocate for a three-strikes policy, and that is what we have advocated to the Victorian government for several years now. Three strikes against a compulsory code of conduct –

Ryan BATCHELOR: That is government action. What do you do?

Eacham CURRY: Well, that is what we do. If we get three consistent complaints, we remove someone from the platform. They can no longer list with us.

Ryan BATCHELOR: Do you have any experience of people doing platform hopping, so people who are banned from your platform going onto a different platform, and what does your peak do about that?

Will CREEDON: Do you mind if I –

Eacham CURRY: No, please do.

Will CREEDON: Just, if you do not mind, if you can bear with me for a moment, it is probably important that we indicate to you who we are.

Ryan BATCHELOR: Sure.

Will CREEDON: Australian Short Term Rental Accommodation is actually made up of mums and dads, property managers –

Ryan BATCHELOR: So you are doing mums and dads, not representing the –

Will CREEDON: ASTRA is the peak body. It represents members – property managers, single home owners across Australia. There are roughly 180,000 of us, and we are amongst the regions and rural areas of Australia as well as metro areas. What we do is actually we live in the communities. We actually put and manage properties on behalf of others, owners, physically on the ground. Our people are physically in the community. How we do it is we regulate, as Eacham just said. Traditionally, it came over 140 years ago and came through the traditional real estate agent, and we run by the rules of the traditional real estate agent.

What does that really mean, to answer your question? It means that if there is an issue, we go there. We actually go into the home or go into the house and ensure, where we can, normally to quieten those guests or reprimand those guests or evict them. Also, we blacklist them on our own normal practices as well as blacklisting them on the platforms such as what Eacham has just talked to – Stayz or booking.com or others. The members, like I said earlier, of ASTRA are the people that actually do the work day to day inside the locality. With respect to Eacham, our partners in the wider ecosystem are booking.com and Stayz and such but they are not members of ASTRA.

Ryan BATCHELOR: Okay. Is self-regulation working or do you need an enforceable regulatory model from the state?

Eacham CURRY: It works to a degree but it is also why we have advocated for a compulsory state-driven code and a register. That does a couple of things important to us. It gives us legitimacy, but it also means that regulators, and that includes the local government area, and the travellers and the people who list their properties are really clear about the rules. So we endorse and advocate for a compulsory code of conduct.

Ryan BATCHELOR: Sorry, just one more question. Would you support a short-stay density quota on residential accommodation towers?

Will CREEDON: It does not work. It has been proven around the world that it does not work. I want to go back to your other question because I think that you are actually on the right path. ASTRA supports a code of conduct. It supports regulation, sensible regulation, to make sure that each property is registered, each host or each property management company is registered, so we can actually hold to account ourselves and make sure that the properties are safe, make sure that the owners' money is looked after and make sure that the guest is coming to a safe environment and the community that we live in is protected. So we seek further regulation, and we also believe firmly that it has to be at a state level. We have to ensure that it is consistent across the state regardless of whether you are in regional or rural Victoria or metro Victoria. It is really important that we are all on that same page.

Ryan BATCHELOR: Thanks, Chair. I think we have probably got a difference between aspiration and reality for many, but I will leave it at that.

The CHAIR: Do you have any other questions?

Ryan BATCHELOR: No.

The CHAIR: Dr Heath.

Renee HEATH: Thank you. Hello, how are you going?

Eacham CURRY: Good, thank you.

Renee HEATH: That is good. I read in your submission that you believe that short-term rental accommodation is not the root cause of the crisis in housing and it can actually be part of the solution. I was wondering if you would be able to explain a bit about that.

Eacham CURRY: I might start on this, Will. We actually do not think it is the cause or the solution, and we do not ask you to take our word for it. There is recent commentary from both the Productivity Commission and the University of Queensland, which was engaged by the Queensland government to undertake a study into the causes – an inquiry not dissimilar to this. In the instance of the Productivity Commission, it discovered that while there were touchpoints from the short-term letting sector with the overall housing picture, over-regulation of the sector would not actually address the central problem – that is, a lack of housing and more specifically a lack of affordable housing. In terms of the University of Queensland study, it found that the touchpoints were negligible and it made specific recommendations to the Queensland government that if you sought to overly burden the sector, it would have a detrimental economic impact on the state and a better resolution was to actually try and do the things which we have advocated – that is, a code of conduct and a register to help to collect data which will inform better policy.

Renee HEATH: Okay. Wonderful.

Will CREEDON: Maybe to add some more practical evidence here, mums and dads own holiday homes and short-term letting residential properties. Mums and dads have passed them down through their families for years in most cases or somebody finds a place in regional or rural Victoria that they like and they want to create memories for their children so they then hold it as a holiday home. What also happens, as a recent survey found, when caps were talked about to be introduced in Byron, circa 90-plus per cent of the owners would not transfer it to any other form of rental accommodation, so they would hold it as a holiday rental. And to Eacham's strong point, in fact as an operator and a member of ASTRA and living inside the community, we also employ a lot of people that need accommodation and we are continuously trying to find accommodation,

yet we have access to these types of homes. They are unaffordable for the people that mow the lawn or are housekeepers, cleaners or work in the newsagency, the grocer. What we need – and we would like to work with the state government – is to actually help address the real situation of getting real homes in the localities where these people actually want to live and be with their families and where they have grown up. We would like to advocate with you to ensure that we either go up or go out in relation to the right planning to help us make sure that our staff members and those that are indirectly employed – all of the contractors in all of those local areas – can live there. That is the sensible approach, we feel, to how we can address that with you.

Renee HEATH: So you are saying ‘Go up or go out’ as in adding on higher density –

Will CREEDON: Depending on where it is, but definitely go up, because at the end of the day if you think of regional and rural Australia, and particularly Victoria, there is some beautiful landscape. There are some beautiful areas. Those areas need people to live there 365 days of the year to actually make sure the amenity is there. How do they live there? Short-term letting and holiday letting provide the actual income so that we as members can allow contract cleaners and lawnmowers to live in those localities so that we can support the local club, support the local barbecue and ensure that the children of those cleaners and ourselves are actually filling the classrooms. If we do not have the ability to bring that money into those local areas, we are going to lose those people and it will get worse in rural and regional Victoria.

Renee HEATH: Yes, I think you are right. Thank you. Thanks, Trung.

The CHAIR: Thank you, Renee. Mr Puglielli.

Aiv PUGLIELLI: Hi. Aiv here. Thank you for coming in. We have heard commentary in public forums around the idea of either Airbnbs or short-stay accommodation originating potentially from a place where someone would rent out a spare room on one of these platforms, and now we regularly hear stories of entire properties sitting vacant for large parts of the year when they are not in use as a short-stay accommodation source. Do you think that short stays as an idea in this country have gone off the rails?

Eacham CURRY: I think it is important to understand there are different models that are used by OTAs, online travel agents. We have a vastly different business model to that which you have just mentioned in Airbnb. We consider ourselves to be somewhat boutique. Airbnb do whole unhosted properties and they do single rooms in hosted properties. In the case of Stayz, we only do whole homes, and they are generally at the higher pricepoint, which means that they would never generally form part of the affordable housing mix.

To the point about the number of homes at any given time that are vacant, in the most recent census data it was recognised that a whole proportion of those homes which reported on census night were in fact vacant for long periods of time. It was not that they were not available for long-term rent, it was that they were private residences for people who might have been overseas, or it could be that they are investment properties which they do not intend to rent anyway because they want to holiday in them. There are a vast array of reasons why those homes are vacant. If you want to look more closely at the total percentage of homes which are open to short-term letting, it represents about 200,000 across the entire country. And even if you tried to address the issue of the housing shortage tomorrow, you would not fill the gap on what the current intake of migration is into this country, which is going to be replicated across each of the next five years. It is a drop in the ocean.

Will CREEDON: Do you mind if I –

Aiv PUGLIELLI: I might just do an add-on, but you are welcome to jump in. That said, we all appreciate the scale is enormous. Nonetheless there are properties that are short-stay accommodation right across this state that, if offered as long-term rentals, would go at least some way to the immediate pressures on people that reach out to me and others in this committee saying that they do not have access to a rental in their area and yet there are increasing numbers of short-stay accommodation sources in those places. Do you think it is reasonable that community members expect that residential properties should be used for residential purposes?

Eacham CURRY: If I may, Will, again it is important to correct a misunderstanding here. Even if we accept that all those houses could be turned over from short- to long-term letting, they will not be at a pricepoint that will address the affordable housing mix and they are not in locations where the need is greatest.

Aiv PUGLIELLI: So no-one could afford them?

Eacham CURRY: No, some will. But you need to work out whether or not you want to regulate because of the amenity impact or whether you want to regulate because of the supposed impact there is on affordability and availability.

Aiv PUGLIELLI: ‘Supposed impact’ – the reality is we do not have enough homes to house people. People are seeing vacant properties that are being used as short stays, and they are saying, ‘Why isn’t that a long-term rental?’ Is it unreasonable that they would think that?

Eacham CURRY: The solution to a lack of availability of housing is to build more housing.

Aiv PUGLIELLI: I do not dispute that at all. Definitely public housing – that is something that I have spoken about before. Do you have anything you would like to add?

Will CREEDON: Yes, please, if you do not mind. I think, firstly, it is important to separate booking platforms and who we are. We are small microbusinesses across the country. Why is that important? We are talking here mostly about holiday-makers that are booking through the platforms. That is a significant portion but it is not the only portion of people that use these homes. For example, people use these homes to visit their family and friends in those locations. There are business travellers. There are actually people that are doing remote work across regional and rural Victoria and need places where they need to stay for two, three, four and five weeks. There are actually fly-in fly-out health workers – be it ambulance drivers, nurses, doctors et cetera – that use these homes in different parts across rural Victoria. There are also disaster-affected people, be it bushfire, be it flooding et cetera, when there need to be evacuations – continuously we get those people. Why do we get those people? Because they call us. They do not call the booking platforms, they actually call us on the ground in those local communities. The other part of the unintended consequences, with respect, is that we absolutely look after people that have to leave their home in an emergency.

Aiv PUGLIELLI: Are you also receiving a profit from those people?

Will CREEDON: Sorry, sir, if you do not mind, this is really important, I think, for everybody to hear. Those emergencies – there is a flood in the home or there something in the home and they have to evacuate their children or their pets and they need to go somewhere. They cannot go to hotels or those types of accommodation. Also, there are people fleeing their home – women and men – because of something that is happening. They need to go somewhere that is like a home, and we are that. They call us, and we look after them.

Aiv PUGLIELLI: I hear that. Is there a profit being made off those people?

Will CREEDON: Absolutely there is a profit being made off those people, and there should be a profit being made – a reasonable profit, not an extreme profit. At the end of the day, like I said, we are microbusinesses and our members are trying to earn a living in that local area. So it is not about profit, it is actually about being hospitable and looking after ourselves and those around us in our own community.

The CHAIR: Thank you, Mr Creedon.

Aiv PUGLIELLI: That is my time.

The CHAIR: Dr Bach.

Matthew BACH: Thank you. Thanks, gentlemen, for coming in. I also noted what you said, and this comes back to a question from Dr Heath earlier, in your submission – I think it was your submission, Mr Creedon – that short-term rental accommodation is not the root cause of the housing crisis, and all the evidence bears that out to be true. I was interested that you had then gone on to say that it should be viewed as a potential component of the solution. I was going to ask you to drill down on that a little bit more, but I dare say some of the comments that you just made in response to Mr Puglielli go to your views on that.

We heard earlier today from an expert called Professor Burke – he is at Swinburne University – and he was talking about short-term rental accommodation. In short, what he said, linking to some of the views that you have both put forward, is that even if you did something extreme – increase the government’s newly announced tax on short-term rental accommodation, for example – and even if the government took significant action that led people to taking their properties out of this market, you would not see much movement in particular in

regional areas and in holiday hotspots but you may see more properties become available for longer term rents in the city. We did not have the opportunity to press him on that, but I wonder if either of you might have views, any data or any information about that, because I thought that was interesting. It chimed with what you have been saying to an extent, but then it was interesting that he thought that there would be this divide of city and country.

Eacham CURRY: We have not seen any evidence of a significant shift in the complexion of the housing market as a result of arbitrary measures taken to try and limit it in other areas.

Matthew BACH: Right. Thank you.

Will CREEDON: And without hearing the evidence earlier on, I can only talk about the evidence that we have seen. In a recent survey, as I mentioned earlier, in Byron, people – a 90-plus percentage – would not move their properties from short stay or holiday to a permanent rental. Anecdotally we find across the world and here that it is very limited if at all that it really moves across. To my earlier point, I think it is important that we make available, be it by creating or building or repurposing, supply that is suitable for the people that want it at a price point that they want.

Like I said earlier, we are more than happy to work with the committee and the Victorian government in how we identify that. And actually, you know, it is interesting as well: one of the things that we are lacking, both the industry and the Victorian government – and most governments, to be honest with you – is evidence of actually how many real short-term rentals are out there. That is why I think it is important that we get the evidence. I think what I talked about earlier around regulation and particularly around actually each property being identified uniquely so we can understand it and who is managing it or if it is hosted will provide the opportunity to make meaningful policy decisions and hopefully negate any unintended consequences, to be honest.

Matthew BACH: All right. Thank you. And my understanding is, as you say, that there is not a great deal of evidence when it comes to the potential impact of measures that may affect your sector of the market, and my worry I think is that the really strong almost myopic negative focus on the short-term rental market is diverting us from the piece of the puzzle that could ultimately have a much bigger impact more broadly. I think that is my time. Sorry, Mr Curry.

Eacham CURRY: Look, you are spot on, which is precisely why we understand and appreciate the challenge that state governments have in trying to find a solution to this. We offer solutions which we know work elsewhere because they help build the picture which informs better policy, and they are the code of conduct and a register: a code of conduct with strong penalties for breaches, in the case of New South Wales in the millions for platforms and in the hundreds of thousands for partners, and a register which collects sufficient data to actually paint a good picture. There is a very good example in Tasmania which has been operating now for about three years painting a very useful picture, which that state government is now using to inform better policy. It does not include things like night caps. It does not include onerous restrictions on the way in which somebody can let their property for short-term letting.

Matthew BACH: All right. Thank you.

Will CREEDON: I am in total agreement, sir. You have nailed it. And it also helps – your colleague, to his earlier point – if we know who they are because we can actually make sure that those negative feedbacks are limited if not squashed.

Matthew BACH: Thank you. That is all from me, Chair.

The CHAIR: Thank you, Dr Bach. Michael, would you like to continue, please.

Michael GALEA: Thank you, Chair. And thank you, both, for joining us. I would like to pick up from my colleague Mr Batchelor's line of questioning from earlier specifically in relation to conduct and that code of conduct we have been talking about. Firstly, under such a model that you use, what is to stop people from platform hopping? Say, if they are kicked off Stayz, they then go on to Airbnb or to one of your platforms. How does the code of conduct stop that, and does it do it well enough?

Eacham CURRY: It does do it well enough. Look, it is a useful point that we perhaps did not address with you, Mr Batchelor. Anybody who wants to short-term let a property would have rocks in their head if they do not multilist. If you are serious about it, you list on us, you list on Airbnb, you list on everywhere, or you are not maximising, you are not a real investor. The code of conduct, the beauty of the one that is in operation and the register in New South Wales is there is real-time data. A lot of time and money has been spent investing into an API that does that in real time so that we know where the bookings are, we know when they are happening and we know if they have been cancelled, and that all contributes to the thing which the New South Wales government wants to measure, and that is where there are problems that would result in a strike and would ultimately result in someone being removed. These registers are held by the state government. That means that when there is a breach, it identifies it by registration number for any property, whatever platform they are on.

Michael GALEA: So that is where the benefit of having state regulation and all of that is preferable to self-regulation, basically.

Eacham CURRY: Absolutely. Correct. That is right.

Will CREEDON: Just maybe to help you, if you do not mind, sir – so when an owner signs an agency management agreement, we put that property in what we call a PMS, a property management system, which Eacham is referring to. That property management system then allows the property to be surfaced on our websites, or we can take phone calls for bookings for that property be it on Stayz or booking.com or whatever. And it is important that a number of things happen. Eacham was referring to having a centralised registration infrastructure to ensure that we have the properties safe – smoke alarms, swimming pool regulations, window regulations, all of those sorts of things – to make sure that regardless of what is happening we are actually going to introduce somebody into a safe environment.

The other part of that is that we can monitor and understand who is using the property. Our teams, regardless of where they are in the state, would go to that property to inspect that it meets that criteria as the very initial regulation to ensure that it is a safe environment. It also means, though, that when something does happen, we have the ability in the property management system to turn it off. That is because of what we monitor, which is that if there are bookings that are unfunded properly or if there appears to be somebody or a booking that is not quite right, we can call them, investigate and such things, and we can actually shut the opportunity down.

Michael GALEA: Sure.

Will CREEDON: So it is important –

Michael GALEA: Thank you. Sorry, I do have limited time, so I will keep going.

Will CREEDON: Sorry.

Michael GALEA: Suppose you are someone living on the Peninsula or in the Macedon Ranges, and next door to you – you might not even be aware – you suddenly realise that your next-door neighbour's house has become a Stayz, Expedia, Airbnb, whichever it might be. There is a serious issue; there is a noise complaint or a party going into the night, there might even be violence or any other sort of issue going on. How do you address that issue at that time? You might not even know what platform the property has been rented through. How do you contact them. How do you work with neighbours to make sure that they are listened to?

Will CREEDON: This is where, with respect to Eacham, there is a significant difference. Like I mentioned earlier, Stayz and booking.com and Airbnb are booking platforms. We actually have the keys to the home. We actually go in and out of the home. We are actually living in that community. So what do we do? We will go to the house. We will go to the neighbours. We will make sure that if there is something going around, we are actually knocking on the door to ensure that we provide a safe environment. That is a distinct difference, and it is important for all the committee to understand that difference. With respect to Eacham, there are booking platforms and then there is us, who are actually in the community on the ground regardless of where the booking comes from, because at the end of the day, like I tried to explain earlier, the booking comes through the booking platform onto the PMS, which is to us.

Michael GALEA: Yes. I realise with either model you are going to have really good, high operating standards and then some that will not meet that standard at all. Mr Curry, can I ask you that same question?

Eacham CURRY: Yes, of course. So we seek to mitigate these sorts of things before they start, and that comes with good education of people who want to host their properties. First, that means they talk to their neighbours. They provide them with a phone number should there be an incident where the owner is not onsite. If it is a serious matter like criminal conduct, the first call should be to the police. But a neighbour will have access to the phone number for the owner of the property, and we provide a 24/7 advice and assistance line through Stayz for people who are experiencing an issue. We often find that in those places where there is proper engagement by the owner of the property, which we train them to do, we deal with that before it happens. In the case of an individual booking, if you get an unusual booking, I mean, generally you know whether a booking is going to have a red flag on it. If you get a booking, for example, two days before somebody wants to come and stay, it is a red flag. You go and call the person, ask them how many people are coming, what is their intended stay, what are they doing while they are there. You usually find out pretty quickly whether it is going to be a problematic booking, and you do not accept it.

Michael GALEA: If I may very quickly, Chair, ask one last question, and feel free to take this on notice – how many people do you ban from the platforms each year? I realise this may be more for you, Mr Curry.

Eacham CURRY: I would be happy to take it on notice. It is not many because we have got good partners who we train well.

Michael GALEA: Thank you.

Will CREEDON: And, sir, that is all the more reason there needs to be a statewide infrastructure for registration, to answer your real question.

Michael GALEA: Thank you.

The CHAIR: Thank you, Michael. Dr Mansfield.

Sarah MANSFIELD: Thank you. I am interested in your thoughts on the proposed levy on short stays and what impact you think that will have.

Eacham CURRY: There is always an important conversation that should be had between our sector and the body that seeks to regulate us, because we do recognise that there is an impact that we have on the provision of services. It is largely at the local government level, but it does have impacts across state as well. We have long been involved in discussions, predominantly in places like – and there is a really good example of this not so far away in Queenstown, where the local government has many more of the tools, like Australia's state governments, to regulate. Back in 2018 and 19 that government undertook a referendum to establish a tourism accommodation levy which applied not only to short-term letting but to all accommodation providers. It was set at 5 per cent. We endorsed it because we recognise that we do have an impact and it was the right thing to do. Unfortunately, what is being proposed in Victoria is not sufficiently widespread. It targets one thing alone, and it is going to collect very little money. If the stated intention is to try and curb the behaviour, then it will not do that. If the stated intention is to raise money, then it is not going to collect much. We support the conversation around the contribution. We think it should be more widespread, the rate can be lower and it will have less of an economic impact, which in Victoria in 2019 was worth \$1.6 billion and supported nearly 10,000 jobs.

Will CREEDON: I would like to follow on, if you do not mind, from Eacham. There is no question – and I do not want to speculate on what it will or will not do, to be honest with you – I think the government has a very difficult balancing act, because one of the things that it will do is it will potentially curb opportunity to widen the shoulder and off-peak seasons in regional and rural Victoria, which means then that there may not be events, cultural or sporting, and there may not be other activities taken on in those areas, and I think that will have a greater consequence to the Victorian economy and to the amenity of regional and rural Victoria. My heart goes out to you in how we actually help you get a balanced approach there.

Sarah MANSFIELD: Just to go back on what you said, you mentioned curbing behaviour. You both used the term 'curb' in different contexts, but both alluding to the fact that – does that mean that people will not put their properties up as short stays?

Will CREEDON: The fact is that the levy, the tax, is actually targeting the guests more than the owners of those properties, and I think because it is targeting the guests and the bookers of those properties it is, by accident, removing much-needed revenue in regional and rural Victoria.

Eacham CURRY: When the Premier made the announcement he mentioned two things which it was designed to try and do. The first was to try and curb behaviour – he was hoping that that would mean there might be some return of properties to the long-term rental market. He also said that it was to be used to go into the housing fund to build further housing, so there are two streams of thought around this. That is what I meant when I said it was an attempt to curb behaviour.

Sarah MANSFIELD: Yes, so in terms of returning property to the long-term market, you do not believe it will be effective?

Eacham CURRY: No.

Sarah MANSFIELD: You have argued that it is a very small proportion of the housing market that short-term accommodation makes up, although we do not have exact figures on what that is. We have got some estimates in your submissions, but you have acknowledged the lack of data. But there has been significant growth in short-term accommodation in recent years, and we did see during COVID – and I am not saying we want to see those times come back again where tourism shut down completely – a real shift when we had a reduction: we saw people converting short-stay accommodation into long-term rentals and that actually had the effect of easing the prices of rentals and creating some more rental affordability for people. Is that some evidence to show that there can be an impact if we free up some of that stock?

Eacham CURRY: I think there is a fair bit of conjecture in there about the impact that such a small number had on rental prices generally. Yes, there were people who turned theirs over to longer term lets in a situation where people could no longer visit short-term rentals because of the lockdowns.

Will CREEDON: The government stated there are around 36,000 rentals in Victoria. To go back to the times of COVID, during that period we did not have international students, we did not have millions of people visiting us, a lot of people that were here living in Australia left to go back to different parts of the world, so it is a very hard way and difficult to really get a real understanding of what effect in normal times it would have or would not. I think it all comes back to, even though, like I said earlier, the industry is around 140 years, we still do not have enough evidence and registrations to really understand what can and cannot happen, to be fair.

Sarah MANSFIELD: Thank you.

The CHAIR: Thank you. Mr McCracken.

Joe McCracken: Thank you. Obviously we all know recently the government slapped a 7.5 per cent tax on short stays, which I am quite interested to talk about, and that was publicly spoken about as a solution in part to the housing crisis that the state is facing. I want to explore about this new short-stay tax of 7.5 per cent and the impact. What confidence do you have that this tax will capture all short-stay properties?

Eacham CURRY: Very little. I had a discussion with Treasurer Pallas and the Minister for Consumer Affairs Minister Pearson the week before last. I asked them who this was designed to target and they said, ‘Well, it’s you at Stayz and at Airbnb,’ and I said, ‘Well, you’re going to miss a whole bunch of people.’ There are large, similarly organised businesses based offshore. Booking.com is one, and Trip.com, the single largest property OTA in China, and both ministers were surprised to learn that there were other players in this space. You will miss all of them.

Joe McCracken: If that is the case, then what consultation was done to engage with you or others in the industry to develop a solution – or a ‘solution’, we will call it – to this issue?

Eacham CURRY: I have written nine letters over the last four years to the government seeking to advance the policy or the solutions which we advocate – that is, a code of conduct and a register – which will do some of those things, and in partnership with the discussions that I have already said we should be having about the contribution we should be making, and it was radio silence.

Joe McCracken: So you got no response whatsoever?

Eacham CURRY: I got acknowledgements of the letters.

Joe McCRACKEN: An acknowledgement is one thing, but did you get a response that would indicate that the letter had actually been read?

Eacham CURRY: No.

Will CREEDON: I cannot speak for others, but I have spoken directly to other members and tourism organisations, particularly on the Great Ocean Road, for example, down in Apollo Bay, and there was no consultation.

Joe McCRACKEN: I know that area very well.

Will CREEDON: It is disappointing, but I think we should look at it again as an opportunity to re-engage and potentially reset some of the framework so that we can have an evidence-based discussion of what can and cannot happen.

Joe McCRACKEN: My other thought was what happens if a property is used for the purposes of short stay but is not listed on a platform? It might be through a local noticeboard or something like that. Is there any idea of how that would be captured with this punitive sort of tax?

Will CREEDON: No, absolutely not. The way it is designed presently that we know of, absolutely not. I just want to maybe reintroduce other areas, and not to speak about New South Wales but to speak about New South Wales for a moment. Having a statewide portal to ensure that each property is uniquely registered on a portal to allow it then to be surfaced on our websites – our booking partners – means that everybody knows, and everybody knows what is happening, which means that if a booking is taken, it is against that unique identifier of that property. To Eacham's point earlier, right now, as we understand it, the tax is toward Stayz and Airbnb, not to the wider what we call online travel agency world, separate to our world, which is property managers and actually owners of properties. We have no mechanism to even tell you or explain to you or even to ourselves at the moment what is happening. There is a lot of work that is needed here, and it is a much bigger issue than what we were just talking about.

Joe McCRACKEN: I just had one final question about how this sort of thing would be policed and enforced, because it seems like the sector, let alone the government, does not even know which parts of the sector are caught up in the tax.

Eacham CURRY: In the absence of a proper regulatory framework, it is next to impossible to police.

Joe McCRACKEN: That sounds like a pointless tax then.

The CHAIR: Well, thank you. There are just a few minutes left; I will quickly wrap it up. First of all, thank you very much for coming in. I know this has felt like a grilling, but it is not, and I know you are representing a peak body of short-term stay. I understand there are various sectors in the short-term stay; there is Airbnb, there is high-end accommodation as well. Now, as you are aware, we are in a housing crisis at the moment and the appetite from the public – there is a perception that short-term stay is some sort of contributing factor. What we have noticed in recent years, for whatever reason, whether there is a tax incentive or whatever it is, is long-term stays or holiday homes have converted dramatically to short-term stay, and there has been an increase in that; that is recognisable. From what we are hearing so far from this committee there are issues as to the code of conducts, whether it is Airbnb or other accommodation. There are two questions I want to ask you. One is: the code of conduct, how are we going to address that? I think that is in your realm and you can assist in many ways. The second question is: to alleviate the perception that short-term stay is causing issues and contributing to the housing crisis, what kind of recommendations can you suggest that would encourage incentives for those short-term stays to convert back into more long-term rental properties?

Eacham CURRY: We cannot tell our partners how they should treat their individual property. We can encourage them to do things, and where there have been instances like the Warrnambool shire council asking us to assist in that process, we have been happy to provide a message to our partners to say 'You might like to consider looking to a long-term rental' to help them alleviate an immediate problem, but we cannot force them. We understand the questions and we understand and we want to be part of a solution – it is why we say make it

a data-driven solution: understand what the questions are, understand where the problems are, start with a code of conduct to regulate the behaviour, start with a register to collect the data that will inform better policy and paint the picture. We have got lots of data, we are happy to share it; let us make the framework to do that.

Will CREEDON: You asked us if we could help: yes, we will, and we would like to engage in a meaningful way to help. I will underline what Eacham said: help create that code of conduct, help inform you like we have done with the New South Wales government on that central portal of registration, and then from that we can have the evidence to actually decide and understand where supply is needed and what type of supply. We can assist, I hope, with some of that evidence through our own team members, our own employees, our own housekeepers, our own lawnmowers and everybody that touches the community. We can bring that to you to help us get a meaningful, evidence-based understanding of what is actually happening on the ground.

The CHAIR: Okay. Just to wrap this up, I will just give you an opportunity. Is there anything you want to put forward for us to recommend to the government to assist in relation to giving a better perception of short-term stay to the general public, whether that is in relation to public announcements or advertising or communications, or how we can use incentives to convert short-term to long-term stay?

Eacham CURRY: I think if you are asking us to speak with our partners and encourage them about considering long-term rentals, well, we can do that. But these are very much personal decisions by people who invest in these things, often mum-and-dad investors. But I do not think that is going to address the broader concern you have got; it needs to be evidence-based. I would just encourage you again to look at the policy prescriptions that we are offering, which we know work elsewhere, which do build datasets that inform better policy, and build the tool that will actually regulate the behaviour where that is problematic.

Will CREEDON: And to you, sir, again like Eacham, we can take your request to our members. It is a highly personal decision by mum-and-dad owners – circa 98, 99 per cent of owners of these properties are mums and dads. As I said earlier, they are passed down through generations. It is very unlikely, but we might come up with some ideas that we can then pass on to you, in turn. However, as Eacham said, we need to get to the evidence, and we are more than happy and delighted to be part of that conversation and that engagement. And as I said, we just want to protect our local communities and everybody in them.

The CHAIR: Just one very quick one regarding tax. Joe mentioned less than 10 per cent was taxed. Do you consider tax and levies are more beneficial or –

Eacham CURRY: A broader based levy or tax like that employed by the Queenstown council, the Lakes District Council which governs Queenstown, will do more to recognise the impact that the tourist accommodation sector generally has on the provision of services, rather than one thing which targets a very small part of that sector.

Will CREEDON: Sir, I believe the tax in its present form will do nothing for supply and in fact will have unintended consequences right across regional and rural Victoria.

The CHAIR: Thank you.

Joe McCracken: Chair, could I just make a request – I know you talked about the correspondence. Can we get a copy of the correspondence you sent to the government and did not get much of a response to at all?

Eacham CURRY: No problem.

Joe McCracken: Thank you.

The CHAIR: Thank you. This brings this session to a close. I again thank you, the panellists, for your generous time today and for giving submissions. Witnesses will receive a copy of the transcript for review in about a week's time, before it is published on the website.

Witnesses withdrew.