

# STANDING COMMITTEE ON THE ENVIRONMENT AND PLANNING

## Inquiry into the Owners Corporations Amendment (Short-stay Accommodation) Bill 2016

Melbourne — 13 April 2017

### Members

Mr David Davis — Chair

Ms Harriet Shing — Deputy Chair

Ms Melina Bath

Mr Richard Dalla-Riva

Ms Samantha Dunn

Mr Khalil Eideh

Mr Cesar Melhem

Mr Daniel Young

### Participating Members

Mr Greg Barber

Mr Jeff Bourman

Ms Colleen Hartland

Mr James Purcell

Mr Simon Ramsay

Ms Jaclyn Symes

### Witness

Mr Brent Thomas, Head of Public Policy, Airbnb (sworn).

**The CHAIR** — I declare open the hearing of the environment and planning committee with respect to its inquiry into the Owners Corporations Amendment (Short-stay Accommodation) Bill. I welcome Brent Thomas, the head of public policy for the Australia and New Zealand Airbnb. I just indicate that evidence taken here is protected by parliamentary privilege; what you say outside may not be. I ask you to make a short introduction, and then the committee will follow with questions.

**Mr THOMAS** — Sure. If you can just bear with me for a second, I have got some of this on my computer. I spent this week in South Australia and Tasmania, where they have both got new homesharing laws, and I have not had access to a printer.

Thanks very much, Chair and members, for the opportunity to be here today and to give some evidence about this proposed bill amending the owners corporations act. We have made a written submission which I take it the committee has obviously had access to. I will just hit on some high points and give some updated data and figures as well, if you like, if that is useful, and then I am happy to take questions of course.

Airbnb is a community-based online marketplace which connects hosts, individuals with spare space, with guests, individuals looking for a place to stay. Interestingly, given the subject and the issues this committee is considering, Airbnb was founded in an apartment building, which we would know in Australia as a strata building, in San Francisco. The first three guests did not know each other and also did not know the hosts. Those hosts are Airbnb's founders, and they are still the senior leadership team of our organisation today.

Since 2008, when Airbnb was founded, over 150 million guests have stayed with hosts in one of the more than 3 million Airbnb listings around the world across 65 000 cities and 191 countries. Airbnb listings can be a host's spare room, their entire home when they are travelling or some other form of accommodation, whether it be a traditional holiday home, a granny flat or even a tree house.

In terms of numbers — and I think these are a little bit updated since the written submission we made — Victoria is a key destination for travellers. Here are some of the stats. In the last 12 months over 1 396 000 guests from Victoria have stayed at an Airbnb listing elsewhere in Australia or around the world. Over the same period, over a million guests have organised through Airbnb and hosts here in Victoria to stay in this state. Airbnb now has about 26 000 listings across Victoria, about 10 000 of which are in Melbourne. About two-thirds of Airbnb listings are entire homes, and the remaining third are private rooms or shared rooms. In fact less than 60 per cent in Melbourne are entire homes.

The average length of stay for a guest is three nights, or four nights in Melbourne. A typical host in Victoria earns about \$5700 per year, and a typical listing in Victoria is occupied for 33 nights per year. We know that about 80 per cent of Airbnb hosts share the home they live in, whether that is a freestanding home or a townhouse or a unit.

These are new as well. In terms of economic impact, Deloitte recently released a report a couple of weeks ago which describes the economic impact of Airbnb in Victoria. What it found for the 2015–16 financial year is that Airbnb guests spent about \$625 million in Victoria, supporting more than 4000 full-time equivalent jobs and contributing about \$413 million to gross state product. About 76 per cent of listings globally are outside of traditional tourism areas. So what we know is that Airbnb guests stay longer and they are spending money in local communities that do not normally benefit from the tourism dollar. It is money going into local retailers, local pubs, local cafes and local restaurants.

The other point to make is that many of our hosts do not just share their home for financial reasons; as I said, it is not usually primary income, being \$5700 a year on average. Many also do it for social reasons. A typical host can be a baby boomer. About 70 per cent of our hosts are women. A lot of these people are doing it also for social reasons; they are meeting people from right around the world.

I come through to the issues we are here to talk about today in terms of amenity and behavioural issues. We are here because the bill seeks to provide a mechanism to deal with amenity issues in strata dwellings which may arise from short-term lettings. At Airbnb we are very proud to have built a respectful and compassionate community. As I said, most Airbnb hosts are sharing the homes they live in, and we seek to give them the tools they need to only welcome respectful travellers, and when issues do arise in those very rare circumstances we work very closely with our community to try and resolve them.

We have got a few systems we have put in place including verified ID and a double-blind review system. I shared my family home in south-western Sydney over Christmas for the first time for a couple of weeks, and we were able to see the reviews of the people that stayed with us before we accepted their request to stay with us. We had two families from overseas that we obviously had not met before. We implemented a new tool last year which is called the neighbour tool, which allows people who are not hosts or guests — they can be owners corporations, they can be other neighbours — to register complaints through Airbnb's system, which allows us to then respond to those claims and ultimately delist hosts or guests if we are satisfied that the behaviour is such that they should be delisted.

I can talk about some numbers in response to some questions if you like, but if I can just talk to strata and this bill, this amendment bill, I have read many of the submissions from those parts of the community that say the bill goes too far, and I have read some of the submissions and evidence from people that say it does not go far enough. We probably land somewhere in the middle of those two groups. We think there is a role for us as an organisation, as a community, to do what we can within our own platform. We think there is a role for the industry as well. We are a supporter of the HRIA code of conduct, and we also are supportive of governments that want to play a constructive role as well, provided they are looking to deal with the behavioural issues and not remove somebody's right to share the home they live in.

Obviously these things get a fair bit of media attention when they happen, but I might just talk about the data in terms of trust and safety, because there is no place for bad behaviour or disruptive conduct on Airbnb. As I said, there have been more than 150 million people that have used Airbnb in the last nine years. At our peak points we have had some nights where 2 million people have been staying in an Airbnb somewhere around the world on one night. But globally, claims where there has been, for example, damage to property of \$1000 or more occur in 0.009 per cent of cases. To bring that to life, that would mean somebody here could start sharing their place on Airbnb today and they could have a new person check in every single night for the next 27 years before they would expect to have one of those incidents, so it is incredibly rare. When it happens we take it very seriously.

We understand when amenity issues happen they are serious, and as I say, we take them seriously, particularly in multidwelling units or strata buildings, but we do have a fundamental view that an individual should have a right to share the home that they live in, whether it is a freestanding home, a townhouse or a strata building. There is a whole generation of Australians that will probably only ever be able to afford to live in strata buildings, particularly in the big cities. There is also a skew towards older folks who live in strata dwellings, and we have got a view that their rights should be the same as somebody who happens to live in a freestanding home — their right to share a place. Obviously you can share your place with mum or dad or brother or sister, or you can bring a stranger home that you have met out at a party or at a function at night-time. There are various apps that allow you to meet people very quickly. We think that the Airbnb system is a whole lot more secure than all of those things because of our rigorous identification process. So we see it as a fundamental right. We would hate to see a tale of two cities where you can share a place that you live in if it is a freestanding home, but if you can only afford to live in a strata building or for whatever reason you do live in a strata building, that right is taken away from you.

In terms of other jurisdictions, as I said, South Australia and Tasmania — I have come back from there this week — have got new homesharing laws that do not discriminate between strata buildings and freestanding homes. In New South Wales there has been a parliamentary inquiry chaired by a Liberal Party member of Parliament, but also Nationals, Greens and Labor were on that. They looked at this issue for 18 months and took evidence from all parties. They unanimously — all four of those parties — came up with 12 recommendations, including effectively a couple of recommendations that emulate the Victorian and Queensland model: to crack down and target behaviour through an independent body but not remove the right of people that live in a strata building from being able to share their own home.

Really briefly, what we support about the Victorian proposal is that it does not remove somebody's right to share their home if they live in a strata building, but it does provide additional rights and opportunities for an owners corporation to make complaints to an independent body, in this case VCAT, where the independent umpire can assess the evidence on both sides and can come back with an independent view. It then has some very harsh penalties, which we have made some comments about in the appendix to our written submission. We have suggested a few changes there, but the intent of this proposal is something we are very happy to support.

There is no place for bad actors on Airbnb. As long as there is an independent umpire looking at those conducts, we are happy to support it.

I might say that when the amendments were first proposed, Chair, we first of all supported them. Second of all, we communicated them electronically to all of our hosts in Victoria, and there was overwhelmingly positive support from our hosts, who came back to us and said, 'These people are staying in our homes. We do not want bad behaviours either. People that engage in a behaviours give us a bad reputation'. If I can — —

**The CHAIR** — I am just conscious of time. We will need a bit of time for questions, so if you can be brief.

**Mr THOMAS** — Sure. I am sorry. Two other things briefly, if I may. We recently introduced into Australia what we call the Friendly Buildings Program, which is a program we have brought in from other parts of North America. It is designed specifically for strata buildings. It gives owners corporations an ability to make additional by-laws or additional rules to support homesharing — for example, blackout periods. At Christmas or New Year they might not want homesharing during a particular period. It allows them to share in revenue. Overseas we see that being between 5 per cent and 15 per cent of revenue generated through Airbnb. It allows us to then have a direct channel with the owners corporation and to partner with them if there are cases of bad behaviour. So we are trying to do some of those things on our platform to increase transparency, increase accountability and share revenue but in a way that supports homesharing in strata buildings.

Finally, I might just say that there are a few people in the gallery today and around Melbourne in our community who wanted me just to indicate what homesharing means for them. I will not bring them all to life, but there are some stories about what it means for them financially, what it means for them socially. There is a young woman who sticks in my mind, Patricia. She shares her home about 8 kilometres from the CBD, but she has got to hide it from the owners corporation at the moment because she has got an owners corporation that just has a philosophical view that she should not be able to share her place. To tell you what it is, it is a two-bedroom apartment which she is struggling to pay the mortgage on. She has mum and dad or brother and sister come to stay for parts of the year, but when they are not staying there she puts that spare bedroom on Airbnb, and that is something she wants to be able to continue to do. She does not want bad behaviour and is happy to support this sort of system but fundamentally wants to be able to continue to do what she has been doing to help make ends meet.

There is a stack more stuff I could talk about, Chair, but I am happy to take questions.

**The CHAIR** — There is a long list of points that I seek to follow up with you, but I will leave many of them to my colleagues. I want to be quite clear: I am very respectful of the Airbnb success story and the way that it has provided an additional segment to the economy, particularly tourism. However, when you describe Airbnb you focus, I note, both in your submission and more broadly, on those single rooms that are let within a property where people are present. That is not the experience of many in the larger owners corp premises. In fact what is the experience is that a number of units or apartments within a complex are clustered together and in fact operate as a mini hotel, as a big block unit, part of a floor or indeed across several floors. Now, that is not the model that Airbnb portrays, but that might be the reality in some areas of the city. Would you accept that?

**Mr THOMAS** — I have got to tell you that that has not been my lived experience, Chair. That is a comment that is regularly made at inquiries like this. I have never found, for example, an entire building in any city in Australia that is — —

**The CHAIR** — Or a large part of it or a floor or a cluster of apartments? There are no such cases around Melbourne that you are aware of where Airbnb might have three units or three apartments on a floor or several across several floors?

**Mr THOMAS** — No. There is a lot of speculation, for example, around the Docklands building in Melbourne. There is a lot of speculation around a particular building in Sydney called Bridgeport. We have looked this up. I would have to take on notice exactly how many, but when allegations like that have been made in the past and I have gone and done some research — I have had cases where someone has told me that a whole building is on Airbnb — there has in fact been 0, 1 or 2 listings in that entire building. That is not to say that there are not some from other short-term rental organisations, but I have got to tell you that my lived experience and the experience that is supported by data when those allegations have been made, the allegation and the reality are different. Can I just go a bit further and just say — —

**The CHAIR** — I wonder if you might provide, even confidentially to the committee, a list of those places where there are multiple units or apartments available?

**Mr THOMAS** — I can take that on notice, Chair. What I can tell you is that in fact more than 80 per cent of people in Victoria share the home they live in. The overwhelming majority of people — in fact across Victoria it is 83.1 per cent and across Melbourne it is 83.7 per cent of hosts — share only a single dwelling. The next biggest chunk of people are often also sharing a holiday house, which is something that has been long done in Victoria but now has an international platform. So allegations of the type that you have made, as I say, are inconsistent with the experience I have had.

I might also say that sometimes you hear these allegations around a property manager or someone who is a host for multiple, multiple, multiple dwellings. They can sometimes be real estate agents, for example, that have been doing that for 40 years but are now doing it through an international platform. Once again the allegations and the reality on those things can be quite different.

**The CHAIR** — We would very much appreciate even confidentially a list of properties where over the last, say, month there have been more than one Airbnb listing. That would give us some useful data.

Just on the insurance, I want to understand, a property owner would normally have some of their own insurance. Is that correct, or do you provide the insurance? How does that operate?

**Mr THOMAS** — Good question. Owners and hosts would regularly have their own insurance, but equally when you list on Airbnb in Australia you are automatically also covered by what we call a host guarantee and host protection insurance. They are both up to \$1 million. They function in a primary way. The host guarantee — I will bring that to life — is primarily focused upon property damage. For example, if I stay in your place, Chair, and lock a door and a dog is inside and it soils the carpet and there is property damage, the host guarantee covers you up to \$1 million for that property damage.

**The CHAIR** — Public liability?

**Mr THOMAS** — Then the host protection insurance would cover me if I was to, again in that example, fall down your stairs and break my ankle.

I might also say in the case of strata buildings, which we are here today to discuss, it also goes not only to your own private dwelling but also to common property. If one of those things was to happen on the staircase of the unit building — —

**The CHAIR** — What firm is it that provides that insurance, that guarantee?

**Mr THOMAS** — I think it is Lloyd's of London, the oldest insurance company in the world. I have got some notes about this.

**The CHAIR** — Is that the insurance that is provided to every Airbnb letter, if I can describe it that way, and they are required to have that?

**Mr THOMAS** — They are not required to have it; they automatically get it. When I listed my own family home last year I did not tick a box to get it or pay any extra money; I automatically became covered by it. Now, that is not the case for everybody in the industry, but that is the case for the Airbnb community.

**The CHAIR** — Do you review the claims history? Do you review the claims arrangements and the claims history? As a body, Airbnb, you have obviously got an insurance arrangement with Lloyd's.

**Mr THOMAS** — Yes.

**The CHAIR** — Are you provided with reports of the claims history?

**Mr THOMAS** — I am sure those reports are made, Chair. I would have to take it on notice if you are after particular — —

**The CHAIR** — That would be helpful for us to see perhaps last year's report of claims made.

**Mr THOMAS** — Yes, sure. I would refer you back to that previous example I gave, which is 0.009 per cent of cases where there is property damage — —

**The CHAIR** — With respect, we would like to actually see the claims report for the last financial year.

**Mr THOMAS** — Sure. I can give you the actual numbers, if you like, for those — —

**The CHAIR** — We would appreciate those, but we would also appreciate the claims report, because it would actually provide us with an understanding of the actuarial outcomes.

**Mr THOMAS** — Okay, I have no problems taking that on notice.

**Ms HARTLAND** — I would like to start off by saying I too have some friends who use Airbnb to pay off their mortgage, but that does not seem to be the problem group. It is clearly people who are letting out their apartment when they are not there or letting out their houses when they are not there. I am particularly interested in your neighbour tool, because in speaking to residents, especially around Docklands, it is about trying to figure out who it is that is the agency that has actually let that particular flat or house. You say you have got a tool, but how do people actually find out that that is how it has been let?

**Mr THOMAS** — That is a good question. Let me answer it this way: if the owners corporation opts into the friendly buildings program, the owners corporation will get a list of everybody in that building that is sharing their place. If it was your building and you are on the owners corporation executive, you would see, ‘Brent’s sharing a room or his whole flat for these five nights, and this is when they are coming, this is when they are going, this is how many people are coming and going’. If you opt into that program, you have got absolute visibility over a lot of those matters through Airbnb.

Some neighbours will be aware of it because they will look up their own building on the Airbnb platform and they will see, yes, it is on there or, no, it is not. But if you register a complaint through the neighbour tool, it goes through our customer experience team, and they will come back and tell you if it is not on the platform. Does that make sense?

**Ms HARTLAND** — Yes, but how — —

**Mr THOMAS** — I understand what you are saying.

**Ms HARTLAND** — Yes, all right, so for someone who is not tech savvy and does not know how to look up on the website and are not in the friendly program, how do they then know that it is actually going to be Airbnb? And how many owners corporations have opted in to the program?

**Mr THOMAS** — A lot over in North America. We have literally only just brought to Australia, and the program requires an owners corporation to create special by-laws to support homesharing, so there is going to be an iterative process while that — —

**Ms HARTLAND** — So it does not actually exist at the moment?

**Mr THOMAS** — No, it is available at the moment in Australia, but we are in a range of discussions with owners corporations, organisations and so forth about by-laws that would support it for particular buildings. We literally only brought the team out here I think it was two weeks ago to — —

**Ms HARTLAND** — So you do not actually have a building in Melbourne or Victoria that is in that program yet?

**Mr THOMAS** — The program is available. No, but it is very much available. Can I just say, what you are asking goes to a broader point — that is, if you live in a strata building, there can be all sorts of activity going on with strangers in that building, not just short-term letting. People are bringing home other people; they have met them perhaps and so on and so forth. Owners corporations do not even know whether a stranger in the unit next to me is a short-term let. They do not know if it is a one-night stay for other reasons, if it is a family member or a friend, if it is my father or sister or whatever. So what we are trying to do is create much more transparency for owners corporations to see which dwellings within which buildings, for how many people, for which time periods, are coming through Airbnb. We are trying to give them an opportunity to share in the revenue and to

support them if there are behaviours that are going on that they are uncomfortable with so that we can together partner to crack down on any bad behaviour in the very rare circumstances where it happens on our platform.

**Ms HARTLAND** — When someone rings you and uses the neighbour tool, what is the process and what are the consequences for the host?

**Mr THOMAS** — The neighbour tool is an online tool; it is not a telephone tool. You click down which type of behaviour that you are concerned about, and it goes through to our customer experience team. Depending on the severity of it, it leads to a different range of consequences. It could be something where a host is contacted and warned. It could ultimately be something where the host has been delisted and taken off the platform, or indeed a guest.

**Ms HARTLAND** — How many hosts have you actually taken off?

**Mr THOMAS** — In the last 12 months in Victoria? I am glad you asked. We have received 17 complaints through the neighbour tool for listings in Victoria in the last 12 months, and we have removed 81 listings in Victoria in the last 12 months.

**Ms HARTLAND** — Do you contact back the people who have made the complaint?

**Mr THOMAS** — I certainly hope so. Let me take that on notice. This is a new tool, but let me take that on notice.

**Mr MELHEM** — Mr Thomas, I note you are supportive of the bill rather than relying solely on the HRIA code of conduct. Can you take us through why you have that position — the bill versus just the code?

**Mr THOMAS** — Yes, sure. Thanks for the question. This is an emerging area of law. To step back a bit, the laws and regulations that govern homesharing were usually written by local councils, usually last century before the internet was created. As I say: 65 000 cities in 191 countries around the world. It is an emerging area of regulation, and the approach that is taken in a built-up urban environment can be different to an approach that is taken in a holiday area. It can be different for x, y and z.

My own view — and I think the view of Airbnb, as I said before — is that we think there are probably three paths to cracking down on bad behaviour. We think that there is a role for us as an organisation and a community to deal with bad actors and take them off our platform. We think there is a role for the industry, and that has certainly been the approach of the HRIA, and then we are also very happy to support governments that are, whilst supporting the rights of people to share their homes, targeting bad behaviour.

I am not sure if I am fully answering your question, but I am not seeing necessarily a one size fits all. I am also seeing a role for the organisation, the industry and the government. As I say, what is attractive to us about the government's proposal here is the independent nature of it. I refer back to Patricia. If it was left up to her owners corporation, she would not be able to share that bedroom when her parents are not staying in her spare bedroom. With VCAT involved, there is an independent umpire to say, 'Well, on the one hand, x; on the other hand, y. If the behaviour is proven, then VCAT can take action'.

**Mr MELHEM** — So your view of the bill is that strikes the right balance. I know you have got some suggested changes to the bill, but overall it strikes the right balance between the right of individuals to share their homes but also giving neighbours a bit of certainty, a bit of security and, I suppose, a bit of peace because it addresses some of their concerns in relation to disturbance and damages and so forth. Do you think it strikes the right balance? We can always improve things, but overall how do you view the bill?

**Mr THOMAS** — With the caveat around the suggested amendments in our appendix, we absolutely support the intent of the bill. We think it attempts to strike the right balance. It is broadly consistent with a new approach we are seeing in Chicago, which also has a three-strikes-and-you're-off-the-platform approach for bad behaviour and amenity issues there. We are seeing some international consistency here.

There is broadly two approaches to regulating homesharing across the world and in Australia. South Australia and Tasmania have taken it from a planning perspective. They have created or are creating statewide planning instruments. Then Victoria, with this amendment, and Queensland are approaching it from an amenity or a behaviour approach. Then New South Wales has got those 12 recommendations which cover off on both a

planning side and an amenity side. They are almost a combination between Tasmania, South Australian and Victoria/Queensland.

**Mr MELHEM** — Can you outline to me the Airbnb dispute resolution process to the committee, particularly the neighbour tool? How would a resident with a complaint against an Airbnb guest, for example, be aware of this? So your own dispute resolution procedures, can you take us through that?

**Mr THOMAS** — Sorry, do you mind just repeating that?

**Mr MELHEM** — Airbnb's dispute resolution process. My understanding is that you have a process in place. It is called the neighbour tool. How would a resident with a complaint against Airbnb, for example, access that dispute resolution? Can you give some examples where residents have used that tool to complain about unruly behaviour, for example, by an Airbnb guest?

**Mr THOMAS** — Yes, sure. As I was explaining before, the neighbour tool is an online tool. It is reasonably new. I think it started being available in Australia last April. It is available at [www.airbnb.com.au/neighbours](http://www.airbnb.com.au/neighbours). It is a click-down tool, whether you are complaining about noise or property damage or a couple of other examples.

Historically, Airbnb has been extremely good at allowing people that are inside the community — a host on one side for sharing their home, and a guest on the other side that is staying at that home — at what we call a double-blind review system. So if I stay at your place — I am a guest, you are a host — I can give feedback and say it was very good, and you can give feedback and say I was very good. Or vice versa — you could say I was a terrible guest, or I could say your place fell short for these reasons. So we are extremely good historically at this double-blind review system for the host and the guest. What we have started to take on board is that there are another bunch of people in that process, not just the host and the guest but also neighbours, particularly when you are in a strata environment. You are living in a closer set of circumstances, noise travels more quickly and so forth. So the neighbour tool is not just confined to strata buildings but allows the neighbour as the third party to register a complaint for various things into our system.

As I was explaining before, that online complaint, if you like, or online concern would be registered through our customer experience team or customer service team, and the customer service team then has a responsibility to follow up with the host and can do some of the things that VCAT can do under this proposed amendment actually. It can contact the host, it can warn the host and it can delist the host. As I said to your colleagues a moment ago, we have had 81 listings pulled down in this state in the last 12 months.

**Mr MELHEM** — As a result of that tool? I mean, how would the residents know about the tool? Would the host have to put a sign on their doors or properties saying, 'I'm an Airbnb provider'?

**Mr THOMAS** — It is a good question, and it is a new tool. We would be open to additional ways to partner with government or by ourselves educate more broadly, but we do run seminars with owners corporation groups and we do run seminars with our own host community here in Victoria to explain and describe the neighbour tool. But if you thought it was valuable for the department of fair trading or similar to also partner with us on that education, we would be very happy to do that. It is also a tool that you can find not just through the website that I gave you, but you can find it through our own platform. For example — I just might bring that to life — we recently ran workshops and engaged owners corporations, including the Southbank Owners Corporation Network here in Victoria.

**Ms HARTLAND** — I am taking this from someone else's submission, and I just want to confirm whether these figures are correct with you. There are 12 000 listings on Airbnb in Melbourne. Fifty-six per cent of the listings offer the entire residence for let, not a single room or rooms within the residence, and 39 per cent of these listings in Melbourne are from hosts who have more than one residence.

**Mr THOMAS** — Sorry, what was that?

**Ms HARTLAND** — Thirty-nine per cent of the listings in Melbourne are from hosts who have more than one residence, which to me suggests that the host is actually a property agent, investor or short-term accommodation provider. You have painted an image of families or a single person letting out a room to help with the mortgage. I understand that side of it and do not have a problem with it, but it would also appear that

your platform is being used by investors and people who hold multiple listings. Can you talk a little bit about that? I think from speaking to residents, especially around the Docklands, that is where a lot of the bad behaviour is, where it is someone who owns a multitude of properties and does not really have much regard for their rights.

**Mr THOMAS** — Yes, sure. Perhaps a long answer, but there are a few things to unpack there. First of all, no, that data is not consistent with the data that I have got in front of me.

**Ms HARTLAND** — Could you provide that data to the committee about how many listings you have got and how many of them are where someone has multiple listings?

**Mr THOMAS** — Yes, I think I have just read into evidence the number of listings we have got.

**Ms HARTLAND** — Yes.

**Mr THOMAS** — I can tell you — just give me one second — that here in Victoria 83.1 per cent of hosts are only sharing one listing, and in Melbourne it is 83.7 per cent. The trouble with the data that is often used is that it is usually from Inside Airbnb or some other organisation and is what we call scraped data. The problem with scraping data is that it is entirely unreliable. I will give you some examples. I share my family home in Sydney. I have got a wife and three kids, and we share our family home. We shared it last year. We put it on for four weeks when we were going to be away over Christmas. In fact we got bookings for two one-week periods. So we filled it for 14 nights, it was then vacant for 14 nights and we lived in it for the other 48 weeks. Now, Inside Airbnb or some other scraped data sites will often show that my property is active all year round and is booked for 50 weeks out of 52. It was occupied for 50 weeks out of 52, but 48 of those 50 weeks was occupied by my own family.

The other thing is that when you talk about the number of listings, you will get circumstances where someone might have two or three listings for the one property, and I will bring that to life for you. You might have a baby boomer couple, and the kids have left home. There is one of these at Caringbah, not far from where I live. The kids have left home, so they have got downstairs as one listing. They live upstairs, and they will have downstairs as an entire listing. They will have a granny flat that is another listing, and they will have the whole lot when they go away as a third listing. It is the one property, but it will show up as three listings on a scraped data site.

Can I just finally say, because I think you have also addressed professional property managers, one of the things to just recap on — and in fact I know this to be the case in some beach communities in Victoria — is that you will have a Ray White or an L. J. Hooker or some other organisation that for decades and decades has looked after 200 properties that other people own, and once upon a time they would have put ads in the window or in the newspaper, and now they also use an online global platform to do that. That might show as someone having 200 listings, but in fact it is often 200 different people's holiday homes that they just happen to be the host for.

I accept the committee's feedback that you would like us to provide some more data, because otherwise you are left with data that is unreliable. I accept that, and we will take that on notice, but I would caution against some of those figures that you have been provided with.

**The CHAIR** — Hence the desire for more data.

**Mr THOMAS** — I understand.

**The CHAIR** — If you can provide that month of data that shows very clearly multiple listings in buildings, that would be very helpful.

Finally, I wanted to ask about taxation. How do the taxation arrangements work with Airbnb?

**Mr THOMAS** — Sure. I am very happy to talk about this. In fact there is a newspaper article today that talks about a range of new cities in France and the United States that we have just come to new taxation arrangements with. There are five areas of taxation if I can unpack them all for you: four of them are federal government issues, but I am happy to touch on them, and one would or could be a state government issue. They are income tax, GST, capital gains tax, multinational corporations tax and visitor or hotels tax. A visitor or

hotels tax can be a city or a state tax, but the other four tend to be federal in this country. Did you want me to talk about all of them, Chair, or do you have a particular interest?

**The CHAIR** — Just very briefly. I am particularly interested in the GST arrangement and whether Airbnb attracts GST.

**Mr THOMAS** — Yes, sure. No, broadly it does not, and I will just bring that to life. There is an ATO ruling that effectively says if by sharing your home you are making less than \$75 000 per year, that sharing is not subject to GST. Hosts are subject to income tax; absolutely. We send everybody in Victoria and in Australia at tax time a ‘Dear Mr Thomas’ letter saying, ‘Last year you made \$6313 from Airbnb. It is tax time. Please make sure you declare it’.

**The CHAIR** — How does that work where a unit is routinely let, not a place where the host lives? Does that attract GST?

**Mr THOMAS** — I would have to take it on notice for the detail; I am not a tax expert. But my understanding is that \$75 000 threshold still applies. Bear in mind the typical income for a Victorian host is \$5700. It would be very atypical for a particular owner through one unit to be making \$75 000 a year or more.

**The CHAIR** — Similarly, there is one tax you did not mention. But if I just take a case study in a building that I am aware of where a unit on one particular floor is an Airbnb available place all year round. The host does not live there. Should that attract land tax? Does that attract land tax? It seems to me to be a commercial property in every reasonable sense of the word.

**Mr THOMAS** — I would have to take it on notice. Again, the land tax regimes can be different from state to state. I think there is potentially a body of work going on in this state that is looking at that, but often the approach to land tax is the same if a building is being used commercially by someone who is running a graphic design studio, who is running a conveyancing studio or who potentially is running a full-time commercial operation.

**The CHAIR** — If they run it from home, there are arrangements. But if it is run out of a premises where they do not live, that would attract land tax normally is my understanding.

**Mr THOMAS** — Okay. Can I make one other point, because at least two of you have kept coming back to the suggestion that Airbnb is overwhelmingly a professional operation — that is, people sharing apartments that they are never there. As I said to you, there are statistics that bring out the fact that that is not the overwhelming case. But can I also say, and this is not so much the remit of this committee, that from a planning perspective and thinking about how other jurisdictions have approached this, we are very open in built-up urban environments to the idea of investment properties attracting a different regulatory regime. So if there are concerns about the sorts of things you are talking about, we are very happy to treat each city and each state and each country differently, and if that is of enormous concern, we are very happy to contemplate a regulatory regime that treats investment properties differently. But I do not think you want to stop someone sharing a holiday house down at Lorne, for example.

**Mr MELHEM** — Just one quick one on the GST issue. Does Airbnb as an organisation pay GST in Victoria or in Australia — the organisation, not the host? I understand about the \$75 000 threshold; I get that. But as an organisation, you take a cut from every booking, so are you subject to GST? Surely you would be. I am just curious.

**Mr THOMAS** — Let me take it on notice. My colleague fronted the Senate inquiry into tax a couple of years ago. I did not do that one, and I have come here today to talk about behavioural issues. But I am happy to take it on notice.

**Ms HARTLAND** — Where is Airbnb actually registered as their primary country of registration?

**Mr THOMAS** — Our global headquarters are in San Francisco, where we were founded, and we also have an internationally domiciled company based in Dublin in Ireland. We also have people in [inaudible].

**Ms HARTLAND** — As a tax avoidance measure?

**Mr THOMAS** — Absolutely not. There is also an Australian registered company. This is been the subject of a Senate tax inquiry that my colleague gave evidence to. There is a Hansard transcript on that.

**The CHAIR** — We thank you for your evidence. There is a long series of matters for the secretariat to follow up. We will certainly be in touch, and we may need to return to some of these points in a further round of evidence. Thank you.

**Mr THOMAS** — Sure. Chair, can I just ask, because I have not done this before with a parliamentary committee inquiry, the matters that you have sought for me to follow up on in terms of taking questions on notice, will the secretariat write to me and ask for those?

**The CHAIR** — Yes, and tabulate those. They will.

**Mr THOMAS** — Thanks for the opportunity to be here.

**The CHAIR** — Thank you.

**Witness withdrew.**